

IN THE SUPREME COURT OF THE STATE OF NEVADA

JOHN ILIESCU, JR; AND SONNIA
ILIESCU, TRUSTEES OF THE JOHN
ILIESCU, JR. AND SONNIA ILIESCU
1992 FAMILY TRUST AGREEMENT,
DATED JANUARY 24, 1992,
Appellants.

vs.

THE REGIONAL TRANSPORTATION
COMMISSION OF WASHOE
COUNTY, A SPECIAL PURPOSE
UNIT OF THE GOVERNMENT,
Respondent.

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May 19 2021 02:25 p.m.
Elizabeth A. Brown
Clerk of Supreme Court
Supreme Court No. 81753
District Court Case No.: CV 19-00753

APPEAL FROM THE SECOND JUDICIAL DISTRICT COURT OF THE
STATE OF NEVADA IN AND FOR THE COUNTY OF WASHOE

THE HONORABLE KATHLEEN DRAKULICH

**APPELLANTS' & RESPONDENT'S JOINT APPENDIX
VOL. II (JA148-JA393)**

DONALD A. LATTIN, ESQ.
Nevada State Bar No. 693
CAROLYN K RENNER, Esq.
Nevada State Bar NO. 9164
MICHELLE C. MOWRY-WILLEMS, ESQ.
Nevada State Bar No. 14929
MAUPIN, COX & LEGOY
4785 Caughlin Parkway
Reno, Nevada 89519
Attorneys for Appellants

GORDON H. DePAOLI, ESQ.
State Bar No. 195
DANE W. ANDERSON, ESQ.
State Bar No. 6883
WOODBURN AND WEDGE
6100 Neil Road, Suite 500
Reno, NV 89511
Attorneys for Respondent

CHRONOLOGICAL INDEX OF APPENDIX

Date	Description	Vol. #	Page Nos.
04/03/2019	Verified Complaint in Eminent Domain	I	JA001-JA043
05/02/2019	Defendants Landowners' Answer to Plaintiff's Verified Complaint in Eminent Domain		JA044-JA049
06/10/2019	Pretrial Order		JA050-JA059
07/10/2019	Demand for Jury Trial		JA060-JA062
07/11/2019	Application for Setting		JA063-JA064
07/15/2019	Order Granting Motion for Immediate Occupancy Pending Final Judgment		JA065-JA067
07/23/2019	Joint Case Conference Report		JA068-JA082
07/25/2019	Scheduling Order		JA083-JA088
02/11/2020	Motion in Limine to Exclude Evidence Pursuant to NRS 50.275, 50.285 and 50.305		JA089-JA093
02/25/2020	Defendants' Opposition to Motion in Limine to Exclude Evidence Pursuant to NRS. 50.275, 50.285 and 50.305; Motion for Extension of Time to Disclose Expert		JA094-JA099
03/02/2020	Defendants' Opposition to Motion in Limine to Exclude Evidence Pursuant to NRS. 50.275, 50.285 and 50.305; Motion for Extension of Time to Disclose Expert		JA100-JA104
03/16/2020	Reply in Support of Motion in Limine to Exclude Evidence Pursuant to NRS 50.275, 50.285 and 50.305		JA105-JA111
03/27/2020	Supplemental Reply in Support of Motion in Limine to Exclude Evidence Pursuant to NRS 50.275, 50.285 and 50.305		JA112-JA114
03/31/2020	Motion for Summary Judgment		JA115-JA125
03/31/2020	Declaration of Scott Q. Griffin in Support of Motion for Summary Judgment		JA126-JA135
05/14/2020	Order Granting in Part and Denying in Part Motion in Limine to Exclude Evidence Pursuant to NRS 50.275, 50.285 and 50.305		JA136-JA142
///	///	///	///

Date	Description	Vol. #	Page Nos.
05/15/2020	Motion in Limine to Preclude Defendants from Calling Witnesses and Presenting Documentary Evidence		JA143-JA147
05/22/2020	Defendants' Opposition to Plaintiff's Motion for Summary Judgment		JA148-JA374
05/22/2020	Notice (Compliance with Order Dated May 14, 2020)		JA375-JA382
05/28/2020	Reply in Support of Motion for Summary Judgment		JA383-JA388
06/01/2020	Motion in Limine to Preclude Defendants from Presenting a Rebuttal Expert Witness		JA389-JA393
06/04/2020	Motion in Limine to Preclude Evidence or Argument Regarding Unasserted Claims		JA394-JA403
06/04/2020	Order Granting Motion in Limine to Preclude Defendants from Calling Witnesses and Presenting Documentary Evidence		JA404-JA406
06/18/2020	Defendants' Opposition to Plaintiff's Motion in Limine		JA407-JA425
06/24/2020	RTC's Reply to Defendants' Untimely Opposition to Motion in Limine to Preclude Defendants from Presenting a Rebuttal Expert Witness		JA426-449
06/26/2020	Order Granting Plaintiff's Motion in Limine to Preclude Evidence or Argument Regarding Unasserted Claims		JA450-JA452
08/03/2020	Order Granting Motion for Summary Judgment		JA453-JA462
08/04/2020	Notice of Entry of Order		JA463-JA477
09/03/2020	Notice of Appeal		JA478-JA480

CERTIFICATE OF SERVICE

I hereby certify that I am an employee of MAUPIN, COX & LeGOY, Attorneys at Law, and in such capacity and on the date indicated below I served the foregoing document(s) as follows:

Via the E-Flex Electronic Filing System:

Gordon H. DePaoli, Esq.
Dane W. Anderson, Esq.
Woodburn and Wedge
6100 Neil Road, Suite 500
Reno, NV 89511
Attorneys for Respondent

Dated this 19th day of May, 2021.

/s/ Jennifer Salisbury
EMPLOYEE

1 Code: 3795
2 Brett W. Maupin, Esq., NV Bar. #12443
3 MAUPIN, COX & LeGOY
4 4785 Caughlin Parkway
5 P. O. Box 30000
6 Reno, NV 89520
7 (775) 827-2000
8 (775) 827-2185 (fax)
9 bmaupin@mcllawfirm.com
10 *Attorneys Defendant John Iliescu, Jr. and*
11 *Sonnia Iliescu*

12
13 IN THE SECOND JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA
14
15 IN AND FOR THE COUNTY OF WASHOE
16

17 THE REGIONAL TRANSPORTATION
18 COMMISSION OF WASHOE COUNTY, a
19 special purpose unit of the government,

20 Plaintiff,

21 vs.

22 JOHN ILIESCU, JR. and SONNIA ILIESCU,
23 Trustees of The John Iliescu, Jr. and Sonnia
24 Iliescu 1992 Family Trust Agreement, dated
25 January 24, 1992 The City of Reno, a political
26 subdivision of the State of Nevada; and DOES
27 1 – 20, inclusive,

28 Defendants.

Case No. CV19-00753

Dept. No. 1

29 **DEFENDANTS' OPPOSITION TO PLAINTIFF'S MOTION**

30 **FOR SUMMARY JUDGMENT**

31 Defendants, JOHN ILIESCU, JR. and SONNIA ILESCU, Trustees of The John Iliescu,
32 Jr. and Sonnia Iliescu 1992 Family Trust Agreement (together referred to herein as
33 "Defendant"), hereby oppose the filed Motion for Summary Judgment filed March 31, 2020 (the
34 "Motion"), filed by the Plaintiff, The Regional Transportation Commission of Washoe County

1 (“RTC”). This opposition is supported by the following memorandum of points and authorities,
2 together with the entire record on file herein.

3
4 **1. INTRODUCTION**

5 This is a condemnation action in which RTC seeks to acquire certain easements on and
6 over two (2) adjacent, but totally separate and distinct parcels owned by Defendant in the City of
7 Reno, known as Washoe County Assessor Parcel Numbers (“APN”) 014-063-11 and 014-063-
8 07, all as further described in RTC’s Verified Complaint in Eminent Domain on file herein (“the
9 Property”).

10
11 On July 15, 2019, the Court entered its Order Granting Motion for Immediate Occupancy
12 Pending Final Judgment, finding that the use for which the Property is being condemned is a
13 “public use” authorized by law and that RTC’s “taking” of that Property is necessary to that
14 public use. Therefore, the only material fact left to be determined in connection with the
15 condemnation is the amount of “just compensation” due and owing to Defendant as a result of
16 RTC’s condemnation of the Property. See NRS 37.110.

17
18 On February 7, 2020, Plaintiff submitted its expert appraisal of the Property, together
19 with the expert’s estimation of damages resulting from the condemnation.

20
21 Defendant’s disclosure of its expert witness and providing the related reports and
22 appraisal was not timely filed due to Mr. Morrison’s health conditions and related medical tests
23 and treatments.

24 At that time, Mr. Morrison was Defendant’s sole lawyer, but due to his debilitating health
25 problems, Defendant searched for and engaged the firm of MAUPIN, COX & LeGOY to
26 represent Defendant in the on-going case, effective February 25, 2020.
27
28

1 However, prior to the engagement of Mr. Maupin, Plaintiff, on February 11, 2020, filed
2 a Motion in Limine ("Feb Motion") seeking to preclude Defendant from its use of expert
3 witnesses in this case.

4
5 Promptly upon engagement, Mr. Maupin called Mr. Anderson to advise of his
6 involvement in the case and, most importantly, to discuss a resolution of the Feb Motion.
7 Thereafter, Mr. Anderson sent the following email to Mr. Morrison confirming his discussion
8 with Mr. Maupin:

9
10 Dane
11 Anderson <DAnderson@woodburna
12 ndwedge.com>
13 to me, Dianne

Mar 2, 2020,
5:02 PM

14 Mike,

15 Can I have an extension to file a reply? I spoke to Brett Maupin last week. I
16 am hopeful we can work out a resolution. Would your client be willing to
17 pay RTC's fees in having to bring the motion if we withdraw it and agree on
a date of the report. I don't have authority to formally offer this but if your
clients would agree to that I will discuss it with my client.

18 Then, without notice or comment, on March 31, 2020, Plaintiff filed the instant Motion
19 for Summary Judgement ("MSJ"), focusing on Defendant's failure to present any evidence.
20 Quite significantly, this MSJ was filed while Plaintiff's Feb Motion had been submitted and was
21 still pending. **(As of this date, this Court has filed its May Order granting Defendant the**
22 **right to present rebuttal evidence, yet this MSJ is still being prosecuted by Plaintiff.)**

23
24 On April 6, 2020, Counsel for the parties (Mssrs. Maupin and Morrison ("Defendant's
25 Counsel"), for Defendant, and Mr. Anderson for RTC), had a telephone conference to discuss
26 various outstanding discovery and motion matters, together with related filing dates and
27 deadlines, and most importantly, Defendant's filing of the expert appraisal and report. During
28

1 that teleconference, Mr. Maupin related to Mr. Anderson Mr. Maupin's recollection that he had
2 exchanged telephone calls wherein he and Mr. Anderson discussed the fact that Mr. Maupin had
3 been very diligent in obtaining an expert to perform the appraisal; advised Mr. Anderson of the
4 identity of such appraiser; advised Mr. Anderson that the expert's appraisal was received and
5 would be disclosed very shortly.
6

7 After a lengthy discussion regarding these matters, Mr. Anderson kindly advised
8 Defendant's Counsel that he recalled the facts and circumstances, including related e-mails and
9 telephone conversations surrounding the expert appraisal and report, and based thereon, he
10 agreed with Mr. Maupin's opinion that the Feb Motion should be withdrawn and Defendant
11 should be permitted to submit its expert appraisal and report. Mr. Anderson did advise that, while
12 he would recommend this protocol to his client, his client would have the final say about
13 withdrawing the Feb Motion.
14

15 On April 8, 2020, Defendant delivered its disclosures of its expert witness and appraisal
16 and report to Plaintiff's counsel through both mail and electronic mail.
17

18 On May 7, 2020, Mr. Anderson emailed Defendant's Counsel that his client would not
19 agree to withdraw the pending motions.
20

21 Then, very significantly, on May 14, 2020, this Court filed an Order Granting in Part and
22 Denying in Part Plaintiff's Feb Motion ("May Order"). Pursuant to the May Order, Defendant
23 was precluded from calling an expert witness as part of its case-in-chief, but this Court
24 specifically granted Defendant the right to use an expert as a rebuttal witness to Plaintiff's expert
25 witness. Defendants' expert witness, Tony Wren, MAI, SRA, Certified General Appraiser, is a
26 real property appraiser who has viewed and appraised the Real Property subject to this
27 Condemnation proceeding. Mr. Wren will serve as an expert for the purpose of providing
28

1 rebuttal scientific, technical or other specialized knowledge, which will assist this Court in
2 understanding evidence or to determine a fact in issue related to this litigation. A copy of
3 Defendant's Designation of Expert Witness Disclosure is attached hereto as Exhibit "1" and
4 copies of the materials disclosed as Exhibit "1" to the Disclosure are attached as Exhibit "2."
5

6 2. LAW AND ARGUMENT

7 A. Standard of Review.

8 A moving party is only entitled to summary judgment when there exists "no genuine
9 issues of material fact" and the "moving party is entitled to judgment as a matter of law." *Wood*
10 *v. Safeway*, 121 Nev. 724, 731, 1221 P.3d 1026, 1031 (2005). In determining whether there
11 exists a "genuine issue as to any material fact," the trial and reviewing court must accept as true
12 all evidence favorable to the party against whom the summary judgment motion is made and
13 accord such party all favorable inferences that may reasonably be drawn from such evidence, *i.e.*,
14 all evidence must be viewed in the light most favorable to the non-moving party. *Matsushita*
15 *Elec. Indus. Co. v. Zenith Radio Corp.*, 475 U.S. 574 (1986), *cert. denied*, 481 U.S. 1029 (1987);
16 *see also, LaMantia v. Redisi*, 118 Nev. 27, 38 P.3d 877 (2002) (stating "[a] genuine issue of
17 material fact exists when a reasonable fact finder could return a verdict for the non-moving
18 party").
19

20 When direct evidence produced by the moving party conflicts with direct evidence
21 produced by the opposing party, the trial court must assume the truth of the evidence set forth in
22 the opposing party's papers with respect to that fact. *W. States Med. Ctr. v. Shalala*, 69
23 F.Supp.2d 1288 (D. Nev. 1999). In determining whether there exists a "genuine issue as to any
24 material fact," the trial court should not evaluate the credibility of the witnesses who have given
25 conflicting testimony by affidavit or deposition. *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242
26 (1986). In such cases, the interest and credibility of those witnesses should be tested by cross-
27 examination at trial. *Borgerson v. Scanlon*, 117 Nev. 216, 19 P.3d 236 (2001).
28

1 **B. Plaintiff's Motion was Premature as the Court had not ruled on its February 11,**
2 **2020 Motion in Limine seeking to preclude Defendant from disclosing Expert**
3 **Witnesses.**

4
5 First and foremost, the MSJ was filed prior to this Court's ruling on the Feb Motion
6 seeking to suppress the Defendant's ability to call an expert witness to oppose the Plaintiff's
7 expert witness. Since the court had not ruled on the Feb Motion at the time the MSJ was filed,
8 the matter subject to the MSJ was not ripe and should therefore be dismissed.

9
10 Furthermore, the pendency of the Feb Motion, and subsequent statements made by
11 Plaintiff's counsel to Defendants' counsel concerning the potential withdrawal of both the Feb
12 Motion and MSJ, in addition to the current COVID-19 pandemic, adversely impacted
13 Defendant's ability to disclose such expert witness. Following a telephone discussion with
14 Plaintiff's counsel on April 6, 2020 to discuss the pending motions, Defendant's Counsel
15 delivered Plaintiff's Counsel a disclosure of Defendants' expert witness, Anthony Wren, MAI,
16 SRA, Certified General Appraiser, and all materials relating Mr. Wren's review and appraisal of
17 the Property, on April 8, 2020.

18
19 Additionally, the May Order grants Defendant the ability to call an expert witness to
20 rebut the appraisal of Plaintiff's expert witness. As discussed, Defendant has already disclosed
21 its expert witness and related expert materials pursuant to the attached Defendant's Designation
22 of Expert Witness Disclosure and exhibits thereto. While not directly ruling on the MSJ, the May
23 Order essentially makes the MSJ in its current form moot.

24
25 **C. Plaintiff's Motion fails Because Defendant has Disclosed an Expert Witness to**
26 **Contest the Plaintiff's Valuation of the Damage Award.**

27
28 This Court's May 14, 2020, Order Granting in Part and Denying in Part Plaintiff's

1 Motion in Limine permits the Defendant to disclose and call a rebuttal expert “whose expert
2 testimony will be limited to rebutting the expert testimony filed by Plaintiff.” May Order, pgs 5-
3 6. Defendant disclosed its expert witness on April 8, 2020, along with his appraisal report
4 directly rebutting Plaintiff’s expert testimony concerning the valuation and appraisal of the
5 Property being condemned by Plaintiff. Accordingly, the valuation of the Property being
6 condemned pursuant to this action, and the amount of just compensation to be paid to Defendant,
7 remains an issue of material fact. Therefore, Plaintiff’s Motion for Summary Judgment should be
8 denied.
9
10

11 **3. CONCLUSION**

12

13 For all of the reasons set forth above, Defendant requests the Court enter an Order
14 denying Plaintiff’s Motion for Summary Judgment.

15 **NRS 239B.030 AFFIRMATION**

16

17 The undersigned does hereby affirm that the preceding document does not contain
18 the social security number of any person.

19 Dated this 21st day of May, 2020.

20 MAUPIN, COX & LeGOY

21
22
23 By: Brett W. Maupin
24 Brett W. Maupin, Esq.,
25 Nevada State Bar No. 12443
26 4785 Caughlin Parkway
27 Reno, NV 89519

28 *Attorneys for Defendant Iliescu*

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Via E-Flex Electronic filing System:

Gordon H. DePoali, Esq.
Dane W. Anderson, Esq.
Woodburn and Wedge
6100 Neil Road, Suite 500
Reno, NV 89511

Dated this 22nd day of May, 2020.

Katie Allen
Employee

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INDEX OF EXHIBITS

<u>NO.</u>	<u>DESCRIPTION</u>	<u>PAGES</u>
1.	Defendant's Designation of Expert Witness dated April 8, 2020	4
2.	Defendant's Expert Witness curriculum vitae, fee schedule, case list and report	212

EXHIBIT 1

1
2
3
4
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EXHIBIT 1

1 DISC
2 Brett W. Maupin, Esq., NV Bar. #12443
3 MAUPIN, COX & LeGOY
4 4785 Caughlin Parkway
5 P. O. Box 30000
6 Reno, NV 89520
7 (775) 827-2000
8 (775) 827-2185 (fax)
9 bmaupin@mcllawfirm.com
10 *Attorneys Defendant John Iliescu, Jr. and*
11 *Sonnia Iliescu*

12 IN THE SECOND JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA

13 IN AND FOR THE COUNTY OF WASHOE

14 THE REGIONAL TRANSPORTATION
15 COMMISSION OF WASHOE COUNTY, a
16 special purpose unit of the government,

17 Plaintiff,

18 vs.

19 JOHN ILIESCU, JR. and SONNIA ILIESCU,
20 Trustees of The John Iliescu, Jr. and Sonnia
21 Iliescu 1992 Family Trust Agreement, dated
22 January 24, 1992 The City of Reno, a political
23 subdivision of the State of Nevada; and DOES
24 1 – 20, inclusive,

25 Defendants.

Case No. CV19-00753

Dept. No. 1

26 **DEFENDANTS' DESIGNATION OF EXPERT WITNESS**

27 Defendants, JOHN ILIESCU, JR. and SONNIA ILIESCU, Trustees of The John Iliescu, Jr.
28 and Sonnia Iliescu 1992 Family Trust Agreement ("Defendant"), by and through their counsel of
record, Brett W. Maupin, Esq., of the law firm of Maupin, Cox & LeGoy, hereby provides
Defendant's designation of expert witnesses pursuant to NRCP 16.1(a)(2)(A) as follows:

1 1. Anthony Wren, MAI, SRA, Certified General Appraiser. Mr. Wren is a real
2 property appraiser who has viewed and appraised the Real Property subject to this Condemnation
3 proceeding. Mr. Wren will serve as an expert for the purpose of providing scientific, technical or
4 other specialized knowledge, which will assist this Court in understanding evidence or to
5 determine a fact in issue related to this litigation. Mr. Wren's curriculum vitae is included in
6 Exhibit "1," attached hereto, along with Mr. Wren's fee schedule; case list and appraisal of the
7 subject Real Properties at issue dated March 23, 2020, disclosed herein as ILIESCUE000001
8 through ILIESCUE000212.
9

10
11 **NRS 239B.030 AFFIRMATION**

12 The undersigned does hereby affirm that the preceding document does not contain
13 the social security number of any person.

14 Dated this 8th day of April, 2020.

15
16 MAUPIN, COX & LeGOY

17
18 By: Brett W. Maupin
19 Brett W. Maupin, Esq.,
20 Nevada State Bar No. 12443
21 4785 Caughlin Parkway
22 Reno, NV 89519

23 Attorneys for Defendant Iliescu
24
25
26
27
28

1
2
3 CERTIFICATE OF SERVICE BY MAIL

4 I hereby certify that I am an employee of MAUPIN, COX & LeGOY, Attorneys at Law,
5 and in such capacity and on the date indicated below, I deposited for mailing from a point within
6 the State of Nevada a sealed envelope which had enclosed a true and correct copy of the within
7 document, which envelope had postage fully prepaid thereon, and was addressed as follows:
8

9 Susan Ball Roth, Esq.
10 City of Reno Attorney's Office
11 Deputy, Civil Division
12 1 E. First St., 3rd Floor
13 PO Box 1900
14 Reno, NV 89505

15 Gordon H. DePoali, Esq.
16 Dane W. Anderson, Esq.
17 Woodburn and Wedge
18 6100 Neil Road, Suite 500
19 Reno, NV 89511

20 Michael J. Morrison, Esq.
21 1495 Ridgeview Dr., Ste. 220
22 Reno, NV 89519

23 Dated this 8th day of April, 2020.

24
25
26
27
28

Employee

INDEX OF EXHIBITS

<u>NO.</u>	<u>DESCRIPTION</u>	<u>PAGES</u>
1.	Anthony Wren curriculum vitae, fee schedule, case list and report	212

EXHIBIT 2

1
2
3
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EXHIBIT 2

ANTHONY J. WREN AND ASSOCIATES

REAL PROPERTY CONSULTANTS

Tony Wren MAI, SRA
CERTIFIED GENERAL APPRAISER
TWRENMAISRA@AOL.COM

P.O. BOX 20867
Reno, Nevada 89515
Phone (775) 329-4221

Susan A. Wren
CERTIFIED RESIDENTIAL APPRAISER
SAW12345@AOL.COM

3-03-2020

VIA E-mail,
bmaupin@mcllawfirm.com

Brett W. Maupin, Esq.
Maupin, Cox & LeGoy
4785 Caughlin Parkway
Reno, NV 89519

RE: RTC v. Iliescu
961 and 999 S. Virginia Street Reno, Nevada APN 014-063-07 and 11

Dear Mr. Maupin,

This letter is a follow up to your request for an opinion of the market value and just compensation due for three easements (one permanent easement and two temporary easement's) in relation to the above-referred properties located in Reno, Washoe County, Nevada. You have indicated that you will be using the opinion for possible litigation.

I will perform the assignment for a fee of \$5,500.00. If court testimony becomes necessary my hourly rate will be billed at \$275.00 per hour for prep time, depositions and court time. The appraisal fee needs to be paid in advance. I will have the report completed and delivered to you in 30 to 45 days of receiving all information.

Per this letter you are considered my client. I will not disclose any information to anyone other than you without written permission.

I have not appraised this property in the last three years.

The reported analyses, opinions, and conclusions will be developed, and the Appraisal will be prepared, in conformity with the Uniform Standards of Professional Appraisal Practice. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

I look forward to working with you on this assignment. If these terms are acceptable to you please sign this letter and return it with a check for \$5,500.00. This will serve as a contract between us.

Sincerely,

Accepted by the Client
Brett W. Maupin, Esq.



Anthony J. Wren MAI, SRA
Certified General Appraiser #A.0000090-CG

QUALIFICATIONS OF ANTHONY J. WREN, MAI, SRA REAL ESTATE APPRAISER

PROFESSIONAL DESIGNATIONS: MAI – Member Appraisal Institute* 1991
 SRPA – Senior Real Property Appraiser* 1987
 SRA – Senior Residential Appraiser* 1984

* These are no longer considered to be acronyms by the Appraisal Institute

PROFESSIONAL INVOLVEMENT:

- Re-Appointed by the Governor of Nevada to serve on the Nevada State Board of Taxation, Current Member 11/19 to 10/23
- Appointed by the Governor of Nevada to serve on the Nevada State Board of Taxation, Current Member 5/16 to 10/19
- Appointed by the Governor of Nevada to serve on the Nevada State Board of Equalization, Chairman as of January 2009 3/08 to 3/12
 Reappointed to a new term and Chair 3/12 to 10/15
- Appointed by the Governor of Nevada to serve on the Nevada Commission of Appraisers 9/94 to 6/97 and 7/97 to 6/00
- President, Commission of Appraisers of Real Estate, State of Nevada (1996, 1998)
- Expert Witness for Nevada District Court, Washoe, Storey, Clark and Elko Counties
- Member of the Appraisal Institute, National Board of Realtors, and Reno/Carson/ Tahoe Board of Realtors
- Over 44 years of Appraisal Experience

APPRAISAL LICENSE: Nevada Certified General Appraiser
 #A.0000090-CG

REAL ESTATE BROKERAGE: Nevada Real Estate Brokerage Licensed Broker
 Anthony J. Wren #B.0023456.INDV.

OFFICES HELD: *Member* Young Advisory Council SREA,
 San Diego & San Francisco, CA 1989 & 1991
Education Chairman, Reno/Tahoe/Carson Chapter
 Appraisal Institute 1993

Board of Directors, Reno/Carson/Tahoe Chapter Appraisal Institute 1993-2007

President, Reno/Carson/Tahoe Chapter 189 1988-1989

First Vice President, Reno/Carson/Tahoe Chapter 189 1987-1988

Secretary, Reno/Carson/Tahoe Chapter 189 1986-1987

President, Reno/Carson/Tahoe Chapter 189 2000

Appraisal Instruction

Several USPAP Update Courses taught through	2020
Business Practices and Ethics	2020
15-Hour National USPAP	2018
Comparison Valuation of Small, Mixed-Use Properties	2011
Income Valuation of Small, Mixed-Use Properties	2011
15-Hour National USPAP Course	03/23/07
15-Hour Standards of Professional Practice (Seattle, WA)	03/22/07
7-Hour National USPAP Update (Las Vegas, NV)	03/02/07
7-Hour National USPAP Update (Chicago, IL)	04/15/05
7-Hour National USPAP Update (Reno, NV)	02/24/05
USPAP Update 2003 – Standards & Ethics for Professionals	09/05/03
Business Practices and Ethics	07/25/03
7-Hour National USPAP Update Course	05/02/03
15-Hour National USPAP	03/22/03
Appraisal Procedures	05/19/01
Sales Comparison Valuation of Small, Mixed-Use Properties	03/31/01
Standards of Professional Practice, Part B (USPAP)	02/10/01
Income Valuation of Small, Mixed-Use Properties	02/19/00
Standards of Professional Practice, A, B, & C, USPAP	1992-2003
Reno, NV, Casper, WY, Eugene, OR, Sacramento, CA, Las Vegas, NV	
Income Valuation of Small Mixed Use Properties	
(Reno, NV)	1998
(Casper, WY)	1999
(Sacramento, CA)	1999
Residential Case Study, Course 210 (Las Vegas, NV)	10/97
Alternative Residential Reporting Forms (Buffalo, WY)	09/97
(Polson, MT)	09/97
Data Confirmation and Verification (Richland, WA)	11/96
(Riodoso, NM)	09/96
(Reno, NV)	03/96
(Savannah, GA)	12/95
Understanding the Limited Appraisal (Savannah, GA)	12/95
(Tucson, AZ)	09/94
110 "Real Estate Appraiser Principles" (Minneapolis, MN)	07/99

(Sacramento, CA)		05/95
(Wenatchee, WA)		09/94
(St. Louis, MO)		02/94
(Las Vegas, NV)		05/94
URAR Update	(Casper, WY)	01/94
	(Reno, NV)	12/93
1A2 Basic Valuation Procedures	(Las Vegas, NV)	05/92
Course 207B, Income Valuation Appraising	(Reno, NV)	Fall 1989
Truckee Meadows Community College	(Reno, NV)	Spring 1989

APPRAISAL COURSES AUDITED:

Case Studies in Real Estate Valuation	1991
Cost Valuation of Small, Mixed-Use Properties	1988
Income Valuation of Small Mixed-Use Properties	
Sales Comparison Valuation of Small, Mixed-Use Properties	

APPRAISAL COURSES SATISFACTORILY CHALLENGED:

A1: Course I210 Residential Case Studies	(1993)
A1: Course 410 Standards of Professional Appraisal Practice	(1991)
A1: Course 420 Ethics of the Professional Appraisal Practice	(1991)
A1: Course 420 Ethics of the Professional Appraisal Practice	(1991)
SREA: Course 301 Special Applications of Real Estate Analysis	(1989)
SREA: Course 202 Applied Income Property Valuation	(1985)
SREA: Course 201 Principles of Income Property Appraising	(1984)
SREA: Course 101 An Introduction to Appraising Real Property	(1983)
SREA: Course 102 Applied Residential Property Valuation	(1983)

Classes Taken Online

Introduction to the Uniform Dataset (2 hours)	2019
USPAP Instructor Recertification Course 2018-2019 (4 hours)	2018
USPAP Instructor Recertification Course 2016-2017 (4 hours)	2016
USPAP Instructor Recertification Course 2014-2015 (4 hours)	2014

Classes Attended

Uniform Appraisal Standards for Federal Land Acquisition	2017
2018-2019 Instructors Recertification Course (USPAP)	2017
Architectural Styles and the UAD	2017
Constructing the Profession Report	2017
FHA SFR Appraising -Handbook 4000.1	2017
Comprehensive Square Foot Calculations	2017
2016-2017 USPAP Instructor Recertification Course	2015
Business Practice and Ethics Instructor Training	2015
Tahoe Litigation Conference	2014
Evaluating Residential Construction	2014
Appraisal Review General	2012
Uniform Appraisal Standards for Federal Land Acquisitions (Phoenix, AZ)	12/17 & 18/09
Valuation of Easements and Other Partial Interests (Reno, NV)	12/04/09
General Market Analysis and Highest & Best Use (Las Vegas, NV)	08/31/09 – 09/03/09
Introduction to International Valuation Standards (Online)	08/01/31 – 08/31/09
Valuation of Green Residential Properties (Phoenix, AZ)	02/19/09

REO Appraisal: Appraisal of Residential Property Foreclosures (Las Vegas, NV)	10/11/08
Forecasting Review	10/10/08
AQB Awareness Training for Appraisal Institute Instructors (Online)	08/15/07
Committee CE Credit (Chapter Level)	12/31/09
AQB USPAP Instructor Recertification Course (Dedham, MA)	02/24/07
AQB USPAP Instructor Recertification Course (Tucson, AZ)	12/04/04
Water Rights in Nevada	2/01/03
Training & Development Conference	08/26/03
AQB USPAP Instructor Recertification (San Francisco, CA)	10/30/02
Appraisal Continuing Education	12/10/02
Property Flipping and Predatory Lending Seminar	10/17/01
2001 USPAP Update for Instructors & Regulators-CA (San Diego, CA)	12/09/00
Lake Tahoe Case Studies in Commercial Highest & Best Use (Sacramento, CA)	10/20/00
Supporting Sales Comparison Grid Adjustments for Residential Properties (Reno, NV)	09/29/00
Case Studies in Commercial Highest and Best Use (Reno, NV)	07/28/00
Tools For Teaching Excellence, Day 1	07/09/00
USPAP Update for Instructors and Regulators (Las Vegas, NV)	07/08/00
Tools For Teaching Excellence, Day 2	07/10/00
Residential Consulting	03/31/00
Residential Consulting	2000
FHA's Home buyer Protection Plan & the Appraisal Process Seminar	1991
Affordable Housing Valuation Seminar	1997
Alternative Residential Reporting Forms	1986
Business Valuation Part 1	1996
Understanding Limited Appraisals – General	1995
Data Confirmation & Verification Methods	1995
Mandatory Faculty Workshop	1995
Appraising 1- to 4-Family Income Properties	1995
Investment Techniques with the HP-17/19II Calculator	1994
Fair Lending and the Appraiser	1994
Mock Trial	1994
Electronic Spreadsheet Workshop	1994
Basic Argus Training (Spreadsheets)	1994
Investment Techniques with the HP-17/19II Calculator	1994
FNMA URAR Update	1993
Maximizing the Value of an Appraisal Practice	1993
Litigation Valuation	1992
101 "Instructors Clinic	1990
Comprehensive Appraisal Review	1990

Meetings Attended

Committee Credit – National	12/31/00
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FORMAL EDUCATION:

University of Texas at Arlington (No Degree)	1974
Casper College (No Degree)	1973
Peacock Military Academy (High School)	1972

An Appraisal of
Assessor's Parcel Number 014-063-07

Located At
O S. Virginia Street
Reno, Washoe County, Nevada 89502

Prepared For
Brett W. Maupin, Esq.
Maupin, Cox & LeGoy
4785 Caughlin Parkway
Reno, NV 89519

For the Purpose of Estimating
Before and After Values of
One Site Containing 6,500± sf
RTC Will Be Acquiring
A TCE of 309± sf

As Of
July 15, 2019

Date of Report
March 23, 2020

An Appraisal of

Assessor's Parcel Number 014-063-07

**Located
At 0 S. Virginia Street
Reno, Washoe County, Nevada 89502**

Prepared For

**Brett W. Maupin, Esq.
Maupin, Cox & LeGoy
4785 Caughlin Parkway
Reno, NV 89519**

**For the Purpose of Estimating
Before and After Values of
One Site Containing 6,500± sf
RTC Will Be Acquiring
And a TCE of 309± sf**

**As Of
July 15, 2019**

**Date of Report
March 23, 2020**

**Submitted By
Anthony J. Wren, MAI, SRA
Certified General Appraiser #A.0000090-CG**

ANTHONY J. WREN AND ASSOCIATES

P.O. BOX 20867
RENO, NEVADA 89515
(775) 329-4221
FAX (775) 329-5382

TONY WREN, MAI, SRA
CERTIFIED GENERAL APPRAISER

SUSAN WREN
CERTIFIED RESIDENTIAL APPRAISER

March 23, 2020

Brett W. Maupin, Esq.
Maupin, Cox & LeGoy
4785 Caughlin Parkway
Reno, NV 89519

RE:
APN 014-063-07
0 S. Virginia Street
Reno, Washoe County, Nevada

Dear Mr. Maupin:

At your request, I have completed an appraisal of and prepared the following appraisal report for the property referenced above. The purpose of my appraisal is to estimate the market value of the property and make a recommendation of compensation for the acquisition of one temporary construction easement. The temporary construction easement is located on the east boundary of APN 014-063-07 and contains 309± sf. Though there is no permanent take indicated, I have been informed that the current access to this site from S. Virginia Street will be eliminated in the after condition. This will be analyzed in the after appraisal valuation section of this report. The site contains a total of 6,500± sf (50' x 130'). The property is owned by John Iliescu, Jr. And Sonnia Iliescu 1992 Family Trust Agreement UTD January 24, 1992.

I have performed no services as an appraiser regarding the property that is the subject of this report, within a three-year period immediately preceding acceptance of this assignment.

The report is intended to conform with Section 2-2(a) of the Uniform Standards of Appraisal Practice and is considered to be an appraisal report.

The subject property is an unimproved commercial site. After inspection of the property and a review of the proposed acquisitions for the temporary construction easement, it was determined that the acquisition does not affect any improvements. Therefore, the appraisal will be made as if the property were vacant, and the valuation "as is" will be as vacant land only.

The temporary construction easement is located in the east boundary of the site.

The reader is referred to various maps throughout this report to better visualize the location of the easements.

Based on my inspection of the subject and a thorough research of the market, my conclusions and recommendations of compensation are as follows:

SUMMARY OF VALUE CONCLUSIONS

(Accounting tabulation not indicative of appraisal method employed)

A.	Value of the whole, before the take:	\$357,500
B.	Value of the part taken, as part of the whole:	
	No take, accept for access from S. Virginia Street	\$0.00
	Total Value	\$0.00
C.	Value of the Remainder as part of the whole (A - B)	\$357,500
D.	Value of the remainder, after the take:	\$195,000
E.	Damages (A - D)	-\$162,500
	Cost to cure damages	\$0.00
F.	Other – Temporary Easement	\$5,099
G.	Total Value of the Part Taken (B + E + F)	\$167,599

The following is an appraisal report. It has been prepared in conformance with the reporting requirements of the Appraisal Foundation as set forth in the Uniform Standards of Professional Appraisal Practice (USPAP), as well as the Supplemental Standards required by the Appraisal Institute. My conclusions and the data and analysis upon which they are based are summarized in the attached appraisal report.

Respectfully Submitted,



Anthony J. Wren, MAI, SRA
Certified General Appraiser #A.0000090-CG

TABLE OF CONTENTS

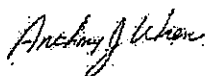
Title Page	
Letter of Transmittal	
Appraiser's Certification	1
Subject Aerial Photograph	5
Subject Aerial Photograph	6
Area Map	14
Neighborhood	26
Property Identification and Site Description	35
Highest and Best Use Analysis	39
Appraisal Overview	43
Sales Comparison Approach to Value	44
Comparable Land Sale Chart	45
Comparable Land Sales Location Map	46
Land Sales Data	47
Sales Analysis	58
Summary and Conclusion of Value	62
Exhibit A Legal Description Temporary Public Utility Easement APN 014-063-07	
Exhibit A Temporary Public Utility Easement Map APN 014-063-07	65
Description and Valuation of the Temporary Easement	66
Value of the Remainder after the Acquisition of the Temporary Construction Easement for Underground Utilities	70
Comparable Land Sales Location Map	73
Sales Analysis	85
Summary and Conclusion of Value	90
Summary of Value Conclusions	93
Assumptions and Limiting Conditions	94
Addendum	99
Qualifications	i

APPRAISER'S CERTIFICATION

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

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, conclusions, and recommendations.
- I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest with respect to the parties involved.
- I have no bias with respect to any property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- I have made a personal inspection of the property that is the subject of this report.
- No one provided significant real property appraisal or appraisal consulting assistance to the person signing this certification.
- The appraisal was not based upon a requested minimum valuation, a specific valuation, or the approval of a loan.
- This appraisal report has been made in conformity with, and is subject to, the requirements of the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute.
- The use of this report is subject to the requirements of The Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this report, I have completed the requirements of the continuing education program of the Appraisal Institute.
- I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

Respectfully submitted,

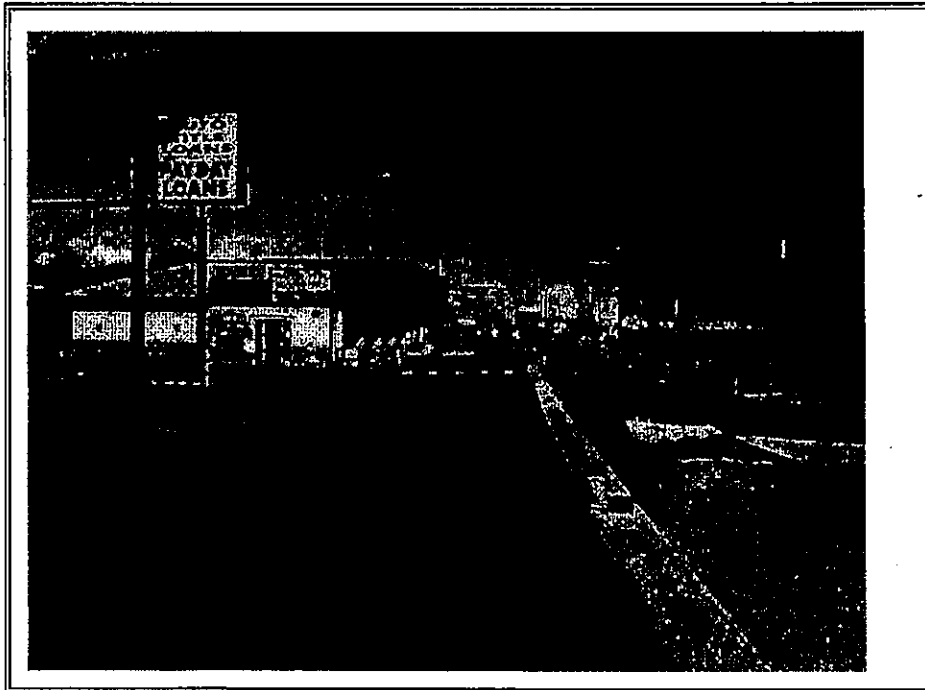


Anthony J. Wren, MAI, SRA
Nevada Certified General Appraiser # A.0000090-CG

SUBJECT PROPERTY PHOTOGRAPHS

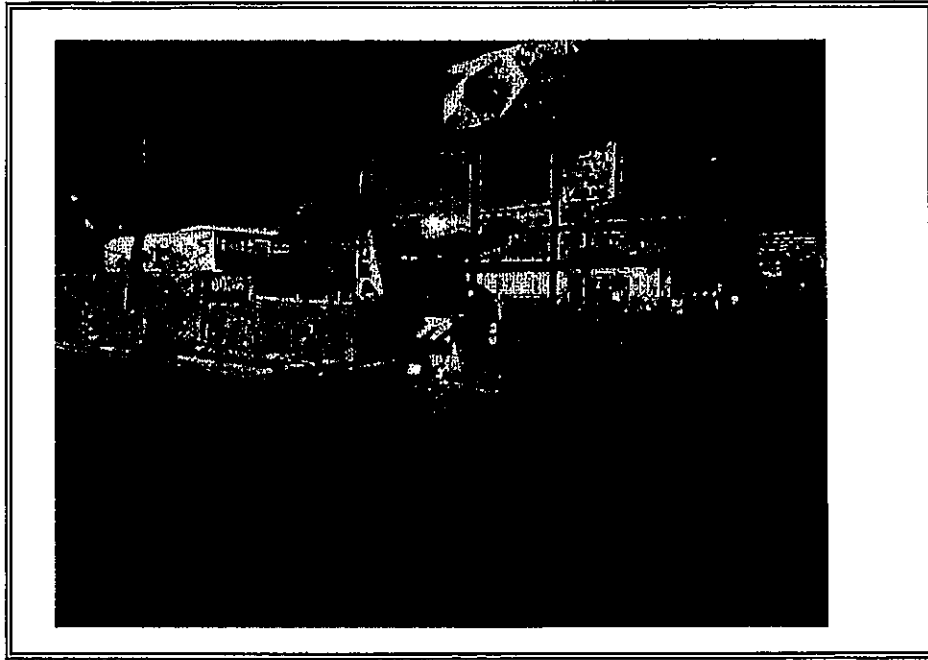


View of the proposed easement area.



View of South Virginia Street.

SUBJECT PROPERTY PHOTOGRAPHS

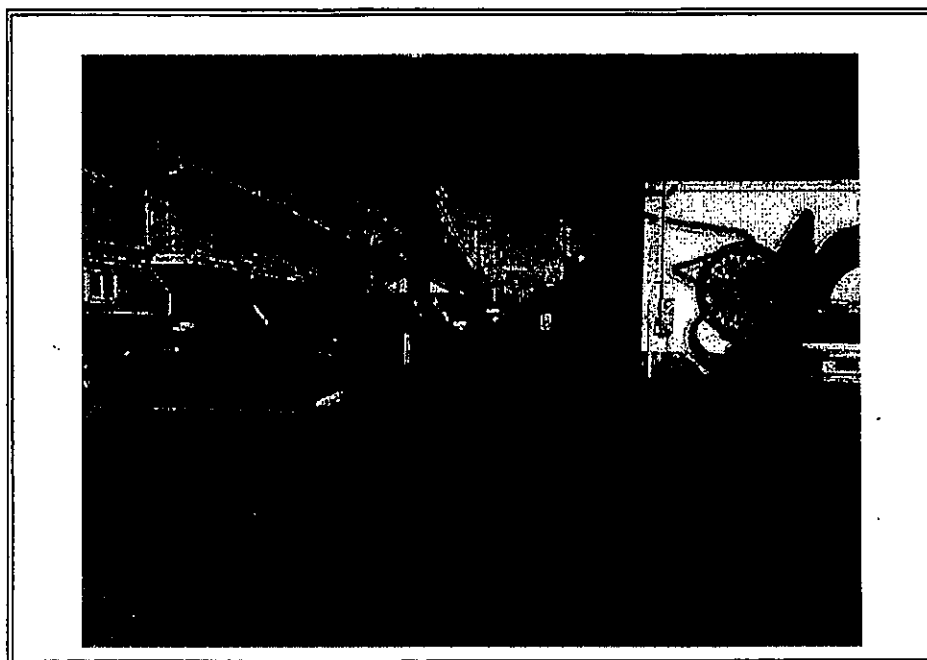


View of the proposed easement area.

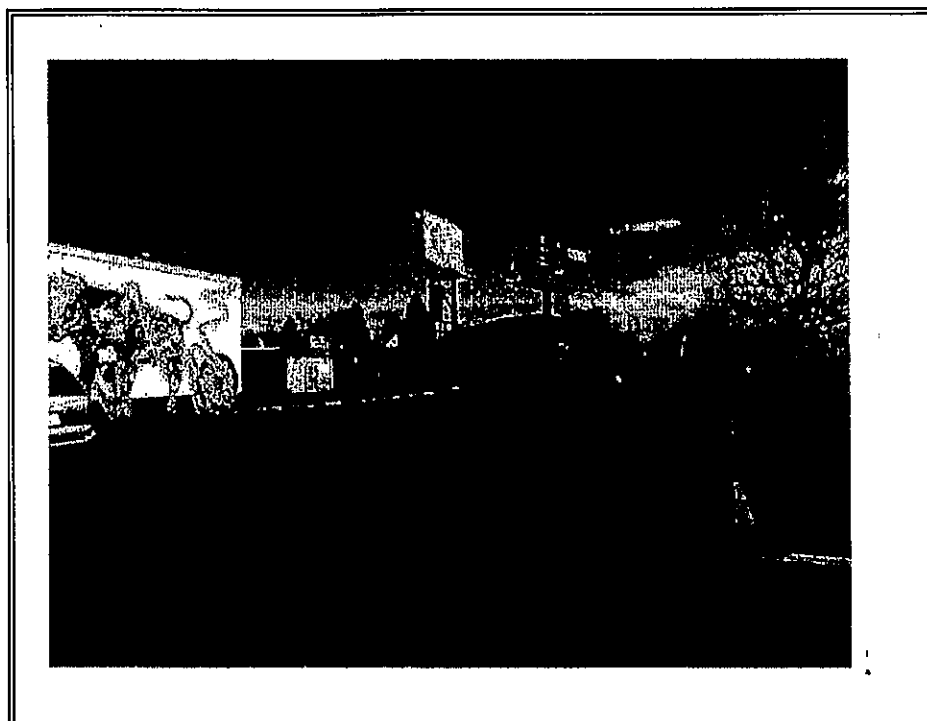


View of the property line separation

SUBJECT PROPERTY PHOTOGRAPHS



View of the alley access.



View of the site from the alley.

SUBJECT AERIAL PHOTOGRAPH



SUBJECT AERIAL PHOTOGRAPH



TRODUCTION

Client Brett W. Maupin, Esq.
Maupin, Cox & LeGoy
4785 Caughlin Parkway
Reno, NV 89519

Appraiser Anthony J. Wren, MAI, SRA
Nevada Certified General License # A.0000090-CG
Anthony J. Wren & Associates
85 Keystone Avenue, Suite C
Reno, Nevada 89503

Subject Assessor's Parcel Number 014-063-07

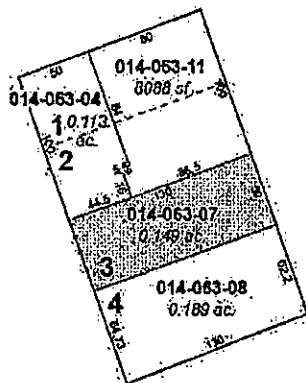
Legal Description

According to public records and that certain Deed recorded on December 20, 1994, with Document Number 1858459, the subject property is legally described as follows:

Lot 3 in BLOCK 4 as shown in the Amended Plat of Blocks 4, 5 and 9 of an amended Plat of the Martin Addition Reno evaded, filed in the office of the County Recorder of Washoe County, Nevada on May 28, 1907.

Larger Parcel Concept

The subject property is comprised of one APN. And contains 6,500± square feet (50' x 130'). The larger parcel concept states "In governmental land acquisitions, 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." It is the appraiser opinion that the parcel makes up the subject's "Highest and Best Use" as vacant. Therefore for purposes of the analysis the larger parcels will be valued as a 6,500± square foot site; The site is depicted below.



Intended Use/Users of the Report

For use by the client, who is Brett W. Maupin, Esq. with Maupin, Cox & LeGoy, Reno, Nevada, and Reno Transportation Commission of Washoe County (RTC) in negotiating an equitable price for one temporary construction easement for the development of underground utilities.

Identification of the Appraisal Problem

The appraisal must address the compensation to the owner as a result of the acquisition of one temporary construction easement.

Owner of Record/Sale History

According to the public records the subject property is owned John Iliescu, Jr. And Sonnia Iliescu 1992 Family Trust Agreement UTD January 24, 1992. There have been no transactions or listings on the property within the last three years.

Purpose of the Appraisal

The purpose of the appraisal is the acquisition of one temporary construction easement for use in estimating current market value of the property appraised and to make a recommendation as to the just compensation due the owners, as of the effective date of value.

Interest Appraised

Fee Simple

Effective Date of Value

July 15, 2019

Date of Report

March 23, 2020

Appraisal Development and Reporting Process (Scope)

This is an appraisal, communicated in a summary format. The report is intended to conform with Section 2-2(a) of the Uniform Standards of Professional Appraisal Practice.

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

- a) Performed an inspection of the subject and its neighborhood;
- b) Researched the subject's current physical and legal condition, as well as its background and history;
- c) Examined the market area to determine the existing and proposed inventory, demand, and marketability of properties similar to the subject;

- d) Researched and investigated relative market data including recent sales, and other transactions.
- e) Investigated and analyzed the impact of the proposed easement on the value and utility of the affected parcel.
- f) Prepared the following summary appraisal report.

**Standard Assumptions and
Limiting Conditions**

This appraisal was prepared subject to a standard set of assumptions and limiting conditions which are typical for the appraisal industry. These assumptions and limiting conditions are provided in detail at the end of this report.

Special Limiting Condition: None

Extraordinary Assumptions None

Hypothetical Conditions None

DEFINITIONS**Condemnation Blight¹**

A diminution in the market value of a property due to pending condemnation action.

Controlled Access Highways²

"Controlled Access Highway" means every highway to or from which owners or occupants of abutting lands and other persons have no legal right of access except at such points only and in such manner as may be determined by a public authority.

Cost to Cure³

A method of measuring damages. This method can be used when the property being appraised has suffered damage that can be physically and economically corrected, e.g., through correction of drainage, replacement of fencing, reestablishment of physical access, or replacement of sewage or water systems. Under no circumstances can the cost to cure measure of damage be applied if the cost to cure exceeds the diminution in value that would result if such a cure were not undertaken. However, if the cost to cure is less than the diminution in the value of the remainder, the cost to cure measure of damage *must* be used.

Divided Highway⁴

"Divided highway" means a highway divided into two or more roadways by means of a physical barrier or dividing section, constructed so as to impede the conflict of vehicular traffic traveling in opposite directions.

Easement⁵

The right to perform a specific action on a particular land parcel, or portion of a parcel of land, without owning the underlying fee. A continuous easement across multiple tracts of land is often referred to as a right-of-way.

Exposure Time⁶

1. The time a property remains on the market.
2. The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based upon an analysis of past events assuming a competitive and open market.

Fee Simple Estate⁷

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.

¹The Dictionary of Real Estate Appraisal, 5th ed. (Chicago: Appraisal Institute, 2010), p.41

²Nevada Revised Statutes, Chapter 484.041

³Real Estate Valuation in Litigation, 2nd ed. (Chicago: Appraisal Institute, 1995), p.296

⁴Nevada Revised Statutes, Chapter 484.048

⁵Real Estate Valuation in Litigation, 2nd ed. (Chicago: Appraisal Institute, 1995), p.351

⁶The Dictionary of Real Estate Appraisal, 5th ed. (Chicago: Appraisal Institute, 2010), p. 73

⁷The Dictionary of Real Estate Appraisal, 5th ed. (Chicago: Appraisal Institute, 2010), p. 78

General Benefits⁸

In eminent domain valuation, the benefits that accrue to the community at large as a result of the new public work and the increased general prosperity that accompanies development.

Highest and Best Use⁹

The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and 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. Alternatively, the probable use of land or improved property -specific with respect to the user and timing of the use-that is adequately supported and results in the highest present value.

Highest and Best Use of land or a site as though vacant¹⁰

Among all reasonable, alternative uses, the use that yields the highest present land value, after payments are made for labor, capital, and coordination. The use of a property based on the assumption that the parcel of land is vacant or can be made vacant by demolishing any improvements.

Highest and Best Use of land or a site as improved¹¹

The use that should be made of a property as it exists. An existing improvement should be renovated or retained as is so long as it continues to contribute to the total market value of the property, or until the return from a new improvement would more than offset the cost of demolishing the existing building and constructing a new one.

Just Compensation¹²

In condemnation, the amount of loss for which a property owner is compensated when his or her property is taken; should put the owner in as good a position pecuniarily as he or she would be if the property had not been taken. Just compensation should put the owner in as good a position as he or she would be if the property had not been taken.

Larger Parcel¹³

In governmental land acquisitions, 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.

Market Value¹⁴

"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

⁸The Dictionary of Real Estate Appraisal, 5th ed. (Chicago: Appraisal Institute, 2010), p. 86.

⁹The Dictionary of Real Estate Appraisal, 5th ed. (Chicago: Appraisal Institute, 2010), p.93

¹⁰The Dictionary of Real Estate Appraisal, 5th ed. (Chicago: Appraisal Institute, 2010), p.93

¹¹The Dictionary of Real Estate Appraisal, 5th ed. (Chicago: Appraisal Institute, 2010), p.94

¹²The Dictionary of Real Estate Appraisal, 5th ed. (Chicago: Appraisal Institute, 2010), p.106

¹³The Dictionary of Real Estate Appraisal, 5th ed. (Chicago: Appraisal Institute, 2010) p.110

¹⁴Nevada Revised Statutes, Chapter 37.009(6)

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.

Project Enhancement¹⁵

The increase in a property's market value in anticipation of a public project requiring condemnation action.

Salvage Value¹⁶

The term salvage value means the probable sale price of an item, if offered for sale on the condition that it will be removed from the property at the buyer's expense, allowing a reasonable period of time to find a person buying with knowledge of the uses and purposes for which it is adaptable and capable of being used, including separate use of serviceable components and scrap when there is no reasonable prospect of sale except on that basis.

Scope of the Project Rule¹⁷

In eminent domain, any decrease or increase in the fair market value of real property, prior to the date of valuation, caused by the project for which the property is to be acquired, or by the likelihood that the property would be acquired for the project other than that due to physical deterioration within the reasonable control of the owner.

Severance Damages¹⁸

The diminution of the market value of the remainder area, in the case of a partial taking, which arises (a) by reason of the taking (severance), and/or (b) the construction of the improvement in the manner proposed.

Special Benefits¹⁹

In eminent domain valuation, 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.

Tenant Owned improvement²⁰

Any building, structure, or other improvement, which would be considered to be real property if owned by the owner of the real property on which it is located. This shall include any improvement of a tenant-owner who has the right or obligation to remove the improvement at the expiration of the lease term. Just compensation for tenant-owned improvements is the amount, which the improvement contributes to the fair market value of the whole property, or its salvage value, whichever is greater.

¹⁵The Dictionary of Real Estate Appraisal, 5th ed. (Chicago: Appraisal Institute, 2010), p.152

¹⁶49 CFR Subtitle A §24.2(s)

¹⁷The Dictionary of Real Estate Appraisal, 5th ed. (Chicago: Appraisal Institute, 2010), p.176

¹⁸Real Estate Valuation in Litigation, 2nd ed. (Chicago: Appraisal Institute, 1995), p. 289

¹⁹The Dictionary of Real Estate Appraisal, 5th ed. (Chicago: Appraisal Institute, 2010), p. 183

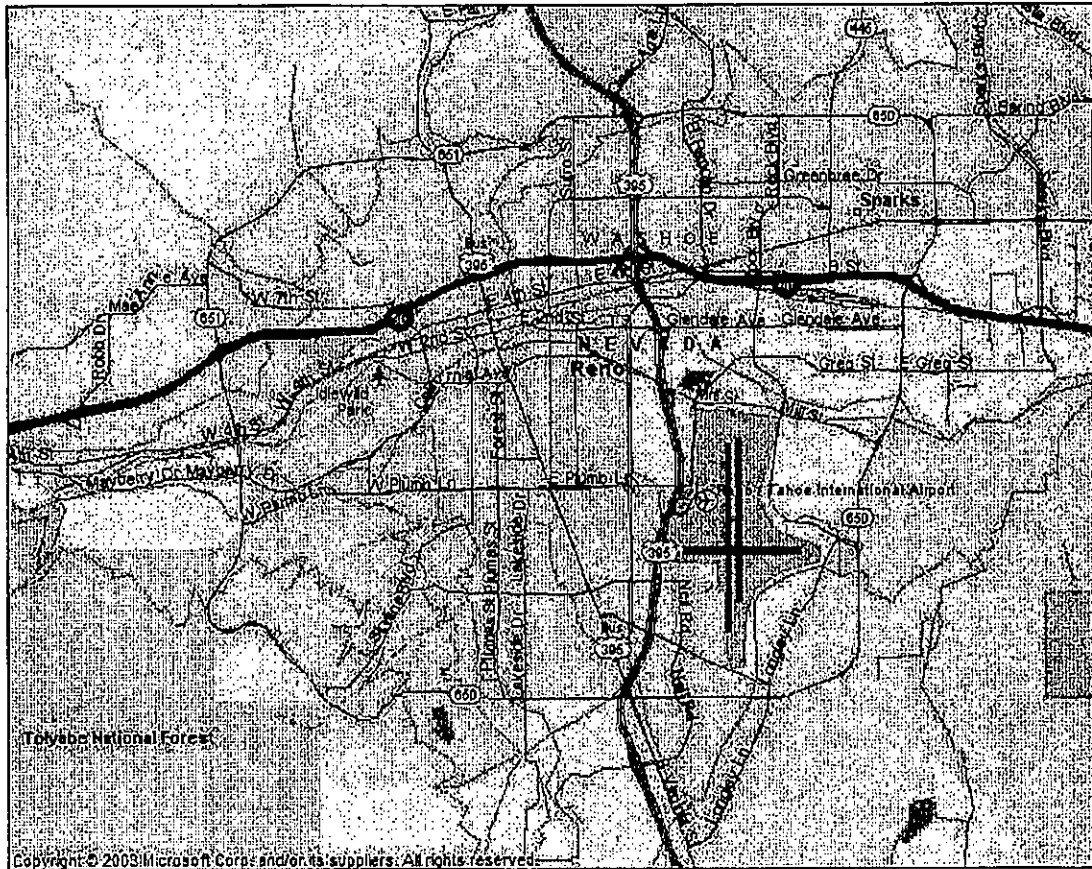
²⁰49 CFR Subtitle A §24.105(a)(b)(c)

Easement²¹

The right to perform a specific action on a particular land parcel, or a portion of a parcel of land, without owning the underlying fee.

²¹ *Real Estate Valuation & Litigation*, 2nd Edition (Chicago: Appraisal Institute, 1995), p. 351

AREA MAP



RENO/SPARKS AREA DESCRIPTION

The Reno-Sparks urban area is Nevada's second largest population center, after the Las Vegas metro area. The metro area is traversed by the Truckee River, giving rise to the region's common name as the Truckee Meadows. The Truckee Meadows encompasses Rattle Snake Mountain at Huffaker Park, following the span of Steamboat Creek to the southern east end of Washoe and Storey County ending at the base of the Virginia Highlands. The Truckee Meadows is a north-south basin covering approximately 94 square miles in western Nevada. It is bounded on the east by the Virginia Range, on the west by the Carson Range, on the south by the Steamboat hills, and on the north by Peavine Peak.

Population

Robust population growth was the dominant feature of the Truckee Meadows' economy for several decades. The following chart sets forth a summary of the area's current population and depicts recent population trends.

The 2008 Nevada State Demographer's Forecast of Washoe County Population
(2008 - 2030)*

Year	Population
2008	428,966
2009	436,776
2010	445,329
2011	453,875
2012	462,514
2013	471,132
2014	479,581
2015	487,936
2016	496,119
2017	503,940
2018	511,366
2019	518,351
2020	524,944
2021	531,204
2022	537,270
2023	543,087
2024	548,709
2025	554,134
2026	559,373
2027	564,448
2028	569,371
*2029	576,491
*2030	583,612

Source: Washoe County and Nevada State Demographer.

Robust population growth supported an active and relatively healthy housing industry for many years. In the early 2000s, building spiked upward, fueled in part by unsustainable demand from the junk-lending boom. When the sub-prime lending market collapsed, demand virtually ceased overnight, leaving homebuilders in Reno with huge inventories of unsold homes and land in various stages of development.

The area has seen a robust recovery over the last few years, starting in about 2014 and continuing strong on to 2018.

Employment

Employment in the Truckee Meadows was dominated by the gaming industry from the 1950s. By 1980, Nevada had lost its exclusive franchise on gaming and the industry started to lose market share to competing locations. However, gaming related employment was still the area's dominant sector in 1990, when leisure and hospitality employment (hotels, gaming, and recreation) accounted for approximately 26% of the area's employment. By 2000, gaming's decline, and the expansion of the area's non-gaming employment, had decreased the gaming sector share to 22% of total employment.

The 2008-09 national recession was especially hard on Washoe Valley's key industry. By 2012, leisure and hospitality employment had dropped to approximately 17.5% of total employment. Because the total number of persons employed in all sectors declined during the recession, gaming employment's share is calculated on a smaller employment base. The 2014 statistics reveal a decline in real numbers for the gaming sector. The total number of leisure and hospitality employees was 42,900 in 1990, but 35,500 in 2014. This represents a real loss of 7,400 jobs or 17.25%.

As of July 2018, the Nevada Department of Employment Security reported Washoe Valley MSA unemployment at 4.7%, compared to national unemployment of 4.0%. Washoe Valley MSA unemployment peaked at 15.3% in January 2010, at that time the highest in the nation.

The recovering economy has produced gains in several employment sectors and 2018's employment is an improvement over 2017's total average employment.

Transportation

Reno/Sparks is traversed by Interstate 80, which provides direct freeway access from Washoe Valley to the San Francisco Bay area in four hours and to Salt Lake City in eight. US Highway 395 traverses the area north-south, and provides direct access to interior Washington, Oregon and southern California.

The area is served by Reno/Tahoe International Airport, which hosts approximately ten airlines with about 130 flights per day to and from the airport. Because Reno/Sparks has a tourist based economy, passenger counts are higher than is typical for a city of comparable size. Annual passenger counts were around 4.0 million passengers in 2017. Cargo volumes at the Reno/Tahoe International Airport were up in each of the past four years suggesting that the national recovery is having a positive impact on the region's warehousing industry. The abundance of

distribution warehouses in the area serve the larger Northern California and western regional markets and have benefitted from modest recoveries regionally.

Tourism/Gaming

New Jersey voters passed a referendum legalizing gaming in Atlantic City in 1976. Since then, gaming in some form, whether state lotteries or full casino gaming, has spread across the US. During the same period, Indian gaming has proliferated as well. There are now few major metropolitan areas in the US that are more than a few hours' drive from legal gaming venues.

The Reno-Tahoe market in particular has lost market share to California Indian casinos. Unlike Las Vegas, which is an international gaming destination, the Reno-Tahoe market is largely regional. Most Reno visitors drive from northern California. A significant portion of this market is now intercepted at Indian gaming properties in northern California, several of which rival any of Reno's major gaming resorts in size and quality.

The Nevada Gaming Control Board has reported that Washoe County Gaming Revenues reversed their downward trend with small improvements over the past two years. Clark County revenues have improved in each of the past 4 years but remain 9% below their peak. State wide, gaming revenues have also improved over the past four years but remained nearly 12% below their peak. Recently gaming revenues have been rebounding across the state.

Although tourism and gaming are still important to the local economy, they no longer dominate it. The last new, ground up casino built in downtown Reno was the Silver Legacy in the early 1990s. A number of old casinos in the downtown core have been converted to condominiums. Local officials are hopeful that new residential demand will be the economic engine that drives the rebirth of downtown Reno.

Trade

Reno is the largest city in a relatively sparsely populated region which encompasses much of northern Nevada, eastern California and southeastern Oregon. As such, it is a regional trade center. The Reno/Sparks area has two large regional shopping malls and over 90 neighborhood shopping centers with more than 13,000,000 square feet of retail space. The majority of the area's retail space is scattered throughout the region's suburban residential neighborhoods.

Beginning in the early to mid-2000s the market saw a rash of retail closings including the area's two Mervyn's department stores, Gottschalk's department store, Comp USA, Circuit City, Kmart, Linens and Things, Shoe Pavilion, TGI Fridays,

Southwest Grill and a variety of smaller shop and restaurants. In 2017 retail rents appeared to firm and vacancies began to drop for the first time in several years.

As of the fourth quarter 2016, overall vacancy rates of 9.4% and total availability of 15.9% were being reported in a market that is estimated to have more than 17 million square feet.

Taxable sales increase 4.69% from 2017 to 2108. Retail sales were up in 2018 and were robust in 2016 and 2017. Set forth on the following chart is a summary of the Leading Economic Index.

Reno MSA Leading Economic Index

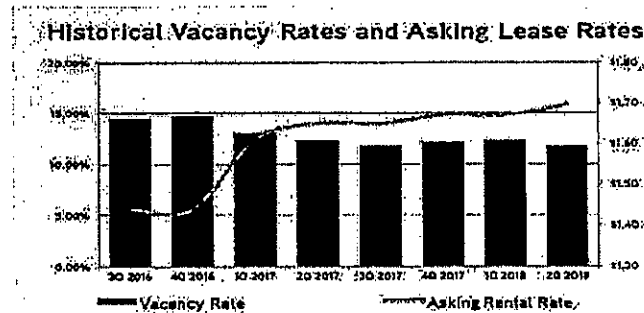
Series	Latest Period- June 2018	Prev. Period- May 2018	Change Prev. Period	Prev. Year- June 2017	Change Prev. Year
Taxable Sales (Washoe Co, SA, CPI)	437,754,840	436,042,024	0.39%	418,140,892	4.69%
Taxable Gaming Revenue (Washoe Co., SA, CPI)	43,800,595	43,440,673	0.83%	42,166,432	3.88%
# of Single Family Homes Sold (Washoe Co., SA)	722	737	-2.06%	717	0.73%
Airport Passengers (RTIA, SA)	344,077	341,596	0.73%	318,326	8.09%
Airport Cargo Lbs. Shipped (RTIA, SA)	12,304,881	12,371,910	-0.54%	13,172,350	-6.59%
Gallons of Gasoline Sold (Washoe & Storey Co., SA)	15,369,375	15,321,733	0.31%	14,846,518	3.52%
Initial Claims for Unemployment (Nevada, SA)	2,520	2,532	-0.47%	2,586	-2.55%
S&P 500 Index (US, CPI)	1,654	1,608	2.84%	1,512	9.39%
Interest Rate Spread (US)	1.09	1.28	-14.84%	1.15	-5.22%
M2 Money Supply (US, CPI)	8,534	8,494	0.47%	8,414	1.43%
Leading Index Result	138.33	137.99	0.24%	136.69	1.20%

Source: US Department of Labor, Nevada Gaming Control Board, Washoe County Assessor, Center for Regional Studies (UNR), Federal Reserve Bank of St. Louis, Nevada Department of Taxation, Nevada Department of Motor Vehicles, Reno-Tahoe International Airport (RTIA).
SA-Series results are seasonally adjusted. CPI-Series results are adjusted for inflation to 1995.

Office

The Northern Nevada office market pulled ahead this quarter and is setting up 2018 to be a very productive year. The market posted an increase in positive absorption to 63,786 square feet and the vacancy rate decreased to 11.7 percent from the 12.3 percent recorded in the first quarter of 2018. Office activity has been strong in the Reno market with sales dominating the quarter, including many large sales to owner users and investors. Leasing has remained stable, yet the demand for big blocks of Class A space with few viable space options, has made expansions for existing tenants difficult and even more so for tenants looking to enter the Reno market. However, this phenomenon is causing rumors of new construction to serve the growing demand of office space.

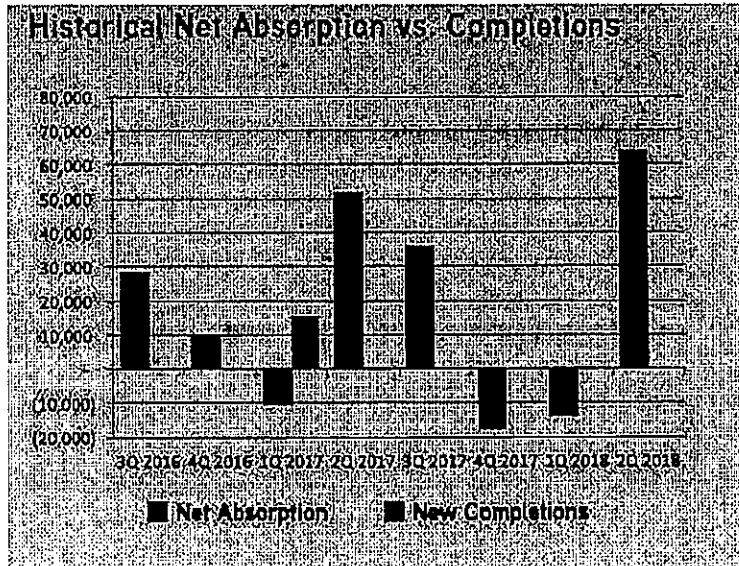
Rents are unquestionably on the rise as the average asking rental rate at the close of 2017 was \$1.67 per square foot per month full service and this quarter posted \$1.70 per square foot.



Full service rental rates have increased to \$1.70 per square foot as the vacancy rate has decreased slightly to 11.7 percent, down from 12.3 percent in Q1 2018.

Absorption

Although sales activity led the market, leasing activity was very active as well, primarily in the Meadowood Submarket which posted a positive absorption of 31,569 square feet for the quarter. Contributing to this absorption was AT&T Inc (HQ) who signed a lease for 16,559 square feet at 5250 South Virginia Street, as well as Colliers International who has been temporarily relocated to 5,895 square feet at 5470 Kietzke Lane, and Gail Willey Landscape Inc has signed a lease for 6,615 square feet at 5690 Riggins Court. In addition, Charles Schwab Financial Services & Brokerage will be occupying 10,000 square feet on the first floor of the new building located at 5301 Kietzke Lane. The Central / Airport Submarket had significant activity with Charter Communications leasing 38,904 square feet of office/flex space at 4930 Energy Way. Reno Sparks Convention and Visitors Authority also renewed a lease of 15,126 square feet at 4001 South Virginia Street. This submarket's statistics indicate high leasing activity for smaller offices between 1,000 - 2,000 square feet which seems to be in high demand at this time. It is also worth mentioning, although leasing activity remains high, the asking rate has remained low in the Central / Airport Submarket at an average of \$1.26 per square foot per month full service, proving this is a desired submarket for smaller and lower-cost driven tenants. The Downtown Submarket posted positive net absorption of 19,985 square feet which included a lease transaction of 9,871 square feet at 245 East Liberty Street to North Nevada Hopes. The Reno Sparks Chamber of Commerce relocated into 5,932 square feet from the first floor to the third floor at 1 California Avenue, leaving the first floor vacant. This submarket continues to be attractive to tenants, although the average price per square foot full service has increased from \$1.83 per square foot per month in Q2 2017 to \$1.94 per square foot per month this quarter.



Sales

As mentioned earlier, office sales have really dominated the market this quarter. The 106,130 square foot office building at 5190 Neil Road sold for \$14,875,000 (\$140.16 PSF) in May to The Lansing Companies LLC/ REO Disposition LLC. This property was purchased as a value-add opportunity based on the 50 percent occupancy rate, while the superior location in the Meadowood Submarket provides additional upside. 236 W 6th Street was sold in April to St Mary's Medical Building LLC. The 38,456 square foot medical office building transacted for \$5,500,000 or \$143.02 PSF. In addition, 6995 Sierra Center Parkway sold for \$5,500,000 (\$275.81PSF) to Western Exchange Services LLC. This building is fully occupied by Stantec on a triple net lease.

Construction

There are rumors of future construction in South Reno, to provide large blocks of space currently not available in our market. Tenants looking for 20,000 square feet and up have a very difficult time finding options, especially in Class A buildings. We anticipate buildings that can accommodate 20,000 - 40,000 square foot users will be successful as there are currently no options in the market. The highly desired 5520 Kietzke Lane building being constructed by McKenzie now has floors poured and is starting to take shape. The developer anticipates delivery in late 3Q 2018. Nearby, Urology of Nevada's building is just about completed and Charles Schwab's office on Kietzke Lane is also nearing completion.

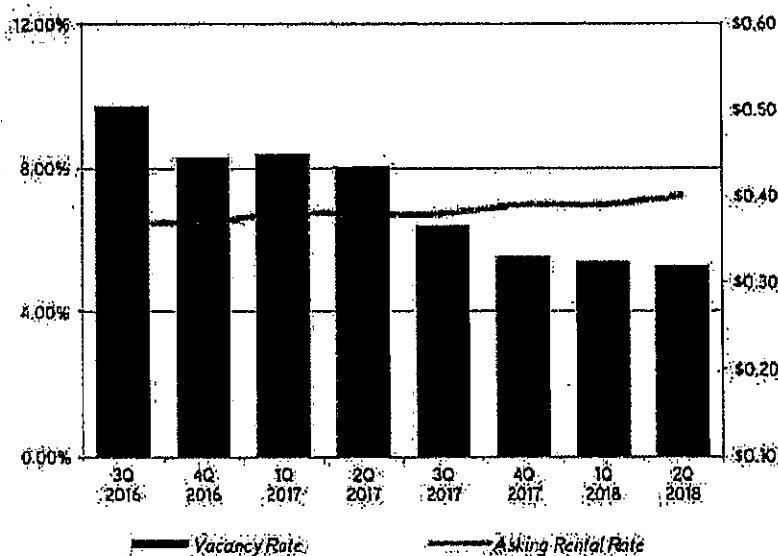
Industry

The second quarter of 2018 made an impact in all areas of the industrial market, and activity remains at an all-time high. The existing product inventory continues to diminish as new companies to the market continue to absorb space. The business climate in Northern Nevada is becoming more widely recognized. This along with a one day drive time to over 60,000,000 million people seems to be resonating with companies across the United States, specifically California's larger users. Those larger users usually cannot wait for a building to be built and will look to other neighboring markets such as, Northern and Southern California, Phoenix, and Salt Lake City.

Absorption

Gross absorption for the quarter posted 1.75 million square feet, which is a healthy statistic for the Northern Nevada market. Net absorption was weakened by the departure of some large tenants that returned 566,000 square feet (Amazon consolidation of Diapers.com space) and a 300,000 square foot space occupied by Belnick. Five transactions closed this month between 100,000 - 200,000 square feet and eight transactions between 10,000 - 20,000 square feet. In all, there were thirty transactions for the quarter with an average deal size of 58,548 square feet.

Historical Vacancy Rates and Asking Lease Rates



As vacancy decreases in high demand size ranges, rental rates are slowly starting to increase.

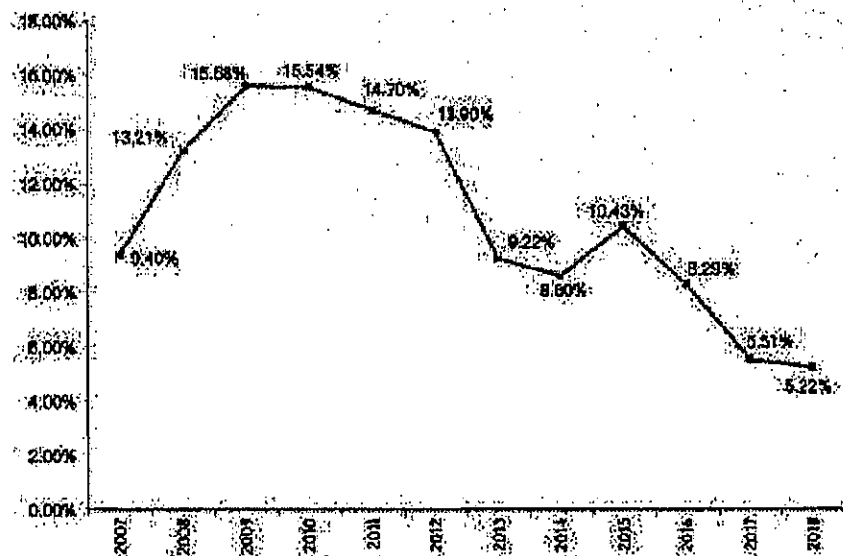
Inventory

There are several larger spaces coming to the market in North Valleys and the Tahoe Reno Industrial Center with completions scheduled for the end of 2018. Panattoni Development is under way with a 271,000 square foot speculative project in the Airport Submarket with the ability to provide for space sizes between 8,000 to 50,000 square feet. This project will provide for some much needed relief in that size range, especially in this location. Existing product within the McCarran loop continues to tighten in all size ranges. Kin Properties has started the repositioning of 1402 S. McCarran (old Sears/Kmart) with an anticipated delivery date of April 1, 2019. This will provide a 1.3 million square foot building divisible into 100,000 square foot units up to the entire building.

Vacancy

Vacancy now posts 5.22 percent market-wide and is the tightest Northern Nevada market in years. There are only four vacancies between 200,000 - 600,000 square feet. Removing those options brings vacancy to 3.57 percent, which is more representative of what tenants are feeling when looking for space. Tahoe Reno Industrial Center and Fernley post the highest vacancy in three large buildings at 7.45 percent. There is roughly 1.26 million square feet of sublease space available in nine spaces and removing those from the market creates a direct vacancy rate of 3.75 percent.

Historical Vacancy



Lease Rates

Our market continues to see rental rate growth, but nothing overly significant. A 50,000 square foot space has gone from \$0.32/square foot/month NNN to \$0.37/square foot/month NNN in a three year period. While that is strong, it is not the 40 percent plus growth other markets have seen. Low rental rates is a driving factor in new companies relocating to our area, however, it is becoming difficult for developers who have to underwrite significant growth in construction costs

Construction

Construction costs continue to increase, making it difficult for developers to underwrite new construction. Fully entitled land parcels with manageable development costs seem to be few and far between. The few are trying to push pricing, but developers can only stomach so many costs before they throw their hands up. The City of Reno seems to be throwing their own curve balls in North Valleys. Some of the biggest concerns on their agenda include mitigating storm water runoff, keeping a close eye on inbound effluent into their sewer system, and issues related to rapid growth in this particular submarket.

Water Rights

North Valleys seem to be the big discussion in water rights right now. Truckee Meadows Water has no more retail water rights, unless users fall within the Truckee Meadows, Stead treatment facility. The next best option is Vidler whose pricing is five times as much (\$36,000 per AF). Independent water right holders seem to be well in tune and this poses another hurdle for development.

New Development

New industrial construction by Panattoni, Dermody Properties, Scannell Properties, and Conco continue to move forward. The Reno Sparks market will see another two million square feet of industrial product added in 2018, with 1.2 million slated for 2019 and other potential projects lined up.

Infrastructure/Community

Washoe County and the Cities of Reno and Sparks are the three local municipal services providers. All three entities saw significant employment reductions during the 2008-09 recession, and none has managed to return to pre-recession budget and employment levels. Although local governments have improved their financial resources since the depths of the recession, budgets are still tight.

Metro area water service is provided by the Truckee Meadows Water Authority (TMWA). NVEnergy provides electric power and natural gas throughout the region.

Public sewage disposal is provided by the Reno/Sparks Joint Regional Sanitation District. Trash removal is handled by contract carriers in the cities of Reno and Sparks and in Washoe County.

A county-wide school district includes all public schools. The University of Nevada, Reno and Truckee Meadows Community College provide higher education.

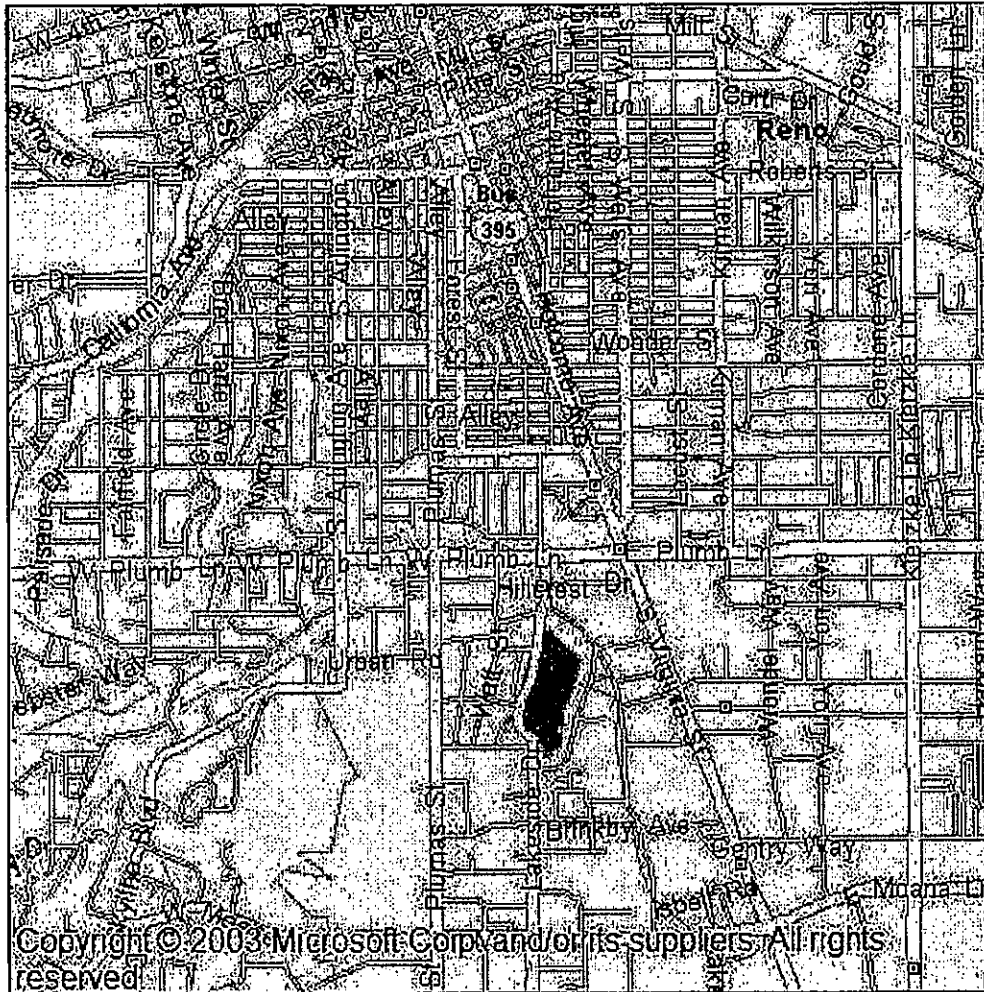
Conclusion

Rapid population growth was the driver of the local and statewide economy from the 1960s until 2006, when the housing boom ended with a crash. From the late 1990s through 2005, Nevada rarely fell out of the top one or two fastest-growing states in the country. Las Vegas's gaming-driven population growth made it a national center for real estate speculation and development.

Northern Nevada had a brief casino boom in the 1970s and early 1980s, but most of the area's population increase was fueled by growth of the industrial sector, lifestyle choices made by California retirees, and growth in retail and "back-office" functions. During the residential market hyper-boom from about 2003 to 2005, construction employment was the driving factor. Reno's construction-fueled economy created a period of prosperity that masked underlying weakness: construction as the primary industry, without an underlying economic engine of non-construction job growth, has a short cycle. During the market's most frenzied years, both private developers and local governments, flush with profits and tax revenues, made bets on future growth and revenue streams that have not been realized. Coping with actual population loss and declining economic activity has been the major challenge of the last several years in much of Nevada. After a two- to three-year period of declining employment, massive personal and business bankruptcies and foreclosures, and profound retrenchment of state and local government, the 2018 economy is in the midst of a seemingly sustained rebound.

Truckee Meadows is climbing its way back to more robust employment growth and more vigorous economic activity. Home prices are increasing, and there is a sense of optimism from the construction sector. Retail sales have increased. The regional population is again on the increase. Vacant holes in shopping centers are starting to refill. The general outlook is one of optimism.

NEIGHBORHOOD MAP



NEIGHBORHOOD DESCRIPTION

Location

The subject is located in a neighborhood which is approximately one mile south of the primary financial and business districts of Reno, Nevada. It is also located approximately one mile west of the Reno/Tahoe International Airport. It is identified as being in the southwest portion of Reno and is more commonly known as Midtown.

Neighborhood Boundaries

The boundaries of the neighborhood are generally formed by California Street and W. Liberty to the north, Kietzke Lane to the east, Moana Lane to the south, and Plumas Street to the west. The subject property is located on South Virginia Street, which bisects the neighborhood in a north-south direction. South Virginia Street is also known as Business Route US Highway 395. South Virginia Street is a major thoroughfare in the city of Reno and generally serves as the line of demarcation between the east and west portions of the city. Within the subject neighborhood, South Virginia Street is a two-way, four-lane, asphalt paved roadway improved with concrete curbs, gutters and sidewalks.

Kietzke Lane forms the easterly boundary of the neighborhood and is a two-way, four-lane asphalt paved roadway improved with concrete curbs, gutters and sidewalks. Kietzke Lane is improved with a variety of commercial and retail utilizations including several large neighborhood and strip shopping centers as well as numerous new and used car dealerships.

Moana Lane is also a two-way, four-lane asphalt paved roadway improved with concrete curbs, gutters and sidewalks. Moana Lane is almost entirely developed with commercial properties including a variety of average to good quality professional offices, retail centers and freestanding commercial buildings. To the west of South Virginia Street Moana Lane provides access to the residential neighborhoods in the southwestern portion of the city of Reno. To the east of the neighborhood Moana Lane provides access to an area dominated by fair to average quality multi-family housing developments and apartment complexes.

The western boundary of the neighborhood is formed by Plumas Street, a two-way, four-lane, asphalt paved roadway, which runs in a north/south direction. Within the subject neighborhood, Plumas Street is improved with a wide variety of residential properties including single family residences, multi-family developments, apartment complexes and retirement homes. Additionally, the Washoe County Golf Course and the Reno Municipal Tennis Courts are situated along this roadway. To the north of Plumb Lane, Plumas Street provides access to the older residential

areas of Southwest Reno as well as to the downtown Reno financial district and casino core. To the south of Moana Lane, Plumas Street provides access to some of the more desirable and exclusive residential areas of southwest Reno.

Characteristics of the Neighborhood

Some of the following neighborhood information was taken from a Johnson/Perkins/Griffen appraisal report provided by the client. The neighborhood has a number of uses. The general area was originally older, single family homes and vacant land. The four primary traffic arteries, (three of which are neighborhood boundaries that have been discussed) all are major roadways for the area. These four roadways are developed on both sides with commercial, retail and office uses. South Virginia Street is improved with a variety of commercial and retail utilizations including three shopping centers located in the vicinity of South Virginia Street and Plumb Lane. The Lakeside Plaza Shopping Center is located ½ block west of this intersection and consists of an Albertson's Supermarket, and numerous small retail shops. Shoppers Square, located on the northeast corner of South Virginia Street and East Plumb Lane includes an enclosed mall with numerous retail outlets and is currently under remodeling and expansion with new eateries. Park Lane Mall, located on the southeast corner of East Plumb Lane and Virginia Street, was closed in early 2007 and demolished with the exception of a movie complex. This site is currently under development with new housing and retail complexes.

The Orchard Plaza Retail Center is located south of Plumb Lane on the west side of South Virginia, and Sierra Market Place Shopping Center is located on the south east corner of South Virginia Street and Moana Lane. Both centers involve good quality developments with high caliber tenants. For the most part, a majority of the commercial development in the subject neighborhood is located along the major thoroughfares although additional commercial development is also located on secondary roadways, including Grove Street, Gentry Way and Lakeside Drive. The highest retail rates are typically found in the newer shopping centers situated on the main thoroughfares. Conversely, older centers situated on secondary roadways command substantially lower retail rates.

Virginia Lake Crossing, which was the site of old Mark Twain Motel, is improved with 137 units in Camden Place (which are two- and three-bedroom town homes) and 83 units in Glen Manor (which has seven single-family homes).

To the south of the subject between Plumb Lane and Kietzke Lane, the neighborhood is dominated by average quality tract homes built in the 1940's and 1950's. Exterior maintenance varies considerably and the homes typically sell between \$250,000 and \$700,000. Also included in this portion of the neighborhood is

a variety of utilizations including multi-family, mobile home parks, light industrial utilizations and commercial development. For the most part, the residential utilizations within this portion of the neighborhood involve older fair quality buildings, many of which suffer from deferred maintenance. The industrial utilizations also involve older properties and it is anticipated that these older industrial and residential properties will eventually be replaced by more intense commercial and multi-family development.

To the west of South Virginia Street and with the exception of the commercial and professional office developments located on the major thoroughfares, the neighborhood is dominated by a variety of residential utilizations. Generally speaking, these residential utilizations involve older, average to good quality single family residences, as well as older average to fair quality multi-family and apartment complexes. Of the residential utilizations located on the west side of South Virginia Street, multi-family development dominates. South of Virginia Lake, between Brinkby and Moana Lane, the neighborhood involves large concentrations of high density multi-family developments. Exterior maintenance varies considerably in these apartment complexes and the area is generally considered to have declined over the past five or so years.

Major developments along South Virginia Street, outside the subject neighborhood, include the downtown casino area and the downtown financial district, both of which are located to the north of the subject neighborhood. Several major developments are also on South Virginia Street to the south of the subject neighborhood, including the Peppermill Hotel Casino, the Atlantis Hotel Casino, and the Reno-Sparks Convention Center.

The Virginia Street Bus RAPID Transit Extension Project will address critical transportation needs including improving transit connectivity, efficiency, and timeliness through connecting RAPID to the University. It will also improve safety for all modes, correcting ADA sidewalk deficiencies, and improve traffic operations. It is the first of multiple projects stemming from the Virginia Street Corridor Investment Plan and the University of Nevada, Reno (UNR) Master Plan. The project will create connectivity between UNR, downtown Reno and Midtown and will encourage economic development, enhance safety, and improve livability in the corridor.

The commercial area of Midtown has a mix of properties. The main corridor, South Virginia Street, consists largely of one and two-story early to mid-twentieth century buildings constructed of brick and masonry. The primary business type in the area is service oriented including restaurants, boutique clothing, gift stores, art studios, and salons. Outside of the South Virginia Street corridor the buildings are

primarily single-family homes which are brick or wood frame and converted for commercial uses. Throughout the area there are newer three story buildings.

There is a considerable amount of commercial development along the South Virginia Street Corridor and arterial roadways including California Avenue, St. Lawrence Avenue, Cheney Street, Taylor Street, Martin Street and Mount Rose Street. Tenants within these projects include Midtown Eats, Shea's Tavern, Truckee Bagel Co., Ceol Irish Pub, Reno Public House, Sup, Too Soul Tea Co., St. James Brasserie, Death and Taxes, Bibo Coffee, Bad Apple Vintage, Junkee's Clothing Exchange, Chapel Tavern, Michael's Deli, College Cyclery, Craft Wine & Beer, Grateful Gardens, Batch Cupcakery, Dressed Like That, The Melting Pot, Old World Coffee, Morgan's Lobster Shack, The Stremmel Gallery, LouLou's Café and many others. In addition to the early to mid-twentieth century buildings and single-family conversions, a few new commercial developments have recently been completed. The new developments include 777 South Center Street, Midtown Sticks and 1401 Midtown.

777 South Center Street, a 21,194± square foot building, was developed to serve the community as a meeting place where the art-centric vibe of Midtown is preserved while creating a new and exciting environment for new business and the expansion of existing businesses. The project offers a variety of sizes and has the ability to accommodate a multitude of uses including restaurant, office, and street retail. The architecture of the building was designed to highlight the panoramic second story views of the Sierra while incorporating indoor/outdoor spaces separated by large glass roll-up doors.

Midtown Sticks is a 21,417± square foot retail and restaurant project. The property is located at the southeast corner of South Virginia Street and Thoma Street. The buildings were designed with small business tenants in mind. Some of the current tenants include Chuy's Mexican Restaurant, Two Chicks Restaurant, Whispering Vine, Sierra Belle Boutique, Nomad Boutique, Mustard Seed, Fountain of Youth, Dragon Fly Bath & Body, LLC, Transcend Interiors, Basik Acai and Hello Yoga Apparel.

1401 Midtown is a 21,000± square foot office, retail and restaurant project. The property is located at the southwest corner of South Virginia Street and West Pueblo Street. Some of the current tenants include Morgan's Lobster Shack, Michael and Son's and Tilted Bar & Eats.

Residential Uses

The residential area of Midtown is comprised generally of older, average to good quality one and two-story single-family homes that are constructed of brick or wood

frame and located on modest size lots. The area also includes some smaller multi-family properties. This area has well developed, mature landscaping and narrow streets. The single-family and multi-family residential utilizations in Midtown are confined primarily to secondary roadways.

Some new residential development has also taken place in Midtown. 8 on Center is a condominium project, which was completed in 2007, located along Center Street near the southeast end of Midtown. 8 on Center was the first large infill project along Center Street and acted as a catalyst for some of the recent transformation along the corridor. Cottage Row at Midtown completed construction in 2016. The Midtown Lofts at Sinclair Street and Stewart Street completed construction in 2017. Additionally, the Tonopah Lofts, an eight-unit townhome project, is new. Cottage Row at Midtown encompasses the block of Mount Rose Street, between Plumas Avenue and Watt Avenue. The project is anchored by a historic three-story early century home which is known as the Redfield Estate. These bungalow homes, were designed to blend in with the existing 1930's & 1940's architecture of the surrounding neighborhood and consist of both single story and two-story floorplans. The Midtown Lofts and Sinclair Bungalows are located along Sinclair Street and Stewart Street between downtown and Midtown, across the street from the UNR Innevation Center and the Discovery Museum. The project includes six townhomes, three bungalows built from the ground up and two original Victorian-style single-family homes built around the mid-20th century that were remodeled

Public Transportation

Public transportation is provided to the neighborhood by Citifare, the local service for Reno and Sparks. In addition, several taxi companies provide service in the neighborhood, as does a public transportation service for senior citizens and handicapped individuals.

Schools and Churches

Either within the subject neighborhood or in very close proximity, there is a full range of elementary and secondary schools. The Echo Loder Elementary School is located within the neighborhood between Apple Street and Grove Street. Vaughn Middle School is located seven blocks north of East Plumb Lane. Wooster High School is located on East Plumb Lane, approximately ¼ mile east of Kietzke Lane.

There are several churches in close proximity to the subject neighborhood. Most of these are within reasonable walking distance or a relatively short drive.

Several courses taught by the Truckee Meadows Community College are offered at the Wooster High School campus during the evenings. The main campus for the community college is five miles north of the subject neighborhood. The University of Nevada, Reno is located three miles north of the subject neighborhood and is accessible by North Virginia Street.

Most of the houses located within the neighborhood are moderate to average priced homes.

Few vacant parcels exist within the neighborhood. Most new development has taken place on land previously developed for other uses, such as single-family residences.

Neighborhood Zoning

Zoning within the neighborhood includes several different zoning classifications. These range from commercial to multi-family residential and single family residential uses.

Commercial zoning includes MU mixed use and NC for neighborhood commercial, AC for arterial commercial as well as CC, which is community commercial. Many of which have been change to MU for Mix Use. The commercial zonings are located primarily in the areas of the neighborhood along South Virginia Street, Kletzke Lane, Grove Street and some commercial zoning along East Plumb Lane.

Office locations are generally zoned R5, multi office zoning, which is the primary office zoning for the neighborhoods that are in transition from single family residential to office utilizations. Another office zoning classification is PO (professional office), which does not allow residential use.

Also in the neighborhood there is a good portion of SFR, single family zoning properties, which allows for one, two or more living units per parcel of 6,000 square feet or more.

Local zoning ordinances are enforced by the City of Reno. Discussions with planners and the Reno Planning Department indicated that there are many uses which would be allowed within the subject neighborhood. The orderly development of additional offices and/or commercial development are all considered appropriate as is single and multi-family development. The master plan in the Reno area, (which has been prepared by the Reno Planning Department and approved by the Reno City Council), indicates that a good portion of the R1 zoned parcel within a block on both sides of East Plumb Lane is master planned for professional office and commercial uses. A transition from residential use to commercial and professional use is anticipated.

Trends in the Neighborhood

The subject neighborhood appears to be gradually changing from older single family residences to office use, multi-family and commercial/retail uses. Some of these changes are taking place by the conversion of single family residences, to other uses. In addition, single family residences are being removed and replaced with new buildings devoted to commercial/retail or office use. This is a slow, gradual transition which appears to be very orderly and no acceleration of this development is expected at the current time. Many of the older homes which are utilized for multi-family use have rents at lower rates, therefore some of the cheaper housing within the neighborhood is found in these older residences. As older homes are removed and replaced with multi-family housing, offices and commercial/retail buildings, the density of the neighborhood will increase.

Development on the boundaries of the neighborhood appear to be for commercial/retail utilizations because of the high traffic count on the major roadways. Newer developments in the interior of the neighborhood appear to be multi-family and professional office uses. These trends are expected to continue.

Topography

The topography of the subject neighborhood is basically level and there do not appear to be any surface or subsurface soil conditions which would be detrimental to the existing improvements for future development.

Neighborhood Utilities

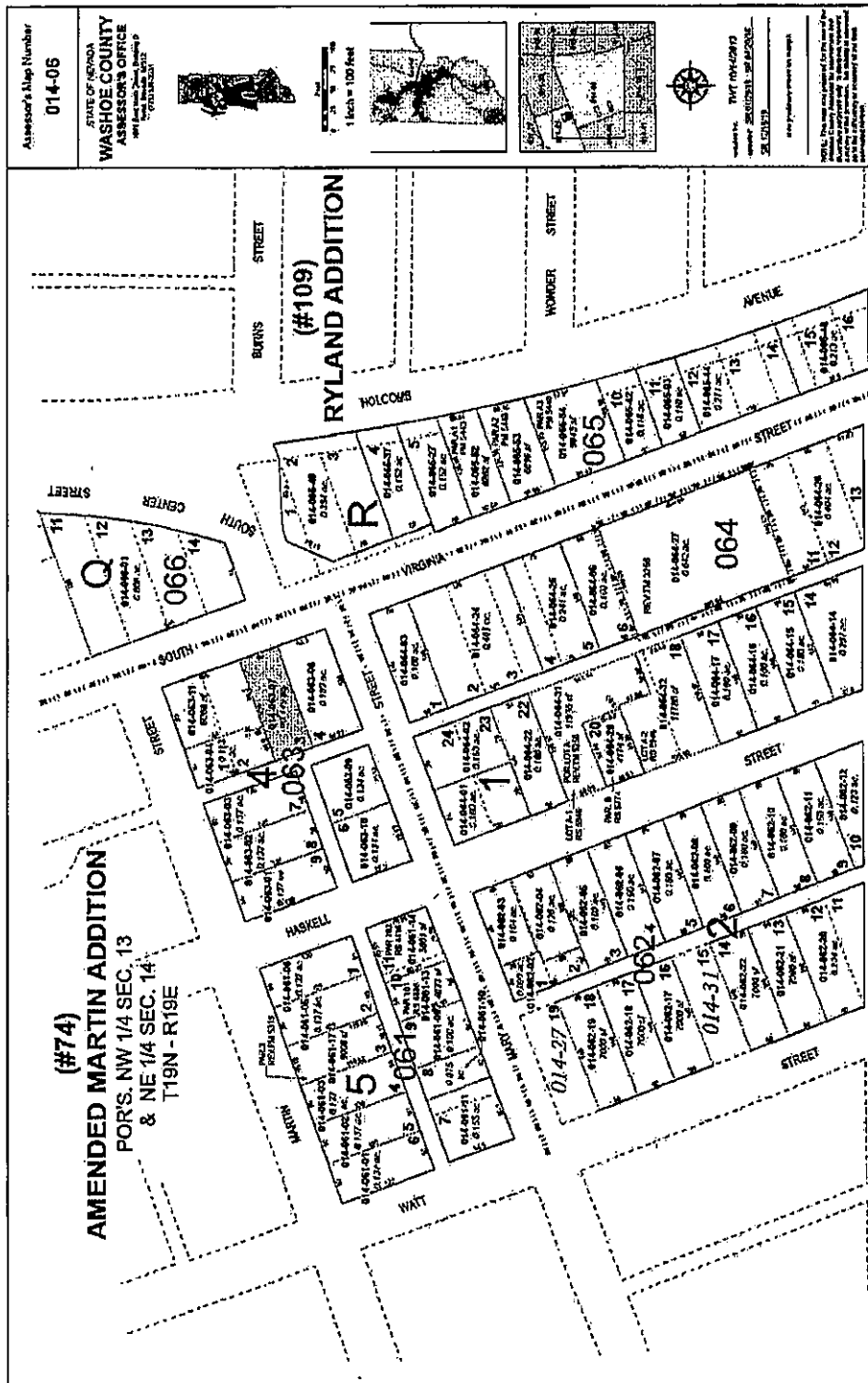
All normal public utilities are immediately available within the neighborhood. Electricity and gas are provided by NV Energy. Sewer and water service is provided by the City of Reno and telephone service is provided by AT&T. The rates for the various utilities are standard within Reno and Sparks and do not change from area to area.

Summary and Conclusion Regarding the Neighborhood

The subject property is located in a mixed use neighborhood in the south central portion of the city of Reno. Utilizations within the neighborhood include a mix of commercial/retail and residential developments as well as scattered light industrial utilizations. Approximately 50% of the neighborhood is composed of commercial properties with the remainder primarily oriented for residential utilizations. Overall, the neighborhood is considered to be 95%± built up with very few vacant lots available. The main thoroughfares in the neighborhood include South Virginia Street, Plumb Lane, Moana Lane and Kietzke Lane and all are oriented toward commercial

and professional office development. Additional commercial development is also located along secondary roadways, such as Grove Street, Gentry Way and Lakeside Drive. The balance of the neighborhood involves a variety of utilizations including both single and multi-family developments as well as light industrial utilizations. Although the majority of commercial and office development generally involves newer, average to good quality construction, the older portions of the neighborhood, particularly those areas located to the east of South Virginia Street, typically involve older, less well maintained properties and are considered to be in a state of transition. As a result, it is anticipated that the existing residential and industrial utilizations located within this portion of the neighborhood will eventually give way to more intense commercial/retail development. The residential utilizations located on the west side of South Virginia Street are considered stable and are expected to continue into the foreseeable future.

ASSESSOR'S PARCEL MAP



Anthony J. Wren, MAI, SRA
#7694

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PROPERTY IDENTIFICATION AND SITE DESCRIPTION

Property Owner John Iliescu, Jr. And Sonnia Iliescu 1992
Family Trust Agreement UTD January 24,
1992.

Parcel Address 0 S. Virginia Street, Reno, NV 89502

Assessor's Parcel Number/Land Size 014-063-07 contains 6,500± sf

Access

The subject property has access via S. Virginia Street and the alley on the west boundary. Access is considered to be both adequate and typical.

Site Shape and Dimensions

The subject property is somewhat rectangular in shape (50' x 130'). The reader is referred to several maps within this report to better visualize the site.

Topography

The subject involves generally level terrain.

Easements

The appraiser has not been provided with a preliminary title report. It is assumed that the site has typical easements. There do not appear to be any easements that would affect the overall before value.

Utilities

Type of Utility	Purveyor	Availability
Electricity	NV Energy	Developed to the site
Natural Gas/Propane	NV Energy	Developed to the site
Water	City of Reno	Developed to the site
Sewage	City of Reno	Developed to the site
Telephone	AT&T	Developed to the site

Water Rights

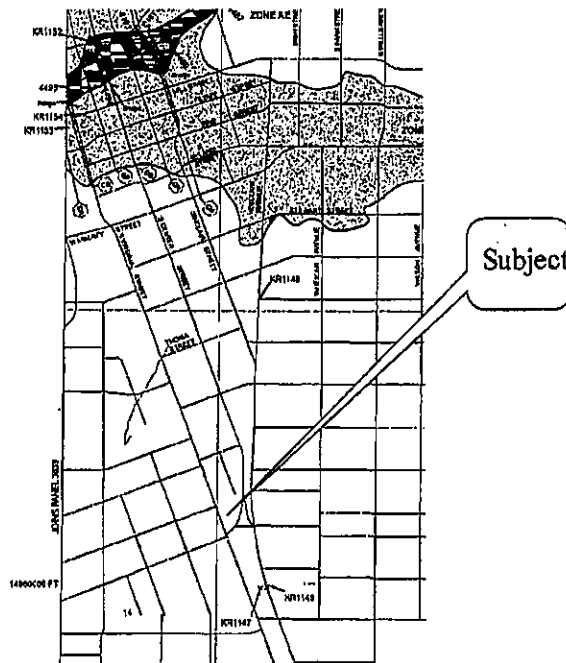
None noted/none to be acquired.

Environmental Observations

A physical inspection of the site revealed no overt signs of environmental contamination, and none is anticipated.

Flood Zone

Flood Zone Unshaded X FEMA Community Panel Number 32031C3043G, Effective March 16, 2009. The subject property is not located within a flood plain.

**Wetlands**

None noted, none anticipated.

Zoning

MU/SV(Mixed South Virginia Street Transit Corridor)
City of Reno Master Plan Designation

The following summarizes the purpose and development requirements of the MU/SV designated area.

Purpose

This district modifies the underlying mixed use land uses, development standards, and development review procedures within the South Virginia Street Transit Corridor Overlay District. This District is intended to maintain and enhance the South Virginia Street area and promote compatible land uses in the immediate vicinity.

Density and Intensity

The minimum residential density, on parcels located adjacent to South Virginia Street, shall be 18 dwelling units per acre. The maximum density on parcels that are not located adjacent South Virginia Street and not located within the Midtown District shall be 30 dwelling units per acre. The minimum intensity for nonresidential development in the North Section which is located on the same block and the same side of the street of a rapid transit station shall be 0.75 FAR, The minimum intensity for all other nonresidential development in the North Section shall be 0.25 FAR. There is no minimum density or intensity in the South Section.

Development Approval/Entitlements None pending

Current Use A vacant commercial site.

Soil Conditions

A soils report was not available. However, the character of the surrounding improvements suggests that soil conditions are conducive to development.

Seismic Hazards

According to the current Uniform Building Code, the Truckee Meadows area falls within a seismic risk zone 3. Zone 3 encompasses areas that have a number of local faults and where there is a relatively strong possibility of moderate seismic activity. Special construction techniques are necessary but these conditions are typical throughout northern Nevada.

Surrounding Uses

All uses surrounding the subject property are commercial/retail in nature.

Site Improvements

APN 014-063-07 is an unimproved commercial site.

Conclusion

Based on the location of the temporary construction easement, it is the appraiser's opinion that no improvements are affected by this easement. Therefore, the subject will be appraised as though vacant and ready to be put to its highest and best use, which is a commercial use.

TAX DATA

The subject property contains one identifiable Assessor's Parcel Numbers. The assessed value for the subject progenies is based upon a 35% assessment ratio of the Assessor's estimate of the taxable value of the individual subject parcel. The 2018-2019 taxes for the district within which the subject properties are located were \$1,153.70.

As is discussed in the *Area Analysis* of this report, the Reno/Sparks area and the State of Nevada have a very favorable tax rate. There are no apparent or anticipated increases in taxes in the foreseeable future, nor are there any anticipated assessments that would affect the subject property. The taxes for the subject property are typical for the area and do not appear to have any positive or negative effect on the overall value of the subject improvements. According to the Assessor's and Treasurer's Offices of Washoe County, the taxes are current. Taxes on the improvements are considered to be typical for the area and again, do not appear to have an overall effect on valuation. The following chart sets forth the summary of tax data for the individual parcel contained in the subject property.

APN	Assessed Value		Total Assessed Value	2018-2019 Taxes	Taxable Value
	Land	Improvements			
014-063-07	\$36,400	\$1,612	\$38,012	\$1,153.70	\$108,606

SPECIAL ASSESSMENTS

The appraiser has contacted the Washoe County Treasurer's Office to determine if there are any special assessments against the subject property. As of July 15, 2019, the date of valuation, a representative of the Treasurer's Office indicated to this appraiser that there are no current, pending special assessments against the subject property.

HIGHEST AND BEST USE ANALYSIS

The highest and best use of any improved property consists of two separate analyses: the highest and best use of the site as if vacant and the highest and best use of the property as if improved.

Highest and best use is defined as:

"the reasonably probable and legal use of vacant land or improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value."²²

Implied in this definition is that the determination of highest and best use takes into account the contribution of a specific use to the community and community development goals, as well as the benefits of that use to individual property owners. An additional implication is that the determination of highest and best use results from the appraiser's judgment and analytical skills. In other words, the use determined from analysis represents an opinion, not a fact to be found.

In appraisal practice, the concept of highest and best use represents the premise on which value is based. The use should take the highest advantage of the attributes of the property while neutralizing, to the greatest possible extent, any negative characteristics. At the same time, the use should operate within the limits of approved and justified investment.

In arriving at an estimation of the highest and best use for the subject property, the appraiser has followed a four point analysis, as set out below:

1. Legally Permissible – The uses that are legally permitted by private restrictions, zoning, building codes, historic district controls and environmental regulations on the site.
2. Physically Possible – The use to which it is physically possible to put the site in question.
3. Financially Feasible – The possible and permissible uses that will produce a net income, or return, equal to or greater than the amount needed to satisfy operating expenses, financial obligations and capital amortization.
4. Maximally Productive – Of the financially feasible uses, the use that produces the highest residual land value consistent with the rate of return warranted by the market for that use is the highest and best use.

²²*The Appraisal of Real Estate*, 12th Edition, page 318, published by the Appraisal Institute 2001

HIGHEST AND BEST USE AS IF VACANT**Legally Permissible**

The first consideration of the highest and best use of the subject property is the legally permissible uses of a property as if vacant. Primarily, this is directed at the zoning of the property; the covenants, conditions, and restrictions of the property; and the development standards of the subdivision in which the subject property is located.

The subject property is located within the City of Reno and is subject to its current zoning ordinance. According to representatives of the Zoning Department of Reno, the subject property is currently zoned MUSV, which is a mixed use downtown region which is primarily commercial in nature. This zoning designation is intended to promote commercial development. It allows many uses similar to the type of construction currently surrounding the subject site.

The appraiser is aware that there are several easements on the property. These easements were analyzed to determine the impact of potential property uses. Due to the location of these easements, it was concluded that the easement encumbrances would not impact the use or development of the subject property.

The subject property is located in an area that has been established for several years. The subject property is not restricted by protective covenants, conditions, or restrictions, which is typical for the downtown area. Zoning and the lack of protective covenants are common to other commercial areas in the Reno/Sparks area. There are no deed restrictions or legal encumbrances which further constrains the legally permissible uses of the subject site. Based on the legal characteristics of the subject property, specifically the current zoning, it is this appraiser's opinion that a commercial/retail/residential building or similar uses similar to what is in the neighborhood is appropriate for the subject site.

Physically Possible

The next step in estimating the subject site's highest and best use is to determine which legally permissible use(s) is physically possible for the subject properties. This analysis considers the physical characteristics of the site as well as surrounding uses which might influence the potential use. As explained in the *Site Analysis* section of this report, the subject site contains 6,500± square feet. The subject property has access via S. Virginia Street, and the alley on the west boundary. Access is considered to be both adequate and typical. Visibility of the subject site is considered to be overall good. There are no adverse easements that would affect the value or the utility of the property. The subject property is serviced by public water and sewer, which is typical for the area. Electricity, telephone, and

cable are also typical for the area. All utilities are considered typical for the subject property and the subject neighborhood. Due to the access and visibility of the subject site, it is felt that the site is adequate for various types of property uses. Those properties which would require high visibility and high traffic volume would be typical for the subject site. Thus the subject's physical attributes are considered to be conducive for properties which would require high volumes of traffic.

The appraiser has also examined the surrounding properties and development trends in the immediate area in order to gain insight as to physical constraints experienced upon other similar sites. The surrounding area enjoys the same positive attributes as the subject site and basically the same physical characteristics. The majority of the properties surrounding the subject property have been developed with commercial/retail/residential utilizations. There are few vacant property sites in the area available for development.

Surrounding land use relates to the principle of conformity. This principle holds that "real property value is created and sustained when the characteristics of a property conform to the demands of its market."²³ Inherent in this principle is a compatibility of land uses in an area, as well as a reasonable degree of homogeneity. From a compatibility standpoint, it is most likely that the subject site, as vacant, would be developed with some type of commercial/retail/residential use because of the fact that this type of use blends well with the surrounding development.

In conclusion, the physical aspects of the subject site best lend themselves to some type of commercial/retail/residential utilization because of the surrounding development and the general characteristics of the immediate area. The principle of conformity leads the appraiser to the conclusion that some type of commercial/retail/residential development is appropriate for the subject site.

Financially Feasible

The legally permissible and more specifically, the physically possible and compatible considerations narrow the subject site's potential development alternatives to some type of commercial/retail/residential development as appropriate for the subject site. The next consideration is that of financial feasibility, specifically, whether or not a commercial/retail/residential development as indicated by the legally permissible and physically possible considerations is possible at this time. In other words, do the potential benefits from the operations of the selected uses outweigh the cost of constructing such a project.

²³The Appraisal of Real Estate, 12th Edition, published by the Appraisal Institute, 2001, page 319

According to the *Area Analysis* of the Reno/Sparks area, it is indicated the Reno/Sparks market has seen a major increase in its economic base. There have been a number of building permits issued in the downtown Reno core area, and most of these business permits have been for revitalization of older buildings, and construction of new buildings. The sales chart found in the Direct Sales Comparison Approach would indicate that there is only a limited amount of vacant commercial activity for development of that approach. According to the current economic conditions of the Reno/Sparks area, there does appear to be a demand for new commercial/retail/residential development in the downtown core area.

Therefore, the subject property meets the legal and physical criteria for commercial/retail/residential development, there is indication in the current market that there is demand for new commercial development in the downtown area. As indicated there has been a considerable amount of revitalization of older buildings, which would indicate that new development may be appropriate. Therefore, as of the date of appraisal it is this appraiser's opinion that the financially feasible use of the site is to be developed with a commercial/retail/residential utilization.

Maximally Productive Use

The final step in estimating the highest and best use is to determine which use among the feasible uses would produce the highest net return or the highest net present value to the property. This analysis also focuses on the most appropriate density, type of finish, and other building attributes that are more specific than the use of the property.

As was concluded in the financially feasible section, there current demand for new commercial/retail/residential development in the downtown Reno core area, and the property should be developed with a commercial utilization. There is no need for further analysis of the maximally productive use. The highest and best use as vacant is estimated to be developed with a commercial/retail/residential utilization.

Conclusion, As If Vacant

Based on the preceding analysis of the legally permissible, physically possible, financially feasible, and maximally productive uses, it is the appraiser's opinion that the highest and best use of the subject site, as if vacant would be to be development with a commercial/retail/residential utilization comparable with new construction within the downtown Reno core area.

Most Probable Purchaser

The most probable purchaser of the subject site is considered to be an investor.

APPRAISAL OVERVIEW

In the appraisal of real estate, there are three basic traditional approaches for estimating property values. The three approaches are: Direct Sales Comparison Approach (also referred to as the Market Approach), the Cost Approach and the Income Approach. The final step in estimating a property's "market value" (i.e., the most probable selling price), is to correlate the value estimate of the three approaches into a single value estimate.

The Cost Approach

This approach is based on the proposition that an informed purchaser would pay no more than the cost of producing a substitute property with the same utility as the subject property. It is particularly applicable when the property being appraised involves relatively new improvements which represent the highest and best use for the land, or when unique or specialized improvements are located on the site for which there exists no comparable properties on the market. The subject property is an unimproved commercial site. The Cost Approach is not considered to be relevant and therefore has been omitted from this report.

Income Approach

This approach is based on the proposition that a property is worth no more than the capitalized value of the income stream that the property is capable of generating. The procedure converts anticipated benefits (dollar income), to be derived from the ownership of property into a value estimate. The Income Approach is widely applied in appraising income producing properties. Anticipated future income and/or reversions are discounted to a present worth figure through the capitalization process. The subject property is an unimproved commercial site. The Income Approach is not considered to be relevant and therefore has been omitted from this report.

Direct Sales Comparison Approach

This approach is based on the proposition that an informed purchaser would pay no more for a property than the cost to him of acquiring an existing property with the same utility. It is applicable when an active market provides sufficient quantities of reliable data which can be verified from authoritative sources. Adjustments extracted from the market are applied to the comparable sales for any differences that exist between the sales and the subject. The categories of adjustment include, but are not limited to, location, access, size, shape, market conditions at the time of sale and the terms of the sale.

SALES COMPARISON APPROACH TO VALUE

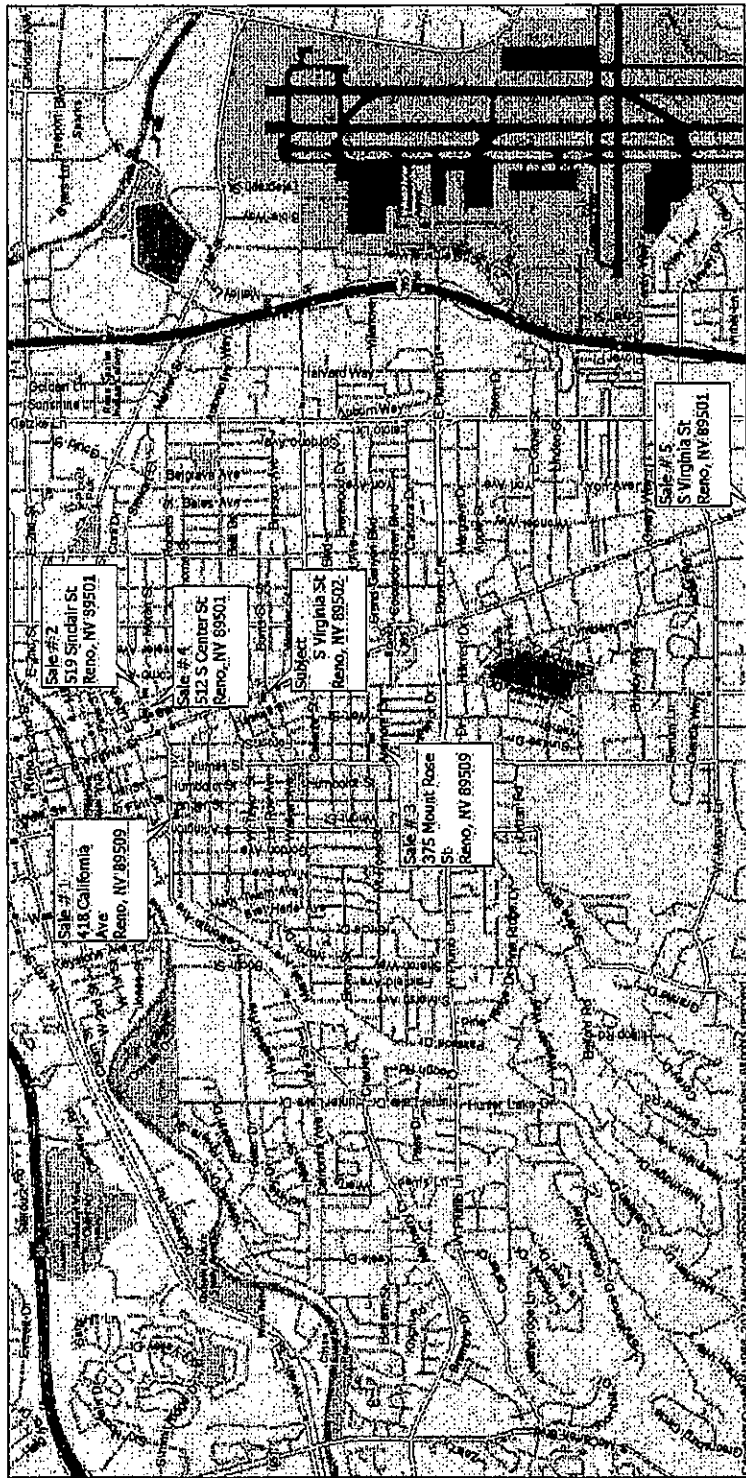
The first step in this approach is to identify the highest and best use of the subject. Then, the public record is canvassed for sales of properties with the same or a similar highest and best use. The appropriate sales are verified, and the sale prices are reduced to a consistent unit of measure, in this case a single homesite. These prices can then be used to establish a typical range of value for a property of the subject's class. Individual elements of these sales are compared to the subject, and an overall judgment can be made as to how the subject compares with other properties in its class.

The sales charted on the next page are appropriate for the valuation of the subject.

COMPARABLE LAND SALE CHART

Sale No.	APN Address	Sale Date	Sale Price	Land Area	Zoning	Price/SF	Grantor/Grantee Doc. No.
1	011-213-04, 05 414 & 418 California Reno, NV	4-19-17	\$550,000	10,000± sf	MUDR	\$55.00	Wiegand Ramble 4696987
2	011-193-16, 17 519 Sinclair St. Reno, NV	1-09-18	\$500,000	7,00± sf	MUSV	\$71.43	Marmot Fleming 4778344
3	014-213-21, 24 375 Mount Rose Reno, NV	6-08-18	\$385,000	10,415± sf	MUSV	\$36.97	Merchant/Mitchel Arrowbuild 4821353 & 4821355
4	011-193-07, 08, 09, 10 & 11 512 S. Center St. Reno, NV	7-30-18	\$1,900,000	36,400± sf	MUSV	\$52.20	AMP Properties Hillcrest Properties 4837427
5	043-030-07 S. Virginia St. Reno, NV	9-07-18	\$550,000	12,500± sf	MUSV	\$44.00	Kaiser Maison 4849215
Subject	014-063-07 0 S. Virginia St. Reno, NV	---	---	6,500± sf	MUSV	---	Iliescu ---

COMPARABLE LAND SALES LOCATION MAP



Sale # 5 is located several miles south of where it is depicted on this map. It is located West side of S. Virginia St. between West Huffacker Lane and East Patriot Blvd.

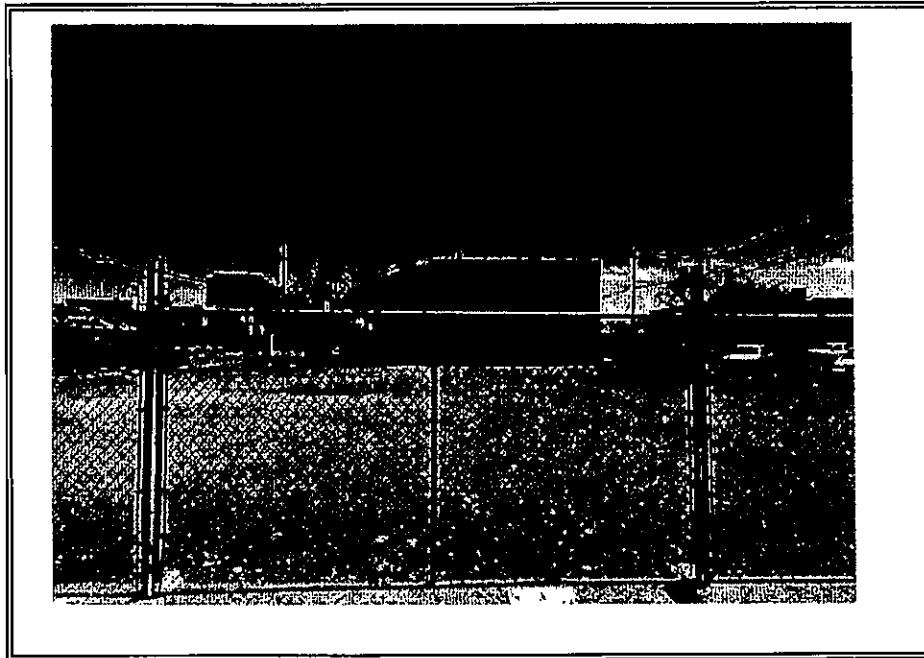
LAND SALES DATA

COMPARABLE LAND SALE #1

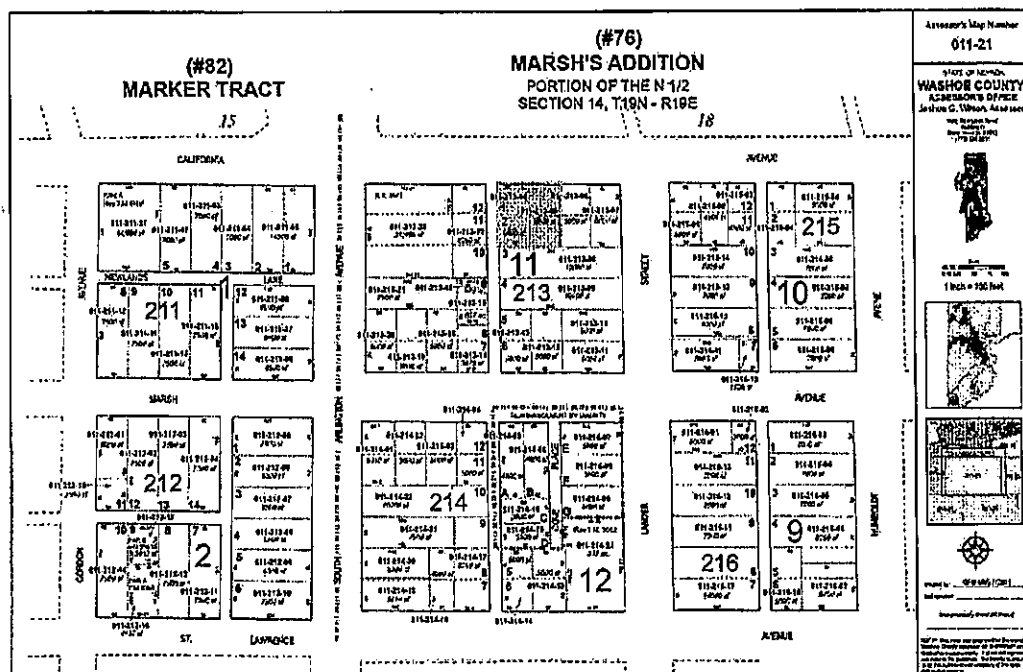
County: Washoe **APN:** 011-213-04, 05 **Type:** Vacant Land
Location: South side of California St. between Arlington Ave. & Lander St.
Address: 414 & 418 California St., Reno, NV
Grantor: E.L. Wiegand Foundation
Grantee: Ramble On, LLC
Deed Date: 04-05-17 **Recording Date:** 04-19-17
RPTT: \$2,255.00 **Doc. No.:** 4696987
Legal Description: Retained in appraiser's file
Size: 10,000± sf or .2296± ac **Zoning:** MUDR
Land Use: Vacant Land **Utilities:** Extended to site
Access: Paved, good **Topography:** Level
Sale Price: \$550,000 **Unit Price:** \$55.00
Financing: Cash to seller
Verified with: Public records
By Anthony J. Wren, MAI, SRA 03-20



LAND SALE # 1

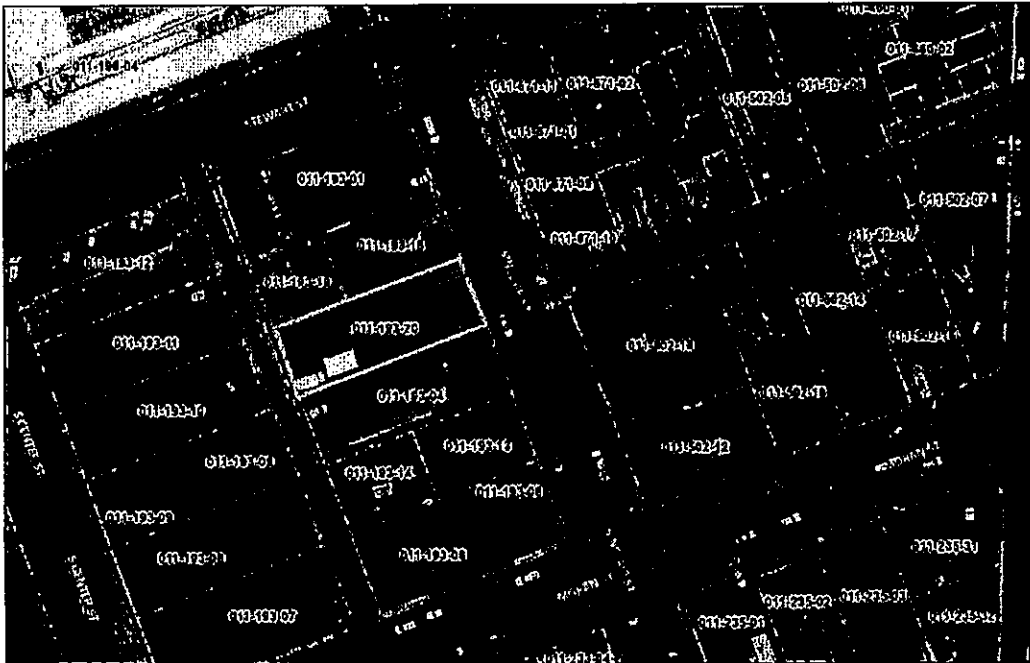


Picture taken from public records.

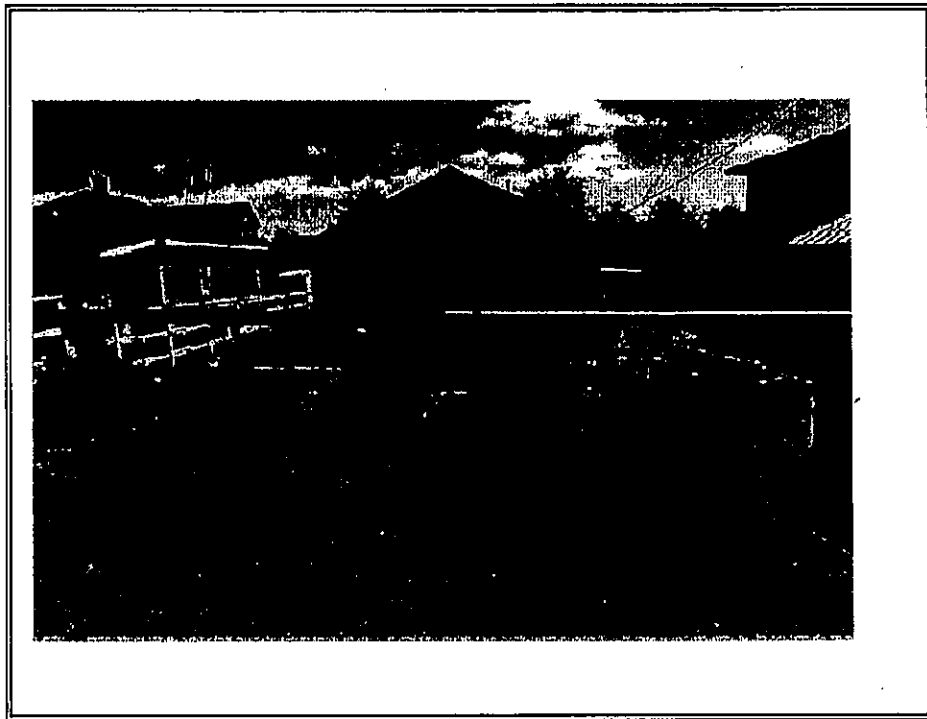


COMPARABLE LAND SALE #2

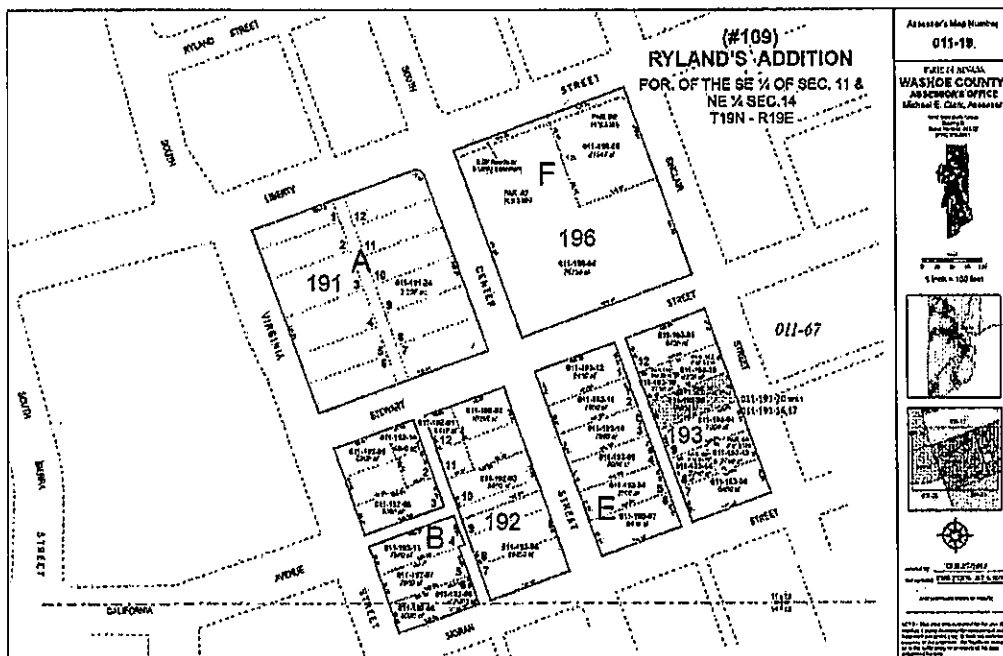
County: Washoe **APN:** 011-193-16 & 17 **Type:** Vacant Land
Location: West side of Sinclair St. between Stewart St. & Moran St.
Address: 519 Sinclair Street, Reno, NV
Grantor: Marmot REOF 3 LF & 515 Sinclair Street
Grantee: Matthew D. Flemming and Kathleen L. Flemming
Deed Date: 12-28-17 **Recording Date:** 01-09-18
RPTT: \$2,050.02 **Doc. No.:** 4778344
Legal Description: Parcels 10A and 10B of Parcel Map No. 5214
Size: 7,000± sf or .1607± ac **Zoning:** MUSV
Land Use: Vacant Land **Utilities:** Extended to site
Access: Paved, good **Topography:** Level
Sale Price: \$500,000 **Unit Price:** \$71.43 per sf
Financing: Cash to seller
Verified with: Public records
By Anthony J. Wren, MAI, SRA 03-20



LAND SALE # 2



Picture taken from public records.

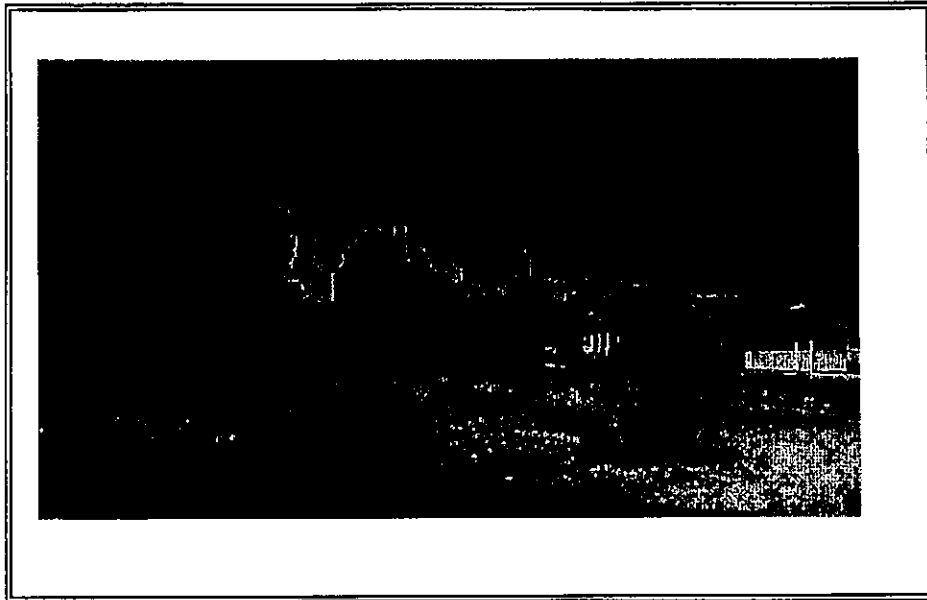


COMPARABLE LAND SALE #3

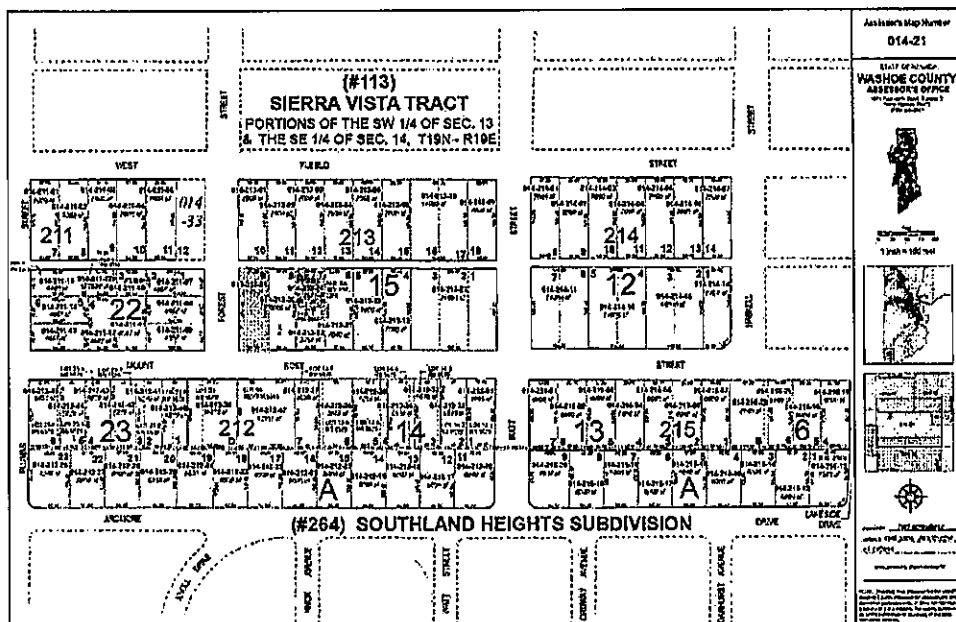
County: Washoe **APN:** 014-213-21, 24 **Type:** Vacant Land
Location: Northeast corner of Mount Rose St. and Forest St. and the south side of the alley.
Address: 375 Mount Rose Street, Reno, NV
Grantor: Merchant & Mitchell, LLC
Grantee: Arrowbuild LLC
Deed Date: 05-31-18 **Recording Date:** 06-08-18
RPTT: \$1,578.50 **Doc. No.:** 4821353 & 4821355
Legal Description: Retained in appraiser's file
Size: 10,415± sf or .2391± ac **Zoning:** MUSV
Land Use: Vacant Land **Utilities:** Extended to site
Access: Paved, good **Topography:** Level
Sale Price: \$385,000 **Unit Price:** \$36.97 per sf
Financing: Cash to seller
Verified with: Public records
By Anthony J. Wren, MAI, SRA 03-20



LAND SALE # 3



Picture taken from public records.

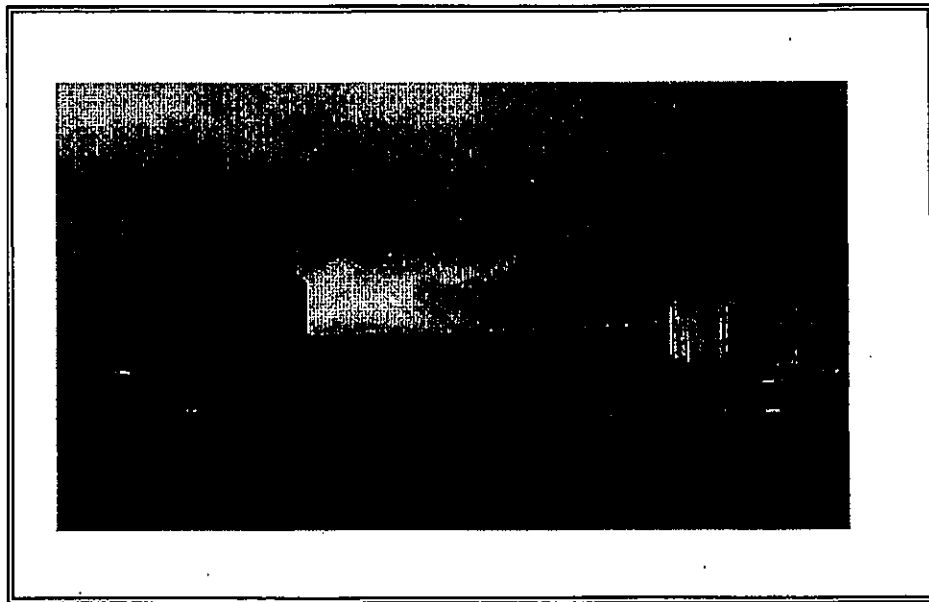


COMPARABLE LAND SALE #4

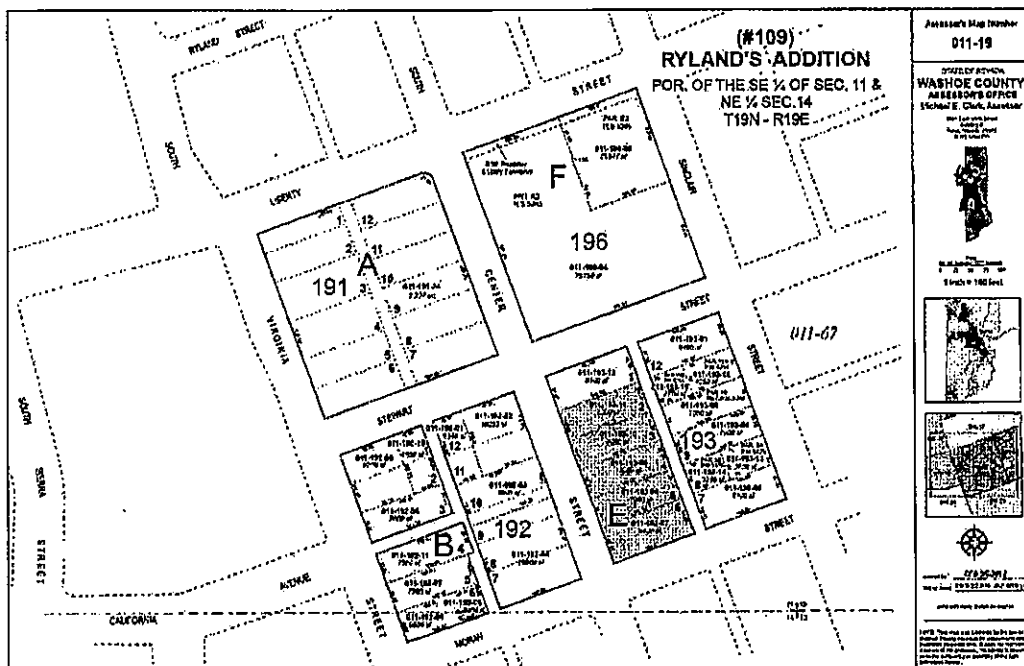
County: Washoe **APN:** 011-193-07, 08, 09, 10 & 11
Type: Vacant Land
Location: Northeast corner of Center St. and Moran St.
Address: 512 S. Center St., Reno, NV
Grantor: AMR Properties Ltd.
Grantee: Hillcrest Properties of Foresthill
Deed Date: 07-18-18 **Recording Date:** 07-30-18
RPTT: \$7,790.00 **Doc. No.:** 4837427
Legal Description: Retained in appraiser's file
Size: 36,400± sf or .8356± ac **Zoning:** MUSV
Land Use: Vacant Land **Utilities:** Extended to site
Access: Paved, good **Topography:** Level
Sale Price: \$1,900,000 **Unit Price:** \$52.20 per sf
Financing: Cash to seller
Verified with: Public records
By Anthony J. Wren, MAI, SRA 03-20



LAND SALE # 4



Picture taken from public records.



COMPARABLE LAND SALE #5

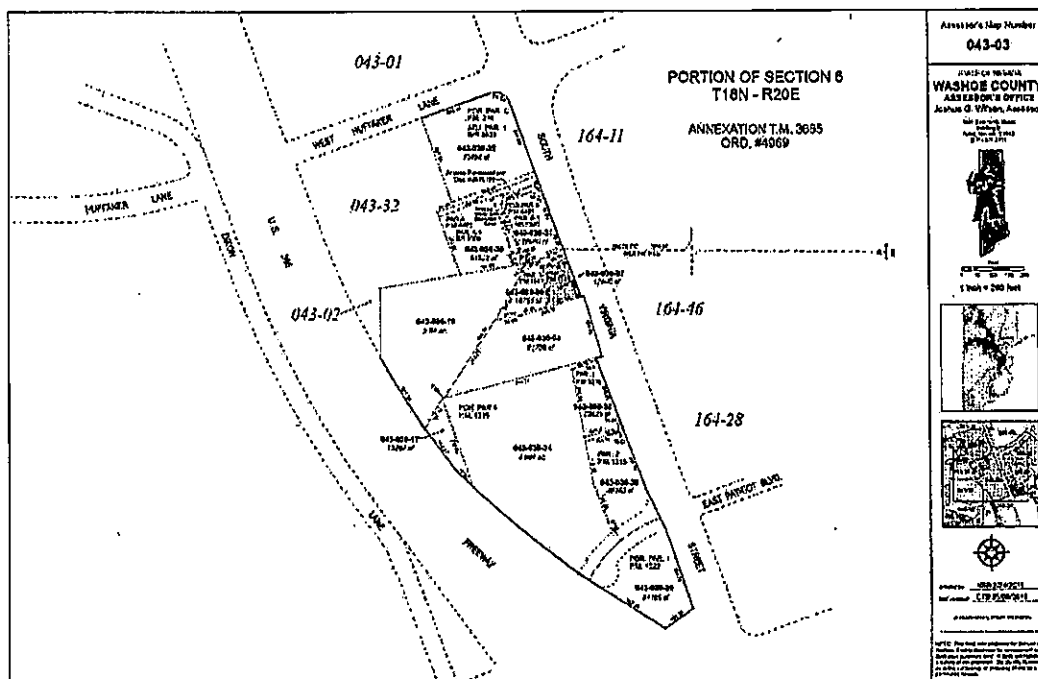
County: Washoe **APN:** 043-030-07 **Type:** Vacant Land
Location: West side of S. Virginia St. between West Huffacker Lane and East Patriot Blvd.
Address: S. Virginia St., Reno, NV
Grantor: Albin L. Kaiser (Trustee)
Grantee: Justin Maison
Deed Date: 09-06-18 **Recording Date:** 09-07-18
RPTT: \$2,255.02 **Doc. No.:** 4849215
Legal Description: Parcel 1 of Parcel Map 1143
Size: 12,500± sf or .287± ac **Zoning:** MUSV
Land Use: Vacant Land **Utilities:** Extended to site
Access: Paved, good **Topography:** Level
Sale Price: \$550,000 **Unit Price:** \$44.00 per sf
Financing: Cash to seller
Verified with: Public records
By Anthony J. Wren, MAI, SRA 03-20



LAND SALE #5



Picture taken from public records.



COMPARISON FACTORS**Property Rights**

This appraisal considers the subject's fee simple interest. All the properties utilized in this report involved the fee simple and no adjustments were considered to be necessary.

Terms

Sales or listings will be adjusted to cash or terms reasonably equivalent to cash. Terms reasonably equivalent to cash are based upon normal financing terms for properties of comparable highest and best use.

Time

Sales will be analyzed for appreciation or depreciation from the date of the sale to the date of the appraisal.

Location

Adjustments may consider value differences attributed to location.

Utility

Adjustments may consider the physical shape, topography, street frontage or other factors of a parcel that influence value.

Zoning

Sales will be adjusted according to their zoning classification.

Size

Adjustments consider if size affects value.

SALES ANALYSIS

For purposes of this report, the sales have been broken into a unit price per square foot. Buyers and sellers of commercial land in the Reno/Sparks area typically analyze sales and potential properties on a price per square foot. Therefore, this analysis is being made on a price per square foot basis. After a thorough search of the Reno/Sparks and Washoe County areas and specifically the downtown Reno area, the most recent sales were found and analyzed. These sales occurred between April 2017 and September 2018. The date of value of this report is June 15, 2019. The sales ranged in size from 7,000± sf to 36,400± sf as compared to the subject's size of 6,500 ± sf. The price per square foot of these sales ranged from a low of \$36.97 to a high of \$71.43 a square foot. The comparable properties utilized in this analysis will be compared and correlated to the subject property based on several different adjustment criteria. These include property rights, terms, time, location, utility, zoning, and overall size. The sales will be analyzed based on an overall price per square foot, which is most often analyzed in the local market for commercial land sales. An upward adjustment is made to the comparables' price per square foot when the subject is superior to the sale. Likewise, a downward adjustment is made for the comparables' price per square foot when the subject is inferior to the sale.

Property Rights Conveyed

This appraisal considers the subject's fee simple interest. All the sales utilized in this report involved the transfer of fee, and no adjustments were considered to be necessary.

Terms

All sales sold for cash or short-term deeds. All sales were considered to be cash to seller; therefore, there will be no adjustment for terms of sale.

Time (Marketing Conditions)

The sales occurred between April 2017 and September 2018 as compared to the subject's date of value of June 15, 2019. As indicated in the *Area Analysis* section of this report and the *Highest and Best Use*, it has been indicated that the Reno/Sparks area has undergone a significant economic decline after its peak period, approximately 2006. Since these sales are in 2017 and 2018, are sales that occurred after the economic downfall and are considered to be contemporary indicators for the subject's value. There has been a limited amount of sales activity in 2017 and 2018, and the five comparable commercial sales found were felt to be

the most similar and most comparable to the subject property. Because of the high demand for all vacant land in the Reno/Sparks area at the current time, values have been increasing at a relatively rapid pace over the last 12 to 24 months. Therefore, all sales would be adjusted upward for time.

Location

Overall, location is a very important aspect in any sale. The subject property is located on the southeast corner of S. Virginia Street and Martin Street with good visibility and exposure on S. Virginia Street in the downtown/midtown core. The location of the subject property is considered to be very good. Sale #1 is located on California Avenue, a similar location to the subject property requiring no further adjustment. Sale #2 located on Sinclair Street, an inferior location when compared to the subject property requiring an upward adjustment. Sale #3 is located on Mount Rose Street, an inferior location requiring an upward adjustment. Sale #4 is located on S. Center Street, a similar location requiring no further adjustment. Sale #5, is located on S. Virginia Street but several miles south of the downtown area. It is considered to be an inferior location requiring an upward adjustment.

Utility

Under utility, adjustments may be considered for physical shape, topography, street frontage, and other factors of a parcel that influence value. Utility of the subject is felt to be similar to that of the sales utilized in this report. This section of the adjustments will consider adjustments for utilities. All five sales utilized in this report have the availability of public water and sewer and are similar to the subject property. All sales are considered to be similar in utility, therefore requiring no further adjustment.

Zoning

The subject property is zoned MUSV or Mixed Use South Virginia Street zoning classification. All five sale utilized in this report have the same MUSV zoning classification with the exception of Sale #1 which was MUDR which is Mixed Use Downtown Reno, a similar zoning classification. Therefore, no further adjustment will be made for zoning.

Size

The subject property contains a total of 6,500± sf. The sales utilized in this report range from 7,000 ± sf to 36,400± sf. Those parcels that are larger than the subject property require a upward adjustment while those sales small than the

subject property require a downward adjustment. Sale #1 contains 10,000± sf requiring an upward adjustment. Sale #2 contains 7,000± sf requiring a upward adjustment. Sale #3 contains 10,415± sf requiring an upward adjustment. Sale #4 contains 36,400± sf requiring an upward adjustment. Sale #5 contains 12,500± sf requiring an upward adjustment.

Other Adjustments

Sale #1 is located on the south side of California Street between Arlington Avenue and Lander Street. The physical address is 414 and 418 California Street, Reno, Nevada. This sale is further identified as APN 011-213-04 and 05. This property was sold by E.L. Wiegand Foundation, a private shareable trust, and was purchased by Ramble On, LLC, a Nevada limited liability company. The meeting of the minds occurred on April 5, 2017 and the sale was recorded on April 19, 2017. The sale was recorded with Document No. 4696987. This property contains 10,000± sf or .2296± acres. As indicated this property is zoned MUDR.

This property had a reported sales price of \$550,000 indicating a price per square foot of \$55.00. Overall, when compared to the subject property, this sale is considered to be a good indicator.

Sale #2 is located on the west side of Sinclair between Stewart Street and Moran Street. The physical address of this property is 519 Sinclair Street, Reno, NV. This sale is further identified as APN 011-193-17 and 17. This property was sold by Marmot REOF 3, LF, LLC, a Nevada limited liability company, and The 515 Sinclair Street Series of Marmot Investments, LLC, a Nevada series limited liability company, and the 350 West 11th Street Series of Marmot Investments, LLC, a Nevada series limited liability company as their interest appear in record. The property was purchased by Matthew D. Flemming and Kathleen L. Flemming, husband and wife as joint tenants with right of survivorship. The meeting of the minds occurred on December 28, 2017 and the sale was recorded on January 9, 2018. This sale was recorded with Document No. 4778344. This property contains 7,000± sf or .1607± acres. This property is zoned MUSV, similar to that of the subject property.

The reported sales price was \$500,000 indicating a price per square foot of \$71.43. Overall in comparison to the subject property, this sale appears to be a high indicator.

Sale #3 is located on the northeast corner of Mount Rose Street and Forest Street. The physical address of this property is 375 Mount Rose Street, Reno, Nevada. This sale is further identified as APN 014-213-21 and 24. This property was

sold by Merchant & Mitchell, LLC, a Nevada limited liability company. The property was purchased by Arrowbuild LLC, a Nevada limited liability company. The meeting of the minds occurred on May 31, 2018 and the sale was recorded on June 8, 2018. This sale was recorded with two Document Nos., Document No. 4821353 and 4821355. This property contains a total land area of 10,415± sf or .2391± acres. This property is zoned MUSV, similar to that of the subject property.

This property has a recorded sales price of \$385,000 indicating a price per square foot of \$36.97. Overall in comparison to the subject property, this sale is considered to be an inferior indicator requiring upward adjustments.

Sale #4 is located on the northeast corner of Center Street and Moran Street. The physical address is 512 S. Center Street. This sale is further identified as APN 011-193-07, 08, 09, 10 and 11. This property was sold by AMR Properties Ltd., a Nevada limited liability company. The property was purchased by Hillcrest Properties of Foresthill Incorporated, a California corporation. The meeting of the minds occurred on July 18, 2018 and the sale was recorded on July 30, 2018. This sale was recorded with Document No. 4837427. This property contains 36,400± sf or .8356± acres. The property is zoned MUSV, similar to that of the subject property.

The reported sales price was \$1,900,000 indicating a price per square foot of \$52.20. Overall in comparison to the subject property, this sale is considered to be a similar indicator requiring minimal adjustments.

Sale #5 is located on the west side of S. Virginia Street between W. Huffacker Lane and E. Patriot Blvd. This property does not have a physical address but its address would be on S. Virginia Street. This sale is further identified as APN 043-030-07. This property was sold by Albin L. Kaiser, as sole trustee of the Residual Trust under the A.L. Kaiser Family Trust Agreement. The property was purchased by Justin Maison, a single man. The meeting of the minds occurred on September 6, 2018 and the sale recorded on September 7, 2018. This sale was recorded with Document No. 4849215. This property contains 10,500± sf or .287± acres. This property is zoned MUSV, similar to that of the subject property.

The recorded sales price was \$550,000 indicating a price per square foot of \$44.00. Overall in comparison to the subject property, this sale is considered to be a low indicator requiring an upward adjustment.

SUMMARY AND CONCLUSION OF VALUE

All sales utilized in this report were felt to be similar to each other and as similar as possible to the subject property. The adjustments are considered to be relatively small. In the before condition, the sales ranged from a low of \$36.97 to a high of \$71.43 on a price per square foot basis for the five sales. Appropriate adjustments have been considered for property rights, terms, time, location, utilities, zoning, and size. A summary of adjustments for the price per square foot is as follows.

SUMMARY OF ADJUSTMENTS FOR PRICE PER SQUARE FOOT

Sale No.	Unadjust. Unit Price	Prop. Rights	Terms	Time	Location	Utility	Zoning	Size	Overall Adjust.
1	\$55.00	0	0	+	0	0	0	+	0
2	\$71.43	0	0	+	+	0	0	+	-
3	\$36.97	0	0	+	+	0	0	+	+
4	\$52.20	0	0	+	0	0	0	+	0
5	\$44.00	0	0	+	+	0	0	+	+

The value indications derived from the comparable sales are reconciled into a single value indication by arranging the five sales in an array relative to the subject property. The sales considered superior to the subject property are Sale #2, based on its value being so much higher than the other sales. while Sale #1 and Sale #4 are relatively similar. Sale #3 and Sale #5 are considered inferior. Following is an indication of how the subject property fits within this array.

	<u>Comparable</u>	<u>Price/SF</u>	<u>Overall Comparability</u>
	Sale #2	\$71.43	Superior
	Sale #1	\$55.00	Similar
Subject Property			
	Sale #4	\$52.20	Similar
	Sale #5	\$44.00	Inferior
	Sale #3	\$36.97	Inferior

As can be seen from the above chart, the subject property appears to fit well within these sales. These sales were selected because of their comparability and location to the subject property. As indicated, in the before condition the sales ranged from a low of \$36.97 to a high of \$71.43 per square foot. The subject is felt to fall within these indicators. It appears that the subject fits best between Sale #4 at \$52.20 per square foot and Sale #1 at \$55.00 a square foot.

Therefore, based on the above analysis of the data contained in this report, and consideration given to the definition of value contained in this report and the fact that it appears that prices are increasing, most weight is given to Sale #1 and Sale #4 and will be rounded to \$55.00 a square foot.

Therefore, it is this appraiser's opinion that the subject's 6,500± square feet has a current market value of 6,500± sf x \$55.00 a square foot indicates a value of \$357,500.

Indicated Value: \$357,500
(\$55.00 a square foot)

EXHIBIT A
LEGAL DESCRIPTION TEMPORARY PUBLIC UTILITY EASEMENT
APN 014-063-07

EXHIBIT "A"
LEGAL DESCRIPTION OF TEMPORARY CONSTRUCTION EASEMENT
APN: 014-063-07

A temporary construction easement, situate within a portion of the North East 1/4 of Section 14, Township 19 North, Range 19 East, Mount Diablo Base and Meridian, City of Reno, County of Washoe, State of Nevada, more particularly described as follows:

Beginning at the north east corner of that certain parcel of land described as Lot 3 in Block 4 of Amended Plat of Blocks 4, 5 and 9 of an Amended Plat of Marlin Addition, Reno, Nevada, recorded in the official records of Washoe County Recorder's Office on May 28, 1907, as Tract Map # 73, said point being a point on the westerly line of South Virginia Street;

Thence South $20^{\circ}04'24''$ East 50.00 feet along the east boundary line of said parcel to the south east corner of said parcel;

Thence South $70^{\circ}07'54''$ West 6.17 feet along the south boundary line of said parcel;

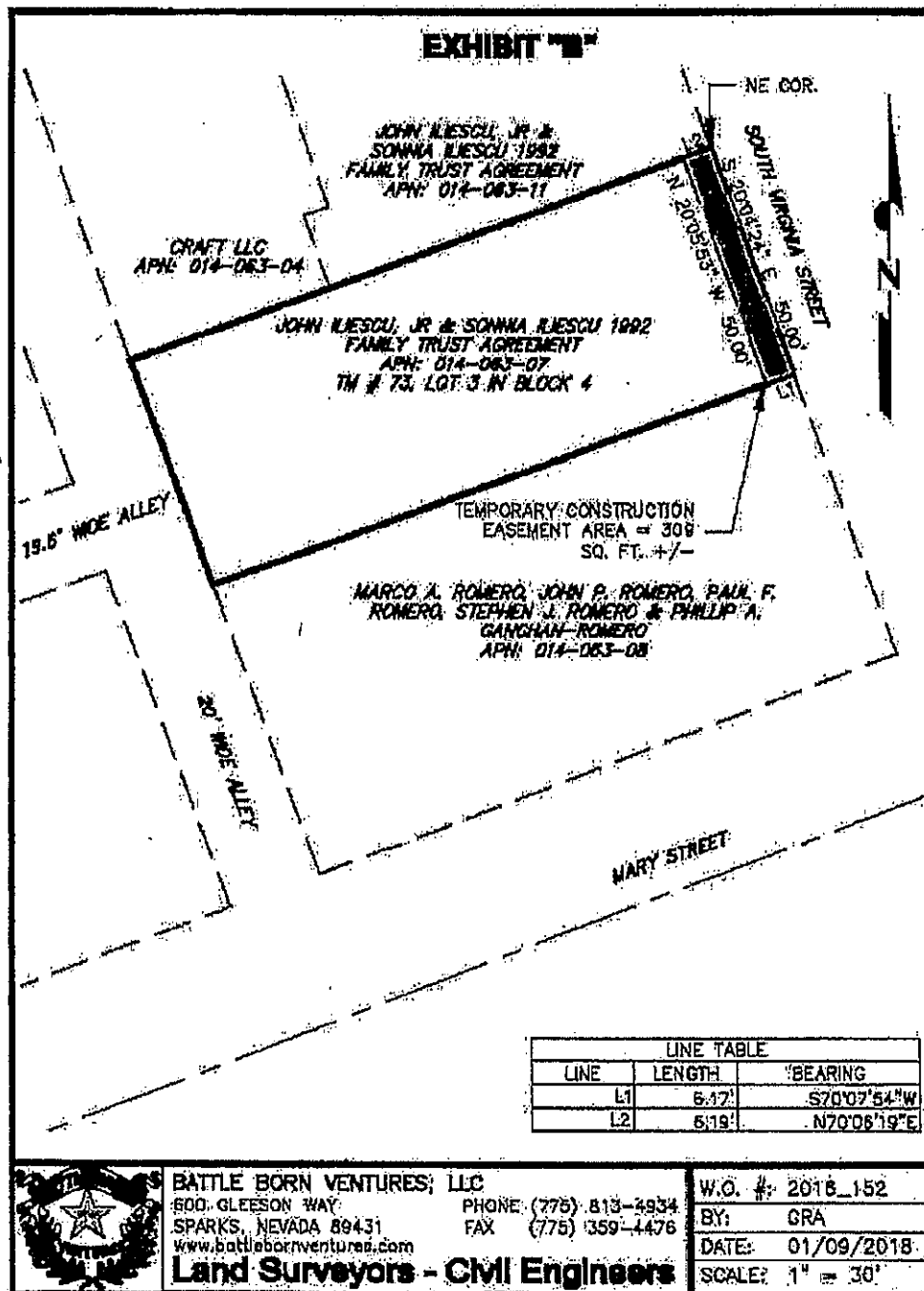
Thence departing the south boundary line of said parcel, North $20^{\circ}05'53''$ West 50.00 feet to a point on the north boundary line of said parcel;

Thence North $70^{\circ}08'19''$ East 6.19 feet along the north boundary line of said parcel to the point of beginning, containing 309 square feet, more or less.

Basis of Bearings: NAD 83(94) Nevada State Plane Coordinate System, West Zone (2703).

Grant R. Alexander, P.L.S. 19051
Battle Born Ventures, L.L.C.

EXHIBIT A
TEMPORARY PUBLIC UTILITY EASEMENT MAP
APN 014-063-07



DESCRIPTION AND VALUATION OF THE TEMPORARY EASEMENT

The Reno Transportation Commission (RTC) will be acquiring one temporary construction easement for the purposes of facilitating the required utility work. The easement is located on the east portion of the subject site. The temporary construction easement contains 309± sf. The reader is referred to various maps found throughout this report to better visualize the temporary construction easement area. According to information provided by the client, they will require this easement for three years. The specific date of commencement has not been established or provided to the appraiser. It is not known exactly when the easement will begin but it is assumed some time within the next one or two years. However, the property owners will be paid as of a current date.

As part of the entire subject ownership, the land area within the proposed temporary easement was felt to have a similar unit value as the subject's larger parcel. In a preceding section of this report, an appropriate per unit value for the larger parcel was estimated to be \$55.00 a square foot. Applying this per unit value of \$55.00 a square foot of land area for the temporary construction easement being acquired results in an indicated fee of this site as part of the entire subject ownership of \$16,995.

$$309\pm \text{ sf} \times \$55.00/\text{sf} = \$16,995$$

The easement required by the RTC will allow them to utilize the 309± sf for a three-year period until the end of construction. At the end of the lease, the land will revert back to the subject property owner. This analysis assumes that the land reverting back to the property owner will be in the same condition as it was before the acquisition of the easement. Essentially, RTC through acquisition of this temporary easement, is seeking to lease the land for three years. To establish an indication of an appropriate rental rate, this appraiser reviewed a number of land leases in the Reno/Sparks area. Most of these leases were for long-term intervals and illustrate rates ranging from 8% to 12%.

For purposes of this analysis, an analysis of a fair market rental rate will be based on the analysis of returns generated by land leases and availability of alternative income generating investments. Additionally, this appraiser has conducted several interviews with land owners and real estate brokers known to

buy, sell, and lease vacant land. Based upon a review of the land leases available to this appraiser and interviews with a wide variety of real estate professionals, it was indicated that rental rates are typically based upon a triple net term. The triple net term, in the case of land leases, would involve the tenant being responsible for taxes, insurance, maintenance, and other miscellaneous expenses related to the ownership of the property. For purposes of this analysis, the fair market rental rate being estimated therefore would be based on a triple net term lease.

One method of analyzing the rate of return required on a real estate investment involves the analysis of alternative investments. According to the *Valuation Insights and Perspectives for Professional Real Estate Appraisers*, dated Fourth Quarter 2019, published by the Appraisal Institute, current economic indicators indicate that five-year U.S. Treasury bonds were yielding 1.55%, ten-year bonds were yielding 1.68%, and 30-year bonds were yielding 2.12%. Corporate Aaa bonds were yielding 2.37% and Baa corporate bonds were yielding 3.91%.

In considering the rate of return which would be applicable to the subject property, consideration must be given to the fact that real estate typically involves somewhat of a degree of risk and significantly less liquidity than available to an investor in bonds and other financial market institutions. Real estate does, however, involve the potential for future appreciation and may in some cases offer tax benefits. Because of the risk involved in the investment of real estate, the rate of return available on the financial investments described above are felt to be lower than the rates of return required to attract an investment on the subject real estate.

In interviews with representatives of the Airport Authority of Washoe County, as well as the City of Reno and Washoe County, it was indicated to this appraiser that they typically hope to achieve a 10% rate of return on land leases. This rate of return is well within the range illustrated by the comparables analyzed and therefore is felt to be reasonable.

To further support a land lease value the appraiser has gathered the information in the following chart.

Comparable Rental Rates on Ground Leases							
Lease Comp No.	Lessee / Lessor Location / APN	Effective Lease Date	Current Annual Rent	Net Sq. Ft. Size	Current Rent per SF	Land Value per SF	Comments
1	AutoZone / Moreland 3480 S Carson Street Carson City NV / APN 009-111-31	04/17/12	\$48,200	38,155 (0.83 ac)	\$1.28	\$12.00	15-year lease with one 20-year option NNN Ground Lease AAA Tenant lease based on a 2012 land value
2	Atlanta Aviation / Reno Airport 655 S. Rock Blvd. Reno NV / portion of APN 015-210-34	09/01/12	\$413,179	1,032,947 (23.71 ac)	\$0.40	\$5.00	35-year lease - FBO NNN Ground Lease lease based on a 2012 appraisal asphalt, hangars & office bldg not valued
3	Reno Aviation Partners / Reno Airport SW corner of Rock Blvd & Mill St Reno NV / portion of APN 012-284-01	2010	\$250,850	658,555 (15.14 ac)	\$0.38	\$5.00	50-year lease - FBO NNN Ground Lease lease based on a 2010 land appraisal lease plans to build 3 hangars & office bldg
4	Kohl's Dept Store / Diamond Village LLC 70 Diamond Ranch Parkway Reno NV / APN 140-010-42	05/01/01 2010 rent	\$554,980	374,288 (8.592 ac)	\$1.48	\$16.00	20-year lease NNN Ground Lease lease based on Kohl's opinion of land value
5	Home Depot / N Carson Crossing LLC 3185 Market Street Carson City NV / APN 002-755-18	10/16/07	\$313,000	477,417 (10.96 ac)	\$0.66	\$7.00	20-year lease with six 5-year options NNN Ground Lease lease based on Home Depot's opinion of land value
6	ProLogis Air Cargo Facilities 1395 Alcarage Way Reno NV / portion of APN 012-284-01	06/18/05	\$344,630	400,733 (20 ac)	\$0.86	\$8.00	30-year lease with six 5-year options NNN Ground Lease lease based on Airport's opinion of land value
7	Washoe County / TWA 5305 Mill Street Reno NV / portion of APN 012-320-05	06/18/08	\$24,000	30,000 (.69 ac)	\$0.80	\$5.00	Was a 5-year lease now month to month NNN Ground Lease lease based on Washoe County's opinion of land value
8	TMWA / Union Pacific Railroad Woodland Ave and Rail Tracks Reno NV / Railroad Property	04/07/10	\$2,928	27,500 -.63	\$0.11	\$1.50	Year to year lease NNN Ground Lease lease based on Railroad's opinion of land value

A portion of this information was provided by Patrick J. Leeds SR/WA an appraiser with the Nevada Department of transportation. Mr Leeds indicated that he obtained the information in lease number 1 from the property owner Michael M. Moreland. I reverified the information with Mr. Moreland on 2-09-2013. Mr. Moreland indicated that the lease started at \$3,100 a month for the first two years. The lease increased to \$3,500 for the next three years and \$3,850 for the next five years (where it is currently). After that the lease will increase at 10% per year. I have verified leases 2 and 3 with David Mieding the Washoe County Airport's Real Estate Supervisor. Mr. Mieding, indicated that lease number 3 was negotiated in good faith and signed in early 2011 but fell through when Reno Aviation Partners got into financial problems and bowed out of the contact in October 2012. Leases 4 and 5 have been verified with a local appraiser William Kimmel MAI, who had personal knowledge of the lease information. Mr Leeds also indicated that the Kohl's lease had not changed per Mitch King with Kohl's. I have verified lease 6 with David Mieding the Washoe County Airport's Real Estate Supervisor. He indicated that this lease was for 30 years starting in 1996. The current Rate is \$0.86 a year, with 3% increases. Leases number 7 and 8 were verified with Heather Edmunson, Land Agent with Truckee Meadows Water Authority, (TMWA). Lease number 7 is currently month to month, while lease number 8 is year to year. It is typical for land lease to see 3% annual increases. These land leases are all true NNN with the tenant paying all expenses including taxes. For the purpose of this report we are looking for a rate of return for a Temporary Easement, minimal expenses will be incurred during the lease period. No taxes will be paid by the lessee, therefore these land leases should

be increased by 100 to 200 bases points to reflect the lack of expenses. This would indicate rates of return between 9.33% and 18.00%.

Based upon an analysis of the available data, it is this appraiser's opinion that an appropriate rate of return for the 309± sf of land area to be encumbered with a temporary construction easement will be 10%. Applying a 10% rate of return to the \$55.00 per square foot for a three-year period results in an indicated \$1,699.50 per year or \$5,098.50 (rounded to \$5,099.00) for three years economic rent of the land within the temporary easement area of 309± sf. This is for a three-year period.

As noted previously, RTC is seeking to lease the site for three years. The indicated rent is felt to be an appropriate value for a three-year temporary construction easement being acquired.

Indicated Value of 309± sf T.E.

\$5,099.00 (rounded)

**VALUE OF THE REMAINDER
AFTER THE ACQUISITION OF THE
TEMPORARY CONSTRUCTION EASEMENT
FOR UNDERGROUND UTILITIES**

In the before condition, the larger parcel was estimated to have a value of \$357,500 or \$55.00 a square foot. Deducting the total market value of the take which totaled \$0.00 leaves the value of the remainder after the acquisition of a total of \$357,500. The remainder consists of 6,500± sf of which 6,500± sf is held as the remainder unencumbered fee. An estimate subject to an easement is known as a servient estate. Mathematically the value remainder is as follows:

$$\$357,500 - \$0.00 = \$357,500$$

Note: This is not market value

The next step in this analysis is to determine the market value of the remainder parcel after the temporary construction easement for the underground utilities has been acquired. In the after condition, the larger parcel will involve 6,500± sf with the same physical and legal characteristics which were described previously with the exception that the site will no longer have access from S. Virginia street only access from the alley on the west boundary.

As indicated in the before condition the subject property has 6,500± sf of usable area, rectangular in shape with no impediments. In the after condition, the subject property will continue to have 6,500± sf of usable area with the exception that the site will no longer have access from S. Virginia street only access from the alley on the west boundary.

Visual Impact

There will be no visual impact on the subject site. There would however appear to be a difference in value in the before condition and in the after condition based on the physical fact that the site will no longer have access from S. Virginia street only access from the alley on the west boundary.

The other consideration that is given in the after condition is the future anticipated use of the parcel. The current highest and best use of the parcel is to be for future commercial/retail/residential development. In the before condition there is 6,500± sf of rectangular shaped parcel that is unimpeded by any easement for future development. In the after condition as observed in the previous exhibit, the usable area will be 6,500± sf.

In the after condition appraisal, I researched the market to determine if any sales or market indications other than those used in the before approach were available and appropriate. The following were found and presented here.

COMPARABLE LAND SALE CHART

Sale No.	APN Address	Sale Date	Sale Price	Land Area	Zoning	Price/SF	Grantor Grantee Doc. No.
1	011-193-19 Sinclair Street Reno, Nevada	5-09-18	\$92,500	2,750± sf	MUSV	\$33.64	Marmot Flemming 4812318
2	014-213-24 Mount Rose Street Reno, Nevada	6-08-18	\$90,000	3,271± sf	MUSV	\$27.52	Mitchell Arothead 4821355
3	014-116-34 222 W. Arroyo Street Reno, Nevada	9-25-18	\$90,000	3,742± sf	MUSV	\$24.05	WAG Boombs 4853465
4	011-192-01 Stewart Street Reno, Nevada	3-20-19	\$125,000	5,140± sf	MUSV	\$24.32	Osborne Reno 4895584
5	020-111-27,31 2615 Wronde Reno, Nevada	5-31-19	\$425,000	20,917± sf	MUSV	\$20.32	LeClair Chauvin 4916219
Subject	014-063-07 0 S. Virginia St Reno, NV	—	—	6,500± sf	MUSV	—	Iliescu —

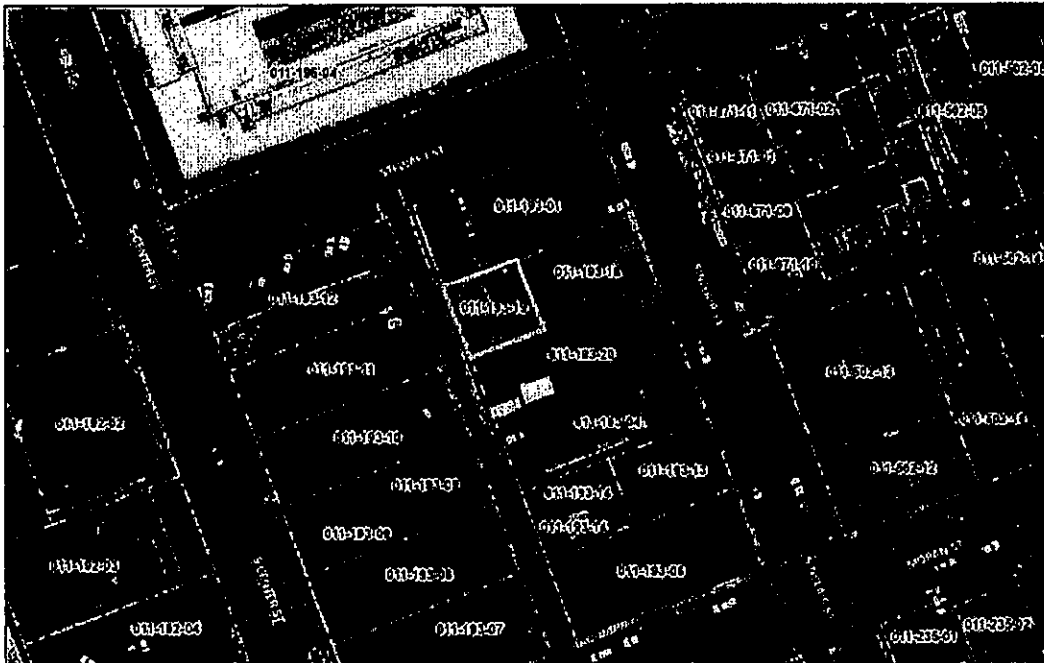
COMPARABLE LAND SALES LOCATION MAP



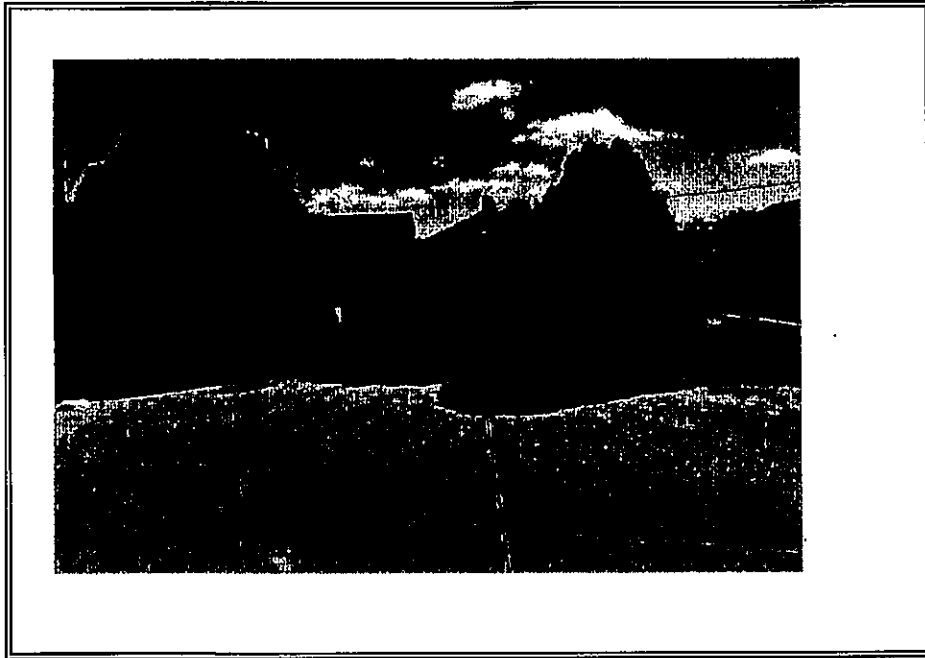
LAND SALES DATA

COMPARABLE LAND SALE #1

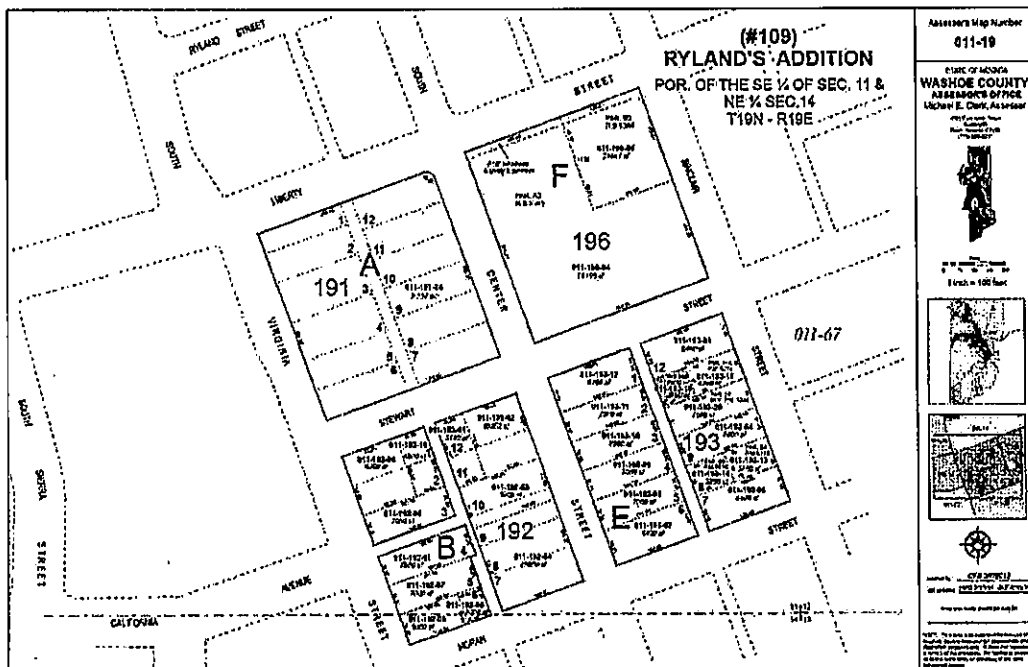
County: Washoe **APN:** 011-193-19 **Type:** Vacant Land
Location: East side of Alley between Stewart St. and Moran St.
Address: Sinclair St., Reno, NV
Grantor: Marmot Investments and The 350 W 11 Street
Grantee: Matthew D. Flemming and Kathleen L. Flemming
Deed Date: 04-23-18 **Recording Date:** 05-09-18
RPTT: \$379.25 **Doc. No.:** 4812318
Legal Description: Parcel 11B of Parcel Map 5214
Size: 2,750± sf or .063± ac **Zoning:** MUSV
Land Use: Vacant Land **Utilities:** Extended to site
Access: Paved, good **Topography:** Level
Sale Price: \$92,500 **Unit Price:** \$33.64 per sf
Financing: Cash to seller
Verified with: Public records
By Anthony J. Wren, MAI, SRA 03-20



LAND SALE # 1



Picture taken from public records.

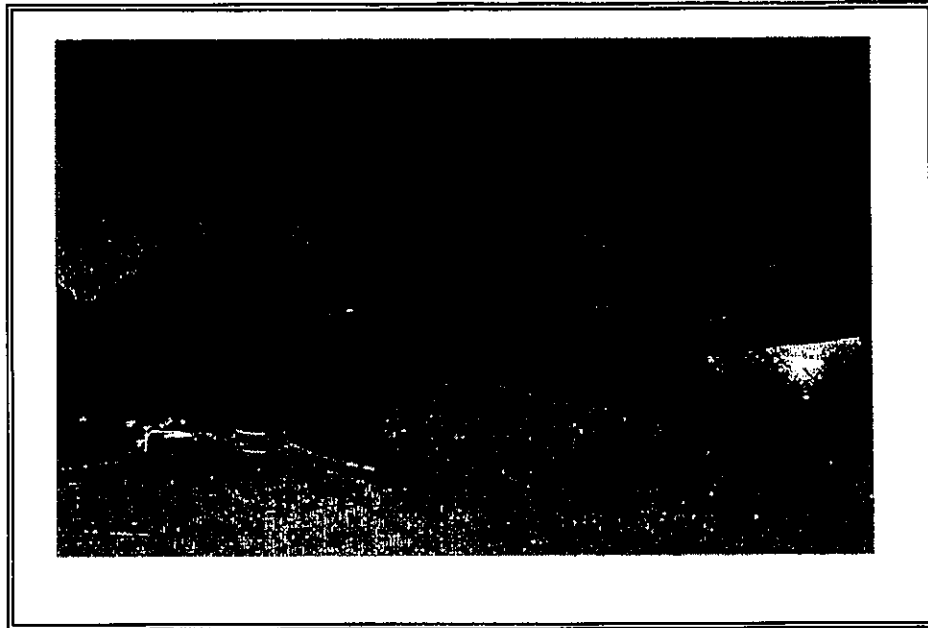


COMPARABLE LAND SALE #2

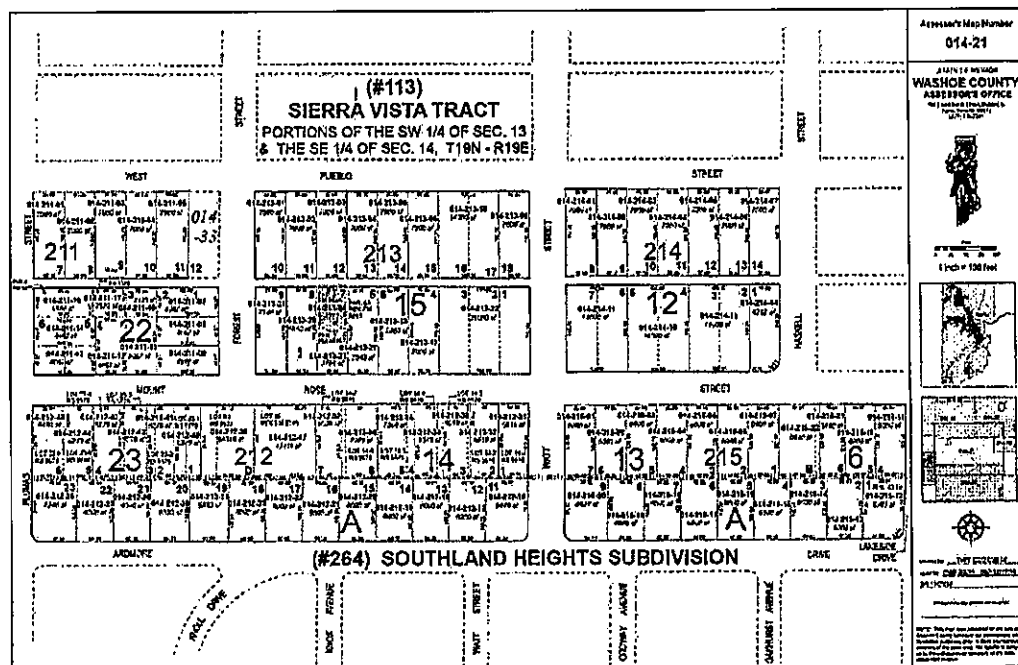
County: Washoe **APN:** 014-213-24 **Type:** Vacant Land
Location: South side of Alley between Forest St. and Watt St.
Address: Mount Rose Street, Reno, NV
Grantor: Christopher Mitchell
Grantee: Arrowbuild LLC
Deed Date: 05-31-18 **Recording Date:** 06-08-18
RPTT: \$369.00 **Doc. No.:** 4821355
Legal Description: Parcel 2 of Parcel Map No. 4845
Size: 3,271± sf or .075± ac **Zoning:** MUSV
Land Use: Vacant Land **Utilities:** Extended to site
Access: Paved, good **Topography:** Level
Sale Price: \$90,000 **Unit Price:** \$27.52 per sf
Financing: Cash to seller
Verified with: Public records
By Anthony J. Wren, MAI, SRA 03-20



LAND SALE # 2



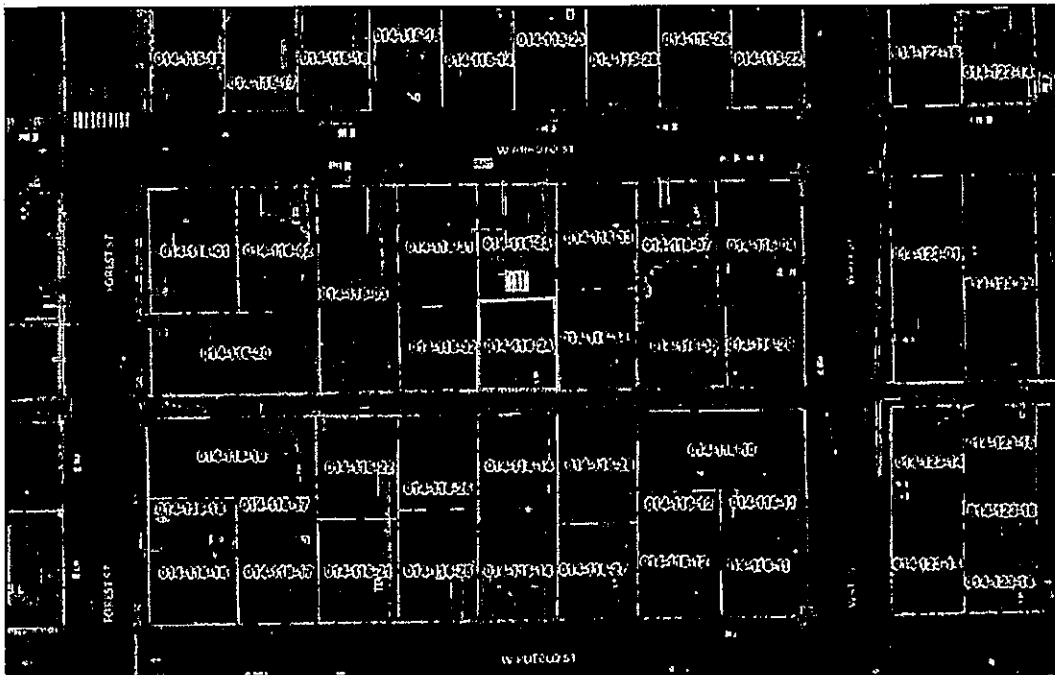
Picture taken from public records.



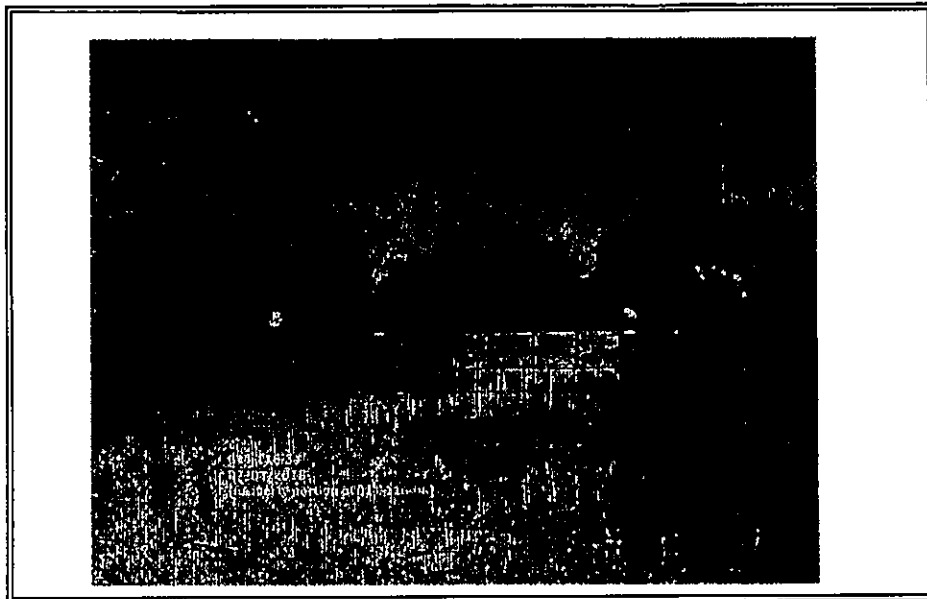
COMPARABLE LAND SALE #3

County: Washoe **APN:** 014-116-34 **Type:** Vacant Land
Location: North side of Alley between Forest St. and Watt St.
Address: 222 W. Arroyo Street, Reno, NV
Grantor: WAG Investments LLC
Grantee: Boombs Development LLC
Deed Date: 09-14-18 **Recording Date:** 09-25-18
RPTT: \$369.50 **Doc. No.:** 4853465
Legal Description: Parcel 2 of Parcel Map 5355
Size: 3,742± sf or .086± ac **Zoning:** MUSV
Land Use: Vacant Land **Utilities:** Extended to site
Access: Paved, good **Topography:** Level
Sale Price: \$90,000 **Unit Price:** \$24.05 per sf
Financing: Cash to seller

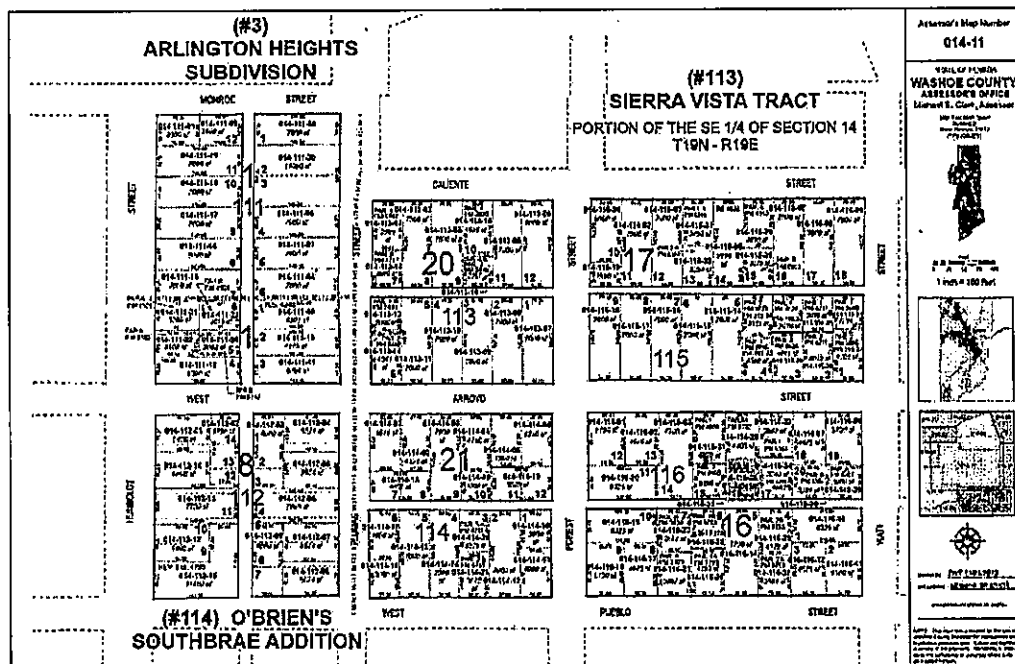
Verified with: Public records
By Anthony J. Wren, MAI, SRA 03-20



LAND SALE # 3



Picture taken from public records.



COMPARABLE LAND SALE #4

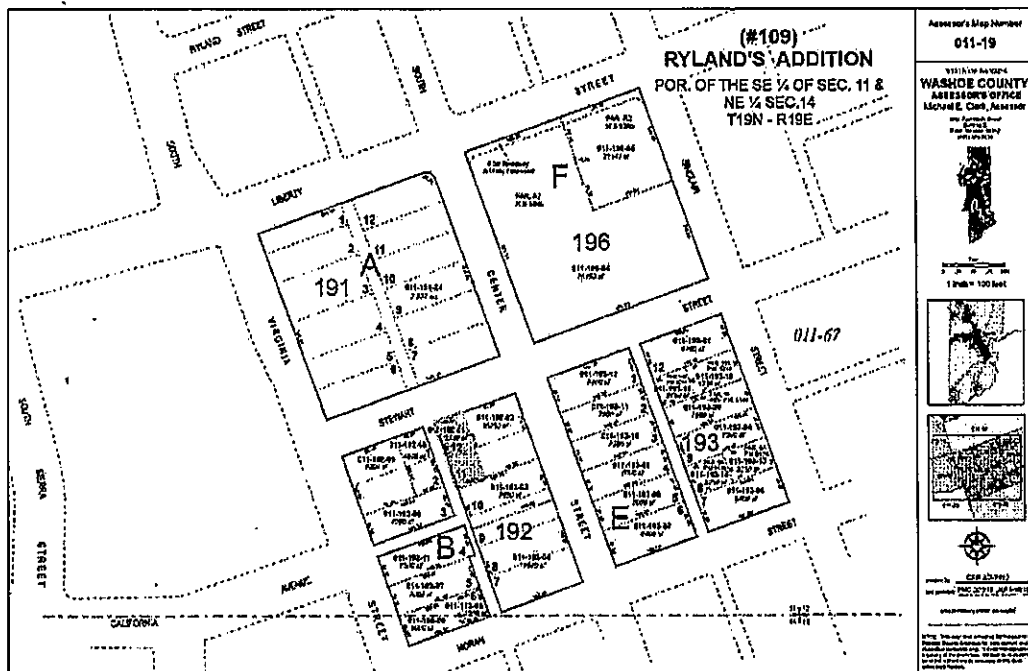
County: Washoe **APN:** 011-192-01 **Type:** Vacant Land
Location: Southwest corner of Stewart St. and Sinclair St.
Address: Stewart Street, Reno, NV
Grantor: Stephen H. Osborne and 555 South Center Street LLC
Grantee: Holly Reno I
Deed Date: 03-08-19 **Recording Date:** 03-20-19
RPTT: \$512.50 **Doc. No.:** 4895584
Legal Description: Retained in appraiser's file
Size: 5,140± sf or .118± ac **Zoning:** MUSV
Land Use: Vacant Land **Utilities:** Extended to site
Access: Paved, good **Topography:** Level
Sale Price: \$125,000 **Unit Price:** \$24.32 per sf
Financing: Cash to seller
Verified with: Public records
By Anthony J. Wren, MAI, SRA 03-20



LAND SALE # 4



Picture taken from public records.



COMPARABLE LAND SALE #5

County: Washoe **APN:** 020-011-27 & 31 **Type:** Vacant Land

Location: Southwest corner of Grove St. and Wronde! St.

Address: 2615 Wronde Street, Reno, NV

Grantor: Kahn, Leclair, Schotzko, Maurer

Grantee: Belinda Chauvin (Trustee)

Deed Date: 05-08-19

Recording Date: 05-31-19

RPTT: \$1,742.50

Doc. No.: 4916219

Legal Description: Retained in Appraiser's file

Size: 20,917± sf or .4802± ac

Zoning: MUSV

Land Use: Vacant Land

Utilities: Extended to site

Access: Paved, good

Topography: Level

Sale Price: \$425,000

Unit Price: \$20.32 per sf

Financing: Cash to seller

Verified with:Public records

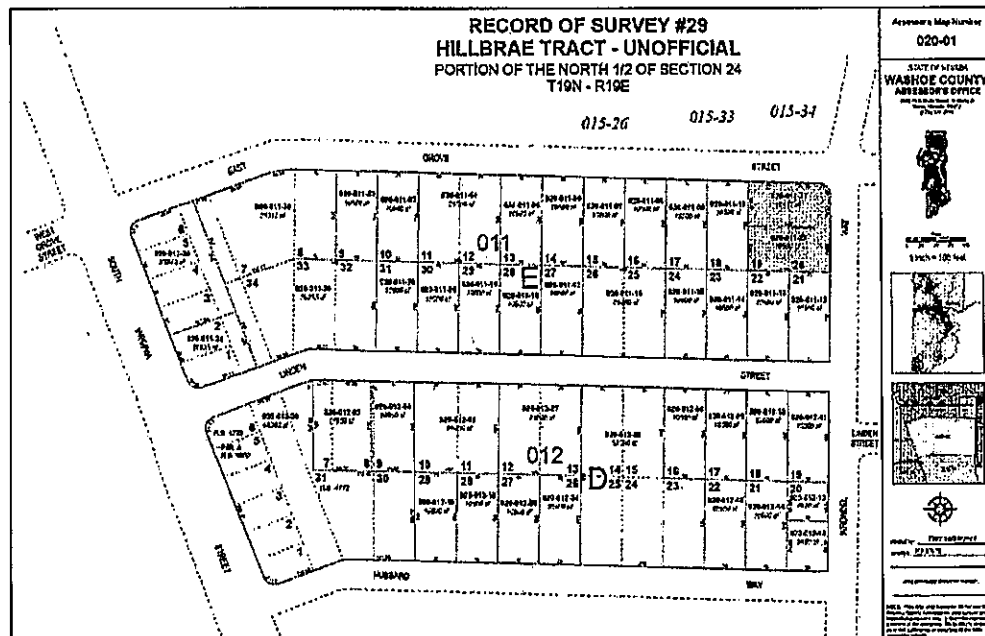
By Anthony J. Wren, MAI, SRA 03-20



LAND SALE #5



Picture taken from public records.



Anthony J. Wren, MAI, SRA
#7694

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COMPARISON FACTORS**Property Rights**

This appraisal considers the subject's fee simple interest. All the properties utilized in this report involved the fee simple and no adjustments were considered to be necessary.

Terms

Sales or listings will be adjusted to cash or terms reasonably equivalent to cash. Terms reasonably equivalent to cash are based upon normal financing terms for properties of comparable highest and best use.

Time

Sales will be analyzed for appreciation or depreciation from the date of the sale to the date of the appraisal.

Location

Adjustments may consider value differences attributed to location.

Utility

Adjustments may consider the physical shape, topography, street frontage or other factors of a parcel that influence value.

Zoning

Sales will be adjusted according to their zoning classification.

Size

Adjustments consider if size affects value.

SALES ANALYSIS

For purposes of this report, the sales have been broken into a unit price per square foot. Buyers and sellers of commercial land in the Reno/Sparks area typically analyze sales and potential properties on a price per square foot basis. Therefore, this analysis is being made on a price per square foot basis. After a thorough search of the Reno/Sparks and Washoe County areas and specifically the downtown Reno area, the most recent sales were found and analyzed. These sales were selected because of their limited access similar to what the subject property will have in the after condition. In the before condition, the subject property had access via South Virginia Street as well as alley access on the western boundary. In the after condition, the RTC has indicated that they will not be providing the curb cut for access to this site thus limiting its access to the westerly boundary alley access only. The sales utilized in this section of the report are similar with limited access. These sales occurred between May 2018 and May of 2019. The date of value of this report is June 15, 2019. The sales ranged in size from 2,750± sf to 20,917± sf as compared to the subject's size of 6,500± sf. The price per square foot of these sales ranged from a low of \$20.32 to a high of \$33.64 a square foot. The comparable properties utilized in this analysis will be compared and correlated to the subject property based on several different adjustment criteria. These include property rights, terms, time, location, utility, zoning, and overall size. The sales will be analyzed based on an overall price per square foot, which is most often analyzed in the local market for commercial land sales. An upward adjustment is made to the comparables' price per square foot when the subject is superior to the sale. Likewise, a downward adjustment is made for the comparables' price per square foot when the subject is inferior to the sale.

Property Rights Conveyed

This appraisal considers the subject's fee simple interest. All the sales utilized in this report involved the transfer of fee, and no adjustments were considered to be necessary.

Terms

All sales sold for cash or short-term deeds. All sales were considered to be cash to seller; therefore, there will be no adjustment for terms of sale.

Time (Marketing Conditions)

The sales occurred between May of 2018 and May of 2019 as compared to the subject's date of value of June 15, 2019. As indicated in the *Area Analysis* section of this report and the *Highest and Best Use*, it has been indicated that the Reno/Sparks area has undergone a significant economic decline after its peak period in approximately 2006. Since these sales are in 2018 and 2019, are sales that occurred after the economic downfall and are considered to be contemporary indicators for the subject's value. There has been a limited amount of sales activity in 2018 and 2019, and the five comparable commercial sales found were felt to be the most similar and most comparable to the subject property. Because of the high demand for all vacant land in the Reno/Sparks area at the current time, values have been increasing at a relatively rapid pace over the last 12 to 24 months. Therefore, Sales #1, 2 and 3 will require upward adjustments while Sales #4 and #5 are considered current.

Location

Overall, location is a very important aspect in any sale. The subject property is located on the west side of S. Virginia Street between Martin Street and Mary Street. In the after condition the property will only have access from the alleyway on the westerly boundary. The location of the subject property is considered to be very good; however, diminished due to the lack of access on S. Virginia Street. Sale #1 is located on the east side of the alley between Stewart Street and Moran Street, similar in location requiring no further adjustment. Sale #2 located on the south side of the alley between Forest Street and Watt Street, similar to the subject location requiring no further adjustments. Sale #3 is located on the west side of the alley between Forest Street and Watt Street, similar to the subject property requiring no further adjustments. Sale #4 is located on the southwest corner of Stewart Street and Sinclair Street, similar to the subject property requiring no further adjustment. Sale #5, is located on southwest corner of Grove Street and Wronde Street, similar to that of the subject property requiring no further adjustment.

Utility

Under utility, adjustments may be considered for physical shape, topography, street frontage, and other factors of a parcel that influence value. Utility of the subject is felt to be similar to that of the sales utilized in this report. This section of the adjustments will consider adjustments for utilities. All five sales utilized in this report have the availability of public water and sewer and are similar to the subject property. All sales are considered to be similar in utility, therefore requiring no further adjustment.

Zoning

The subject property is zoned MUSV or Mixed Use South Virginia Street zoning classification. All five sales utilized in this report have the same MUSV zoning classification. Therefore, no further adjustment will be made for zoning.

Size

The subject property contains a total of 6,500± sf. The sales utilized in this report range from 2,750 ± sf to 20,917± sf. Those parcels that are larger than the subject property require an upward adjustment while those sales smaller than the subject property require a downward adjustment. Sale #1 contains 2,750± sf, smaller than the subject property requiring a downward adjustment. Sale #2 contains 3,271± sf, smaller than the subject property requiring a downward adjustment. Sale #3 contains 3,742± sf, smaller than the subject property requiring a downward adjustment. Sale #4 contains 5,140± sf, smaller than the subject property requiring a downward adjustment. Sale #5 contains 20,917± sf requiring an upward adjustment.

Other Adjustments

Sale #1 is located on the east side of the alley between Stewart Street and Moran Street. The physical address is on Sinclair Street, Reno, Nevada. This sale is further identified as APN 011-193-09. This property was sold by Marmot Investments LF, LLC, a Nevada limited liability company, and The 350 W 11 Street Series of Marmot Investments, LLC, a Nevada series limited liability company and Marmot REOF 3, LLC, a Nevada limited liability company. The purchaser of the property was Matthew D. Flemming and Kathleen L. Flemming, husband and wife as joint tenants with right of survivorship. The meeting of the minds occurred on April 23, 2018 and the sale was recorded on May 9, 2018. The sale was recorded with Document No. 4812318. This parcel contains 2,750± sf or .063± acres. This property is zoned MUSV, similar to that of the subject property.

This property had a reported sales price of \$92,500 indicating a price per square foot of \$33.64. It is felt that this property was also purchased for assemblage purposes. Overall, in comparison to the subject property, this sale is considered to be a high indicator requiring downward adjustments.

Sale #2 is located on the south side of the alley between Forest Street and Watt Street. The physical address of this property is on Mount Rose Street, Reno, NV. This sale is further identified as APN 014-213-24. This property was sold by Christopher Mitchell, an unmarried man, and was purchased by Arrowbuild LLC, a Nevada limited liability company. The meeting of the minds occurred on May 31,

2018 and the sale was recorded on June 8, 2018. This sale was recorded with Document No. 4821355. This property contained a site size of 3,271± sf or .075± acres. This property is zoned MUSV, similar to that of the subject property.

The reported sales price was \$90,000 indicating a price per square foot of \$27.52. This sale was also felt to be purchased for assemblage purposes. Overall in comparison to the subject property, this sale is considered to be a relatively good indicator requiring limited adjustments.

Sale #3 is located on the north side of the alley between Forest Street and Watt Street. The physical address of this property is 222 W. Arroyo Street, Reno, Nevada. This sale is further identified as APN 014-116-34. This property was sold by WAG Investments LLC, a Nevada limited liability company and was purchased by Boombs Development LLC, a Nevada limited liability company. The meeting of the minds occurred on September 14, 2018 and the sale was recorded on September 25, 2018. This sale was recorded with Document No. 4853465. This property contains 3,742± sf or .086± acres. This property is zoned MUSV, similar to that of the subject property.

This property has a recorded sales price of \$90,000 indicating a price per square foot of \$24.05. Overall in comparison to the subject property, this sale is considered to be a low indicator requiring upward adjustments.

Sale #4 is located on the southwest corner of Stewart Street and Sinclair Street. The physical address is on Stewart Street, Reno, Nevada. This sale is further identified as APN 011-192-01. This property was sold by Stephen H. Osborne, a married man as his sole and separate property, as to an undivided one-fourth (1/4) interest, and 555 South Center Street, LLC, a Nevada limited liability company as to an undivided three-fourths (3/4) interest. The property was purchased by Holly Reno I, a Nevada limited liability company. The meeting of the minds occurred on April 8, 2019 and the sale was recorded on April 20, 2019. This sale was recorded with Document No. 4895584. This property contains 5,140± sf or .118± acres. This property is zoned MUSV, similar to that of the subject property.

The reported sales price was \$125,000 indicating a price per square foot of \$24.32. Overall in comparison to the subject property, this sale is considered to be a low indicator requiring upward adjustments.

Sale #5 is located on the Southwest corner of Grove Street and Wrondel Street. The physical address is 2615 Wrondel Street, Reno, Nevada. This sale is further identified as APN 020-011-27 and 31. This property was sold by Roger Kahn,

Trustee of the KIC Retirement Fund, and Warren H. Lortie, Trustee of the Warren H. Lortie Trust dated November 6, 1990, and Wells Fargo Bank, N.A., Successor Trustee of the Starline, Inc., Money Purchase Plan dated August 27, 1976 and Darrel R. Leclair, a married man as his sole and separate property, and David R. Schotzko and Julianne U. Maurer, Trustees of the Schotzko Maurer Trust of 2002 UTD July 15, 2002. The property was purchased by Belinda Chauvin, Trustee of the Silver Cypress Trust. The meeting of the minds occurred on May 8, 2019 and the sale recorded on May 31, 2019. This sale was recorded with Document No. 4916219. This site contains a total area of 20,917± sf or .4802± acres. This property is zoned MUSV, similar to that of the subject property.

The recorded sales price was \$425,000 indicating a price per square foot of \$20.32. Overall in comparison to the subject property, this sale is considered to be a low indicator requiring upward adjustments.

SUMMARY AND CONCLUSION OF VALUE

All sales utilized in this report were felt to be similar to each other and as similar as possible to the subject property. The adjustments are considered to be relatively small. In the before condition, the sales ranged from a price of \$20.32 to a high of \$33.64 on a price per square foot basis for the five sales. Appropriate adjustments have been considered for property rights, terms, time, location, utilities, zoning, and size. A summary of adjustments for the price per square foot is as follows.

SUMMARY OF ADJUSTMENTS FOR PRICE PER SQUARE FOOT

Sale No.	Unadjust. Unit Price	Prop. Rights	Terms	Time	Location	Utility	Zoning	Size	Overall Adjust.
1	\$33.64	0	0	+	0	0	0	-	-
2	\$27.52	0	0	+	0	0	0	-	0
3	\$24.05	0	0	+	0	0	0	-	+
4	\$24.32	0	0	0	0	0	0	-	+
5	\$20.32	0	0	0	0	0	0	+	+

The value indications derived from the comparable sales are reconciled into a single value indication by arranging the five sales in an array relative to the subject property. The sales considered superior to the subject property are Sale #1, Sale #2 is considered to be the most similar, Sales #3, #4 and #5 are all considered to be inferior. Following is an indication of how the subject property fits within this array.

	Comparable	Price/SF	Overall Comparability
Subject Property	Sale #1	\$33.64	Superior
	Sale #2	\$27.52	Similar
	Sale #4	\$24.32	Inferior
	Sale #3	\$24.05	Inferior
	Sale #5	\$20.32	Inferior

As can be seen from the above chart, the subject property appears to fit well within these sales. The sales were selected because of their comparability and location to the subject property. As indicated, in the before condition the sales ranged from a low of \$20.32 a square foot to a high of \$33.64 per square foot. The subject is felt to fall within these indicators. It appears that the subject fits best between Sales #1 and #2 or between \$27.52 per square foot and \$33.64 a square foot.

Therefore, based on the above analysis of the data contained in this report, and consideration given to the definition of value contained in this report and the fact

that it appears that prices are increasing, most weight is given to Sales #1 and #2 and will be correlated to \$30.00 a square foot.

Therefore, it is this appraiser's opinion that the subject's 6,500± square feet has a current market value in the after condition of 6,500± sf x \$30.00 a square foot for an indicated value of \$195,000.

Indicated Value in the After Condition: \$195,000

(\$30.00 a square foot)

The market indicators used in this section of the report are more similar to the subject's access in the after condition. Therefore, less adjustments are considered necessary. After carefully considering all the appropriate information, it is this appraiser's opinion that the market value of the subject in the after condition is estimated to be lower than the value of the before condition which was \$55.00 a square foot. It is my opinion that the after condition of the subject property should be at \$30.00 a square foot.

In my analysis of the remainder after the acquisition of the temporary easement and the fact that the RTC has indicated that this site will no longer have access via S. Virginia Street, I concluded that the highest and best use of the property has changed and that future development could be impeded. It is thus my observation that buyers will pay less for a 6,500± sf parcel without access via S. Virginia Street as considered to 6,500± sf parcels that have access on S. Virginia Street.

Based on my analysis of the data presented in the analysis of the larger parcel prior to the acquisition of the easement, and the information presented above, I conclude a value of the remainder after the acquisition to be \$30.00 a square foot.

Based on my analysis of the data presented in the analysis of the larger parcel prior to the acquisition of the easement and the information presented above, I conclude a value of the remainder, after the acquisition, of \$195,000 or 6,500± sf x \$30.00 a square foot. I conclude a value of damages or benefits associated with the project are calculated as the difference in value of the remainder before and after acquisition and construction of the improvements. I conclude the monetary damages or benefits associated with the proposed acquisition are calculated as follows:

$$\$357,500 - \$195,000 = \$162,500$$

It is my conclusion that the estate that comprises the remainder has diminished in value by the acquisition of the temporary easement and the loss of the access via S. Virginia Street.

SUMMARY OF VALUE CONCLUSIONS

(Accounting tabulation not indicative of appraisal method employed)

A.	Value of the whole, before the take:	\$357,000
B.	Value of the part taken, as part of the whole:	
	No take, accept for access from S. Virginia Street	\$0.00
	Total Value	\$0.00
C.	Value of the Remainder as part of the whole (A - B)	\$357,000
D.	Value of the remainder, after the take:	\$195,000
E.	Damages (A - D)	-\$162,500
	Cost to cure damages	\$0.00
F.	Other Temporary Easement	\$5,099
G.	Total Value of the Part Taken (B + E + F)	\$167,599

ASSUMPTIONS AND LIMITING CONDITIONS

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

LIMITS OF LIABILITY:

The liability of Anthony J. Wren, MAI 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 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 assignment. The appraiser is not in any way to be responsible for any costs incurred to discover or correct any physical, financial and/or legal deficiencies of any type present in the subject property.

COPIES, PUBLICATION, DISTRIBUTION AND USE OF REPORT:

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

The By-Laws and Regulations of the Appraisal Institute require each Member to control the use and distribution of each report signed by such Member. Except as hereinafter provided, the client may distribute copies of this report in its entirety to such third parties as he may select. However, selected portions of this report shall not be given to third parties without the prior written consent of the appraiser. Neither all nor any part of this report shall be disseminated to the general public by use of advertising media, public relations media, news media, sales media, or any other media for public communication without the prior written consent of the appraisal firm.

This report 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 report, unless it is indicated that one or more of the appraisers was acting as "Review Appraiser." No change of any item in the report shall be made by anyone other than the appraiser. The appraiser shall bear no responsibility for any unauthorized changes.

CONFIDENTIALITY:

Except as provided for subsequently, the appraiser may not divulge the analyses, opinions or conclusions developed in the assignment, nor may he give a copy of the report to anyone other than the client or his designee as specified in writing. However, this condition does not apply to any requests made by the Appraisal Institute or the State of Nevada for purposes of confidential ethics enforcement. Also, this condition does not apply to any order or request issued by a court of law or any other body with the power of subpoena.

The appraiser may be requested to submit copies of work to bona fide financial institutions in order to be approved to complete appraisal or consultation work for their institution. When requested, the appraiser will contact the client to obtain release to disseminate copies of the report to requesting institutions. Requests for dissemination will be controlled by the client; however, approval to disseminate the report will not be unreasonably withheld. Any reports

disseminated to requesting financial institutions would be edited to remove specific references to the subject property's name, location and owner. Additionally, any specific reference to the client will also be deleted.

INFORMATION SUPPLIED BY OTHERS:

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

TESTIMONY, CONSULTATION, COMPLETION OF CONTRACT FOR APPRAISAL SERVICE:

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

EXHIBITS AND PHYSICAL DESCRIPTIONS:

It is assumed that the improvements and the utilization of the land are within the boundaries of the property lines of the property described in the report and that there is no encroachment or trespass unless noted otherwise within the report. No survey of the property has been made by the appraiser and no responsibility is assumed in connection with such matters. Any maps, plats, or drawings reproduced and included in the report are there to assist the reader in visualizing the property and are not necessarily drawn to scale. The reliability of the information contained on any such map or drawing is assumed accurate by the appraiser and is not guaranteed to be correct.

TITLE, LEGAL DESCRIPTIONS, AND OTHER LEGAL MATTERS:

No responsibility is assumed by the appraiser for matters legal in character or nature. No opinion is rendered as to the status of title to any property. The title is presumed to be good and merchantable. The property is analyzed as if free and clear, unless otherwise stated in the report. The legal description, as furnished by the client, his designee or as derived by the appraiser, is assumed to be correct as reported. The report 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 report should not be construed as a report on the physical items that are a part of any property described in the report. Although the report 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 analysis and not as a complete or detailed report on these physical items. The appraiser is not a construction, engineering, or architectural expert, and any opinion given on these matters in this report should be considered tentative in nature and is subject to modification upon receipt of additional information from appropriate experts. The client is advised to seek appropriate expert opinion before committing any funds to the property described in the report.

Any statement in the report 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 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 analysis, any comments on observed conditions given in this appraisal report should not be taken as a guarantee that a problem does or does not exist. Specifically, no guarantee is given as to the adequacy or condition of the foundation, roof, exterior walls, interior walls, floors, heating systems, air conditioning systems, plumbing, electrical service, insulation, or any other detailed construction matters. If any interested party is concerned about the existence, condition, or adequacy of any particular item, it is strongly suggested that a mechanical and/or structural inspection be made by a qualified and licensed contractor, a civil or structural engineer, an architect or other experts.

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

AMERICANS WITH DISABILITIES ACT:

The Americans With Disabilities Act became effective on January 26, 1992. Unless otherwise noted in this report, I have not made a specific compliance survey or analysis of this property to determine whether or not it is conformance with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, would reveal that the property is not in compliance with one or more requirements of the Act. If so, this fact could have a negative effect on the value of the property as derived in the attached report. Since I have no direct evidence relating to this issue, and since I am not an expert at identifying whether a property complies or does not comply with the ADA, unless otherwise stated in the report, I did not consider possible non-compliance with the requirements of ADA in estimating the value of the property. Before committing funds to any property, it is strongly advised that appropriate experts be employed to ascertain whether the existing improvements, if any, comply with the ADA. Should the improvements be found to not comply with the ADA, a reappraisal at an additional cost may be necessary to estimate the effects of such circumstances.

TOXIC MATERIALS AND HAZARDS:

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

SOILS, SUB-SOILS, AND POTENTIAL HAZARDS

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

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

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

LEGALITY OF USE

This analysis 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 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 analysis. 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.

ADDENDUM

**QUALIFICATIONS OF
ANTHONY J. WREN, MAI, SRA
REAL ESTATE APPRAISER**

PROFESSIONAL DESIGNATIONS:

MAI – Member Appraisal Institute*1991
SRPA – Senior Real Property Appraiser*1987
SRA – Senior Residential Appraiser*1984

* These are no longer consider to be acronyms by the Appraisal Institute

PROFESSIONAL INVOLVEMENT:

- Re-Appointed by the Governor of Nevada to serve on the Nevada State Board of Taxation, Current Member 11/19 to 10/23
- Appointed by the Governor of Nevada to serve on the Nevada State Board of Taxation, Current Member 5/16 to 10/19
- Appointed by the Governor of Nevada to serve on the Nevada State Board of Equalization, Chairman as of January 2009 3/08 to 3/12
- Reappointed to a new term and Chair 3/12 to 10/15
- Appointed by the Governor of Nevada to serve on the Nevada Commission of Appraisers 9/94 to 6/97 and 7/97 to 6/00
- President, Commission of Appraisers of Real Estate, State of Nevada (1996, 1998)
- Expert Witness for Nevada District Court, Washoe, Storey, Clark and Elko Counties
- Member of the Appraisal Institute, National Board of Realtors, and Reno/Carson/Tahoe Board of Realtors
- Over 43 years of Appraisal Experience

APPRAISAL LICENSE:

Nevada Certified General Appraiser
#A.0000090-CG

REAL ESTATE BROKERAGE:

Nevada Real Estate Brokerage Licensed
Broker Anthony J. Wren
#B.0023456.INDV.

OFFICES HELD:

*Member Young Advisory Council SREA,
San Diego & San Francisco, CA 1989 & 1991*

*Education Chairman, Reno/Tahoe/Carson
Chapter Appraisal Institute 1993*

Board of Directors, Reno/Carson/Tahoe Chapter Appraisal Institute 1993-2007

*President, Reno/Carson/Tahoe Chapter 189
1988-1989*

First Vice President, Reno/Carson/Tahoe
Chapter 189 1987-1988

Secretary, Reno/Carson/Tahoe Chapter 189
1986-1987

President, Reno/Carson/Tahoe Chapter 189
2000

Appraisal Instruction

Several USPAP Update Courses taught through	2020
Business Practices and Ethics	2020
15-Hour National USPAP	2018
Comparison Valuation of Small, Mixed-Use Properties	2011
Income Valuation of Small, Mixed-Use Properties	2011
15-Hour National USPAP Course	03/23/07
15-Hour Standards of Professional Practice (Seattle, WA)	03/22/07
7-Hour National USPAP Update (Las Vegas, NV)	03/02/07
7-Hour National USPAP Update (Chicago, IL)	04/15/05
7-Hour National USPAP Update (Reno, NV)	02/24/05
USPAP Update 2003 – Standards & Ethics for Professionals	09/05/03
Business Practices and Ethics	07/25/03
7-Hour National USPAP Update Course	05/02/03
15-Hour National USPAP	03/22/03
Appraisal Procedures	05/19/01
Sales Comparison Valuation of Small, Mixed-Use Properties	03/31/01
Standards of Professional Practice, Part B (USPAP)	02/10/01
Income Valuation of Small, Mixed-Use Properties	02/19/00
Standards of Professional Practice, A, B, & C, USPAP	1992–2003
Reno, NV, Casper, WY, Eugene, OR, Sacramento, CA, Las Vegas, NV	
Income Valuation of Small Mixed Use Properties	
	(Reno, NV) 1998
	(Casper, WY) 1999
	(Sacramento, CA) 1999
Residential Case Study, Course 210 (Las Vegas, NV)	10/97
Alternative Residential Reporting Forms	(Buffalo, WY) 9/97
	(Polson, MT) 9/97
Data Confirmation and Verification	(Richland, WA) 11/96
	(Riodoso, NM) 09/96
	(Reno, NV) 03/96
	(Savannah, GA) 12/95
Understanding the Limited Appraisal	(Savannah, GA) 12/95
	(Tucson, AZ) 09/94
110 "Real Estate Appraiser Principles"	(Minneapolis, MN) 07/99
	(Sacramento, CA) 05/95
	(Wenatchee, WA) 09/94
	(St. Louis, MO) 02/94
	(Las Vegas, NV) 05/94
URAR Update	(Casper, WY) 01/94
	(Reno, NV) 12/93
1A2 Basic Valuation Procedures	(Las Vegas, NV) 05/92
Course 207B, Income Valuation Appraising	(Reno, NV) Fall 1989

Truckee Meadows Community College

(Reno, NV)

Spring 1989

APPRAISAL COURSES AUDITED:

Case Studies in Real Estate Valuation	1991
Cost Valuation of Small, Mixed-Use Properties	1988
Income Valuation of Small Mixed-Use Properties	
Sales Comparison Valuation of Small, Mixed-Use Properties	

APPRAISAL COURSES SATISFACTORILY CHALLENGED:

A1: Course I210 Residential Case Studies	(1993)
A1: Course 410 Standards of Professional Appraisal Practice	(1991)
A1: Course 420 Ethics of the Professional Appraisal Practice	(1991)
A1: Course 420 Ethics of the Professional Appraisal Practice	(1991)
SREA: Course 301 Special Applications of Real Estate Analysis	(1989)
SREA: Course 202 Applied Income Property Valuation	(1985)
SREA: Course 201 Principles of Income Property Appraising	(1984)
SREA: Course 101 An Introduction to Appraising Real Property	(1983)
SREA: Course 102 Applied Residential Property Valuation	(1983)

Classes Taken Online

Introduction to the Uniform Dataset (2 hours)	2019
USPAP Instructor Recertification Course 2018-2019 (4 hours)	2018
USPAP Instructor Recertification Course 2016-2017 (4 hours)	2016
USPAP Instructor Recertification Course 2014-2015 (4 hours)	2014

Classes Attended

Uniform Appraisal Standard For Federal Land Acquisition	
2017	
2018-2019 Instructors Recertification Course (USPAP)	2017
Architectural Styles and the UAD	2017
Constructing the Profession Report	2017
FHA SFR Appraising - Handbook 4000.1	2017
Comprehensive Square Foot Calculations	2017
2016-2017 USPAP Instructor Recertification Course	2015
Business Practice and Ethics Instructor Training	2015
Tahoe Litigation Conference	2014
Evaluating Residential Construction	2014
Appraisal Review General	2012
Uniform Appraisal Standards for Federal Land Acquisitions	
(Phoenix, AZ)	12/17 & 18/09
Valuation of Easements and Other Partial Interests (Reno, NV)	12/04/09
General Market Analysis and Highest & Best Use (Las Vegas, NV)	
	08/31/09 – 09/03/09
Introduction to International Valuation Standards (Online)	08/01/31 – 08/31/09
Valuation of Green Residential Properties (Phoenix, AZ)	02/19/09
REO Appraisal: Appraisal of Residential Property Foreclosures	
(Las Vegas, NV)	
	10/11/08
Forecasting Review	10/10/08
AQB Awareness Training for Appraisal Institute Instructors (Online)	08/15/07
Committee CE Credit (Chapter Level)	12/31/09
AQB USPAP Instructor Recertification Course (Dedham, MA)	02/24/07
AQB USPAP Instructor Recertification Course (Tucson, AZ)	12/04/04
Water Rights in Nevada	2/01/03

Training & Development Conference	08/26/03
AQB USPAP Instructor Recertification (San Francisco, CA)	10/30/02
Appraisal Continuing Education	12/10/02
Property Flipping and Predatory Lending Seminar	10/17/01
2001 USPAP Update for Instructors & Regulators-CA (San Diego, CA)	12/09/00
Lake Tahoe Case Studies in Commercial Highest & Best Use (Sacramento, CA)	10/20/00
Supporting Sales Comparison Grid Adjustments for Residential Properties (Reno, NV)	09/29/00
Case Studies in Commercial Highest and Best Use (Reno, NV)	07/28/00
Tools For Teaching Excellence, Day 1	07/09/00
USPAP Update for Instructors and Regulators (Las Vegas, NV)	07/08/00
Tools For Teaching Excellence, Day 2	07/10/00
Residential Consulting	03/31/00
Residential Consulting	2000
FHA's Home buyer Protection Plan & the Appraisal Process Seminar	1991
Affordable Housing Valuation Seminar	1997
Alternative Residential Reporting Forms	1986
Business Valuation Part 1	1996
Understanding Limited Appraisals – General	1995
Data Confirmation & Verification Methods	1995
Mandatory Faculty Workshop	1995
Appraising 1- to 4-Family Income Properties	1995
Investment Techniques with the HP-17/19II Calculator	1994
Fair Lending and the Appraiser	1994
Mock Trial	1994
Electronic Spreadsheet Workshop	1994
Basic Argus Training (Spreadsheets)	1994
Investment Techniques with the HP-17/19II Calculator	1994
FNMA URAR Update	1993
Maximizing the Value of an Appraisal Practice	1993
Litigation Valuation	1992
101 "Instructors Clinic	1990
Comprehensive Appraisal Review	1990
Meetings Attended	
Committee Credit – National	12/31/00
FORMAL EDUCATION:	
University of Texas at Arlington (No Degree)	1974
Casper College (No Degree)	1973
Peacock Military Academy (High School)	1972

An Appraisal of
Assessor's Parcel Number 014-063-11

Located At
961 S. Virginia Street
Reno, Washoe County, Nevada 89502

Prepared For
Brett W. Maupin, Esq.
Maupin, Cox & LeGoy
4785 Caughlin Parkway
Reno, NV 89519

For the Purpose of Estimating
Before and After Values of
One Site Containing 8,088± sf
RTC Will Be Acquiring
A PUE of 2± sf
And a TCE of 698± sf

As Of
July 15, 2019

Date of Report
March 23, 2020

An Appraisal of

Assessor's Parcel Number 014-063-11

**Located
At 961 S. Virginia Street
Reno, Washoe County, Nevada 89502**

Prepared For

**Brett W. Maupin, Esq.
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4785 Caughlin Parkway
Reno, NV 89519**

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Before and After Values of
One Site Containing 8,088± sf
RTC Will Be Acquiring
A PUE of 2± sf
And a TCE of 698± sf**

**As Of
July 15, 2019**

**Date of Report
March 23, 2020**

**Submitted By
Anthony J. Wren, MAI, SRA
Certified General Appraiser #A.0000090-CG**

ANTHONY J. WREN AND ASSOCIATES

P.O. BOX 20867
RENO, NEVADA 89515
(775) 329-4221
FAX (775) 329-5382

TONY WREN, MAI, SRA
CERTIFIED GENERAL APPRAISER

SUSAN WREN
CERTIFIED RESIDENTIAL APPRAISER

March 23, 2020

Brett W. Maupin, Esq.
Maupin, Cox & LeGoy
4785 Caughlin Parkway
Reno, NV 89519

RE:

APN 014-063-11
961 S. Virginia Street
Reno, Washoe County, Nevada

Dear Mr. Maupin:

At your request, I have completed an appraisal of and prepared the following appraisal report for the property referenced above. The purpose of my appraisal is to estimate the market value of the property and make a recommendation of compensation for the acquisition of one permanent easement and one temporary construction easement. The permanent easement is located in the northwest corner of APN 014-063-11 and contains 2± sf. The temporary construction easement is located on the north and east boundary of APN 014-063-11 and contains 698± sf. The site contains a total of 8,088± sf. The property is owned by John Iliescu, Jr. And Sonnia Iliescu 1992 Family Trust Agreement UTD January 24, 1992.

I have performed no services as an appraiser regarding the property that is the subject of this report, within a three-year period immediately preceding acceptance of this assignment.

The report is intended to conform with Section 2-2(a) of the Uniform Standards of Appraisal Practice and is considered to be an appraisal report.

The subject property is an improved commercial site. APN# 014-063-11 is improved with a commercial building except for the areas of the proposed public utility easement and temporary construction easement which is not improved with buildings. After inspection of the property and a review of the proposed acquisitions for the permanent easement and temporary construction easement, it was determined that the acquisition does not affect any improvements. Therefore, the appraisal will be made as if the property were vacant, and the valuation "as is" will be as vacant land only.

There is one proposed permanent easements, located on APN 014-063-11 and is located in the northeast corner of the site. The temporary construction easement is located in the north and east boundaries of the site.

The reader is referred to various maps throughout this report to better visualize the location of the easements.

Based on my inspection of the subject and a thorough research of the market, my conclusions and recommendations of compensation are as follows:

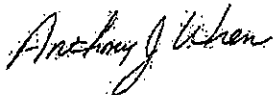
SUMMARY OF VALUE CONCLUSIONS

(Accounting tabulation not indicative of appraisal method employed)

A.	Value of the whole, before the take:	\$444,840
B.	Value of the part taken, as part of the whole: Permanent easement of 2± sf	\$1,000
	Total Value	\$1,000
C.	Value of the Remainder as part of the whole (A - B)	\$443,840
D.	Value of the remainder, after the take:	\$444,840
E.	Damages (A - D) Cost to cure damages	-\$0.00 \$0.00
F.	Other – Temporary Easement	\$11,517
G.	Total Value of the Part Taken (B + E + F)	\$12,517

The following is an appraisal report in a summary format. It has been prepared in conformance with the reporting requirements of the Appraisal Foundation as set forth in the Uniform Standards of Professional Appraisal Practice (USPAP), as well as the Supplemental Standards required by the Appraisal Institute. My conclusions and the data and analysis upon which they are based are summarized in the attached appraisal report.

Respectfully Submitted,



Anthony J. Wren, MAI, SRA
Certified General Appraiser #A.0000090-CG

TABLE OF CONTENTS

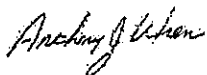
Title Page	
Letter of Transmittal	
Appraiser's Certification.	1
Subject Aerial Photograph.	8
Subject Aerial Photograph.	9
Area Map.	18
Neighborhood	30
Property Identification and Site Description.	39
Highest and Best Use Analysis.	43
Appraisal Overview.	47
Sales Comparison Approach to Value.	48
Comparable Land Sale Chart.	49
Comparable Land Sales Location Map.	50
Land Sales Data.	51
Sales Analysis.	62
Summary and Conclusion of Value.	66
Exhibit A Legal Description Permanent Public Utility Easement APN 014-063-11	
Public Utility Easement Per Right-of-way Map.	69
Easement Valuation Analysis	
Permanent Easement for a Below-ground Utility Easements	70
Exhibit A Legal Description Temporary Public Utility Easement APN 014-063-11	
Exhibit A Legal Description Temporary Public Utility Easement APN 014-063-11	
Exhibit A Temporary Public Utility Easement Map APN 014-063-11.	75
Description and Valuation of the Temporary Easement.	76
Value of the Remainder after the Acquisition of the Permanent Easements	
for Underground Utilities.	80
Assumptions and Limiting Conditions.	84
Addendum.	89

APPRAISER'S CERTIFICATION

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

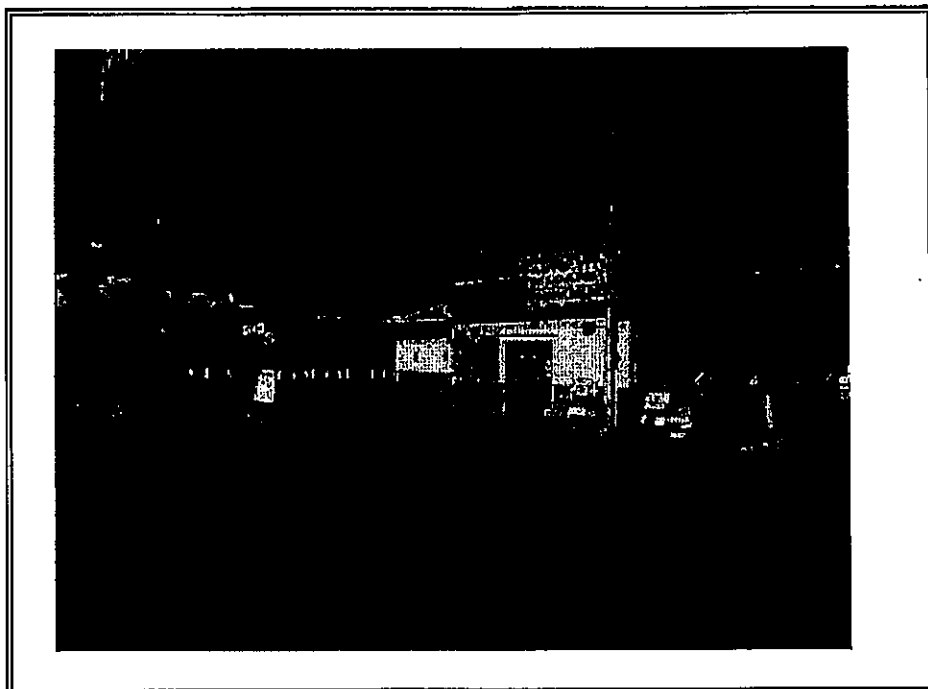
- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, conclusions, and recommendations.
- I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest with respect to the parties involved.
- I have no bias with respect to any property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- I have made a personal inspection of the property that is the subject of this report.
- No one provided significant real property appraisal or appraisal consulting assistance to the person signing this certification.
- The appraisal was not based upon a requested minimum valuation, a specific valuation, or the approval of a loan.
- This appraisal report has been made in conformity with, and is subject to, the requirements of the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute.
- The use of this report is subject to the requirements of The Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this report, I have completed the requirements of the continuing education program of the Appraisal Institute.
- I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

Respectfully submitted,

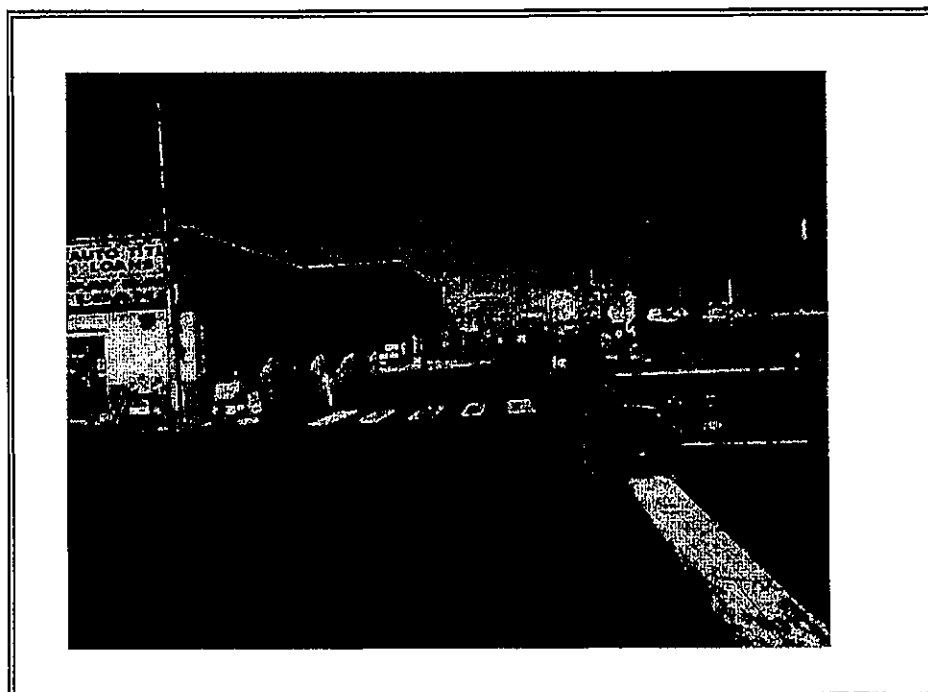


Anthony J. Wren, MAI, SRA
Nevada Certified General Appraiser # A.0000090-CG

SUBJECT PROPERTY PHOTOGRAPHS

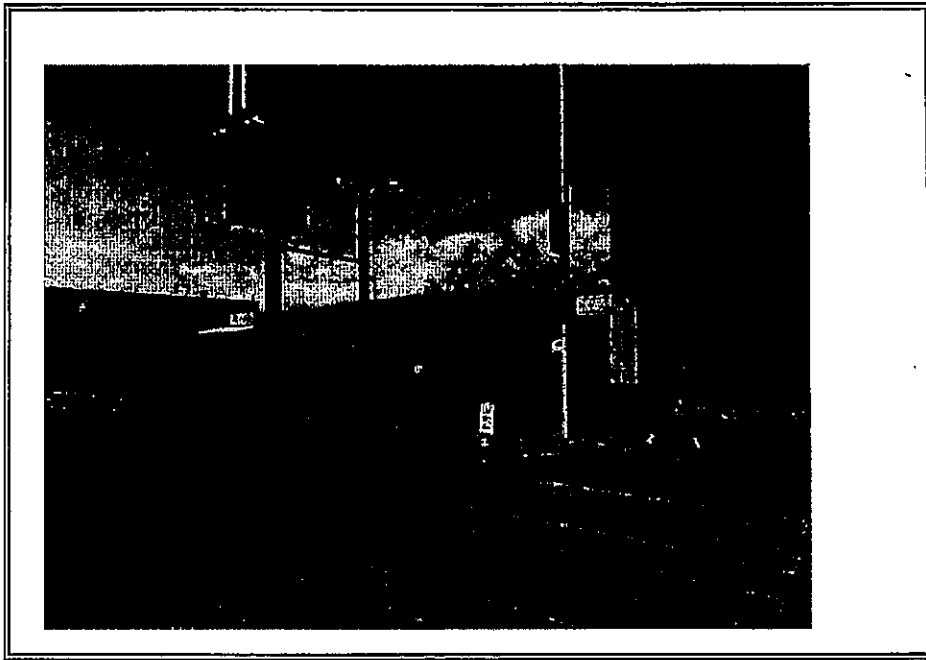


View of the proposed easement area.

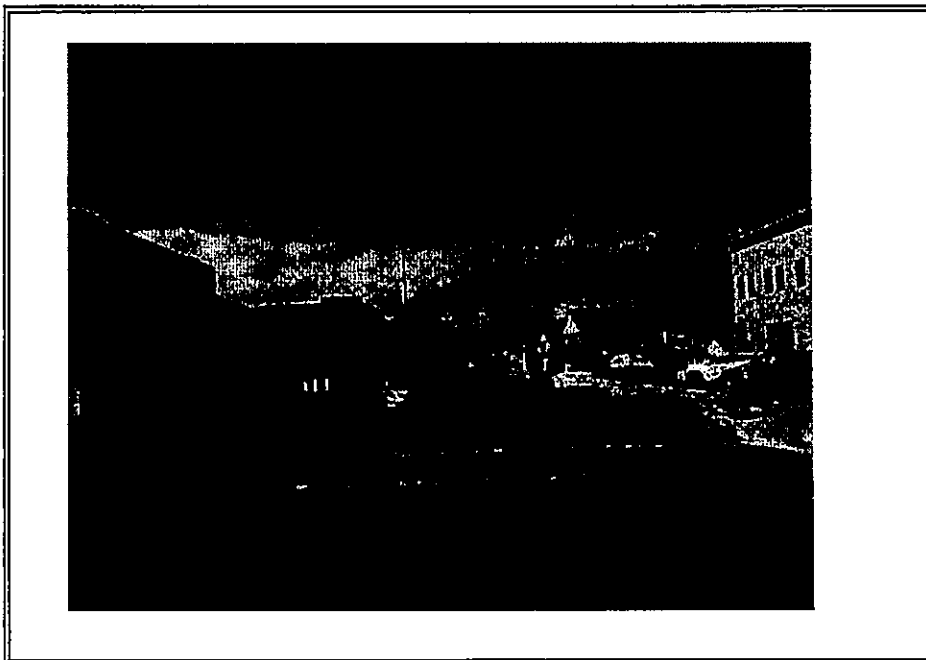


View of South Virginia Street.

SUBJECT PROPERTY PHOTOGRAPHS

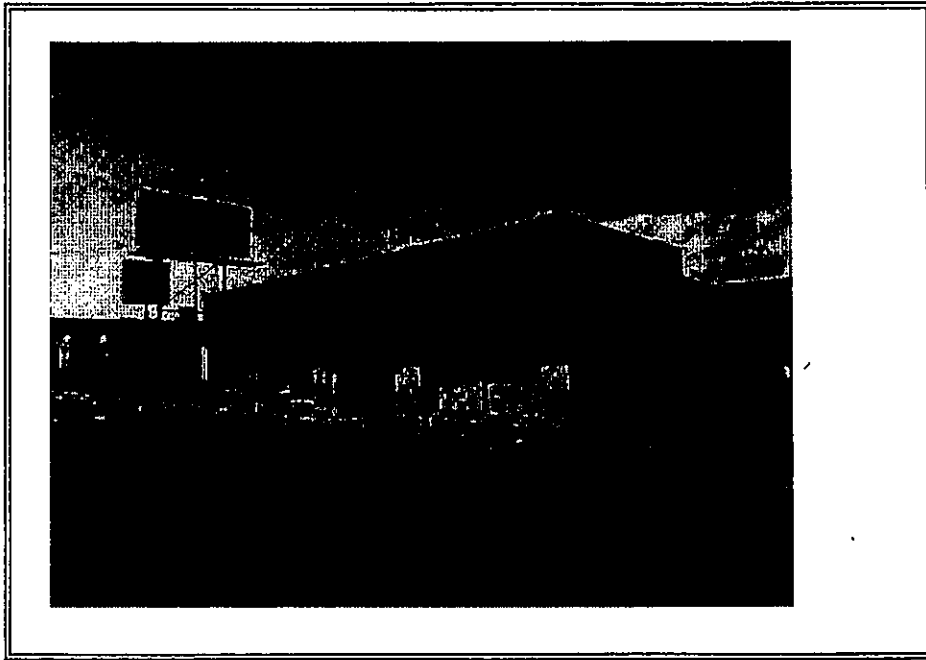


View of the proposed easement area.



View of Martin Street.

SUBJECT PROPERTY PHOTOGRAPHS



View of the proposed easement area.



View of S. Virginia Street.

SUBJECT PROPERTY PHOTOGRAPHS



View of the proposed easement area.

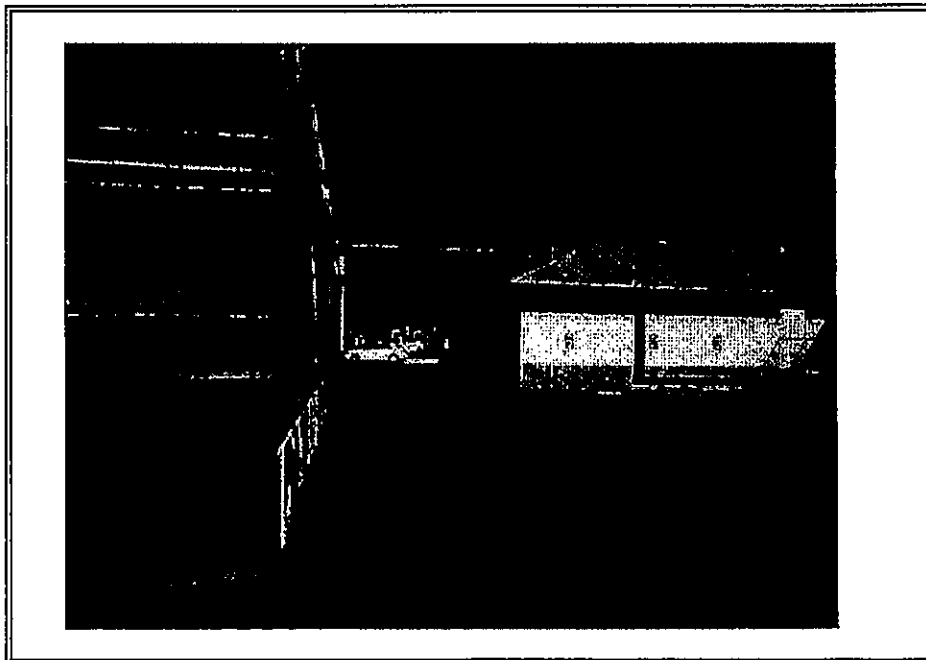


View of the proposed easement area.

SUBJECT PROPERTY PHOTOGRAPHS

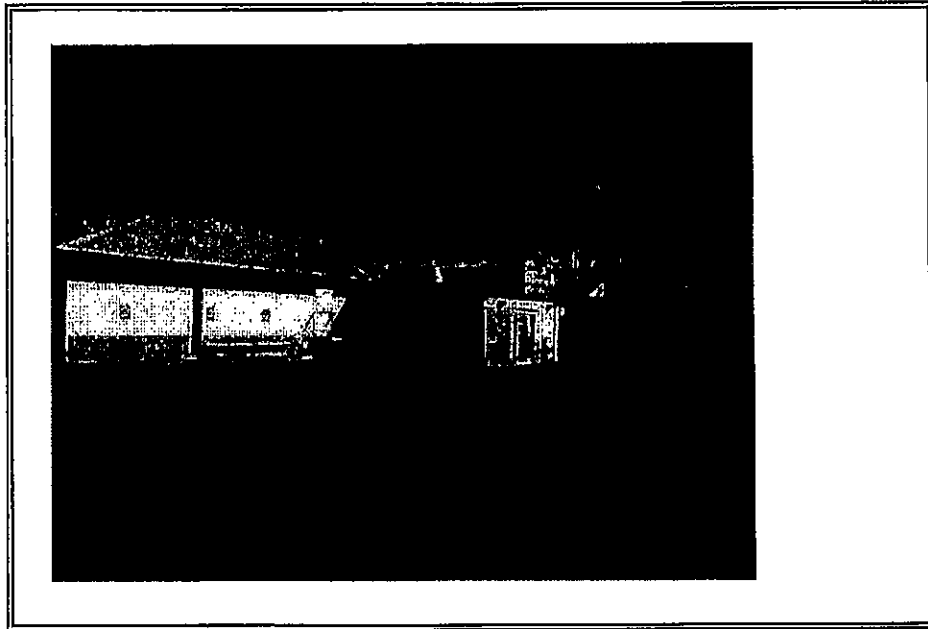


View of the proposed easement area.

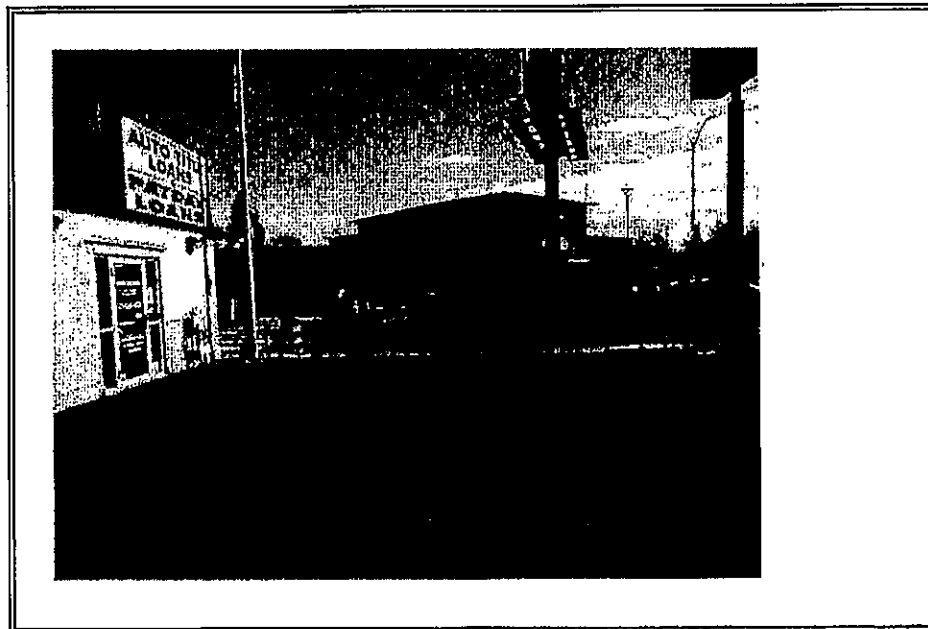


View of the back of the site.

SUBJECT PROPERTY PHOTOGRAPHS



View of The parking area for the site.



View of the proposed easement area.

SUBJECT AERIAL PHOTOGRAPH



SUBJECT AERIAL PHOTOGRAPH



INTRODUCTION

Client Brett W. Maupin, Esq.
Maupin, Cox & LeGoy
4785 Caughlin Parkway
Reno, NV 89519

Appraiser Anthony J. Wren, MAI, SRA
Nevada Certified General License # A.0000090-CG
Anthony J. Wren & Associates
85 Keystone Avenue, Suite C
Reno, Nevada 89503

Subject Assessor's Parcel Number 014-063-11

Legal Description

According to public records and that certain Deed recorded on December 20, 1994, with Document Number 1858459, the subject property is legally described as follows:

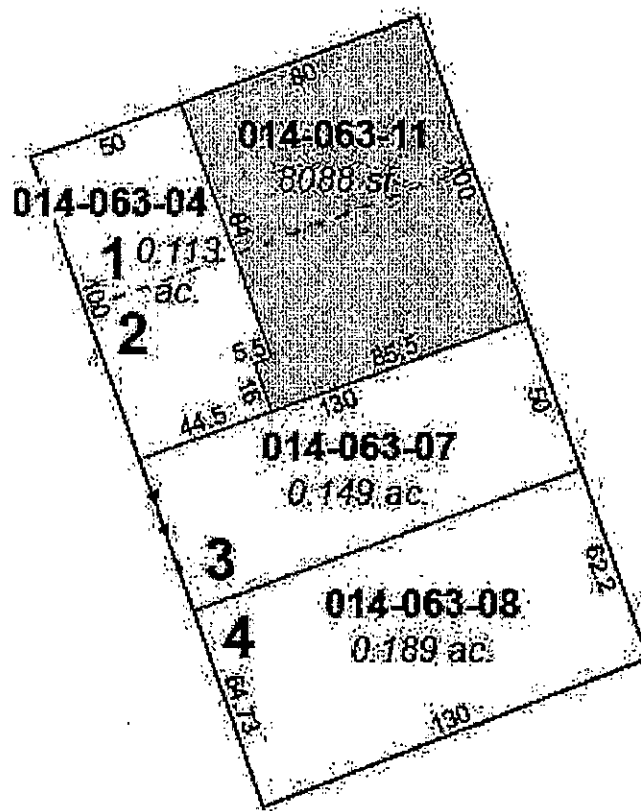
Beginning at the intersection of the Southerly line of Martin Avenue with the Westerly line of South Virginia Street; thence Southerly along the Westerly line of South Virginia Street 60 feet; thence Westerly parallel with the Southerly line of Martin Avenue 70 feet; thence Southerly parallel with the Westerly line of South Virginia Street 40 feet to the Southerly line of Lot 2 in Block 4 of THE MARTIN ADDITION, RENO, NEVADA, according to the amended plat of Blocks 4, 5, and 9, filed in the office of the County Recorder of Washoe County, State of Nevada, on May 18, 1907; thence Westerly along the Southerly line of said Lot 2, 10 feet; thence Northerly parallel with the Westerly line of South Virginia Street 100 feet to the Southerly line of Martin Avenue; thence Easterly along the Southerly line of Martin Avenue 80 feet to the point of beginning; being the East 80 feet of Lot 1, North 10 feet of East 70 feet and East 10 feet of West 60 feet of Lot 2, Block 4 of THE MARTIN ADDITION, RENO, NEVADA, according to the Map hereinabove mentioned.

Beginning at a point on the Southerly line of Lot 2, distant 50 feet Easterly from the Southwest corner of said Lot 2 in Block 4 of THE MARTIN ADDITION, RENO, NEVADA, according to the official amended plat of Blocks 4, 5 and 9, filed in the office of the County Recorder of Washoe County, State of Nevada, on May 28, 1907; thence Northerly and parallel to the Westerly line of said Lot 2 a distance of 16 feet; thence Westerly and parallel to the Southerly line of said Lot 2 a distance of 5 1/2 feet; thence Southerly and parallel to the Westerly line of said Lot 2 a distance of 16 feet; thence Easterly to the point of beginning.

Commencing at the Southeast corner of Lot 2 in Block 4 of THE MARTIN ADDITION, RENO, NEVADA, according to the official amended plat of Blocks 4, 5, and 9 filed in the office of the County Recorder of Washoe County, State of Nevada, on May 28, 1907; thence Northerly along the Westerly line of Virginia Street, a distance of 40 feet; thence Westerly at a right angle a distance of 70 feet; thence Southerly, parallel with the Westerly line of Virginia Street, a distance of 40 feet to the South line of said Lot 2; thence Easterly along the South line of said Lot 2 a distance of 70 feet to the point of beginning, said premises being the South 40 feet of the East 70 feet of Lot 2 in Block 4 of the Martin Addition according to the map mentioned above.

Larger Parcel Concept

The subject property is comprised of one APN. And contains 8,088± square feet. The larger parcel concept states "In governmental land acquisitions, 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." It is the appraiser opinion that the parcel makes up the subject's "Highest and Best Use" as vacant. Therefore for purposes of the analysis the larger parcels will be valued as a 8,088± square foot site; The site is depicted below.



Intended Use/Users of the Report

For use by the client, who is Brett W. Maupin, Esq. with Maupin, Cox & LeGoy, Reno, Nevada, and Reno Transportation Commission of Washoe County (RTC) in negotiating an equitable price for one permanent easements and one temporary construction easement for the development of underground utilities.

Identification of the Appraisal Problem

The appraisal must address the compensation to the owner as a result of the acquisition of one permanent easements and one temporary construction easement.

Owner of Record/Sale History

According to the public records the subject property is owned John Iliescu, Jr. And Sonnia Iliescu 1992 Family Trust Agreement UTD January 24, 1992. There have been no transactions or listings on the property within the last three years.

Purpose of the Appraisal

The purpose of the appraisal is the acquisition of one permanent easements and one construction easement for use in estimating current market value of the property appraised and to make a recommendation as to the just compensation due the owners, as of the effective date of value.

Interest Appraised

Fee Simple

Effective Date of Value

July 15, 2019

Date of Report

March 23, 2020

Appraisal Development and Reporting Process (Scope)

This is an appraisal, communicated in a summary format. The report is intended to conform with Section 2-2(a) of the Uniform Standards of Professional Appraisal Practice.

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

- a) Performed an inspection of the subject and its neighborhood;
- b) Researched the subject's current physical and legal condition, as well as its background and history;
- c) Examined the market area to determine the existing and proposed inventory, demand, and marketability of properties similar to the subject;

- d) Researched and investigated relative market data including recent sales, and other transactions.
- e) Investigated and analyzed the impact of the proposed easement on the value and utility of the affected parcel.
- f) Prepared the following summary appraisal report.

Standard Assumptions and Limiting Conditions

This appraisal was prepared subject to a standard set of assumptions and limiting conditions which are typical for the appraisal industry. These assumptions and limiting conditions are provided in detail at the end of this report.

Special Limiting Condition: None

Extraordinary Assumptions None

Hypothetical Conditions None

DEFINITIONS**Condemnation Blight¹**

A diminution in the market value of a property due to pending condemnation action.

Controlled Access Highways²

"Controlled Access Highway" means every highway to or from which owners or occupants of abutting lands and other persons have no legal right of access except at such points only and in such manner as may be determined by a public authority.

Cost to Cure³

A method of measuring damages. This method can be used when the property being appraised has suffered damage that can be physically and economically corrected, e.g., through correction of drainage, replacement of fencing, reestablishment of physical access, or replacement of sewage or water systems. Under no circumstances can the cost to cure measure of damage be applied if the cost to cure exceeds the diminution in value that would result if such a cure were not undertaken. However, if the cost to cure is less than the diminution in the value of the remainder, the cost to cure measure of damage *must* be used.

Divided Highway⁴

"Divided highway" means a highway divided into two or more roadways by means of a physical barrier or dividing section, constructed so as to impede the conflict of vehicular traffic traveling in opposite directions.

Easement⁵

The right to perform a specific action on a particular land parcel, or portion of a parcel of land, without owning the underlying fee. A continuous easement across multiple tracts of land is often referred to as a right-of-way.

Exposure Time⁶

1. The time a property remains on the market.
2. The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based upon an analysis of past events assuming a competitive and open market.

Fee Simple Estate⁷

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.

¹The Dictionary of Real Estate Appraisal, 5th ed. (Chicago: Appraisal Institute, 2010), p.41

²Nevada Revised Statutes, Chapter 484.041

³Real Estate Valuation in Litigation, 2nd ed. (Chicago: Appraisal Institute, 1995), p.296

⁴Nevada Revised Statutes, Chapter 484.048

⁵Real Estate Valuation in Litigation, 2nd ed. (Chicago: Appraisal Institute, 1995), p.351

⁶The Dictionary of Real Estate Appraisal, 5th ed. (Chicago: Appraisal Institute, 2010), p. 73

⁷The Dictionary of Real Estate Appraisal, 5th ed. (Chicago: Appraisal Institute, 2010), p. 78

General Benefits⁸

In eminent domain valuation, the benefits that accrue to the community at large as a result of the new public work and the increased general prosperity that accompanies development.

Highest and Best Use⁹

The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and 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. Alternatively, the probable use of land or improved property -specific with respect to the user and timing of the use-that is adequately supported and results in the highest present value.

Highest and Best Use of land or a site as though vacant¹⁰

Among all reasonable, alternative uses, the use that yields the highest present land value, after payments are made for labor, capital, and coordination. The use of a property based on the assumption that the parcel of land is vacant or can be made vacant by demolishing any improvements.

Highest and Best Use of land or a site as improved¹¹

The use that should be made of a property as it exists. An existing improvement should be renovated or retained as is so long as it continues to contribute to the total market value of the property, or until the return from a new improvement would more than offset the cost of demolishing the existing building and constructing a new one.

Just Compensation¹²

In condemnation, the amount of loss for which a property owner is compensated when his or her property is taken; should put the owner in as good a position pecuniarily as he or she would be if the property had not been taken. Just compensation should put the owner in as good a position as he or she would be if the property had not been taken.

Larger Parcel¹³

In governmental land acquisitions, 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.

Market Value¹⁴

"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

⁸The Dictionary of Real Estate Appraisal, 5th ed. (Chicago: Appraisal Institute, 2010), p. 86

⁹The Dictionary of Real Estate Appraisal, 5th ed. (Chicago: Appraisal Institute, 2010), p.93

¹⁰The Dictionary of Real Estate Appraisal, 5th ed. (Chicago: Appraisal Institute, 2010), p.93

¹¹The Dictionary of Real Estate Appraisal, 5th ed. (Chicago: Appraisal Institute, 2010), p.94

¹²The Dictionary of Real Estate Appraisal, 5th ed. (Chicago: Appraisal Institute, 2010), p.106

¹³The Dictionary of Real Estate Appraisal, 5th ed. (Chicago: Appraisal Institute, 2010) p.110

¹⁴Nevada Revised Statutes, Chapter 37.009(6)

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.

Project Enhancement¹⁵

The increase in a property's market value in anticipation of a public project requiring condemnation action.

Salvage Value¹⁶

The term salvage value means the probable sale price of an item, if offered for sale on the condition that it will be removed from the property at the buyer's expense, allowing a reasonable period of time to find a person buying with knowledge of the uses and purposes for which it is adaptable and capable of being used, including separate use of serviceable components and scrap when there is no reasonable prospect of sale except on that basis.

Scope of the Project Rule¹⁷

In eminent domain, any decrease or increase in the fair market value of real property, prior to the date of valuation, caused by the project for which the property is to be acquired, or by the likelihood that the property would be acquired for the project other than that due to physical deterioration within the reasonable control of the owner.

Severance Damages¹⁸

The diminution of the market value of the remainder area, in the case of a partial taking, which arises (a) by reason of the taking (severance), and/or (b) the construction of the improvement in the manner proposed.

Special Benefits¹⁹

In eminent domain valuation, 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.

Tenant Owned improvement²⁰

Any building, structure, or other improvement, which would be considered to be real property if owned by the owner of the real property on which it is located. This shall include any improvement of a tenant-owner who has the right or obligation to remove the improvement at the expiration of the lease term. Just compensation for tenant-owned improvements is the amount, which the improvement contributes to the fair market value of the whole property, or its salvage value, whichever is greater.

¹⁵The Dictionary of Real Estate Appraisal, 5th ed. (Chicago: Appraisal Institute, 2010), p.152

¹⁶49 CFR Subtitle A §24.2(s)

¹⁷The Dictionary of Real Estate Appraisal, 5th ed. (Chicago: Appraisal Institute, 2010), p.176

¹⁸Real Estate Valuation in Litigation, 2nd ed. (Chicago: Appraisal Institute, 1995), p. 289

¹⁹The Dictionary of Real Estate Appraisal, 5th ed. (Chicago: Appraisal Institute, 2010), p. 183

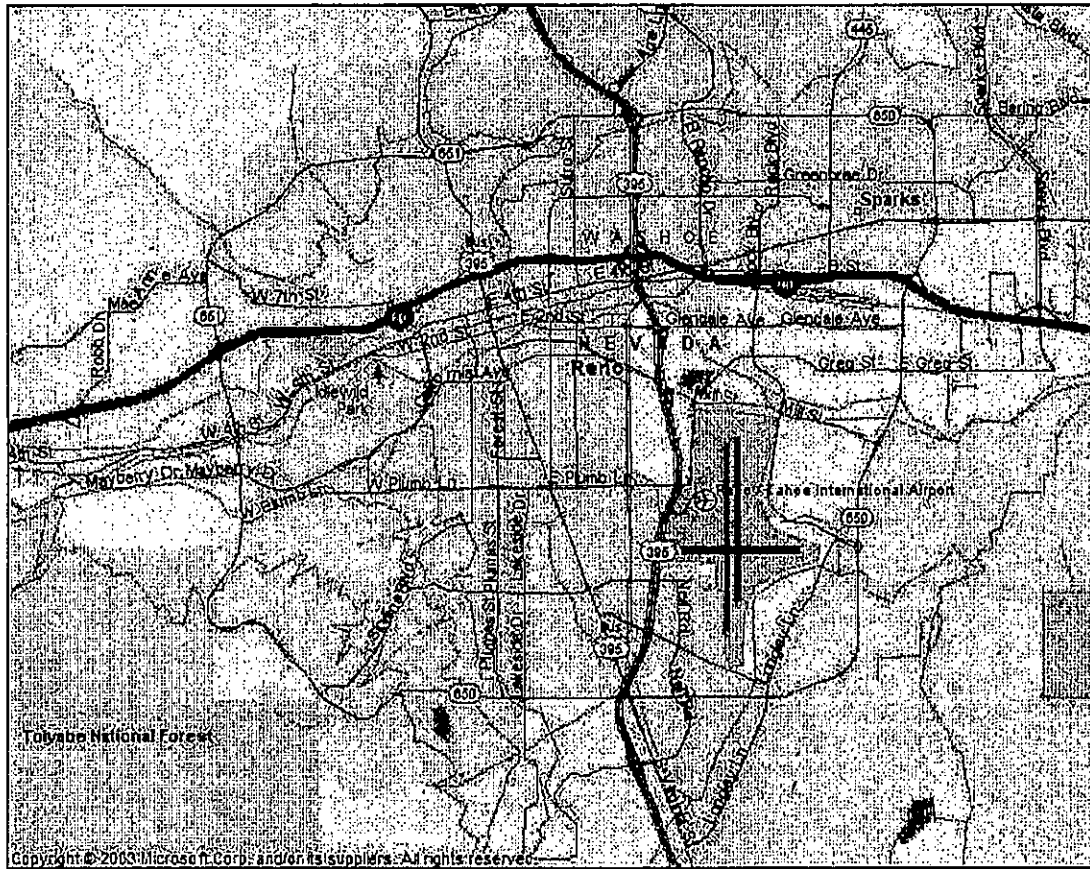
²⁰49 CFR Subtitle A §24.105(a)(b)(c)

Easement²¹

The right to perform a specific action on a particular land parcel, or a portion of a parcel of land, without owning the underlying fee.

²¹ *Real Estate Valuation & Litigation*, 2nd Edition (Chicago: Appraisal Institute, 1995), p. 351

AREA MAP



RENO/SPARKS AREA DESCRIPTION

The Reno-Sparks urban area is Nevada's second largest population center, after the Las Vegas metro area. The metro area is traversed by the Truckee River, giving rise to the region's common name as the Truckee Meadows. The Truckee Meadows encompasses Rattle Snake Mountain at Huffaker Park, following the span of Steamboat Creek to the southern east end of Washoe and Storey County ending at the base of the Virginia Highlands. The Truckee Meadows is a north-south basin covering approximately 94 square miles in western Nevada. It is bounded on the east by the Virginia Range, on the west by the Carson Range, on the south by the Steamboat hills, and on the north by Peavine Peak.

Population

Robust population growth was the dominant feature of the Truckee Meadows' economy for several decades. The following chart sets forth a summary of the area's current population and depicts recent population trends.

The 2008 Nevada State Demographer's Forecast of Washoe County Population
(2008 – 2030)^a

Year	Population
2008	426,966
2009	436,776
2010	445,329
2011	453,875
2012	462,514
2013	471,132
2014	479,581
2015	487,936
2016	496,119
2017	503,940
2018	511,366
2019	518,351
2020	524,944
2021	531,204
2022	537,270
2023	543,087
2024	548,709
2025	554,134
2026	559,373
2027	564,448
2028	569,371
*2029	576,491
*2030	583,612

Source: Washoe County and Nevada State Demographer.

Robust population growth supported an active and relatively healthy housing industry for many years. In the early 2000s, building spiked upward, fueled in part by unsustainable demand from the junk-lending boom. When the sub-prime lending market collapsed, demand virtually ceased overnight, leaving homebuilders in Reno with huge inventories of unsold homes and land in various stages of development.

The area has seen a robust recovery over the last few years, starting in about 2014 and continuing strong on to 2018.

Employment

Employment in the Truckee Meadows was dominated by the gaming industry from the 1950s. By 1980, Nevada had lost its exclusive franchise on gaming and the industry started to lose market share to competing locations. However, gaming related employment was still the area's dominant sector in 1990, when leisure and hospitality employment (hotels, gaming, and recreation) accounted for approximately 26% of the area's employment. By 2000, gaming's decline, and the expansion of the area's non-gaming employment, had decreased the gaming sector share to 22% of total employment.

The 2008-09 national recession was especially hard on Washoe Valley's key industry. By 2012, leisure and hospitality employment had dropped to approximately 17.5% of total employment. Because the total number of persons employed in all sectors declined during the recession, gaming employment's share is calculated on a smaller employment base. The 2014 statistics reveal a decline in real numbers for the gaming sector. The total number of leisure and hospitality employees was 42,900 in 1990, but 35,500 in 2014. This represents a real loss of 7,400 jobs or 17.25%.

As of July 2018, the Nevada Department of Employment Security reported Washoe Valley MSA unemployment at 4.7%, compared to national unemployment of 4.0%. Washoe Valley MSA unemployment peaked at 15.3% in January 2010, at that time the highest in the nation.

The recovering economy has produced gains in several employment sectors and 2018's employment is an improvement over 2017's total average employment.

Transportation

Reno/Sparks is traversed by Interstate 80, which provides direct freeway access from Washoe Valley to the San Francisco Bay area in four hours and to Salt Lake City in eight. US Highway 395 traverses the area north-south, and provides direct access to interior Washington, Oregon and southern California.

The area is served by Reno/Tahoe International Airport, which hosts approximately ten airlines with about 130 flights per day to and from the airport. Because Reno/Sparks has a tourist based economy, passenger counts are higher than is typical for a city of comparable size. Annual passenger counts were around 4.0 million passengers in 2017. Cargo volumes at the Reno/Tahoe International Airport were up in each of the past four years suggesting that the national recovery is having a positive impact on the region's warehousing industry. The abundance of

distribution warehouses in the area serve the larger Northern California and western regional markets and have benefitted from modest recoveries regionally.

Tourism/Gaming

New Jersey voters passed a referendum legalizing gaming in Atlantic City in 1976. Since then, gaming in some form, whether state lotteries or full casino gaming, has spread across the US. During the same period, Indian gaming has proliferated as well. There are now few major metropolitan areas in the US that are more than a few hours' drive from legal gaming venues.

The Reno-Tahoe market in particular has lost market share to California Indian casinos. Unlike Las Vegas, which is an international gaming destination, the Reno-Tahoe market is largely regional. Most Reno visitors drive from northern California. A significant portion of this market is now intercepted at Indian gaming properties in northern California, several of which rival any of Reno's major gaming resorts in size and quality.

The Nevada Gaming Control Board has reported that Washoe County Gaming Revenues reversed their downward trend with small improvements over the past two years. Clark County revenues have improved in each of the past 4 years but remain 9% below their peak. State wide, gaming revenues have also improved over the past four years but remained nearly 12% below their peak. Recently gaming revenues have been rebounding across the state.

Although tourism and gaming are still important to the local economy, they no longer dominate it. The last new, ground up casino built in downtown Reno was the Silver Legacy in the early 1990s. A number of old casinos in the downtown core have been converted to condominiums. Local officials are hopeful that new residential demand will be the economic engine that drives the rebirth of downtown Reno.

Trade

Reno is the largest city in a relatively sparsely populated region which encompasses much of northern Nevada, eastern California and southeastern Oregon. As such, it is a regional trade center. The Reno/Sparks area has two large regional shopping malls and over 90 neighborhood shopping centers with more than 13,000,000 square feet of retail space. The majority of the area's retail space is scattered throughout the region's suburban residential neighborhoods.

Beginning in the early to mid-2000s the market saw a rash of retail closings including the area's two Mervyn's department stores, Gottschalk's department store, Comp USA, Circuit City, Kmart, Linens and Things, Shoe Pavilion, TGI Fridays,

Southwest Grill and a variety of smaller shop and restaurants. In 2017 retail rents appeared to firm and vacancies began to drop for the first time in several years.

As of the fourth quarter 2016, overall vacancy rates of 9.4% and total availability of 15.9% were being reported in a market that is estimated to have more than 17 million square feet.

Taxable sales increase 4.69% from 2017 to 2108. Retail sales were up in 2018 and were robust in 2016 and 2017. Set forth on the following chart is a summary of the Leading Economic Index.

Reno MSA Leading Economic Index

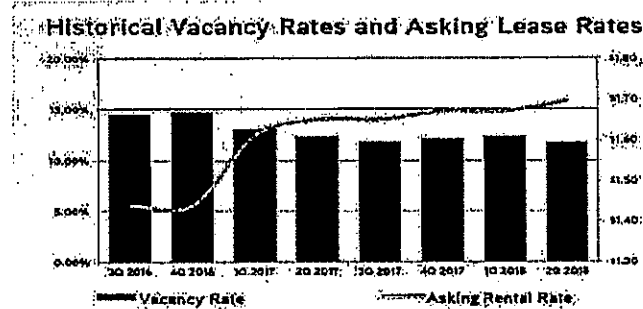
Series	Latest Period- June 2018	Prev. Period- May 2018	Change Prev. Period	Prev. Year- June 2017	Change Prev. Year
Taxable Sales (Washoe Co. SA, CPI)	437,754,840	436,042,024	0.39%	418,140,892	4.69%
Taxable Gaming Revenue (Washoe Co., SA, CPI)	43,800,595	43,440,673	0.83%	42,166,432	3.88%
# of Single Family Homes Sold (Washoe Co., SA)	722	737	-2.06%	717	0.73%
Airport Passengers (RTIA, SA)	344,077	341,596	0.73%	318,326	8.09%
Airport Cargo Lbs. Shipped (RTIA, SA)	12,304,881	12,371,910	-0.54%	13,172,350	-6.59%
Gallons of Gasoline Sold (Washoe & Storey Co., SA)	15,369,375	15,321,733	0.31%	14,846,518	3.52%
Initial Claims for Unemployment (Nevada, SA)	2,520	2,532	-0.47%	2,586	-2.55%
S&P 500 Index (US, CPI)	1,654	1,608	2.84%	1,512	9.39%
Interest Rate Spread (US)	1.09	1.28	-14.84%	1.15	-5.22%
M2 Money Supply (US, CPI)	3,534	3,493	0.47%	3,414	1.43%
Leading Index Result	138.33	137.99	0.24%	136.69	1.20%

Source: US Department of Labor, Nevada Gaming Control Board, Washoe County Assessor/Center for Regional Studies (UNR), Federal Reserve Bank of St. Louis, Nevada Department of Taxation, Nevada Department of Motor Vehicles, Reno-Tahoe International Airport (RTIA).
SA-Series results are seasonally adjusted. CPI-Series results are adjusted for inflation to 1992.

Office

The Northern Nevada office market pulled ahead this quarter and is setting up 2018 to be a very productive year. The market posted an increase in positive absorption to 63,786 square feet and the vacancy rate decreased to 11.7 percent from the 12.3 percent recorded in the first quarter of 2018. Office activity has been strong in the Reno market with sales dominating the quarter, including many large sales to owner users and investors. Leasing has remained stable, yet the demand for big blocks of Class A space with few viable space options, has made expansions for existing tenants difficult and even more so for tenants looking to enter the Reno market. However, this phenomenon is causing rumors of new construction to serve the growing demand of office space.

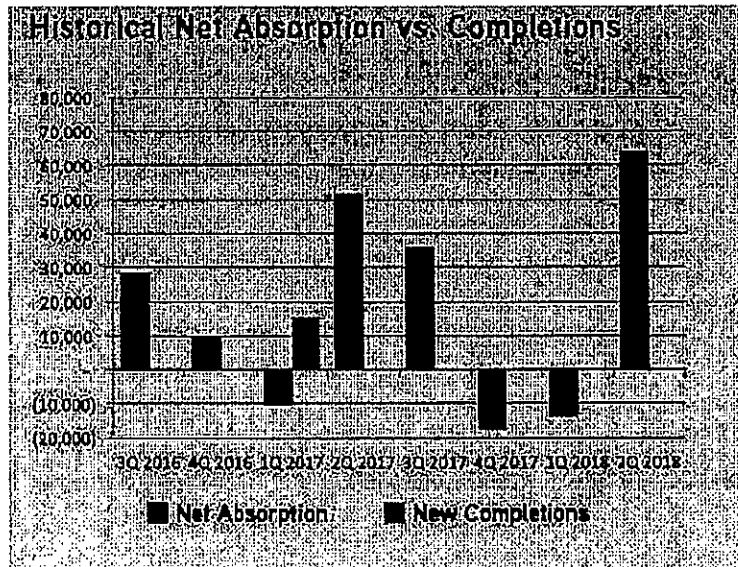
Rents are unquestionably on the rise as the average asking rental rate at the close of 2017 was \$1.67 per square foot per month full service and this quarter posted \$1.70 per square foot.



Full service rental rates have increased to \$1.70 per square foot as the vacancy rate has decreased slightly to 11.7 percent, down from 12.3 percent in Q1 2018.

Absorption

Although sales activity led the market, leasing activity was very active as well, primarily in the Meadowood Submarket which posted a positive absorption of 31,569 square feet for the quarter. Contributing to this absorption was AT&T Inc (HQ) who signed a lease for 16,559 square feet at 5250 South Virginia Street, as well as Colliers International who has been temporarily relocated to 5,895 square feet at 5470 Kietzke Lane, and Gail Willey Landscape Inc has signed a lease for 6,615 square feet at 5690 Riggins Court. In addition, Charles Schwab Financial Services & Brokerage will be occupying 10,000 square feet on the first floor of the new building located at 5301 Kietzke Lane. The Central / Airport Submarket had significant activity with Charter Communications leasing 38,904 square feet of office/flex space at 4930 Energy Way. Reno Sparks Convention and Visitors Authority also renewed a lease of 15,126 square feet at 4001 South Virginia Street. This submarket's statistics indicate high leasing activity for smaller offices between 1,000 - 2,000 square feet which seems to be in high demand at this time. It is also worth mentioning, although leasing activity remains high, the asking rate has remained low in the Central / Airport Submarket at an average of \$1.26 per square foot per month full service, proving this is a desired submarket for smaller and lower-cost driven tenants. The Downtown Submarket posted positive net absorption of 19,985 square feet which included a lease transaction of 9,871 square feet at 245 East Liberty Street to North Nevada Hopes. The Reno Sparks Chamber of Commerce relocated into 5,932 square feet from the first floor to the third floor at 1 California Avenue, leaving the first floor vacant. This submarket continues to be attractive to tenants, although the average price per square foot full service has increased from \$1.83 per square foot per month in Q2 2017 to \$1.94 per square foot per month this quarter.



Sales

As mentioned earlier, office sales have really dominated the market this quarter. The 106,130 square foot office building at 5190 Neil Road sold for \$14,875,000 (\$140.16 PSF) in May to The Lansing Companies LLC/ REO Disposition LLC. This property was purchased as a value-add opportunity based on the 50 percent occupancy rate, while the superior location in the Meadowood Submarket provides additional upside. 236 W. 6th Street was sold in April to St Mary's Medical Building LLC. The 38,456 square foot medical office building transacted for \$5,500,000 or \$143.02 PSF. In addition, 6995 Sierra Center Parkway sold for \$5,500,000 (\$275.81PSF) to Western Exchange Services LLC. This building is fully occupied by Stantec on a triple net lease.

Construction

There are rumors of future construction in South Reno to provide large blocks of space currently not available in our market. Tenants looking for 20,000 square feet and up have a very difficult time finding options, especially in Class A buildings. We anticipate buildings that can accommodate 20,000 - 40,000 square foot users will be successful as there are currently no options in the market. The highly desired 5520 Kietzke Lane building being constructed by McKenzie now has floors poured and is starting to take shape. The developer anticipates delivery in late 3Q 2018. Nearby, Urology of Nevada's building is just about completed and Charles Schwab's office on Kietzke Lane is also nearing completion.

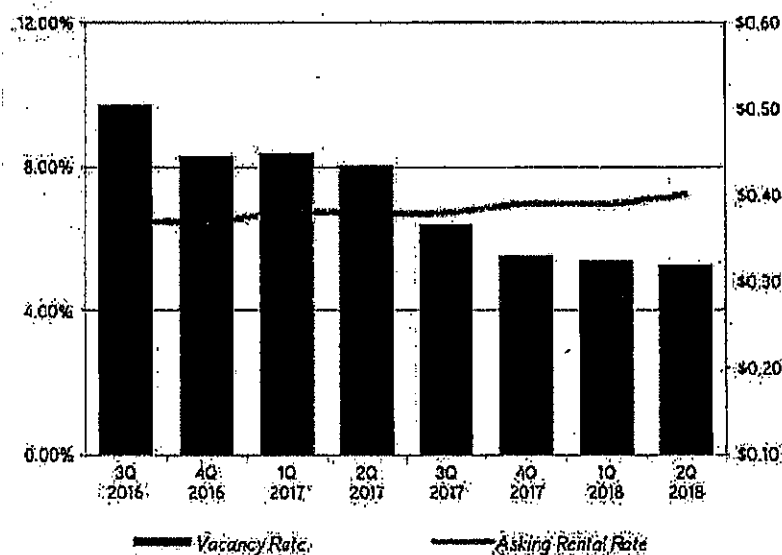
Industry

The second quarter of 2018 made an impact in all areas of the industrial market, and activity remains at an all-time high. The existing product inventory continues to diminish as new companies to the market continue to absorb space. The business climate in Northern Nevada is becoming more widely recognized. This along with a one day drive time to over 60,000,000 million people seems to be resonating with companies across the United States, specifically California's larger users. Those larger users usually cannot wait for a building to be built and will look to other neighboring markets such as, Northern and Southern California, Phoenix, and Salt Lake City.

Absorption

Gross absorption for the quarter posted 1.75 million square feet, which is a healthy statistic for the Northern Nevada market. Net absorption was weakened by the departure of some large tenants that returned 566,000 square feet (Amazon consolidation of Diapers.com space) and a 300,000 square foot space occupied by Belnick. Five transactions closed this month between 100,000 - 200,000 square feet and eight transactions between 10,000 - 20,000 square feet. In all, there were thirty transactions for the quarter with an average deal size of 58,548 square feet.

Historical Vacancy Rates and Asking Lease Rates



As vacancy decreases in high demand size ranges, rental rates are slowly starting to increase.

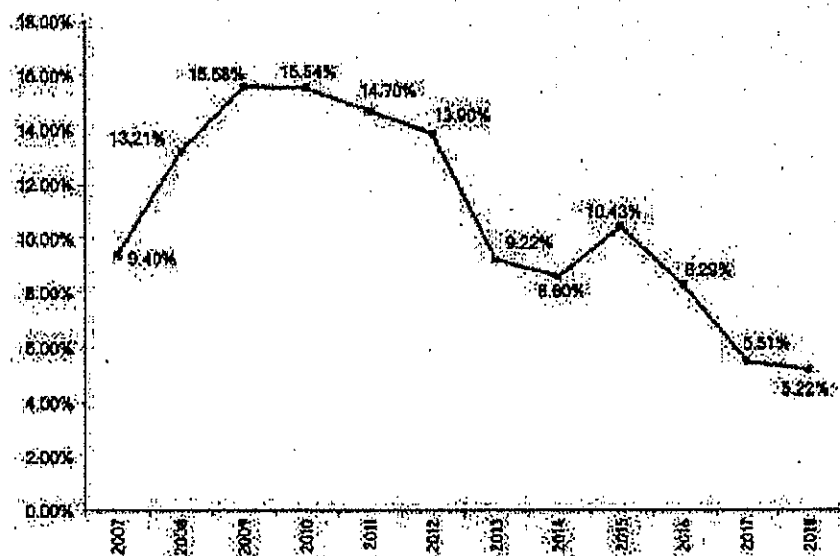
Inventory

There are several larger spaces coming to the market in North Valleys and the Tahoe Reno Industrial Center with completions scheduled for the end of 2018. Panattoni Development is under way with a 271,000 square foot speculative project in the Airport Submarket with the ability to provide for space sizes between 8,000 to 50,000 square feet. This project will provide for some much needed relief in that size range, especially in this location. Existing product within the McCarran loop continues to tighten in all size ranges. Kin Properties has started the repositioning of 1402 S. McCarran (old Sears/Kmart) with an anticipated delivery date of April 1, 2019. This will provide a 1.3 million square foot building divisible into 100,000 square foot units up to the entire building.

Vacancy

Vacancy now posts 5.22 percent market-wide and is the tightest Northern Nevada market in years. There are only four vacancies between 200,000 - 600,000 square feet. Removing those options brings vacancy to 3.57 percent, which is more representative of what tenants are feeling when looking for space. Tahoe Reno Industrial Center and Fernley post the highest vacancy in three large buildings at 7.45 percent. There is roughly 1.26 million square feet of sublease space available in nine spaces and removing those from the market creates a direct vacancy rate of 3.75 percent.

Historical Vacancy



Lease Rates

Our market continues to see rental rate growth, but nothing overly significant. A 50,000 square foot space has gone from \$0.32/square foot/month NNN to \$0.37/square foot/month NNN in a three year period. While that is strong, it is not the 40 percent plus growth other markets have seen. Low rental rates is a driving factor in new companies relocating to our area, however, it is becoming difficult for developers who have to underwrite significant growth in construction costs

Construction

Construction costs continue to increase, making it difficult for developers to underwrite new construction. Fully entitled land parcels with manageable development costs seem to be few and far between. The few are trying to push pricing, but developers can only stomach so many costs before they throw their hands up. The City of Reno seems to be throwing their own curve balls in North Valleys. Some of the biggest concerns on their agenda include mitigating storm water runoff, keeping a close eye on inbound effluent into their sewer system, and issues related to rapid growth in this particular submarket.

Water Rights

North Valleys seem to be the big discussion in water rights right now. Truckee Meadows Water has no more retail water rights, unless users fall within the Truckee Meadows, Stead treatment facility. The next best option is Vidler whose pricing is five times as much (\$36,000 per AF). Independent water right holders seem to be well in tune and this poses another hurdle for development.

New Development

New industrial construction by Panattoni, Dermody Properties, Scannell Properties, and Conco continue to move forward. The Reno Sparks market will see another two million square feet of industrial product added in 2018, with 1.2 million slated for 2019 and other potential projects lined up.

Infrastructure/Community

Washoe County and the Cities of Reno and Sparks are the three local municipal services providers. All three entities saw significant employment reductions during the 2008-09 recession, and none has managed to return to pre-recession budget and employment levels. Although local governments have improved their financial resources since the depths of the recession, budgets are still tight.

Metro area water service is provided by the Truckee Meadows Water Authority (TMWA). NVEnergy provides electric power and natural gas throughout the region.

Public sewage disposal is provided by the Reno/Sparks Joint Regional Sanitation District. Trash removal is handled by contract carriers in the cities of Reno and Sparks and in Washoe County.

A county-wide school district includes all public schools. The University of Nevada, Reno and Truckee Meadows Community College provide higher education.

Conclusion

Rapid population growth was the driver of the local and statewide economy from the 1960s until 2006, when the housing boom ended with a crash. From the late 1990s through 2005, Nevada rarely fell out of the top one or two fastest-growing states in the country. Las Vegas's gaming-driven population growth made it a national center for real estate speculation and development.

Northern Nevada had a brief casino boom in the 1970s and early 1980s, but most of the area's population increase was fueled by growth of the industrial sector, lifestyle choices made by California retirees, and growth in retail and "back-office" functions. During the residential market hyper-boom from about 2003 to 2005, construction employment was the driving factor. Reno's construction-fueled economy created a period of prosperity that masked underlying weakness: construction as the primary industry, without an underlying economic engine of non-construction job growth, has a short cycle. During the market's most frenzied years, both private developers and local governments, flush with profits and tax revenues, made bets on future growth and revenue streams that have not been realized. Coping with actual population loss and declining economic activity has been the major challenge of the last several years in much of Nevada. After a two- to three-year period of declining employment, massive personal and business bankruptcies and foreclosures, and profound retrenchment of state and local government, the 2018 economy is in the midst of a seemingly sustained rebound.

Truckee Meadows is climbing its way back to more robust employment growth and more vigorous economic activity. Home prices are increasing, and there is a sense of optimism from the construction sector. Retail sales have increased. The regional population is again on the increase. Vacant holes in shopping centers are starting to refill. The general outlook is one of optimism.

NEIGHBORHOOD MAP



NEIGHBORHOOD DESCRIPTION

Location

The subject is located in a neighborhood which is approximately one mile south of the primary financial and business districts of Reno, Nevada. It is also located approximately one mile west of the Reno/Tahoe International Airport. It is identified as being in the southwest portion of Reno and is more commonly known as Midtown.

Neighborhood Boundaries

The boundaries of the neighborhood are generally formed by California Street and W. Liberty to the north, Kietzke Lane to the east, Moana Lane to the south, and Plumas Street to the west. The subject property is located on South Virginia Street, which bisects the neighborhood in a north-south direction. South Virginia Street is also known as Business Route US Highway 395. South Virginia Street is a major thoroughfare in the city of Reno and generally serves as the line of demarcation between the east and west portions of the city. Within the subject neighborhood, South Virginia Street is a two-way, four-lane, asphalt paved roadway improved with concrete curbs, gutters and sidewalks.

Kietzke Lane forms the easterly boundary of the neighborhood and is a two-way, four-lane asphalt paved roadway improved with concrete curbs, gutters and sidewalks. Kietzke Lane is improved with a variety of commercial and retail utilizations including several large neighborhood and strip shopping centers as well as numerous new and used car dealerships.

Moana Lane is also a two-way, four-lane asphalt paved roadway improved with concrete curbs, gutters and sidewalks. Moana Lane is almost entirely developed with commercial properties including a variety of average to good quality professional offices, retail centers and freestanding commercial buildings. To the west of South Virginia Street Moana Lane provides access to the residential neighborhoods in the southwestern portion of the city of Reno. To the east of the neighborhood Moana Lane provides access to an area dominated by fair to average quality multi-family housing developments and apartment complexes.

The western boundary of the neighborhood is formed by Plumas Street, a two-way, four-lane, asphalt paved roadway, which runs in a north/south direction. Within the subject neighborhood, Plumas Street is improved with a wide variety of residential properties including single family residences, multi-family developments, apartment complexes and retirement homes. Additionally, the Washoe County Golf Course and the Reno Municipal Tennis Courts are situated along this roadway. To the north of Plumb Lane, Plumas Street provides access to the older residential

areas of Southwest Reno as well as to the downtown Reno financial district and casino core. To the south of Moana Lane, Plumas Street provides access to some of the more desirable and exclusive residential areas of southwest Reno.

Characteristics of the Neighborhood

Some of the following neighborhood information was taken from a Johnson/Perkins/Griffen appraisal report provided by the client. The neighborhood has a number of uses. The general area was originally older, single family homes and vacant land. The four primary traffic arteries, (three of which are neighborhood boundaries that have been discussed) all are major roadways for the area. These four roadways are developed on both sides with commercial, retail and office uses. South Virginia Street is improved with a variety of commercial and retail utilizations including three shopping centers located in the vicinity of South Virginia Street and Plumb Lane. The Lakeside Plaza Shopping Center is located ½ block west of this intersection and consists of an Albertson's Supermarket, and numerous small retail shops. Shoppers Square, located on the northeast corner of South Virginia Street and East Plumb Lane includes an enclosed mall with numerous retail outlets and is currently under remodeling and expansion with new eateries. Park Lane Mall, located on the southeast corner of East Plumb Lane and Virginia Street, was closed in early 2007 and demolished with the exception of a movie complex. This site is currently under development with new housing and retail complexes.

The Orchard Plaza Retail Center is located south of Plumb Lane on the west side of South Virginia, and Sierra Market Place Shopping Center is located on the south east corner of South Virginia Street and Moana Lane. Both centers involve good quality developments with high caliber tenants. For the most part, a majority of the commercial development in the subject neighborhood is located along the major thoroughfares although additional commercial development is also located on secondary roadways, including Grove Street, Gentry Way and Lakeside Drive. The highest retail rates are typically found in the newer shopping centers situated on the main thoroughfares. Conversely, older centers situated on secondary roadways command substantially lower retail rates.

Virginia Lake Crossing, which was the site of old Mark Twain Motel, is improved with 137 units in Camden Place (which are two- and three-bedroom town homes) and 83 units in Glen Manor (which has seven single-family homes).

To the south of the subject between Plumb Lane and Kietzke Lane, the neighborhood is dominated by average quality tract homes built in the 1940's and 1950's. Exterior maintenance varies considerably and the homes typically sell between \$250,000 and \$700,000. Also included in this portion of the neighborhood is

a variety of utilizations including multi-family, mobile home parks, light industrial utilizations and commercial development. For the most part, the residential utilizations within this portion of the neighborhood involve older fair quality buildings, many of which suffer from deferred maintenance. The industrial utilizations also involve older properties and it is anticipated that these older industrial and residential properties will eventually be replaced by more intense commercial and multi-family development.

To the west of South Virginia Street and with the exception of the commercial and professional office developments located on the major thoroughfares, the neighborhood is dominated by a variety of residential utilizations. Generally speaking, these residential utilizations involve older, average to good quality single family residences, as well as older average to fair quality multi-family and apartment complexes. Of the residential utilizations located on the west side of South Virginia Street, multi-family development dominates. South of Virginia Lake, between Brinkby and Moana Lane, the neighborhood involves large concentrations of high density multi-family developments. Exterior maintenance varies considerably in these apartment complexes and the area is generally considered to have declined over the past five or so years.

Major developments along South Virginia Street, outside the subject neighborhood, include the downtown casino area and the downtown financial district, both of which are located to the north of the subject neighborhood. Several major developments are also on South Virginia Street to the south of the subject neighborhood, including the Peppermill Hotel Casino, the Atlantis Hotel Casino, and the Reno-Sparks Convention Center.

The Virginia Street Bus RAPID Transit Extension Project will address critical transportation needs including improving transit connectivity, efficiency, and timeliness through connecting RAPID to the University. It will also improve safety for all modes, correcting ADA sidewalk deficiencies, and improve traffic operations. It is the first of multiple projects stemming from the Virginia Street Corridor Investment Plan and the University of Nevada, Reno (UNR) Master Plan. The project will create connectivity between UNR, downtown Reno and Midtown and will encourage economic development, enhance safety, and improve livability in the corridor.

The commercial area of Midtown has a mix of properties. The main corridor, South Virginia Street, consists largely of one and two-story early to mid-twentieth century buildings constructed of brick and masonry. The primary business type in the area is service oriented including restaurants, boutique clothing, gift stores, art studios, and salons. Outside of the South Virginia Street corridor the buildings are

primarily single-family homes which are brick or wood frame and converted for commercial uses. Throughout the area there are newer three story buildings.

There is a considerable amount of commercial development along the South Virginia Street Corridor and arterial roadways including California Avenue, St. Lawrence Avenue, Cheney Street, Taylor Street, Martin Street and Mount Rose Street. Tenants within these projects include Midtown Eats, Shea's Tavern, Truckee Bagel Co., Ceol Irish Pub, Reno Public House, Sup, Too Soul Tea Co., St. James Brasserie, Death and Taxes, Bibo Coffee, Bad Apple Vintage, Junkee's Clothing Exchange, Chapel Tavern, Michael's Deli, College Cyclery, Craft Wine & Beer, Grateful Gardens, Batch Cupcakery, Dressed Like That, The Melting Pot, Old World Coffee, Morgan's Lobster Shack, The Stremmel Gallery, LouLou's Café and many others. In addition to the early to mid-twentieth century buildings and single-family conversions, a few new commercial developments have recently been completed. The new developments include 777 South Center Street, Midtown Sticks and 1401 Midtown.

777 South Center Street, a 21,194± square foot building, was developed to serve the community as a meeting place where the art-centric vibe of Midtown is preserved while creating a new and exciting environment for new business and the expansion of existing businesses. The project offers a variety of sizes and has the ability to accommodate a multitude of uses including restaurant, office, and street retail. The architecture of the building was designed to highlight the panoramic second story views of the Sierra while incorporating indoor/outdoor spaces separated by large glass roll-up doors.

Midtown Sticks is a 21,417± square foot retail and restaurant project. The property is located at the southeast corner of South Virginia Street and Thoma Street. The buildings were designed with small business tenants in mind. Some of the current tenants include Chuy's Mexican Restaurant, Two Chicks Restaurant, Whispering Vine, Sierra Belle Boutique, Nomad Boutique, Mustard Seed, Fountain of Youth, Dragon Fly Bath & Body, LLC, Transcend Interiors, Basik Acai and Hello Yoga Apparel.

1401 Midtown is a 21,000± square foot office, retail and restaurant project. The property is located at the southwest corner of South Virginia Street and West Pueblo Street. Some of the current tenants include Morgan's Lobster Shack, Michael and Son's and Tilted Bar & Eats.

Residential Uses

The residential area of Midtown is comprised generally of older, average to good quality one and two-story single-family homes that are constructed of brick or wood

frame and located on modest size lots. The area also includes some smaller multi-family properties. This area has well developed, mature landscaping and narrow streets. The single-family and multi-family residential utilizations in Midtown are confined primarily to secondary roadways.

Some new residential development has also taken place in Midtown. 8 on Center is a condominium project, which was completed in 2007, located along Center Street near the southeast end of Midtown. 8 on Center was the first large infill project along Center Street and acted as a catalyst for some of the recent transformation along the corridor. Cottage Row at Midtown completed construction in 2016. The Midtown Lofts at Sinclair Street and Stewart Street completed construction in 2017. Additionally, the Tonopah Lofts, an eight-unit townhome project, is new. Cottage Row at Midtown encompasses the block of Mount Rose Street, between Plumas Avenue and Watt Avenue. The project is anchored by a historic three-story early century home which is known as the Redfield Estate. These bungalow homes, were designed to blend in with the existing 1930's & 1940's architecture of the surrounding neighborhood and consist of both single story and two-story floorplans. The Midtown Lofts and Sinclair Bungalows are located along Sinclair Street and Stewart Street between downtown and Midtown, across the street from the UNR Innevation Center and the Discovery Museum. The project includes six townhomes, three bungalows built from the ground up and two original Victorian-style single-family homes built around the mid-20th century that were remodeled

Public Transportation

Public transportation is provided to the neighborhood by Citifare, the local service for Reno and Sparks. In addition, several taxi companies provide service in the neighborhood, as does a public transportation service for senior citizens and handicapped individuals.

Schools and Churches

Either within the subject neighborhood or in very close proximity, there is a full range of elementary and secondary schools. The Echo Loder Elementary School is located within the neighborhood between Apple Street and Grove Street. Vaughn Middle School is located seven blocks north of East Plumb Lane. Wooster High School is located on East Plumb Lane, approximately ¼ mile east of Kietzke Lane.

There are several churches in close proximity to the subject neighborhood. Most of these are within reasonable walking distance or a relatively short drive.

Several courses taught by the Truckee Meadows Community College are offered at the Wooster High School campus during the evenings. The main campus for the community college is five miles north of the subject neighborhood. The University of Nevada, Reno is located three miles north of the subject neighborhood and is accessible by North Virginia Street.

Most of the houses located within the neighborhood are moderate to average priced homes.

Few vacant parcels exist within the neighborhood. Most new development has taken place on land previously developed for other uses, such as single-family residences.

Neighborhood Zoning

Zoning within the neighborhood includes several different zoning classifications. These range from commercial to multi-family residential and single family residential uses.

Commercial zoning includes MU mixed use and NC for neighborhood commercial, AC for arterial commercial as well as CC, which is community commercial. Many of which have been change to MU for Mix Use. The commercial zonings are located primarily in the areas of the neighborhood along South Virginia Street, Kietzke Lane, Grove Street and some commercial zoning along East Plumb Lane.

Office locations are generally zoned R5, multi office zoning, which is the primary office zoning for the neighborhoods that are in transition from single family residential to office utilizations. Another office zoning classification is PO (professional office), which does not allow residential use.

Also in the neighborhood there is a good portion of SFR, single family zoning properties, which allows for one, two or more living units per parcel of 6,000 square feet or more.

Local zoning ordinances are enforced by the City of Reno. Discussions with planners and the Reno Planning Department indicated that there are many uses which would be allowed within the subject neighborhood. The orderly development of additional offices and/or commercial development are all considered appropriate as is single and multi-family development. The master plan in the Reno area, (which has been prepared by the Reno Planning Department and approved by the Reno City Council), indicates that a good portion of the R1 zoned parcel within a block on both sides of East Plumb Lane is master planned for professional office and commercial uses. A transition from residential use to commercial and professional use is anticipated.

Trends in the Neighborhood

The subject neighborhood appears to be gradually changing from older single family residences to office use, multi-family and commercial/retail uses. Some of these changes are taking place by the conversion of single family residences, to other uses. In addition, single family residences are being removed and replaced with new buildings devoted to commercial/retail or office use. This is a slow, gradual transition which appears to be very orderly and no acceleration of this development is expected at the current time. Many of the older homes which are utilized for multi-family use have rents at lower rates, therefore some of the cheaper housing within the neighborhood is found in these older residences. As older homes are removed and replaced with multi-family housing, offices and commercial/retail buildings, the density of the neighborhood will increase.

Development on the boundaries of the neighborhood appear to be for commercial/retail utilizations because of the high traffic count on the major roadways. Newer developments in the interior of the neighborhood appear to be multi-family and professional office uses. These trends are expected to continue.

Topography

The topography of the subject neighborhood is basically level and there do not appear to be any surface or subsurface soil conditions which would be detrimental to the existing improvements for future development.

Neighborhood Utilities

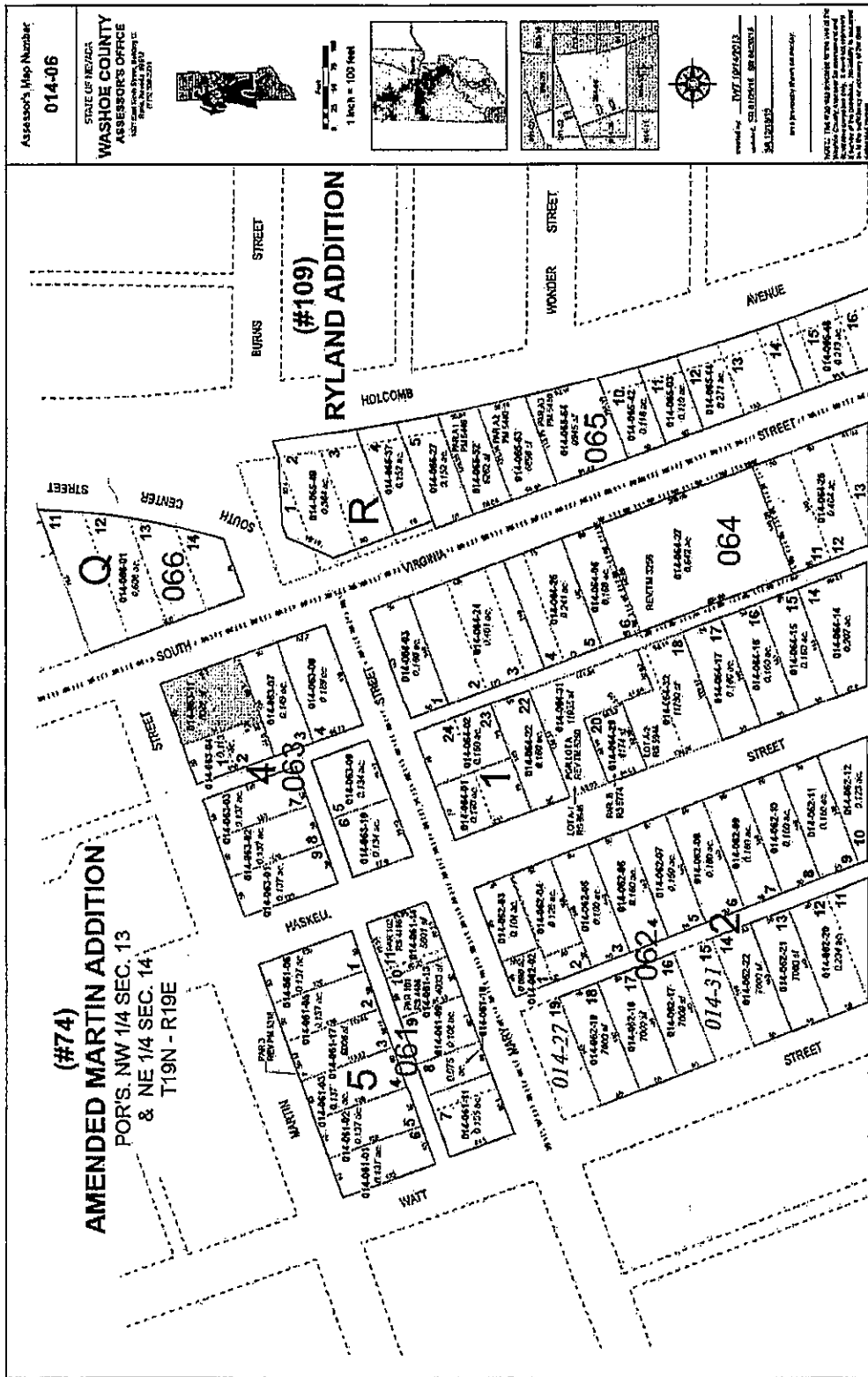
All normal public utilities are immediately available within the neighborhood. Electricity and gas are provided by NV Energy. Sewer and water service is provided by the City of Reno and telephone service is provided by AT&T. The rates for the various utilities are standard within Reno and Sparks and do not change from area to area.

Summary and Conclusion Regarding the Neighborhood

The subject property is located in a mixed use neighborhood in the south central portion of the city of Reno. Utilizations within the neighborhood include a mix of commercial/retail and residential developments as well as scattered light industrial utilizations. Approximately 50% of the neighborhood is composed of commercial properties with the remainder primarily oriented for residential utilizations. Overall, the neighborhood is considered to be 95%± built up with very few vacant lots available. The main thoroughfares in the neighborhood include South Virginia Street, Plumb Lane, Moana Lane and Kietzke Lane and all are oriented toward commercial

and professional office development. Additional commercial development is also located along secondary roadways, such as Grove Street, Gentry Way and Lakeside Drive. The balance of the neighborhood involves a variety of utilizations including both single and multi-family developments as well as light industrial utilizations. Although the majority of commercial and office development generally involves newer, average to good quality construction, the older portions of the neighborhood, particularly those areas located to the east of South Virginia Street, typically involve older, less well maintained properties and are considered to be in a state of transition. As a result, it is anticipated that the existing residential and industrial utilizations located within this portion of the neighborhood will eventually give way to more intense commercial/retail development. The residential utilizations located on the west side of South Virginia Street are considered stable and are expected to continue into the foreseeable future.

ASSESSOR'S PARCEL MAP



Anthony J. Wren, MAI, SRA
#7693

ILIESCUJE000153

PROPERTY IDENTIFICATION AND SITE DESCRIPTION

Property Owner John Iliescu, Jr. And Sonnia Iliescu 1992
Family Trust Agreement UTD January 24,
1992.

Parcel Address 961 S. Virginia Street, Reno, NV 89502

Assessor's Parcel Number/Land Size 014-063-11 contains 8,088± sf

Access

The subject property has access via S. Virginia Street and Martin Street
Access is considered to be both adequate and typical.

Site Shape and Dimensions

The subject property is somewhat irregular in shape. The reader is referred to
several maps within this report to better visualize the site.

Topography

The subject involves generally level terrain.

Easements

The appraiser has not been provided with a preliminary title report. It is
assumed that the site has typical easements. There do not appear to be any
easements that would affect the overall before value.

Utilities

Type of Utility	Purveyor	Availability
Electricity	NV Energy	Developed to the site
Natural Gas/Propane	NV Energy	Developed to the site
Water	City of Reno	Developed to the site
Sewage	City of Reno	Developed to the site
Telephone	AT&T	Developed to the site

Water Rights

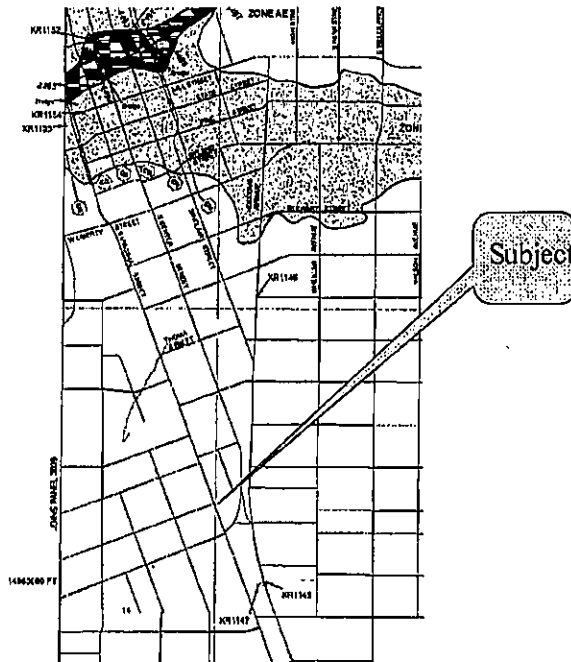
None noted/none to be acquired.

Environmental Observations

A physical inspection of the site revealed no overt signs of environmental contamination, and none is anticipated.

Flood Zone

Flood Zone Unshaded X FEMA Community Panel Number 32031C3043G, Effective March 16, 2009. The subject property is not located within a flood plain.

**Wetlands**

None noted, none anticipated.

Zoning

MU/SV(Mixed South Virginia Street Transit Corridor)
City of Reno Master Plan Designation

The following summarizes the purpose and development requirements of the MU/SV designated area.

Purpose

This district modifies the underlying mixed use land uses, development standards, and development review procedures within the South Virginia Street Transit Corridor Overlay District. This District is intended to maintain and enhance the South Virginia Street area and promote compatible land uses in the immediate vicinity.

Density and Intensity

The minimum residential density, on parcels located adjacent to South Virginia Street, shall be 18 dwelling units per acre. The maximum density on parcels that are not located adjacent South Virginia Street and not located within the Midtown District shall be 30 dwelling units per acre. The minimum intensity for nonresidential development in the North Section which is located on the same block and the same side of the street of a rapid transit station shall be 0.75 FAR, The minimum intensity for all other nonresidential development in the North Section shall be 0.25 FAR. There is no minimum density or intensity in the South Section.

Development Approval/Entitlements None pending

Current Use Improved with a commercial building.

Soil Conditions

A soils report was not available. However, the character of the surrounding improvements suggests that soil conditions are conducive to development.

Seismic Hazards

According to the current Uniform Building Code, the Truckee Meadows area falls within a seismic risk zone 3. Zone 3 encompasses areas that have a number of local faults and where there is a relatively strong possibility of moderate seismic activity. Special construction techniques are necessary but these conditions are typical throughout northern Nevada.

Surrounding Uses

All uses surrounding the subject property are commercial/retail in nature.

Site Improvements

APN 014-063-11 is improved with a commercial building. The building contains 2,478± sf and encompasses a limited footprint of the lot.

Conclusion

Based on the location of the public utility easement and the temporary construction easement, it is the appraiser's opinion that the improvements are not affected by these easements. Therefore, the subject will be appraised as though vacant and ready to be put to its highest and best use, which is a commercial use.

TAX DATA

The subject property contains one identifiable Assessor's Parcel Numbers. The assessed value for the subject progenies is based upon a 35% assessment ratio of the Assessor's estimate of the taxable value of the individual subject parcel. The 2018-2019 taxes for the district within which the subject properties are located were \$2,116.73.

As is discussed in the *Area Analysis* of this report, the Reno/Sparks area and the State of Nevada have a very favorable tax rate. There are no apparent or anticipated increases in taxes in the foreseeable future, nor are there any anticipated assessments that would affect the subject property. The taxes for the subject property are typical for the area and do not appear to have any positive or negative effect on the overall value of the subject improvements. According to the Assessor's and Treasurer's Offices of Washoe County, the taxes are current. Taxes on the improvements are considered to be typical for the area and again, do not appear to have an overall effect on valuation. The following chart sets forth the summary of tax data for the individual parcel contained in the subject property.

APN	Assessed Value		Total Assessed Value	2018-2019 Taxes	Taxable Value
	Land	Improvements			
014-063-11	\$45,292	\$20,140	\$65,433	\$2,116.73	\$186,951

SPECIAL ASSESSMENTS

The appraiser has contacted the Washoe County Treasurer's Office to determine if there are any special assessments against the subject property. As of July 15, 2019, the date of valuation, a representative of the Treasurer's Office indicated to this appraiser that there are no current, pending special assessments against the subject property.

HIGHEST AND BEST USE ANALYSIS

The highest and best use of any improved property consists of two separate analyses: the highest and best use of the site as if vacant and the highest and best use of the property as if improved.

Highest and best use is defined as:

"the reasonably probable and legal use of vacant land or improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value." ²²

Implied in this definition is that the determination of highest and best use takes into account the contribution of a specific use to the community and community development goals, as well as the benefits of that use to individual property owners. An additional implication is that the determination of highest and best use results from the appraiser's judgment and analytical skills. In other words, the use determined from analysis represents an opinion, not a fact to be found.

In appraisal practice, the concept of highest and best use represents the premise on which value is based. The use should take the highest advantage of the attributes of the property while neutralizing, to the greatest possible extent, any negative characteristics. At the same time, the use should operate within the limits of approved and justified investment.

In arriving at an estimation of the highest and best use for the subject property, the appraiser has followed a four point analysis, as set out below:

1. Legally Permissible – The uses that are legally permitted by private restrictions, zoning, building codes, historic district controls and environmental regulations on the site.
2. Physically Possible – The use to which it is physically possible to put the site in question.
3. Financially Feasible – The possible and permissible uses that will produce a net income, or return, equal to or greater than the amount needed to satisfy operating expenses, financial obligations and capital amortization.
4. Maximally Productive – Of the financially feasible uses, the use that produces the highest residual land value consistent with the rate of return warranted by the market for that use is the highest and best use.

²²*The Appraisal of Real Estate*, 12th Edition, page 318, published by the Appraisal Institute 2001

HIGHEST AND BEST USE AS IF VACANT**Legally Permissible**

The first consideration of the highest and best use of the subject property is the legally permissible uses of a property as if vacant. Primarily, this is directed at the zoning of the property; the covenants, conditions, and restrictions of the property; and the development standards of the subdivision in which the subject property is located.

The subject property is located within the City of Reno and is subject to its current zoning ordinance. According to representatives of the Zoning Department of Reno, the subject property is currently zoned MUSV, which is a mixed use downtown region which is primarily commercial in nature. This zoning designation is intended to promote commercial development. It allows many uses similar to the type of construction currently surrounding the subject site.

The appraiser is aware that there are several easements on the property. These easements were analyzed to determine the impact of potential property uses. Due to the location of these easements, it was concluded that the easement encumbrances would not impact the use or development of the subject property.

The subject property is located in an area that has been established for several years. The subject property is not restricted by protective covenants, conditions, or restrictions, which is typical for the downtown area. Zoning and the lack of protective covenants are common to other commercial areas in the Reno/Sparks area. There are no deed restrictions or legal encumbrances which further constrains the legally permissible uses of the subject site. Based on the legal characteristics of the subject property, specifically the current zoning, it is this appraiser's opinion that a commercial/retail/residential building or similar uses similar to what is in the neighborhood is appropriate for the subject site.

Physically Possible

The next step in estimating the subject site's highest and best use is to determine which legally permissible use(s) is physically possible for the subject properties. This analysis considers the physical characteristics of the site as well as surrounding uses which might influence the potential use. As explained in the *Site Analysis* section of this report, the subject site contains 8,088± square feet. The subject property has access via S. Virginia Street, and Martin Street. Access is considered to be both adequate and typical. Visibility of the subject site is considered to be overall good. There are no adverse easements that would affect the value or the utility of the property. The subject property is serviced by public water and sewer, which is typical for the area. Electricity, telephone, and cable are

also typical for the area. All utilities are considered typical for the subject property and the subject neighborhood. Due to the access and visibility of the subject site, it is felt that the site is adequate for various types of property uses. Those properties which would require high visibility and high traffic volume would be typical for the subject site. Thus the subject's physical attributes are considered to be conducive for properties which would require high volumes of traffic.

The appraiser has also examined the surrounding properties and development trends in the immediate area in order to gain insight as to physical constraints experienced upon other similar sites. The surrounding area enjoys the same positive attributes as the subject site and basically the same physical characteristics. The majority of the properties surrounding the subject property have been developed with commercial/retail/residential utilizations. There are few vacant property sites in the area available for development.

Surrounding land use relates to the principle of conformity. This principle holds that "real property value is created and sustained when the characteristics of a property conform to the demands of its market."²³ Inherent in this principle is a compatibility of land uses in an area, as well as a reasonable degree of homogeneity. From a compatibility standpoint, it is most likely that the subject site, as vacant, would be developed with some type of commercial/retail/residential use because of the fact that this type of use blends well with the surrounding development.

In conclusion, the physical aspects of the subject site best lend themselves to some type of commercial utilization because of the surrounding development and the general characteristics of the immediate area. The principle of conformity leads the appraiser to the conclusion that some type of commercial/retail/residential development is appropriate for the subject site.

Financially Feasible

The legally permissible and more specifically, the physically possible and compatible considerations narrow the subject site's potential development alternatives to some type of commercial development as appropriate for the subject site. The next consideration is that of financial feasibility, specifically, whether or not a commercial/retail/residential development as indicated by the legally permissible and physically possible considerations is possible at this time. In other words, do the potential benefits from the operations of the selected uses outweigh the cost of constructing such a project.

²³The Appraisal of Real Estate, 12th Edition, published by the Appraisal Institute, 2001, page 319

According to the *Area Analysis* of the Reno/Sparks area, it is indicated the Reno/Sparks market has seen a major increase in its economic base. There have been a number of building permits issued in the downtown Reno core area, and most of these business permits have been for revitalization of older buildings, and construction of new buildings. The sales chart found in the Direct Sales Comparison Approach would indicate that there is only a limited amount of vacant commercial activity for development of that approach. According to the current economic conditions of the Reno/Sparks area, there does appear to be a demand for new commercial/retail/residential development in the downtown core area.

Therefore, the subject property meets the legal and physical criteria for commercial development, there is indication in the current market that there is demand for new commercial development in the downtown area. As indicated there has been a considerable amount of revitalization of older buildings, which would indicate that new development may be appropriate. Therefore, as of the date of appraisal it is this appraiser's opinion that the financially feasible use of the site is to be developed with a commercial/retail/residential utilization.

Maximally Productive Use

The final step in estimating the highest and best use is to determine which use among the feasible uses would produce the highest net return or the highest net present value to the property. This analysis also focuses on the most appropriate density, type of finish, and other building attributes that are more specific than the use of the property.

As was concluded in the financially feasible section, there current demand for new commercial development in the downtown Reno core area, and the property should be developed with a commercial/retail/residential utilization. There is no need for further analysis of the maximally productive use. The highest and best use as vacant is estimated to be developed with a commercial/retail/residential utilization.

Conclusion, As If Vacant

Based on the preceding analysis of the legally permissible, physically possible, financially feasible, and maximally productive uses, it is the appraiser's opinion that the highest and best use of the subject site, as if vacant would be to be development with a commercial/retail/residential utilization comparable with new construction within the downtown Reno core area.

Most Probable Purchaser

The most probable purchaser of the subject site is considered to be an investor.

APPRAISAL OVERVIEW

In the appraisal of real estate, there are three basic traditional approaches for estimating property values. The three approaches are: Direct Sales Comparison Approach (also referred to as the Market Approach), the Cost Approach and the Income Approach. The final step in estimating a property's "market value" (i.e., the most probable selling price), is to correlate the value estimate of the three approaches into a single value estimate.

The Cost Approach

This approach is based on the proposition that an informed purchaser would pay no more than the cost of producing a substitute property with the same utility as the subject property. It is particularly applicable when the property being appraised involves relatively new improvements which represent the highest and best use for the land, or when unique or specialized improvements are located on the site for which there exists no comparable properties on the market. The subject property is an improved commercial site. The Cost Approach is not considered to be relevant and therefore has been omitted from this report.

Income Approach

This approach is based on the proposition that a property is worth no more than the capitalized value of the income stream that the property is capable of generating. The procedure converts anticipated benefits (dollar income), to be derived from the ownership of property into a value estimate. The Income Approach is widely applied in appraising income producing properties. Anticipated future income and/or reversions are discounted to a present worth figure through the capitalization process. The subject property is an improved commercial site. The Income Approach is not considered to be relevant and therefore has been omitted from this report.

Direct Sales Comparison Approach

This approach is based on the proposition that an informed purchaser would pay no more for a property than the cost to him of acquiring an existing property with the same utility. It is applicable when an active market provides sufficient quantities of reliable data which can be verified from authoritative sources. Adjustments extracted from the market are applied to the comparable sales for any differences that exist between the sales and the subject. The categories of adjustment include, but are not limited to, location, access, size, shape, market conditions at the time of sale and the terms of the sale.

SALES COMPARISON APPROACH TO VALUE

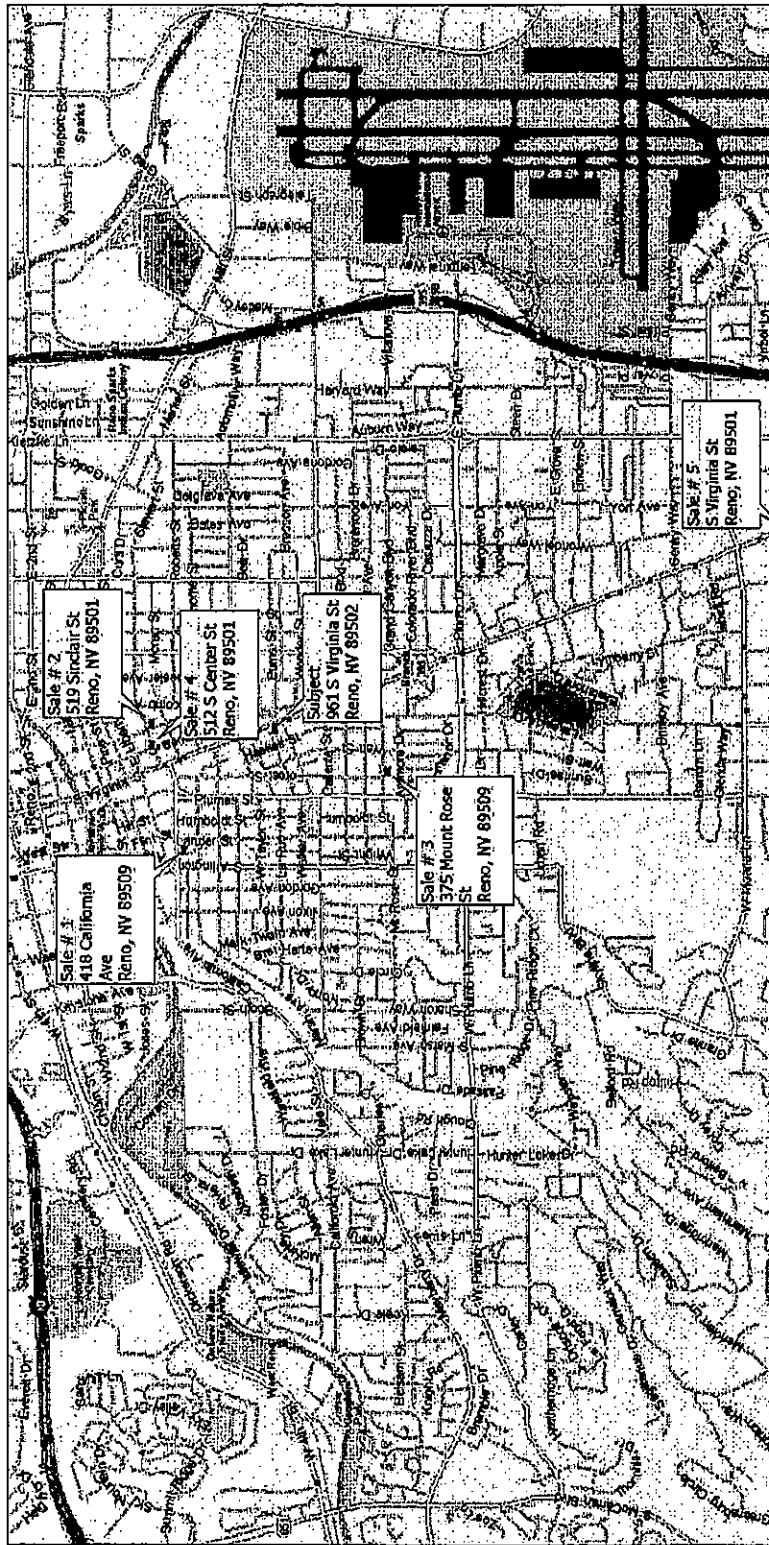
The first step in this approach is to identify the highest and best use of the subject. Then, the public record is canvassed for sales of properties with the same or a similar highest and best use. The appropriate sales are verified, and the sale prices are reduced to a consistent unit of measure, in this case a single homesite. These prices can then be used to establish a typical range of value for a property of the subject's class. Individual elements of these sales are compared to the subject, and an overall judgment can be made as to how the subject compares with other properties in its class.

The sales charted on the next page are appropriate for the valuation of the subject.

COMPARABLE LAND SALE CHART

Sale No.	APN Address	Sale Date	Sale Price	Land Area	Zoning	Price/SF	Grantor-Grantee Doc. No.
1	011-213-04, 05 414 & 418 California Reno, NV	4-19-17	\$550,000	10,000± sf	MUDR	\$55.00	Wiegand Ramble 4696987
2	011-193-16, 17 519 Sinclair St. Reno, NV	1-09-18	\$500,000	7,00± sf	MUSV	\$71.43	Marmot Fleming 4778344
3	014-213-21, 24 375 Mount Rose Reno, NV	6-08-18	\$385,000	10,415± sf	MUSV	\$36.97	Merchant/Mitchel Arrowbuild 4821353 & 4821355
4	011-193-07, 08, 09, 10 & 11 512 S. Center St. Reno, NV	7-30-18	\$1,900,000	36,400± sf	MUSV	\$52.20	AMP Properties Hillcrest Properties 4837427
5	043-030-07 S. Virginia St. Reno, NV	9-07-18	\$550,000	12,500± sf	MUSV	\$44.00	Kaiser Maison 4849215
Subject	014-063-11 961 S. Virginia St. Reno, NV	—	—	8,088± sf	MUSV	—	Iliescu —

COMPARABLE LAND SALES LOCATION MAP



Sale # 5 is located several miles south of where it is depicted on this map. It is located West side of S. Virginia St. between West Huffacker Lane and East Patriot Blvd.

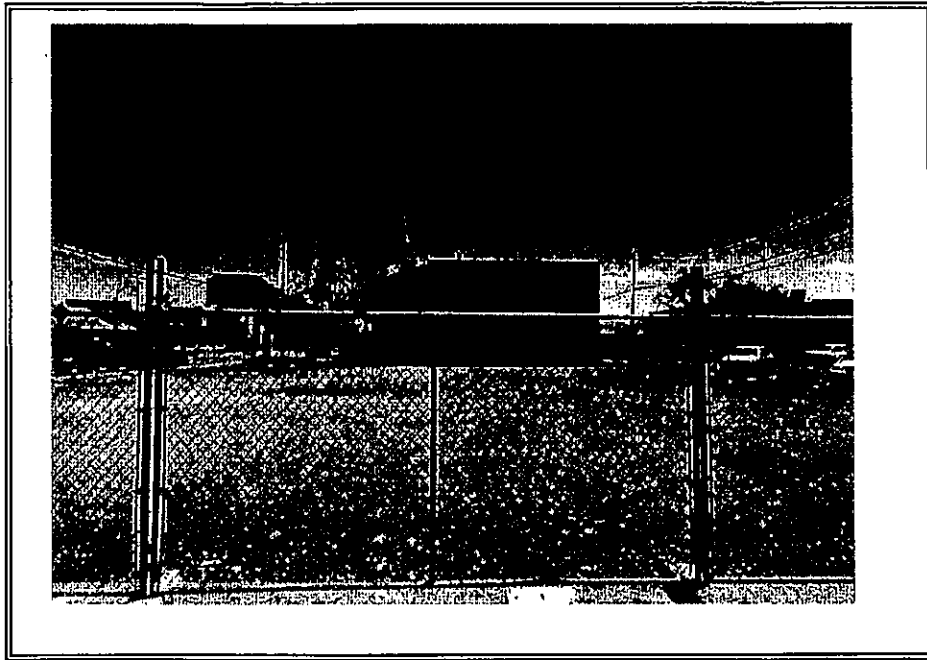
LAND SALES DATA

COMPARABLE LAND SALE #1

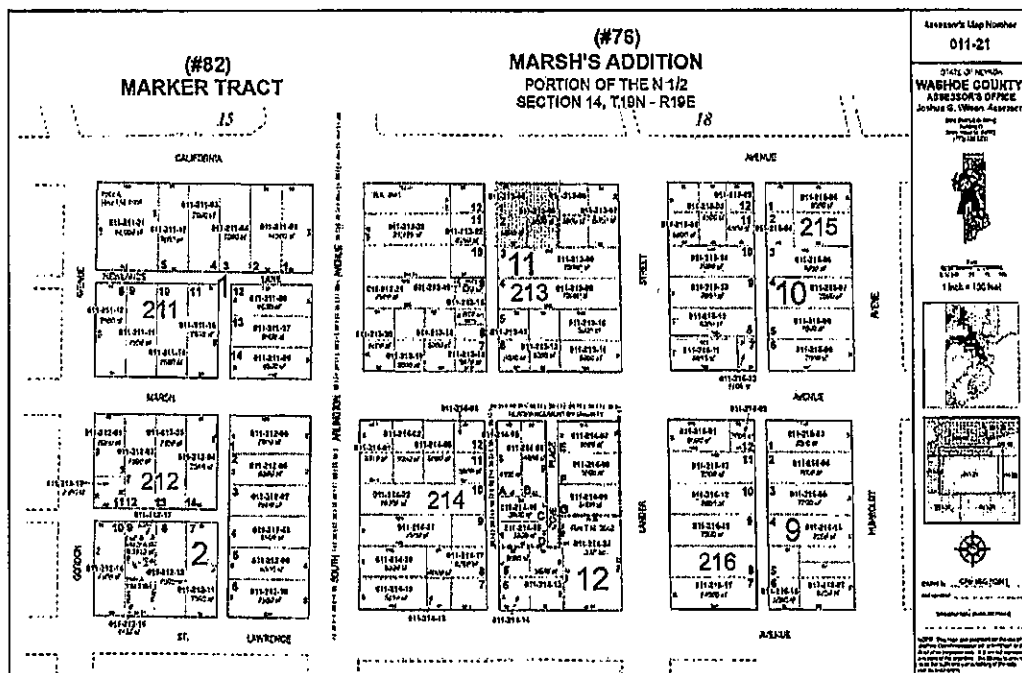
County:	Washoe	APN: 011-213-04, 05	Type: Vacant Land
Location:	South side of California St. between Arlington Ave. & Lander St.		
Address:	414 & 418 California St., Reno, NV		
Grantor:	E.L. Wiegand Foundation		
Grantee:	Ramble On, LLC		
Deed Date:	04-05-17	Recording Date:	04-19-17
RPTT:	\$2,255.00	Doc. No.:	4696987
Legal Description:	Retained in appraiser's file		
Size:	10,000± sf or .2296± ac	Zoning:	MUDR
Land Use:	Vacant Land	Utilities:	Extended to site
Access:	Paved, good	Topography:	Level
Sale Price:	\$550,000	Unit Price:	\$55.00
Financing:	Cash to seller		
Verified with:	Public records By Anthony J. Wren, MAI, SRA 03-20		



LAND SALE # 1

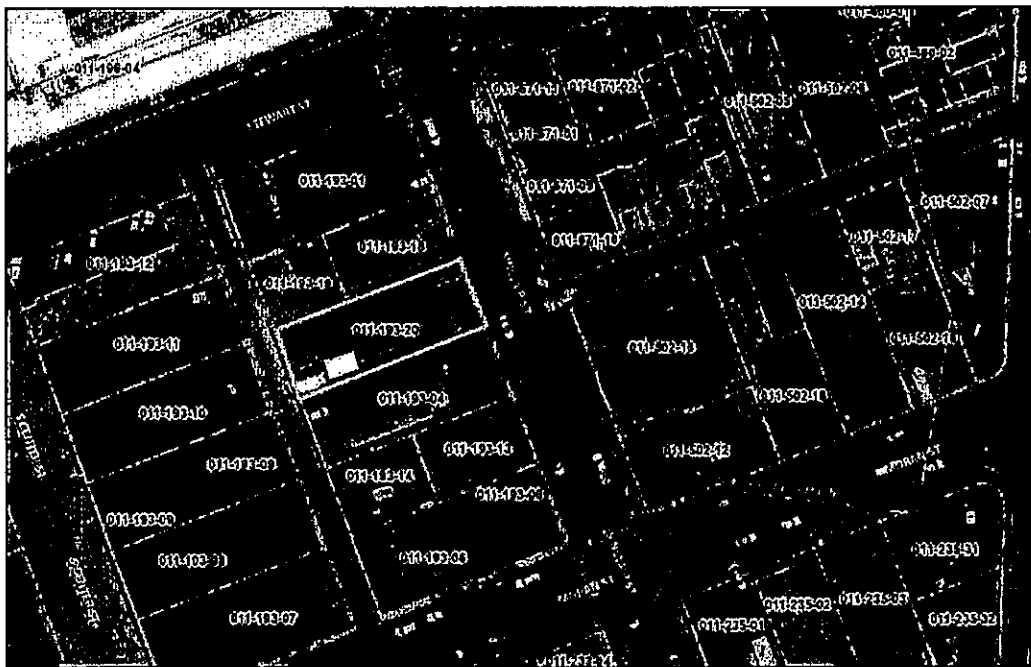


Picture taken from public records.

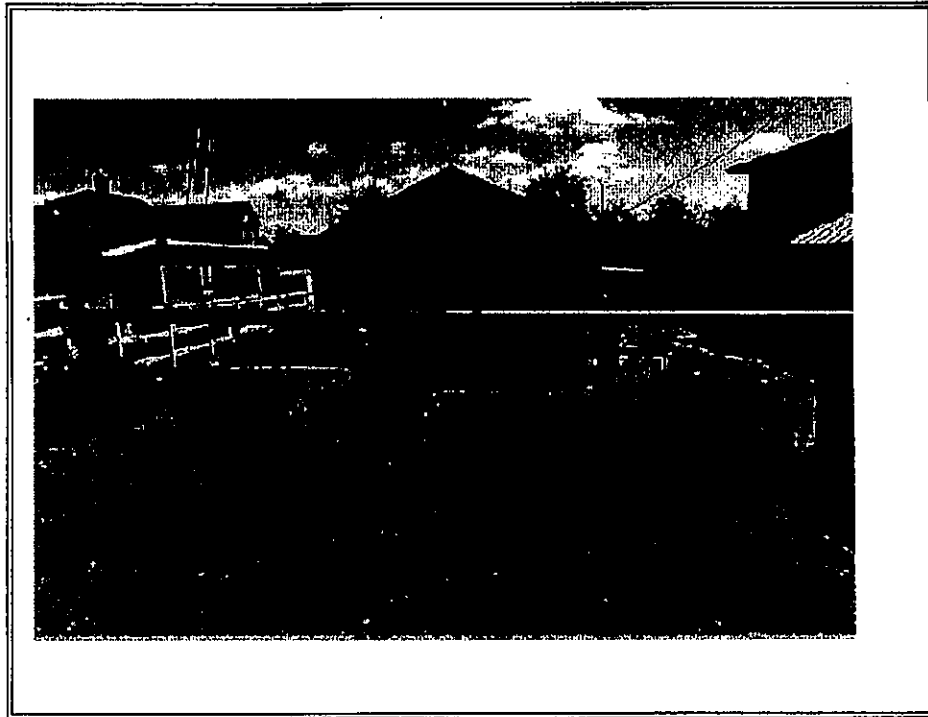


COMPARABLE LAND SALE #2

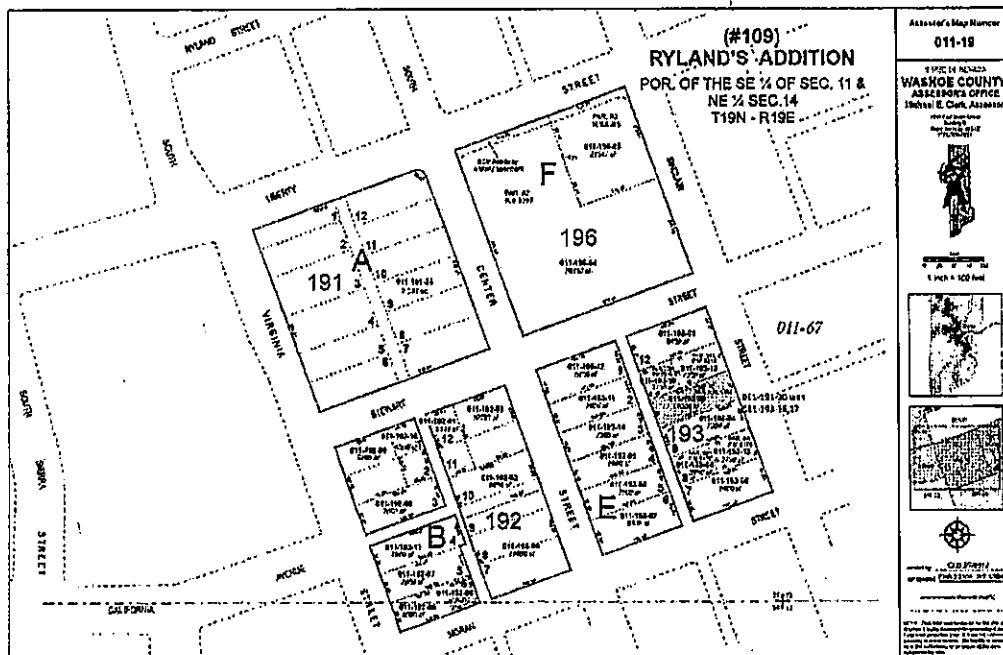
County: Washoe **APN:** 011-193-16 & 17 **Type:** Vacant Land
Location: West side of Sinclair St. between Stewart St. & Moran St.
Address: 519 Sinclair Street, Reno, NV
Grantor: Marmot REOF 3 LF & 515 Sinclair Street
Grantee: Matthew D. Flemming and Kathleen L. Flemming
Deed Date: 12-28-17 **Recording Date:** 01-09-18
RPTT: \$2,050.02 **Doc. No.:** 4778344
Legal Description: Parcels 10A and 10B of Parcel Map No. 5214
Size: 7,000± sf or .1607± ac **Zoning:** MUSV
Land Use: Vacant Land **Utilities:** Extended to site
Access: Paved, good **Topography:** Level
Sale Price: \$500,000 **Unit Price:** \$71.43 per sf
Financing: Cash to seller
Verified with: Public records
By Anthony J. Wren, MAI, SRA 03-20



LAND SALE # 2

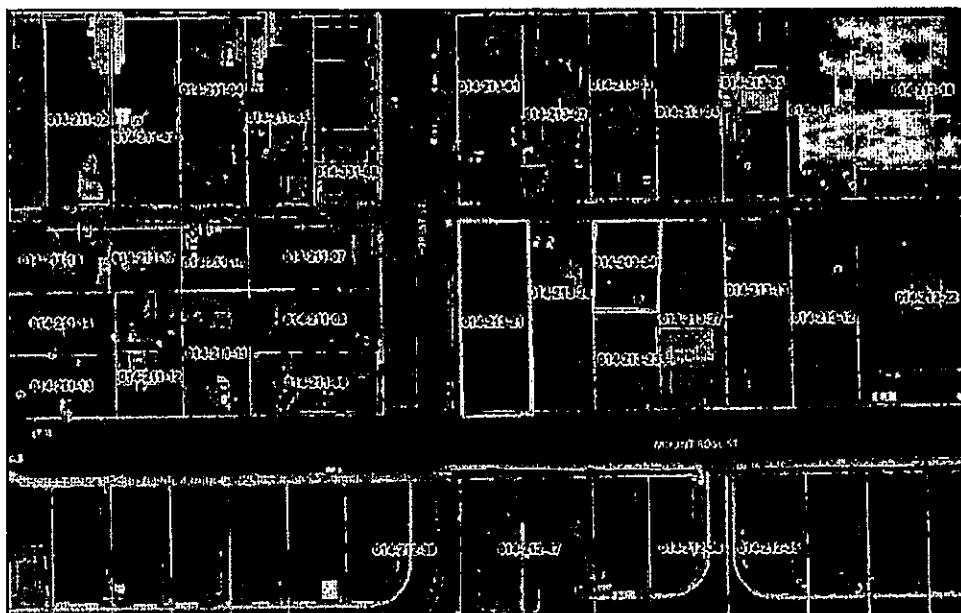


Picture taken from public records.

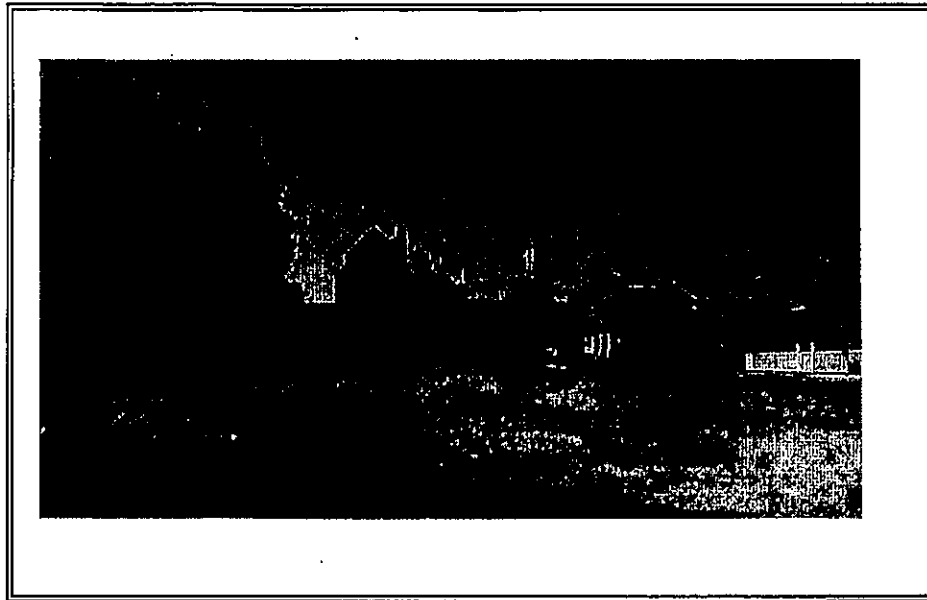


COMPARABLE LAND SALE #3

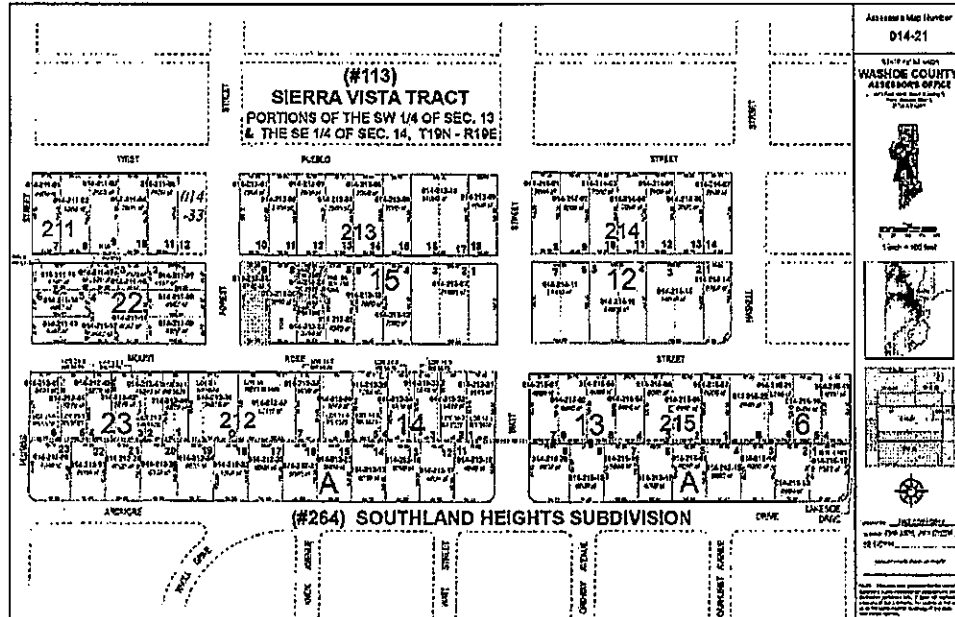
County: Washoe **APN:** 014-213-21, 24 **Type:** Vacant Land
Location: Northeast corner of Mount Rose St. and Forest St. and the south side of the alley.
Address: 375 Mount Rose Street, Reno, NV
Grantor: Merchant & Mitchell, LLC
Grantee: Arrowbuild LLC
Deed Date: 05-31-18 **Recording Date:** 06-08-18
RPTT: \$1,578.50 **Doc. No.:** 4821353 & 4821355
Legal Description: Retained in appraiser's file
Size: 10,415± sf or .2391± ac **Zoning:** MUSV
Land Use: Vacant Land **Utilities:** Extended to site
Access: Paved, good **Topography:** Level
Sale Price: \$385,000 **Unit Price:** \$36.97 per sf
Financing: Cash to seller
Verified with: Public records
By Anthony J. Wren, MAI, SRA 03-20



LAND SALE # 3



Picture taken from public records.

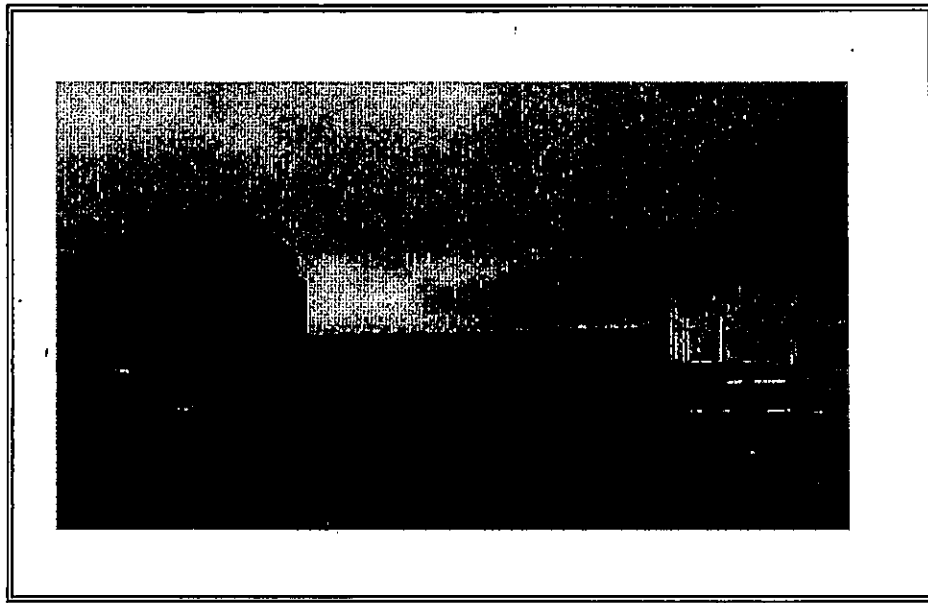


COMPARABLE LAND SALE #4

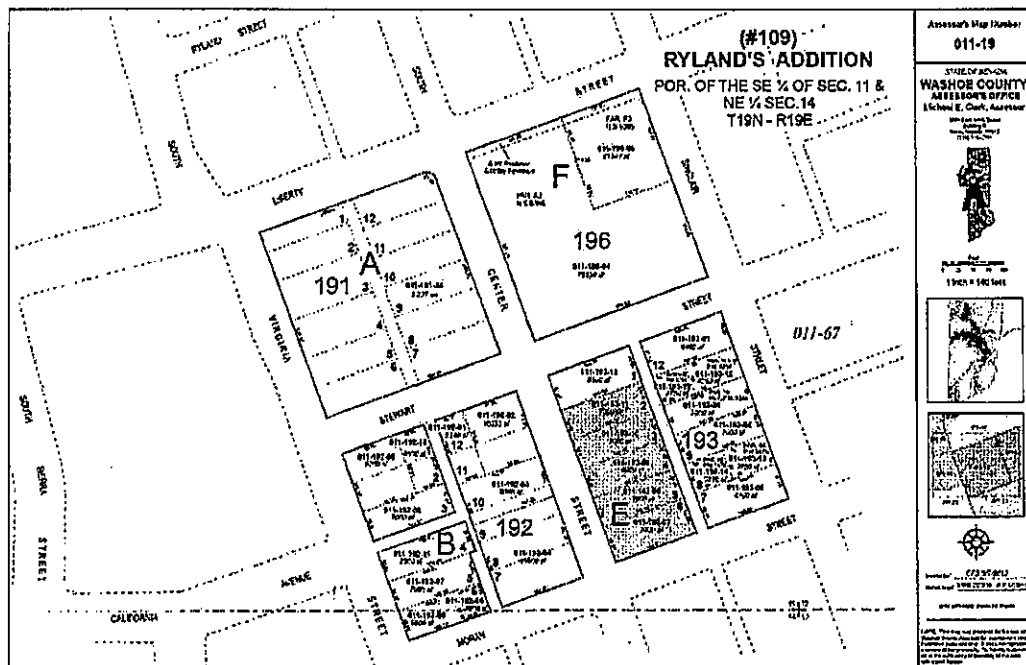
County: Washoe **APN:** 011-193-07, 08, 09, 10 & 11
Type: Vacant Land
Location: Northeast corner of Center St. and Moran St.
Address: 512 S. Center St., Reno, NV
Grantor: AMR Properties Ltd.
Grantee: Hillcrest Properties of Foresthill
Deed Date: 07-18-18 **Recording Date:** 07-30-18
RPTT: \$7,790.00 **Doc. No.:** 4837427
Legal Description: Retained in appraiser's file
Size: 36,400± sf or .8356± ac **Zoning:** MUSV
Land Use: Vacant Land **Utilities:** Extended to site
Access: Paved, good **Topography:** Level
Sale Price: \$1,900,000 **Unit Price:** \$52.20 per sf
Financing: Cash to seller
Verified with: Public records
By Anthony J. Wren, MAI, SRA 03-20



LAND SALE # 4



Picture taken from public records.

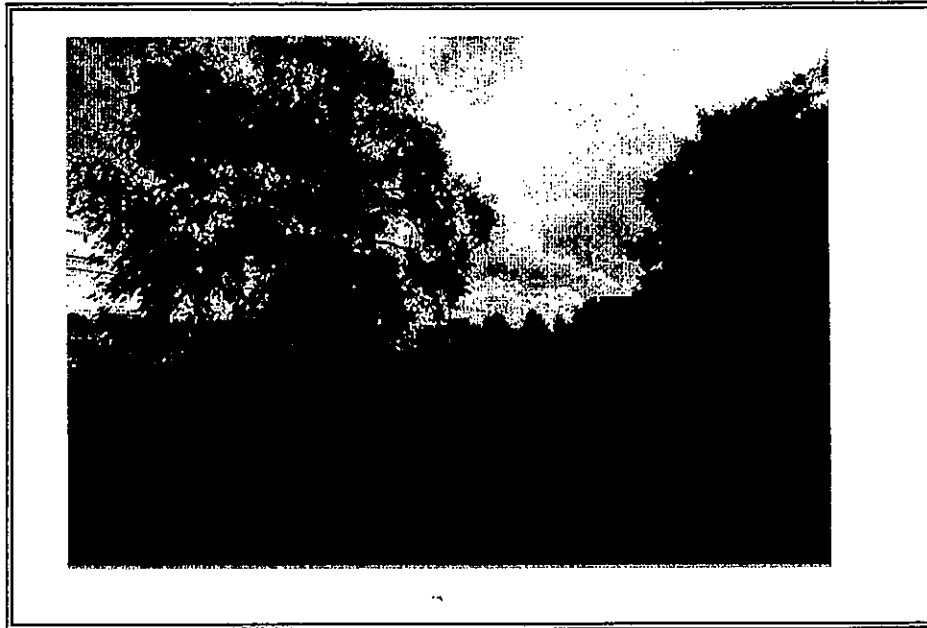


COMPARABLE LAND SALE #5

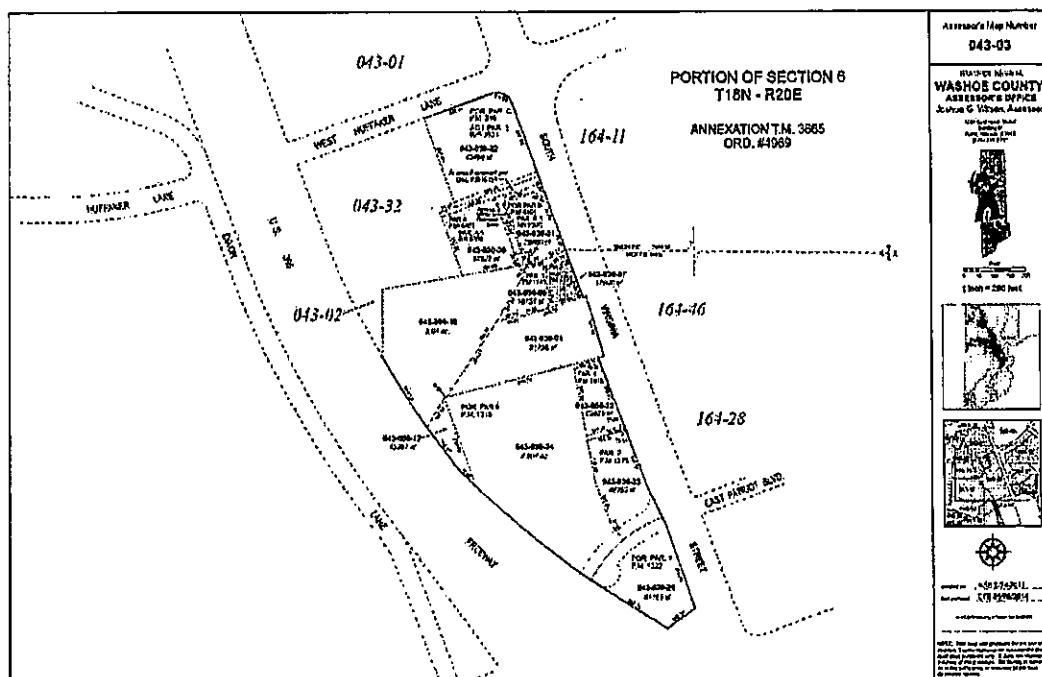
County: Washoe **APN:** 043-030-07 **Type:** Vacant Land
Location: West side of S. Virginia St. between West Huffacker Lane and East Patriot Blvd.
Address: S. Virginia St., Reno, NV
Grantor: Albin L. Kaiser (Trustee)
Grantee: Justin Maison
Deed Date: 09-06-18 **Recording Date:** 09-07-18
RPTT: \$2,255.02 **Doc. No.:** 4849215
Legal Description: Parcel 1 of Parcel Map 1143
Size: 12,500± sf or .287± ac **Zoning:** MUSV
Land Use: Vacant Land **Utilities:** Extended to site
Access: Paved, good **Topography:** Level
Sale Price: \$550,000 **Unit Price:** \$44.00 per sf
Financing: Cash to seller
Verified with: Public records
By Anthony J. Wren, MAI, SRA 03-20



LAND SALE #5



Picture taken from public records.



COMPARISON FACTORS**Property Rights**

This appraisal considers the subject's fee simple interest. All the properties utilized in this report involved the fee simple and no adjustments were considered to be necessary.

Terms

Sales or listings will be adjusted to cash or terms reasonably equivalent to cash. Terms reasonably equivalent to cash are based upon normal financing terms for properties of comparable highest and best use.

Time

Sales will be analyzed for appreciation or depreciation from the date of the sale to the date of the appraisal.

Location

Adjustments may consider value differences attributed to location.

Utility

Adjustments may consider the physical shape, topography, street frontage or other factors of a parcel that influence value.

Zoning

Sales will be adjusted according to their zoning classification.

Size

Adjustments consider if size affects value.

SALES ANALYSIS

For purposes of this report, the sales have been broken into a unit price per square foot. Buyers and sellers of commercial land in the Reno/Sparks area typically analyze sales and potential properties on a price per square foot. Therefore, this analysis is being made on a price per square foot basis. After a thorough search of the Reno/Sparks and Washoe County areas and specifically the downtown Reno area, the most recent sales were found and analyzed. These sales occurred between April 2017 and September 2018. The date of value of this report is June 15, 2019. The sales ranged in size from 7,000± sf to 36,400± sf as compared to the subject's size of 8,088 ± sf. The price per square foot of these sales ranged from a low of \$36.97 to a high of \$71.43 a square foot. The comparable properties utilized in this analysis will be compared and correlated to the subject property based on several different adjustment criteria. These include property rights, terms, time, location, utility, zoning, and overall size. The sales will be analyzed based on an overall price per square foot, which is most often analyzed in the local market for commercial land sales. An upward adjustment is made to the comparables' price per square foot when the subject is superior to the sale. Likewise, a downward adjustment is made for the comparables' price per square foot when the subject is inferior to the sale.

Property Rights Conveyed

This appraisal considers the subject's fee simple interest. All the sales utilized in this report involved the transfer of fee, and no adjustments were considered to be necessary.

Terms

All sales sold for cash or short-term deeds. All sales were considered to be cash to seller; therefore, there will be no adjustment for terms of sale.

Time (Marketing Conditions)

The sales occurred between April 2017 and September 2018 as compared to the subject's date of value of June 15, 2019. As indicated in the *Area Analysis* section of this report and the *Highest and Best Use*, it has been indicated that the Reno/Sparks area has undergone a significant economic decline after its peak period, approximately 2006. Since these sales are in 2017 and 2018, are sales that occurred after the economic downfall and are considered to be contemporary indicators for the subject's value. There has been a limited amount of sales activity in 2017 and 2018, and the five comparable commercial sales found were felt to be

the most similar and most comparable to the subject property. Because of the high demand for all vacant land in the Reno/Sparks area at the current time, values have been increasing at a relatively rapid pace over the last 12 to 24 months. Therefore, all sales would be adjusted upward for time.

Location

Overall, location is a very important aspect in any sale. The subject property is located on the southeast corner of S. Virginia Street and Martin Street with good visibility and exposure on S. Virginia Street in the downtown/midtown core. The location of the subject property is considered to be very good. Sale #1 is located on California Avenue, a similar location to the subject property requiring no further adjustment. Sale #2 located on Sinclair Street, an inferior location when compared to the subject property requiring an upward adjustment. Sale #3 is located on Mount Rose Street, an inferior location requiring an upward adjustment. Sale #4 is located on S. Center Street, a similar location requiring no further adjustment. Sale #5, is located on S. Virginia Street but several miles south of the downtown area. It is considered to be an inferior location requiring an upward adjustment.

Utility

Under utility, adjustments may be considered for physical shape, topography, street frontage, and other factors of a parcel that influence value. Utility of the subject is felt to be similar to that of the sales utilized in this report. This section of the adjustments will consider adjustments for utilities. All five sales utilized in this report have the availability of public water and sewer and are similar to the subject property. All sales are considered to be similar in utility, therefore requiring no further adjustment.

Zoning

The subject property is zoned MUSV or Mixed Use South Virginia Street zoning classification. All five sale utilized in this report have the same MUSV zoning classification with the exception of Sale #1 which was MUDR which is Mixed Use Downtown Reno, a similar zoning classification. Therefore, no further adjustment will be made for zoning.

Size

The subject property contains a total of 8,088± sf. The sales utilized in this report range from 7,000 ± sf to 36,400± sf. Those parcels that are larger than the subject property require a upward adjustment while those sales small than the

subject property require a downward adjustment. Sale #1 contains 10,000± sf requiring an upward adjustment. Sale #2 contains 7,000± sf requiring a downward adjustment. Sale #3 contains 10,415± sf requiring an upward adjustment. Sale #4 contains 36,400± sf requiring an upward adjustment. Sale #5 contains 12,500± sf requiring an upward adjustment.

Other Adjustments

Sale #1 is located on the south side of California Street between Arlington Avenue and Lander Street. The physical address is 414 and 418 California Street, Reno, Nevada. This sale is further identified as APN 011-213-04 and 05. This property was sold by E.L. Wiegand Foundation, a private shareable trust, and was purchased by Ramble On, LLC, a Nevada limited liability company. The meeting of the minds occurred on April 5, 2017 and the sale was recorded on April 19, 2017. The sale was recorded with Document No. 4696987. This property contains 10,000± sf or .2296± acres. As indicated this property is zoned MUDR.

This property had a reported sales price of \$550,000 indicating a price per square foot of \$55.00. Overall, when compared to the subject property, this sale is considered to be a good indicator.

Sale #2 is located on the west side of Sinclair between Stewart Street and Moran Street. The physical address of this property is 519 Sinclair Street, Reno, NV. This sale is further identified as APN 011-193-17 and 17. This property was sold by Marmot REOF 3, LF, LLC, a Nevada limited liability company, and The 515 Sinclair Street Series of Marmot Investments, LLC, a Nevada series limited liability company, and the 350 West 11th Street Series of Marmot Investments, LLC, a Nevada series limited liability company as their interest appear in record. The property was purchased by Matthew D. Flemming and Kathleen L. Flemming, husband and wife as joint tenants with right of survivorship. The meeting of the minds occurred on December 28, 2017 and the sale was recorded on January 9, 2018. This sale was recorded with Document No. 4778344. This property contains 7,000± sf or .1607± acres. This property is zoned MUSV, similar to that of the subject property.

The reported sales price was \$500,000 indicating a price per square foot of \$71.43. Overall in comparison to the subject property, this sale appears to be a high indicator.

Sale #3 is located on the northeast corner of Mount Rose Street and Forest Street. The physical address of this property is 375 Mount Rose Street, Reno, Nevada. This sale is further identified as APN 014-213-21 and 24. This property was

sold by Merchant & Mitchell, LLC, a Nevada limited liability company. The property was purchased by Arrowbuild LLC, a Nevada limited liability company. The meeting of the minds occurred on May 31, 2018 and the sale was recorded on June 8, 2018. This sale was recorded with two Document Nos., Document No. 4821353 and 4821355. This property contains a total land area of 10,415± sf or .2391± acres. This property is zoned MUSV, similar to that of the subject property.

This property has a recorded sales price of \$385,000 indicating a price per square foot of \$36.97. Overall in comparison to the subject property, this sale is considered to be an inferior indicator requiring upward adjustments.

Sale #4 is located on the northeast corner of Center Street and Moran Street. The physical address is 512 S. Center Street. This sale is further identified as APN 011-193-07, 08, 09, 10 and 11. This property was sold by AMR Properties Ltd., a Nevada limited liability company. The property was purchased by Hillcrest Properties of Foresthill Incorporated, a California corporation. The meeting of the minds occurred on July 18, 2018 and the sale was recorded on July 30, 2018. This sale was recorded with Document No. 4837427. This property contains 36,400± sf or .8356± acres. The property is zoned MUSV, similar to that of the subject property.

The reported sales price was \$1,900,000 indicating a price per square foot of \$52.20. Overall in comparison to the subject property, this sale is considered to be a similar indicator requiring minimal adjustments.

Sale #5 is located on the west side of S. Virginia Street between W. Huffacker Lane and E. Patriot Blvd. This property does not have a physical address but its address would be on S. Virginia Street. This sale is further identified as APN 043-030-07. This property was sold by Albin L. Kaiser, as sole trustee of the Residual Trust under the A.L. Kaiser Family Trust Agreement. The property was purchased by Justin Maison, a single man. The meeting of the minds occurred on September 6, 2018 and the sale recorded on September 7, 2018. This sale was recorded with Document No. 4849215. This property contains 10,500± sf or .287± acres. This property is zoned MUSV, similar to that of the subject property.

The recorded sales price was \$550,000 indicating a price per square foot of \$44.00. Overall in comparison to the subject property, this sale is considered to be a low indicator requiring an upward adjustment.

SUMMARY AND CONCLUSION OF VALUE

All sales utilized in this report were felt to be similar to each other and as similar as possible to the subject property. The adjustments are considered to be relatively small. In the before condition, the sales ranged from a low of \$23.28 to a high of \$71.43 on a price per square foot basis for the five sales. Appropriate adjustments have been considered for property rights, terms, time, location, utilities, zoning, and size. A summary of adjustments for the price per square foot is as follows.

SUMMARY OF ADJUSTMENTS FOR PRICE PER SQUARE FOOT

Sale No.	Unadjust. Unit Price	Prop. Rights	Terms	Time	Location	Utility	Zoning	Size	Overall Adjust.
1	\$55.00	0	0	+	0	0	0	+	0
2	\$71.43	0	0	+	+	0	0	-	-
3	\$36.97	0	0	+	+	0	0	+	+
4	\$52.20	0	0	+	0	0	0	+	0
5	\$44.00	0	0	+	+	0	0	+	+

The value indications derived from the comparable sales are reconciled into a single value indication by arranging the five sales in an array relative to the subject property. The sales considered superior to the subject property are Sale #2 based on its value being so much higher than the other sales, while Sale #1 and Sale #4 are relatively similar. Sale #3 and Sale #5 are considered inferior. Following is an indication of how the subject property fits within this array.

	Comparable	Price/SF	Overall Comparability
	Sale #2	\$71.43	Superior
	Sale #1	\$55.00	Similar
Subject Property			
	Sale #4	\$52.20	Similar
	Sale #5	\$44.00	Inferior
	Sale #3	\$36.97	Inferior

As can be seen from the above chart, the subject property appears to fit well within these sales. These sales were selected because of their comparability and location to the subject property. As indicated, in the before condition the sales ranged from a low of \$36.97 to a high of \$71.43 per square foot. The subject is felt to fall within these indicators. It appears that the subject fits best between Sale #4 at \$52.20 per square foot and Sale #1 at \$55.00 a square foot.

Therefore, based on the above analysis of the data contained in this report, and consideration given to the definition of value contained in this report and the fact that it appears that prices are increasing, most weight is given to Sale #1 and Sale #4 and will be rounded to \$55.00 a square foot.

Therefore, it is this appraiser's opinion that the subject's 8,088± square feet has a current market value of 8,088± sf x \$55.00 a square foot indicates a value of \$444,840.

Indicated Value: \$444,840

(\$55.00 a square foot)

EXHIBIT A
LEGAL DESCRIPTION PERMANENT PUBLIC UTILITY EASEMENT
APN 014-063-11

EXHIBIT "A"
LEGAL DESCRIPTION OF PERMANENT EASEMENT
APN: 014-063-11

A permanent easement, situate within a portion of the North-East 1/4 of Section 14, Township 19 North, Range 19 East, Mount Diablo Base and Meridian, City of Reno, County of Washoe, State of Nevada, more particularly described as follows:

Beginning at the north east corner of that certain parcel of land described in deed, recorded in the official records of Washoe County Recorder's Office on December 20, 1994, as Document File # 1858459, said point being a point of intersection with the southerly line of Martin Street and westerly line of South Virginia Street;

Thence South 20°04'24" East 0.29 feet along the east boundary line of said parcel;

Thence departing the east boundary line of said parcel, South 70°18'18" West 9.21 feet;

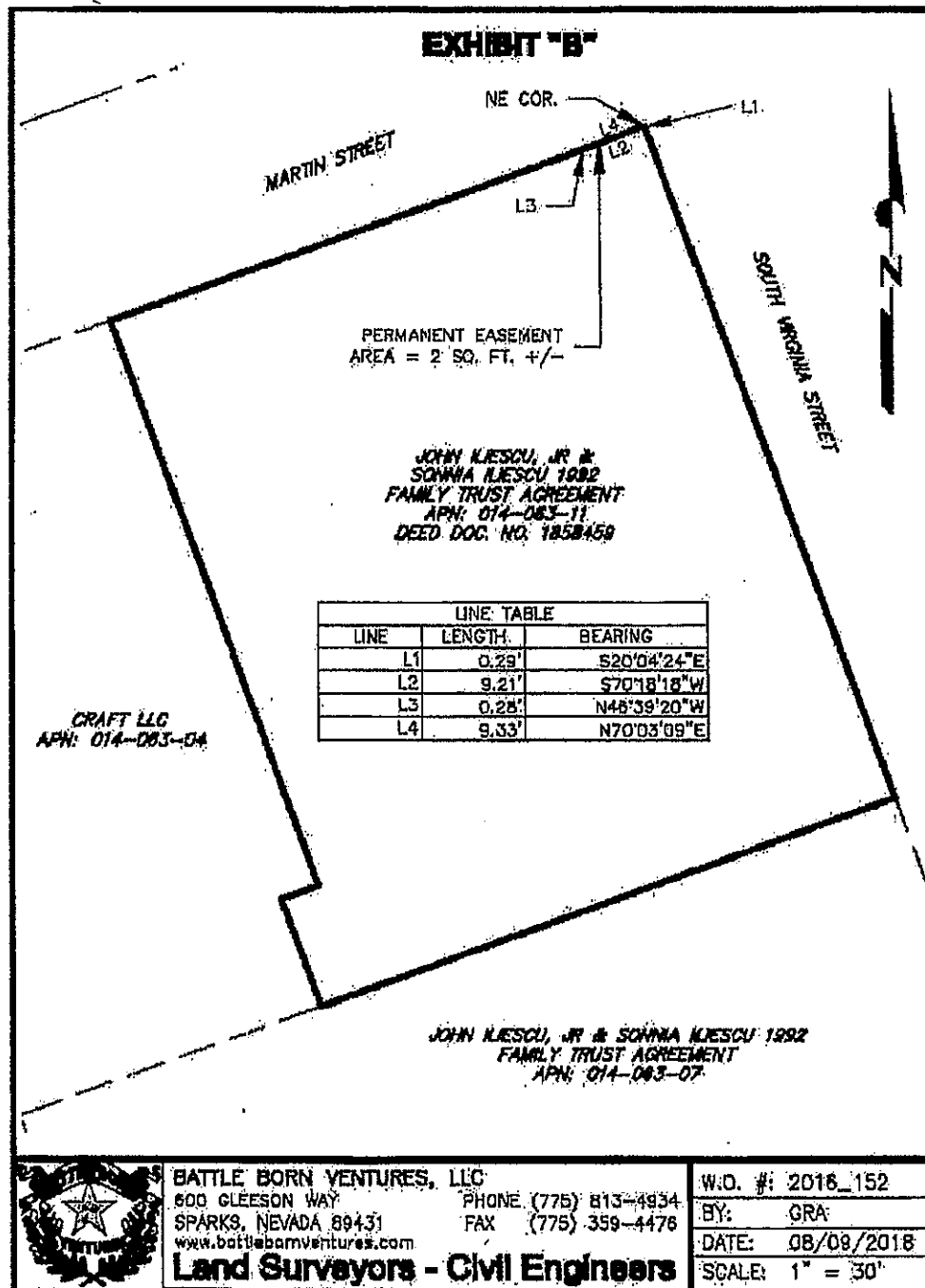
Thence North 46°39'20" West 0.28 feet to a point on the north boundary line of said parcel;

Thence North 70°03'09" East 9.33 feet along the north boundary line of said parcel to the point of beginning, containing 2 square feet, more or less.

Basis of Bearings: NAD 83(94) Nevada State Plane Coordinate System, West Zone (2703).

Grant R. Alexander, P.L.S. 19051
Battle Born Ventures, LLC
600 Gleeson Way
Sparks, NV 89431

PUBLIC UTILITY EASEMENT PE RIGHT-OF-WAY MAP



EASEMENT VALUATION ANALYSIS

Permanent Easement for a Below-Ground Utility Easements

In a preceding section of this report, the estimated land value of the subject property was estimated to be \$55.00 per square foot. This \$55.00 per square foot will be extended to this section of the report. The permanent easement is for a 2± sf area for the development of below-ground utilities.

The purpose of this analysis is to establish the value of a 2± sf public utility for below-ground utilities and to recommend compensation for its acquisition. The easement is located on the southeast corner of the subject site.

Fee simple ownership is typically viewed as absolute ownership, or full ownership subject only to certain universal limitations. This ownership is said to include the full "bundle of rights" inherent in the ownership of real estate. This "bundle of rights" includes the right to use real estate, to sell it, to lease it, to enter it, to give it away, or to choose to exercise all or none of these rights.

The easement that will be granted to the (RTC) Regional Transportation Commission will not restrict the property owner's right to sell, lease, give away, or otherwise convey the real estate. However, it will impose some physical and legal restrictions on the use and development of the subject. In determining the value of the easement, it is necessary to explore the impact of the easement on the "bundle of rights" that comes with fee ownership. After the imposition of the easement, the owner of the underlying parcel will have something less than the total "bundle of rights" typically associated with the ownership.

Building Location

The easements will preclude construction of permanent structures within the area encumbered. In the case of the subject, this will be a minor inconvenience due to the location of the site of the easement at the northeast corner of the site which is currently not developed. As indicated elsewhere in this report, the subject site is improved with a commercial building with the exception of the area required for this underground utility easement. This easement does not affect any of the existing improvements and for most practical purposes this area will be able to be utilized in the after condition in the same form as it is in its current condition with the exception that no improvements can be constructed in the after condition. As a result of the easement, the grantee, RTC, will have the right to remove or clear all buildings, fences, brush, landscaping, trees, etc. within the easement area at their discretion. Additionally, after the acquisition of the easement, the property owner will be constrained from constructing any buildings, fences, or other structures in the easement area due to the fact that this 2± sf area will be totally utilized by the RTC

for underground utilities. In other words, this area is totally eliminated for use of future development by the current owner.

Maintenance Access

As a result of the easement, RTC will have, at all times, the right to enter the property for the purpose of constructing, altering, maintaining, inspecting, repairing, reconstructing and operating the utility facility constructed within the right-of-way area. Although it is expected that these incursions will be infrequent, the easement provides unlimited access.

Summary

Overall, much of the utility of the land in the easement area will be lost to the owner of the underlying fee. While the easement will not restrict the owner's right to sell, lease, give away, convey or develop the parcel, there will be an impact on the owner's right to use the area to be encumbered by the easement. In essence, with the exception of the right to traverse the area, the property owner is restricted from incorporating the area encumbered into their larger holding. They cannot build buildings, fences, or otherwise restrict access to the area. Additionally, the grantee, RTC, has reserved the right to clear or remove all brush, improvements, and landscaping at their discretion.

This project appears to create a utility corridor that will have little use to the owner of the underlying fee. Overall, I conclude that along the continuum of impacts that include at one end a property unaffected by the easement to a property which is involved in a total take, the burden of the easements ranks somewhere at the middle of the burdened area since the property owner does have similar use before and after being utilized in its current condition.

Permanent easements are usually valued at somewhere between 0 and 100% of the fee simple value of the property. The appraiser has researched numerous articles within the appraisal field libraries to ascertain whether or not there is a definitive answer as to what percentage that fee should be. In reading these articles as well as in conversations with the purchasers of easements, sellers of easements, and other appraisers familiar with the valuation of easements, the appraiser has found no set definitive answer as to the amount fee actually being acquired. The most consistent answer is somewhere in mid range, or 50% of value, if in fact the property owner retains ownership of the property and has some usage. This percentage is arguably considered higher or lower, depending on whether or not the easement is for an underground use, an overhead use, or both. In the case of the subject property, the use by RTC for an easement is for an under ground

utilities which eliminates most use by the current owner. Given no other definitive market information, it is the appraiser's opinion that a permanent easement for an underground utility of 50% of the fee value is appropriate, leaving the property owner 50% value for future utilization. Therefore, for purposes of this report, the permanent easement for below-ground utilities will be valued at 50% of its fee simple interest value.

In the preceding analysis, the value of the larger parcel was estimated at \$55.00 per square foot. The easement which is proposed for the subject contains 2± sf, indicating a value of \$110.00.

Estimated Value of the Easement

(2± sf @ \$55.00/sf = \$110.00 ÷ 2 = \$55.00)

\$55.00

For purposes of such a small easement area it is typical for the value to be rounded up to \$1,000 in order to make it reasonable for the owner to accept compensation.

**Recommendation of Just Compensation for a
Permanent Public Utility Easement: \$1,000.**

EXHIBIT A
LEGAL DESCRIPTION TEMPORARY PUBLIC UTILITY EASEMENT
APN 014-063-11

EXHIBIT "A"
LEGAL DESCRIPTION OF TEMPORARY CONSTRUCTION EASEMENT
APN: 014-063-11

A temporary construction easement, situate within a portion of the North East 1/4 of Section 14, Township 19 North, Range 19 East, Mount Diablo Base and Meridian, City of Reno, County of Washoe, State of Nevada, more particularly described as follows:

Beginning at the north-east corner of that certain parcel of land described in deed, recorded in the official records of Washoe County Recorder's Office on December 20, 1994, as Document File # 1858459, said point being a point of intersection with the southerly line of Merlin Street and westerly line of South Virginia Street;

Thence South 20°04'24" East 0.29 feet along the east boundary line of said parcel to the true point of beginning;

Thence South 20°04'24" East 99.71 feet along the east boundary line of said parcel to the south east corner of said parcel;

Thence South 70°06'19" West 6.19 feet along the south boundary line of said parcel;

Thence departing the south boundary line of said parcel, North 20°05'53" West 40.09 feet;

Thence North 70°11'00" East 4.92 feet;

Thence North 20°13'28" West 1.55 feet;

Thence South 69°46'27" West 0.25 feet;

Thence North 20°13'28" West 12.07 feet;

Thence North 69°46'27" East 0.33 feet;

Thence North 20°13'28" West 2.23 feet;

Thence South 69°46'27" West 0.24 feet;

Thence North 20°13'28" West 8.39 feet;

Thence North 20°02'05" West 3.50 feet;

Thence North 69°57'58" East 0.26 feet;

Thence North 20°02'05" West 2.25 feet;

Thence South 69°57'58" West 0.26 feet;

Thence North 20°02'05" West 1.44 feet;

Thence North 76°37'39" West 3.34 feet;

Thence North 20°45'47" West 5.13 feet;

Thence North 35°29'29" East 3.46 feet;

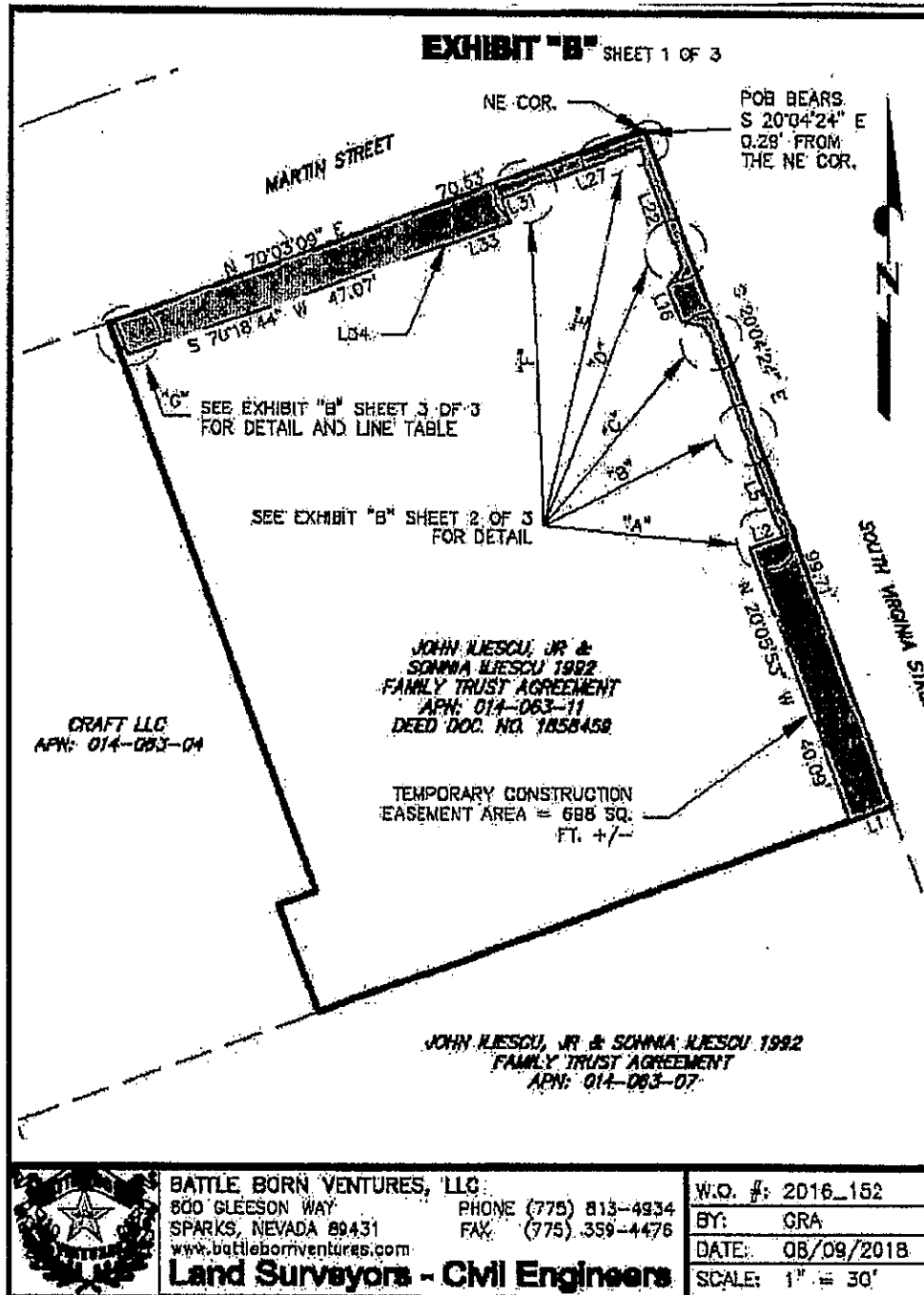
EXHIBIT A
LEGAL DESCRIPTION TEMPORARY PUBLIC UTILITY EASEMENT
APN 014-063-11

Thence North 20°02'05" West 1.26 feet;
Thence North 69°57'58" East 0.27 feet;
Thence North 20°02'05" West 2.27 feet;
Thence South 69°57'58" West 0.27 feet;
Thence North 20°10'03" West 11.89 feet;
Thence North 69°43'51" East 0.32 feet;
Thence North 20°16'34" West 2.23 feet;
Thence South 69°39'31" West 2.18 feet;
Thence South 21°20'29" East 0.22 feet;
Thence South 70°11'08" West 12.10 feet;
Thence North 20°17'59" West 0.29 feet;
Thence South 69°42'12" West 2.18 feet;
Thence South 20°17'59" East 0.29 feet;
Thence South 69°42'12" West 4.31 feet;
Thence South 19°01'46" East 3.44 feet;
Thence South 70°34'44" West 9.85 feet;
Thence North 20°39'44" West 0.18 feet;
Thence South 70°18'44" West 47.07 feet;
Thence North 19°58'15" West 5.00 feet;
Thence South 70°18'44" West 0.96 feet to a point on the west boundary line of said parcel;
Thence North 20°01'37" West 0.14 feet along the west boundary line of said parcel to the north west corner of said parcel;
Thence North 70°03'08" East 70.53 feet along the north boundary line of said parcel;
Thence departing the north boundary line of said parcel; South 46°39'20" East 0.28 feet;
Thence North 70°18'18" East 9.21 feet to the true point of beginning, containing 698 square feet, more or less.

Basis of Bearings: NAD 83(94) Nevada State Plane Coordinate System, West Zone (2703).

Grant R. Alexander, P.L.S. 19051
Battle Born Ventures, LLC
600 Gleason Way
Sparks, NV 89431

EXHIBIT A
TEMPORARY PUBLIC UTILITY EASEMENT MAP
APN 014-063-11



DESCRIPTION AND VALUATION OF THE TEMPORARY EASEMENT

The Reno Transportation Commission (RTC) will be acquiring one temporary construction easement for the purposes of facilitating the required utility work. The easement is located on the northeast portion of the subject site. The temporary easement contains 698± sf. The reader is referred to various maps found throughout this report to better visualize the temporary construction easement area. According to information provided by the client, they will require this easement for three years. The specific date of commencement has not been established or provided to the appraiser. It is not known exactly when the easement will begin but it is assumed some time within the next one or two years. However, the property owners will be paid as of a current date.

As part of the entire subject ownership, the land area within the proposed temporary easement was felt to have a similar unit value as the subject's larger parcel. In a preceding section of this report, an appropriate per unit value for the larger parcel was estimated to be \$55.00 a square foot. Applying this per unit value of \$55.00 a square foot of land area for the temporary construction easement being acquired results in an indicated fee of this site as part of the entire subject ownership of \$38,390.

$$698\pm \text{ sf} \times \$55.00/\text{sf} = \$38,390$$

The easement required by the RTC will allow them to utilize the 698± sf for a three-year period until the end of construction. At the end of the lease, the land will revert back to the subject property owner. This analysis assumes that the land reverting back to the property owner will be in the same condition as it was before the acquisition of the easement. Essentially, RTC through acquisition of this temporary easement, is seeking to lease the land for three years. To establish an indication of an appropriate rental rate, this appraiser reviewed a number of land leases in the Reno/Sparks area. Most of these leases were for long-term intervals and illustrate rates ranging from 8% to 12%.

For purposes of this analysis, an analysis of a fair market rental rate will be based on the analysis of returns generated by land leases and availability of alternative income generating investments. Additionally, this appraiser has conducted several interviews with land owners and real estate brokers known to

buy, sell, and lease vacant land. Based upon a review of the land leases available to this appraiser and interviews with a wide variety of real estate professionals, it was indicated that rental rates are typically based upon a triple net term. The triple net term, in the case of land leases, would involve the tenant being responsible for taxes, insurance, maintenance, and other miscellaneous expenses related to the ownership of the property. For purposes of this analysis, the fair market rental rate being estimated therefore would be based on a triple net term lease.

One method of analyzing the rate of return required on a real estate investment involves the analysis of alternative investments. According to the *Valuation Insights and Perspectives for Professional Real Estate Appraisers*, dated Fourth Quarter 2019, published by the Appraisal Institute, current economic indicators indicate that five-year U.S. Treasury bonds were yielding 1.55%, ten-year bonds were yielding 1.68%, and 30-year bonds were yielding 2.12%. Corporate Aaa bonds were yielding 2.37% and Baa corporate bonds were yielding 3.91%.

In considering the rate of return which would be applicable to the subject property, consideration must be given to the fact that real estate typically involves somewhat of a degree of risk and significantly less liquidity than available to an investor in bonds and other financial market institutions. Real estate does, however, involve the potential for future appreciation and may in some cases offer tax benefits. Because of the risk involved in the investment of real estate, the rate of return available on the financial investments described above are felt to be lower than the rates of return required to attract an investment on the subject real estate.

In interviews with representatives of the Airport Authority of Washoe County, as well as the City of Reno and Washoe County, it was indicated to this appraiser that they typically hope to achieve a 10% rate of return on land leases. This rate of return is well within the range illustrated by the comparables analyzed and therefore is felt to be reasonable.

To further support a land lease value the appraiser has gathered the information in the following chart.

Comparable Rental Rates on Ground Leases									
Lease Comp No	Lessee / Lessor Location / APN	Effective Lease Date	Current Annual Rent	Net Sq Ft Size	Current Rent per SF	Land Value per SF	Lease Term	Comments	
1	AktuZone / Moreland 3480 S Carson Street Carson City NV / APN 008-111-31	04/17/12	\$46,200	38,155 (0.83 ac)	\$1.28	\$12.00	15-year lease with one 20-year option NNN Ground Lease AAA Tenant lease based on a \$12/bi land value		
2	Atlantic Aviation / Reno Airport 655 S. Rock Blvd. Reno NV / portion of APN 015-210-34	09/01/12	\$413,179	1,032,947 (23.71 ac)	\$0.40	\$5.00	35-year lease - FBO NNN Ground Lease lease based on a 2012 appraisal asphalt, hangars & office bldg not valued		
3	Reno Aviation Partners / Reno Airport SW corner of Rock Blvd & Hill St Reno NV / portion of APN 012-284-01	2010	\$250,630	659,555 (15.14 ac)	\$0.38	\$5.00	50-year lease - FBO NNN Ground Lease lease based on a 2010 land appraisal lessee plans to build 3 hangars & office bldg		
4	Kohl's Dept Store / Damonte Village LLC 70 Damonte Ranch Parkway Reno NV / APN 140-010-42	09/01/01 2010 rent	\$554,860	374,268 (8.592 ac)	\$1.48	\$18.00	20-year lease NNN Ground Lease lease based on Kohl's opinion of land value		
5	Home Depot / N Carson Crossing LLC 3185 N Market Street Carson City NV / APN 002-755-18	10/16/07	\$313,000	477,417 (10.86 ac)	\$0.66	\$7.00	20-year lease with six 5-year options NNN Ground Lease lease based on Home Depot's opinion of land value		
6	ProLogic Air Cargo Facilities 1395 Arcargo Way Reno NV / portion of APN 012-284-01	06/18/05	\$344,630	400,733 (20 ac)	\$0.86	\$6.00	30-year lease with six 5-year options NNN Ground Lease lease based on Airport's opinion of land value		
7	Washoe County / TMWA 5305 Mills Street Reno NV / portion of APN 012-320-05	06/18/08	\$24,000	30,000 (.68 ac)	\$0.80	\$5.00	Was a 5-year lease now month to month NNN Ground Lease lease based on Washoe County's opinion of land value		
8	TMWA / Union Pacific Railroad Woodland Ave and Rail Tracks Reno NV / Railroad Property	04/01/10	\$2,926	27,500 -0.63	\$0.11	\$1.50	Year to year lease NNN Ground Lease lease based on Railroad's opinion of land value		

A portion of this information was provided by Patrick J. Leeds SR/WA an appraiser with the Nevada Department of transportation. Mr Leeds indicated that he obtained the information in lease number 1 from the property owner Michael M. Moreland. I reverified the information with Mr. Moreland on 2-09-2013. Mr. Moreland indicated that the lease started at \$3,100 a month for the first two years. The lease increased to \$3,500 for the next three years and \$3,850 for the next five years (where it is currently). After that the lease will increase at 10% per year. I have verified leases 2 and 3 with David Mieding the Washoe County Airport's Real Estate Supervisor. Mr. Mieding, indicated that lease number 3 was negotiated in good faith and signed in early 2011 but fell through when Reno Aviation Partners got into financial problems and bowed out of the contact in October 2012. Leases 4 and 5 have been verified with a local appraiser William Kimmel MAI, who had personal knowledge of the lease information. Mr Leeds also indicted that the Kohl's lease had not changed per Mitch King with Kohl's. I have verified lease 6 with David Mieding the Washoe County Airport's Real Estate Supervisor. He indicated that this lease was for 30 years starting in 1996. The current Rate is \$0.86 a year, with 3% increases. Leases number 7 and 8 were verified with Heather Edmunson, Land Agent with Truckee Meadows Water Authority, (TMWA). Lease number 7 is currently month to month, while lease number 8 is year to year. It is typical for land lease to see 3% annual increases. These land leases are all true NNN with the tenant paying all expenses including taxes. For the purpose of this report we are looking for a rate of return for a Temporary Easement, minimal expenses will be incurred during the lease period. No taxes will be paid by the lessee, therefore these land leases should

be increased by 100 to 200 bases points to reflect the lack of expenses. This would indicate rates of return between 9.33% and 18.00%.

Based upon an analysis of the available data, it is this appraiser's opinion that an appropriate rate of return for the 698± sf of land area to be encumbered with a temporary construction easement will be 10%. Applying a 10% rate of return to the \$55.00 per square foot for a three-year period results in an indicated \$3,839 per year or \$11,517 for three years economic rent of the land within the temporary easement area of 698± sf. This is for a three-year period.

As noted previously, RTC is seeking to lease the site for three years. The indicated rent is felt to be an appropriate value for a three-year temporary construction easement being acquired.

Indicated Value of 698± sf T.E.

\$11,517

**VALUE OF THE REMAINDER
AFTER THE ACQUISITION OF THE PERMANENT EASEMENTS
FOR UNDERGROUND UTILITIES**

In the before condition, the larger parcel was estimated to have a value of \$444,840 or \$55.00 a square foot. Deducting the total market value of the permanent easement for underground utility easement which totaled \$1,000 leaves the value of the remainder after the acquisition of a total of \$443,840. The remainder consists of 8,088± sf of which 8,086± sf is held as the remainder unencumbered fee and 2± sf is held in fee subject to a permanent easement for underground utilities. An estimate subject to an easement is known as a servient estate. Mathematically the value remainder is as follows:

$$\$444,840 - \$1,000 = \$443,840$$

Note: This is not market value

The next step in this analysis is to determine the market value of the remainder parcel after the permanent easement for the underground utilities has been acquired. In the after condition, the larger parcel will involve 8,088± sf with the same physical and legal characteristics which were described previously with the addition of 2± sf of permanent easement.

As indicated in the before condition the subject property has 8,088± sf of usable area, irregular in shape with no impediments. In the after condition, the subject property will continue to have 8,088± sf of usable area with one permanent easement which visually would not appear to impact the future development of the site.

Visual Impact

There will be no visual impact on the subject site, since the permanent easement is for below-ground utilities. In the after condition, no improvements can be constructed on the easement area. There would appear to be a difference in value in the before condition and in the after condition.

Permanent easements typically do not appear to have an impact on value when their location is in an area that more than likely will not be developed in the future. However, because of the location of this easements, it would not appear just from a physical standpoint that its location would adversely affect future development.

The other consideration that is given in the after condition is the future anticipated use of the parcel. The current highest and best use of the parcel is to be for future commercial development. In the before condition there is 8,088± sf of irregular shaped parcel that is unimpeded by any easement for future development. In the after condition as observed in the previous exhibit, the usable area will be reduced to 8,086± sf. The easement is located on the northeast corner of the subject site and is considered to be unintrusive. The location of the easement does not appear to be impede the future development of this site.

In the after condition appraisal, I researched the market to determine if any sales or market indications other than those used in the before approach were available. None better were found. The market indicators used previously had less invasive easements when compared to the subject's after condition. Therefore, further adjustments are considered necessary. After carefully considering all the appropriate information, it is this appraiser's opinion that the market value of the subject in the after condition is estimated to be lower than the previously charted sales at \$55.00 a square foot.

In my analysis of the remainder after the acquisition of the permanent easements, I concluded that the highest and best use of the property has not changed, future development should not be impeded. It is thus my observation that buyers will pay as much for a 8,088± sf parcel encumbered with permanent easement located in the areas that are on this property as they will for a 8,088± sf property without permanent easements.

Based on my analysis of the data presented in the analysis of the larger parcel prior to the acquisition of the easement, and the information presented above, I conclude a value of the remainder after the acquisition of the same as in the before condition. In the before condition the property was valued at \$55.00 a square foot and the after condition is going to be valued at \$55.00.

Based on my analysis of the data presented in the analysis of the larger parcel prior to the acquisition of the easement and the information presented above, I conclude a value of the remainder, after the acquisition, of \$444,840 or 8,088± sf x \$55.00 a square foot. I conclude a value of damages or benefits associated with the project are calculated as the difference in value of the remainder before and after acquisition and construction of the improvements. I conclude the monetary damages or benefits associated with the proposed acquisition are calculated as follows:

$$\$444,840 - \$0.00 = \$444,840$$

It is my conclusion that the estate that comprises the remainder is not diminished in value by the acquisition of the permanent easement for the below-ground utilities.

SUMMARY OF VALUE CONCLUSIONS

(Accounting tabulation not indicative of appraisal method employed)

A.	Value of the whole, before the take:	\$444,840
B.	Value of the part taken, as part of the whole:	
	Permanent easement of 2± sf	\$1,000
	Total Value	\$1,00
C.	Value of the Remainder as part of the whole (A - B)	\$443,840
D.	Value of the remainder, after the take:	\$444,840
E.	Damages (A - D)	-\$0.00
	Cost to cure damages	\$0.00
F.	Other Temporary Easement	\$11,517
G.	Total Value of the Part Taken (B + E + F)	\$12,517

ASSUMPTIONS AND LIMITING CONDITIONS

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

LIMITS OF LIABILITY:

The liability of Anthony J. Wren, MAI 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 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 assignment. The appraiser is not in any way to be responsible for any costs incurred to discover or correct any physical, financial and/or legal deficiencies of any type present in the subject property.

COPIES, PUBLICATION, DISTRIBUTION AND USE OF REPORT:

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

The By-Laws and Regulations of the Appraisal Institute require each Member to control the use and distribution of each report signed by such Member. Except as hereinafter provided, the client may distribute copies of this report in its entirety to such third parties as he may select. However, selected portions of this report shall not be given to third parties without the prior written consent of the appraiser. Neither all nor any part of this report shall be disseminated to the general public by use of advertising media, public relations media, news media, sales media, or any other media for public communication without the prior written consent of the appraisal firm.

This report 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 report, unless it is indicated that one or more of the appraisers was acting as "Review Appraiser." No change of any item in the report shall be made by anyone other than the appraiser. The appraiser shall bear no responsibility for any unauthorized changes.

CONFIDENTIALITY:

Except as provided for subsequently, the appraiser may not divulge the analyses, opinions or conclusions developed in the assignment, nor may he give a copy of the report to anyone other than the client or his designee as specified in writing. However, this condition does not apply to any requests made by the Appraisal Institute or the State of Nevada for purposes of confidential ethics enforcement. Also, this condition does not apply to any order or request issued by a court of law or any other body with the power of subpoena.

The appraiser may be requested to submit copies of work to bona fide financial institutions in order to be approved to complete appraisal or consultation work for their institution. When requested, the appraiser will contact the client to obtain release to disseminate copies of the report to requesting institutions. Requests for dissemination will be controlled by the client; however, approval to disseminate the report will not be unreasonably withheld. Any reports

disseminated to requesting financial institutions would be edited to remove specific references to the subject property's name, location and owner. Additionally, any specific reference to the client will also be deleted.

INFORMATION SUPPLIED BY OTHERS:

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

TESTIMONY, CONSULTATION, COMPLETION OF CONTRACT FOR APPRAISAL SERVICE:

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

EXHIBITS AND PHYSICAL DESCRIPTIONS:

It is assumed that the improvements and the utilization of the land are within the boundaries of the property lines of the property described in the report and that there is no encroachment or trespass unless noted otherwise within the report. No survey of the property has been made by the appraiser and no responsibility is assumed in connection with such matters. Any maps, plats, or drawings reproduced and included in the report are there to assist the reader in visualizing the property and are not necessarily drawn to scale. The reliability of the information contained on any such map or drawing is assumed accurate by the appraiser and is not guaranteed to be correct.

TITLE, LEGAL DESCRIPTIONS, AND OTHER LEGAL MATTERS:

No responsibility is assumed by the appraiser for matters legal in character or nature. No opinion is rendered as to the status of title to any property. The title is presumed to be good and merchantable. The property is analyzed as if free and clear, unless otherwise stated in the report. The legal description, as furnished by the client, his designee or as derived by the appraiser, is assumed to be correct as reported. The report 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 report should not be construed as a report on the physical items that are a part of any property described in the report. Although the report 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 analysis and not as a complete or detailed report on these physical items. The appraiser is not a construction, engineering, or architectural expert, and any opinion given on these matters in this report should be considered tentative in nature and is subject to modification upon receipt of additional information from appropriate experts. The client is advised to seek appropriate expert opinion before committing any funds to the property described in the report.

Any statement in the report 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 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 analysis, any comments on observed conditions given in this appraisal report should not be taken as a guarantee that a problem does or does not exist. Specifically, no guarantee is given as to the adequacy or condition of the foundation, roof, exterior walls, interior walls, floors, heating systems, air conditioning systems, plumbing, electrical service, insulation, or any other detailed construction matters. If any interested party is concerned about the existence, condition, or adequacy of any particular item, it is strongly suggested that a mechanical and/or structural inspection be made by a qualified and licensed contractor, a civil or structural engineer, an architect or other experts.

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

AMERICANS WITH DISABILITIES ACT:

The Americans With Disabilities Act became effective on January 26, 1992. Unless otherwise noted in this report, I have not made a specific compliance survey or analysis of this property to determine whether or not it is conformance with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, would reveal that the property is not in compliance with one or more requirements of the Act. If so, this fact could have a negative effect on the value of the property as derived in the attached report. Since I have no direct evidence relating to this issue, and since I am not an expert at identifying whether a property complies or does not comply with the ADA, unless otherwise stated in the report, I did not consider possible non-compliance with the requirements of ADA in estimating the value of the property. Before committing funds to any property, it is strongly advised that appropriate experts be employed to ascertain whether the existing improvements, if any, comply with the ADA. Should the improvements be found to not comply with the ADA, a reappraisal at an additional cost may be necessary to estimate the effects of such circumstances.

TOXIC MATERIALS AND HAZARDS:

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

SOILS, SUB-SOILS, AND POTENTIAL HAZARDS

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

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

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

LEGALITY OF USE

This analysis 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 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 analysis. 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.

ADDENDUM

**QUALIFICATIONS OF
ANTHONY J. WREN, MAI, SRA
REAL ESTATE APPRAISER**

PROFESSIONAL DESIGNATIONS:

MAI – Member Appraisal Institute*1991
SRPA – Senior Real Property Appraiser*1987
SRA – Senior Residential Appraiser*1984

* These are no longer consider to be acronyms by the Appraisal Institute

PROFESSIONAL INVOLVEMENT:

- Re-Appointed by the Governor of Nevada to serve on the Nevada State Board of Taxation, Current Member 11/19 to 10/23
- Appointed by the Governor of Nevada to serve on the Nevada State Board of Taxation, Current Member 5/16 to 10/19
- Appointed by the Governor of Nevada to serve on the Nevada State Board of Equalization, Chairman as of January 2009 3/08 to 3/12
- Reappointed to a new term and Chair 3/12 to 10/15
- Appointed by the Governor of Nevada to serve on the Nevada Commission of Appraisers 9/94 to 6/97 and 7/97 to 6/00
- President, Commission of Appraisers of Real Estate, State of Nevada (1996, 1998)
- Expert Witness for Nevada District Court, Washoe, Storey, Clark and Elko Counties
- Member of the Appraisal Institute, National Board of Realtors, and Reno/Carson/Tahoe Board of Realtors
- Over 43 years of Appraisal Experience

APPRAISAL LICENSE: Nevada Certified General Appraiser
#A.0000090-CG

REAL ESTATE BROKERAGE: Nevada Real Estate Brokerage Licensed
Broker Anthony J. Wren
#B.0023456.INDV.

OFFICES HELD: Member Young Advisory Council SREA,
San Diego & San Francisco, CA 1989 & 1991

Education Chairman, Reno/Tahoe/Carson
Chapter Appraisal Institute 1993

Board of Directors, Reno/Carson/Tahoe Chapter Appraisal Institute 1993-2007

President, Reno/Carson/Tahoe Chapter 189
1988-1989

First Vice President, Reno/Carson/Tahoe
Chapter 189 1987-1988

Secretary, Reno/Carson/Tahoe Chapter 189
1986-1987

President, Reno/Carson/Tahoe Chapter 189
2000

Appraisal Instruction

Several USPAP Update Courses taught through	2020
Business Practices and Ethics	2020
15-Hour National USPAP	2018
Comparison Valuation of Small, Mixed-Use Properties	2011
Income Valuation of Small, Mixed-Use Properties	2011
15-Hour National USPAP Course	03/23/07
15-Hour Standards of Professional Practice (Seattle, WA)	03/22/07
7-Hour National USPAP Update (Las Vegas, NV)	03/02/07
7-Hour National USPAP Update (Chicago, IL)	04/15/05
7-Hour National USPAP Update (Reno, NV)	02/24/05
USPAP Update 2003 – Standards & Ethics for Professionals	09/05/03
Business Practices and Ethics	07/25/03
7-Hour National USPAP Update Course.	05/02/03
15-Hour National USPAP	03/22/03
Appraisal Procedures	05/19/01
Sales Comparison Valuation of Small, Mixed-Use Properties	03/31/01
Standards of Professional Practice, Part B (USPAP)	02/10/01
Income Valuation of Small, Mixed-Use Properties	02/19/00
Standards of Professional Practice, A, B, & C, USPAP	1992–2003
Reno, NV, Casper, WY, Eugene, OR, Sacramento, CA, Las Vegas, NV	
Income Valuation of Small Mixed Use Properties	
	(Reno, NV) 1998
	(Casper, WY) 1999
	(Sacramento, CA) 1999
Residential Case Study, Course 210 (Las Vegas, NV)	10/97
Alternative Residential Reporting Forms	(Buffalo, WY) 9/97
	(Polson, MT) 9/97
Data Confirmation and Verification	(Richland, WA) 11/96
	(Riodoso, NM) 09/96
	(Reno, NV) 03/96
	(Savannah, GA) 12/95
Understanding the Limited Appraisal	(Savannah, GA) 12/95
	(Tucson, AZ) 09/94
110 "Real Estate Appraiser Principles"	(Minneapolis, MN) 07/99
	(Sacramento, CA) 05/95
	(Wenatchee, WA) 09/94
	(St. Louis, MO) 02/94
	(Las Vegas, NV) 05/94
URAR Update	(Casper, WY) 01/94
	(Reno, NV) 12/93
1A2 Basic Valuation Procedures	(Las Vegas, NV) 05/92
Course 207B, Income Valuation Appraising	(Reno, NV) Fall 1989

Truckee Meadows Community College

(Reno, NV)

Spring 1989

APPRAISAL COURSES AUDITED:

Case Studies in Real Estate Valuation	1991
Cost Valuation of Small, Mixed-Use Properties	1988
Income Valuation of Small Mixed-Use Properties	
Sales Comparison Valuation of Small, Mixed-Use Properties	

APPRAISAL COURSES SATISFACTORILY CHALLENGED:

A1: Course I210 Residential Case Studies	(1993)
A1: Course 410 Standards of Professional Appraisal Practice	(1991)
A1: Course 420 Ethics of the Professional Appraisal Practice	(1991)
A1: Course 420 Ethics of the Professional Appraisal Practice	(1991)
SREA: Course 301 Special Applications of Real Estate Analysis	(1989)
SREA: Course 202 Applied Income Property Valuation	(1985)
SREA: Course 201 Principles of Income Property Appraising	(1984)
SREA: Course 101 An Introduction to Appraising Real Property	(1983)
SREA: Course 102 Applied Residential Property Valuation	(1983)

Classes Taken Online

Introduction to the Uniform Dataset (2 hours)	2019
USPAP Instructor Recertification Course 2018-2019 (4 hours)	2018
USPAP Instructor Recertification Course 2016-2017 (4 hours)	2016
USPAP Instructor Recertification Course 2014-2015 (4 hours)	2014

Classes Attended

Uniform Appraisal Standard For Federal Land Acquisition	
2017	
2018-2019 Instructors Recertification Course (USPAP)	2017
Architectural Styles and the UAD	2017
Constructing the Profession Report	2017
FHA SFR Appraising - Handbook 4000.1	2017
Comprehensive Square Foot Calculations	2017
2016-2017 USPAP Instructor Recertification Course	2015
Business Practice and Ethics Instructor Training	2015
Tahoe Litigation Conference	2014
Evaluating Residential Construction	2014
Appraisal Review General	2012
Uniform Appraisal Standards for Federal Land Acquisitions	
(Phoenix, AZ)	12/17 & 18/09
Valuation of Easements and Other Partial Interests (Reno, NV)	12/04/09
General Market Analysis and Highest & Best Use (Las Vegas, NV)	
	08/31/09 – 09/03/09
Introduction to International Valuation Standards (Online)	08/01/31 – 08/31/09
Valuation of Green Residential Properties (Phoenix, AZ)	02/19/09
REO Appraisal: Appraisal of Residential Property Foreclosures	
(Las Vegas, NV)	
	10/11/08
Forecasting Review	10/10/08
AQB Awareness Training for Appraisal Institute Instructors (Online)	08/15/07
Committee CE Credit (Chapter Level)	12/31/09
AQB USPAP Instructor Recertification Course (Dedham, MA)	02/24/07
AQB USPAP Instructor Recertification Course (Tucson, AZ)	12/04/04
Water Rights in Nevada	2/01/03

Training & Development Conference	08/26/03
AQB USPAP Instructor Recertification (San Francisco, CA)	10/30/02
Appraisal Continuing Education	12/10/02
Property Flipping and Predatory Lending Seminar	10/17/01
2001 USPAP Update for Instructors & Regulators-CA (San Diego, CA)	12/09/00
Lake Tahoe Case Studies in Commercial Highest & Best Use (Sacramento, CA)	10/20/00
Supporting Sales Comparison Grid Adjustments for Residential Properties (Reno, NV)	09/29/00
Case Studies in Commercial Highest and Best Use (Reno, NV)	07/28/00
Tools For Teaching Excellence, Day 1	07/09/00
USPAP Update for Instructors and Regulators (Las Vegas, NV)	07/08/00
Tools For Teaching Excellence, Day 2	07/10/00
Residential Consulting	03/31/00
Residential Consulting	2000
FHA's Home buyer Protection Plan & the Appraisal Process Seminar	1991
Affordable Housing Valuation Seminar	1997
Alternative Residential Reporting Forms	1986
Business Valuation Part 1	1996
Understanding Limited Appraisals – General	1995
Data Confirmation & Verification Methods	1995
Mandatory Faculty Workshop	1995
Appraising 1- to 4-Family Income Properties	1995
Investment Techniques with the HP-17/19II Calculator	1994
Fair Lending and the Appraiser	1994
Mock Trial	1994
Electronic Spreadsheet Workshop	1994
Basic Argus Training (Spreadsheets)	1994
Investment Techniques with the HP-17/19II Calculator	1994
FNMA URAR Update	1993
Maximizing the Value of an Appraisal Practice	1993
Litigation Valuation	1992
101 "Instructors Clinic	1990
Comprehensive Appraisal Review	1990

Meetings Attended

Committee Credit – National	12/31/00
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FORMAL EDUCATION:

University of Texas at Arlington (No Degree)	1974
Casper College (No Degree)	1973
Peacock Military Academy (High School)	1972

Code: 2610
Brett W. Maupin, Esq., NV Bar. #12443
MAUPIN, COX & LeGOY
4785 Caughlin Parkway
P. O. Box 30000
Reno, NV 89520
(775) 827-2000
(775) 827-2185 (fax)
bmaupin@mcllawfirm.com
*Attorneys Defendant John Iliescu, Jr. and
Sonnia Iliescu*

IN THE SECOND JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA

IN AND FOR THE COUNTY OF WASHOE

THE REGIONAL TRANSPORTATION
COMMISSION OF WASHOE COUNTY, a
special purpose unit of the government,

Plaintiff,

vs.

JOHN ILIESCU, JR. and SONNIA ILIESCU,
Trustees of The John Iliescu, Jr. and Sonnia
Iliescu 1992 Family Trust Agreement, dated
January 24, 1992 The City of Reno, a political
subdivision of the State of Nevada; and DOES
1 – 20, inclusive,

Defendants.

Case No. CV19-00753

Dept. No. 1

NOTICE

Defendants, JOHN ILIESCU, JR. and SONNIA ILESCU, Trustees of The John Iliescu,
Jr. and Sonnia Iliescu 1992 Family Trust Agreement (together referred to herein as
“Defendant”), hereby gives notice of its compliance with this Court’s Order dated May 14, 2020
to disclose its expert witness, Tony Wren, MAI, SRA, Certified General Appraiser, together with
the appraisal and reports prepared by said expert. Such disclosure was made to Mr. Anderson,

1 Plaintiff's counsel, by telephone on April 6, 2020, and by mail and electronic mail on April 8,
2 2020. In addition, please take notice that the full and final report prepared by Defendant's expert
3 witness was discussed with Mr. Anderson on April 6, 2020, delivered to Mr. Anderson on April
4 8, 2020 by electronic mail, and is attached as an exhibit to Defendant's Opposition to Motion for
5 Summary Judgment filed earlier this day. A copy of the April 8, 2020 correspondence between
6 Defendant's Counsel and Plaintiff's counsel is attached hereto as Exhibit "1".
7

8 **NRS 239B.030 AFFIRMATION**

9 The undersigned does hereby affirm that the preceding document does not contain
10 the social security number of any person.
11

12 Dated this 22nd day of May, 2020.

13 MAUPIN, COX & LeGOY
14

15
16 By: Brett W. Maupin
17 Brett W. Maupin, Esq.,
18 Nevada State Bar No. 12443
19 4785 Caughlin Parkway
20 Reno, NV 89519

21 *Attorneys for Defendant Iliescu*
22
23
24
25
26
27
28

1
2 CERTIFICATE OF SERVICE BY MAIL

3 I hereby certify that I am an employee of MAUPIN, COX & LeGOY, Attorneys at Law,
4 and in such capacity and on the date indicated below, I served the foregoing document as
5 follows:

6 Via E-Flex Electronic filing system:

7
8 Susan Ball Roth, Esq.
9 City of Reno Attorney's Office
10 Deputy, Civil Division
11 1 E. First St., 3rd Floor
12 PO Box 1900
13 Reno, NV 89505

14 Gordon H. DePoali, Esq.
15 Dane W. Anderson, Esq.
16 Woodburn and Wedge
17 6100 Neil Road, Suite 500
18 Reno, NV 89511

19 Michael J. Morrison, Esq.
20 1495 Ridgeview Dr., Ste. 220
21 Reno, NV 89519

22 Dated this 22nd day of May, 2020.

23
24
25
26
27
28
Katie Allen
Employee

INDEX OF EXHIBITS

<u>NO.</u>	<u>DESCRIPTION</u>	<u>PAGES</u>
1.	Email correspondence between Defendant's Counsel and Plaintiff's counsel	3

EXHIBIT 1

EXHIBIT 1

Brett Maupin

From: Brett Maupin
Sent: Wednesday, April 8, 2020 4:37 PM
To: Dane Anderson; Michael J. Morrison, Chtd.
Subject: RE: RTC - Iliescu (Virginia Street)
Attachments: Def Designation of Expert Witness.pdf; Def Designation of Expert Witness.Ex1.pdf

Dane,

I do and it is attached. However, the exhibit file containing the appraisals is a very large file so please let me know if you have problems receiving or opening it. Thank you

Brett W. Maupin, Esq.
Maupin, Cox & LeGoy
4785 Caughlin Parkway
Reno, NV 89519
(775) 827-2000 (phone)
(775) 827-2185 (fax)
Email: bmaupin@mcllawfirm.com
Legal Assistant: Jan Olivero
Email: jolivero@mcllawfirm.com
Website: www.mcllawfirm.com

From: Dane Anderson [mailto:DAnderson@woodburnandwedge.com]
Sent: Wednesday, April 8, 2020 4:12 PM
To: Brett Maupin <bmaupin@mcllawfirm.com>; Michael J. Morrison, Chtd. <venturelawusa@gmail.com>
Subject: RE: RTC - Iliescu (Virginia Street)

[WARNING! EXTERNAL MESSAGE]
Hi Brett,

Do you have an electronic copy you can email to me? My assistant may not be in the office tomorrow and I am trying to avoid going there.

Dane W. Anderson



Woodburn and Wedge
6100 Neil Road, Suite 500
Reno, Nevada 89511-1159
775.688.3000
Direct Dial: 775.688.3018
danderson@woodburnandwedge.com

From: Brett Maupin <bmaupin@mcllawfirm.com>
Sent: Wednesday, April 08, 2020 4:10 PM

To: Dane Anderson <DAAnderson@woodburnandwedge.com>; Michael J. Morrison, Chtd. <venturelawusa@gmail.com>
Subject: Re: RTC - Iliescu (Virginia Street)

Dane and Michael,

The expert witness disclosure and copies of his appraisal reports were mailed out to all counsel of record this afternoon. I am hesitant to file anything with the Court on this while the motion is pending but please let me know if you want us to file something on this. Thank you

Brett W. Maupin, Esq.
Maupin, Cox & LeGoy
4785 Caughlin Parkway
Reno, NV 89519
(775) 827-2000 (phone)
(775) 827-2185 (fax)
Email: bmaupin@mcllawfirm.com
Legal Assistant: Jan Olivero
Email: jolivero@mcllawfirm.com
Website: www.mcllawfirm.com

From: Dane Anderson <DAAnderson@woodburnandwedge.com>
Sent: Monday, April 6, 2020 2:37 PM
To: Michael J. Morrison, Chtd. <venturelawusa@gmail.com>; Brett Maupin <bmaupin@mcllawfirm.com>
Subject: FW: RTC - Iliescu (Virginia Street)

[WARNING! EXTERNAL MESSAGE]

FYI, below is the email to Mike that I mentioned during our call this afternoon and to which I did not receive a response.

Dane W. Anderson



Woodburn and Wedge
6100 Neil Road, Suite 500
Reno, Nevada 89511-1159
775.688.3000
Direct Dial: 775.688.3018
danderson@woodburnandwedge.com

From: Dane Anderson
Sent: Monday, March 02, 2020 5:03 PM
To: Michael J. Morrison, Chtd. <venturelawusa@gmail.com>; Dianne Kelling <DKelling@woodburnandwedge.com>
Subject: RE: RTC - Iliescu (Virginia Street)

Mike,

Can I have an extension to file a reply? I spoke to Brett Maupin last week. I am hopeful we can work out a resolution. Would your client be willing to pay RTC's fees in having to bring the motion if we withdraw it and agree on a date of the report. I don't have authority to formally offer this but if your clients would agree to that I will discuss it with my client.

Dane W. Anderson



Woodburn and Wedge
6100 Neil Road, Suite 500
Reno, Nevada 89511-1159
775.688.3000
Direct Dial: 775.688.3018
danderson@woodburnandwedge.com

From: Michael J. Morrison, Chtd. <venturelawusa@gmail.com>

Sent: Monday, March 02, 2020 10:45 AM

To: Dane Anderson <DAAnderson@woodburnandwedge.com>; Dianne Kelling <DKelling@woodburnandwedge.com>

Subject: RTC - Iliescu

Hi Dane -

Thank you again for the kind words you related in your message to Christelle.

Having read the motion again, and after speaking with Sonnia, I decided to file an Errata addressing the (a) expert's involvement with the RTC and the Iliescus and (b) time needed for the expert to present his report.

A courtesy copy is attached hereto.

Thanks, Mike

1 **3785**

2 Gordon H. DePaoli, Esq.

3 Nevada Bar No. 195

4 Dane W. Anderson, Esq.

5 Nevada Bar No. 6883

6 **WOODBURN AND WEDGE**

7 6100 Neil Road, Suite 500

8 Reno, Nevada 89511

9 Telephone: 775-688-3000

10 Facsimile: 775-688-3088

11 gdepaoli@woodburnandwedge.com

12 danderson@woodburnandwedge.com

13 Attorneys for Plaintiff, the Regional Transportation

14 Commission of Washoe County

15 **IN THE SECOND JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA**

16 **IN AND FOR THE COUNTY OF WASHOE**

17 THE REGIONAL TRANSPORTATION
18 COMMISSION OF WASHOE COUNTY, a
19 special purpose unit of the government,

Case No.: CV19-00753

Dept. No.: 1

20 Plaintiff,

21 v.

22 JOHN ILIESCU, JR. and SONNIA ILIESCU,
23 Trustees of The John Iliescu, Jr. and Sonnia
24 Iliescu 1992 Family Trust Agreement, dated
25 January 24, 1992; The City of Reno, a
26 political subdivision of the State of Nevada;
27 and DOES 1 – 20, inclusive,

28 Defendants.

REPLY IN SUPPORT OF MOTION FOR SUMMARY JUDGMENT

Plaintiff The Regional Transportation Commission of Washoe County ("RTC")
submits the following reply in support of its motion for summary judgment.

I. INTRODUCTION

Defendants' opposition fails to demonstrate the existence of a genuine issue of
material fact precluding the entry of summary judgment. Defendants make two primary
arguments: (1) RTC's motion for summary judgment was premature because the Court

1 had not yet ruled on RTC's motion in limine to preclude Defendants presenting any expert
2 witnesses at trial; and (2) Mr. Wren's appraisal is a "rebuttal" report Defendants can use
3 to prove the value of the property and just compensation. Neither argument has merit and
4 RTC is entitled to entry of summary judgment in its favor as requested in its motion.

5 **II. RTC'S MOTION IS TIMELY AND MERITORIOUS**

6 Defendants cite no legal authority supporting their argument that RTC's motion
7 was premature. They admit they failed to timely disclose an expert witness. RTC was not
8 required to file a motion in limine and could have simply filed its motion for summary
9 judgment based on Defendants' failure to timely disclose an expert witness in compliance
10 with the Court's pretrial order. NRCP 56(b) provides that a motion for summary
11 judgment may be brought "at any time" prior to the deadline set by the Court. RTC's
12 motion was timely and ripe based solely on Defendants' failure to timely disclose an
13 expert witness.

14 Even if not ripe when filed, RTC's motion certainly has become so by virtue of the
15 Court's order precluding Defendants from presenting an expert witness in their case in
16 chief. As the effective plaintiffs on the sole remaining issue in this case, Defendants
17 cannot meet their burden of proof and therefore RTC is entitled to judgment as a matter of
18 law. Contrary to Defendants' argument, the Court's order in limine does not render
19 RTC's motion for summary judgment moot.

20 **III. MR. WREN'S APPRAISALS ARE NOT "REBUTTAL" REPORTS**

21 The Court's order on RTC's motion in limine precludes Defendants from calling
22 an expert witnesses in their case in chief. Of course, Defendants have the burden of
23 proving, by a preponderance of the evidence, the value of the land taken and any
24 severance damages. *State v. Pinson*, 66 Nev. 227, 236-238, 207 P.2d 1105, 1109-1110
25 (1949); *City of Las Vegas v. Bustos*, 119 Nev. 360, 362, 75 P.3d 351, 352 (2003); *Pappas*
26 *v. State*, 104, Nev. 572, 575, 763 P.2d 348, 350 (1988). By virtue of the Court's order in
27 limine, Defendants will not be able to meet that burden. It is undisputed that Defendants
28 are entitled to at least \$15,955 as just compensation. But they cannot prove they are

1 entitled to any amount in excess of that sum in their case in chief and therefore would be
2 subject to judgment as a matter of law at trial pursuant to NRCP 50(a).¹

3 Defendants seem to think Mr. Wren's appraisals constitute proper "rebuttal"
4 reports under Nevada law. They are mistaken. First of all, Mr. Wren's appraisals don't
5 even mention Mr. Griffin or his report. Mr. Wren offers no contradiction to or rebuttal of
6 Mr. Griffin's report. Mr. Wren's appraisals specifically state they are presented for the
7 purpose of estimating market value and just compensation. Defendants have the burden to
8 prove these issues in their case in chief, not in rebuttal. They cannot offer Mr. Wren's
9 appraisals in their rebuttal case to establish value and just compensation. A true rebuttal
10 expert would have criticized Mr. Griffin's analysis to bolster an initial expert's opinion of
11 value and just compensation. But Defendants have no such initial expert and a rebuttal
12 expert cannot be used to meet a party's burden of proof in their case in chief.

13 Mr. Wren's appraisals clearly are not offered solely to contradict or rebut Mr.
14 Griffin's reports. Significantly, NRCP 16.1(a)(2)(E)(ii) provides that the rebuttal expert
15 deadlines do not apply to a party's expert witness whose purpose is to contradict another
16 party's case in chief "that should have been expected and anticipated by the disclosing
17 party, or to present opinions outside the scope of another party's disclosure." In other
18 words, Defendants cannot call as a "rebuttal" witness an expert that intends to offer
19 opinions on the value of the property and just compensation, as those issues should have
20 been expected and anticipated by Defendants.

21 Additionally, Mr. Wren offers opinions on a claim Defendants should have
22 asserted as a counterclaim but did not. It is clear from Mr. Wren's appraisal of APN 014-
23 063-07 that his recommended just compensation is based almost entirely on the
24 elimination of the access to South Virginia on that parcel. However, as Mr. Wren
25 acknowledges, that access is entirely within the existing right of way—meaning that
26 alleged "taking" is not part of this condemnation proceeding and should have been the
27

28 ¹ It is concerning to think about how a trial of this matter would play out. Defendants, who have the burden of
proof, will have no witnesses. So the jury will hear opening statements and then be excused while RTC moves
for judgment as a matter of law.

1 subject of an inverse condemnation counterclaim that Defendants never asserted. The
2 deadline to amend pleadings was February 7, 2020—the same date as the deadline to
3 disclose experts. Defendants failed to file a motion to amend their pleadings to assert a
4 counterclaim for inverse condemnation. Therefore, they cannot produce any evidence
5 supporting a claim clearly beyond the scope of RTC’s “taking” under NRS Chapter 37.

6 It is well established that substantive law controls which factual disputes are
7 material and will preclude summary judgment; other factual disputes are irrelevant.
8 Wood v. Safeway, Inc., 121 Nev. 724, 371, 121 P.3d 1031 (2005). Mr. Wren’s appraisal
9 cites the elimination of access to South Virginia from APN 014-063-07 as the
10 predominant basis for his recommendation of just compensation. But that access is
11 already within the public right of way and therefore is not a subject of this condemnation
12 action. Defendants should have asserted inverse condemnation as a compulsory
13 counterclaim but did not. Therefore, any testimony supporting this theory is inadmissible.

14 **IV. STATEMENTS OF COUNSEL ARE IRRELEVANT**

15 Defendants appear to suggest that RTC’s counsel is somehow at fault for their
16 failure to timely disclose an expert witness. That is false. Disclosures were due on
17 February 7, 2020. There is no evidence that RTC or its counsel prevented Defendants
18 from complying with this deadline.

19 Defendants also criticize RTC’s counsel for filing the motion for summary
20 judgment “without notice or comment” but do not acknowledge that Defendants’ counsel
21 failed to respond to RTC’s March 2, 2020 email exploring possible resolution. What
22 other “notice or comment” is required when a good faith inquiry is ignored? It is
23 disappointing that statements made in good faith among counsel for the purposes of
24 settlement are mischaracterized to suggest that RTC’s counsel has somehow misled or
25 ambushed Defendants’ counsel.

26 In any event, the statements of RTC’s counsel are not admissible evidence that
27 create a genuine issue of material fact regarding just compensation. Defendants have only
28 themselves to blame for their failure to comply with almost every deadline in this case.

1 They demanded a jury trial, which is less than two months away, but have not identified
2 any witnesses or produced any documents that would be admissible to establish just
3 compensation.

4 **V. CONCLUSION**

5 RTC requests the order granting its motion for summary judgment and concluding
6 that the amount of just compensation due Iliescu is \$15,955.

7 **Affirmation pursuant to NRS 239B.030**

8 The undersigned does hereby affirm that the preceding document does not contain
9 the personal information of any person.

10 DATED: May 28, 2020.

11 WOODBURN AND WEDGE

12
13 By /s/ Dane W. Anderson
14 Gordon H. DePaoli, Esq.
15 Nevada Bar No. 195
16 Dane W. Anderson, Esq.
17 Nevada Bar No. 6883
18 Attorneys for Plaintiff, the Regional
19 Transportation Commission of Washoe County
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1 **CERTIFICATE OF SERVICE**

2 I hereby certify that I am an employee of Woodburn and Wedge and that on
3 this date, I caused to be sent via electronic delivery through the Court's E-flex system a true
4 and correct copy of the **REPLY IN SUPPORT OF MOTION FOR SUMMARY**
5 **JUDGMENT** to:

6

7

8 Michael James Morrison, Esq. 1495 Ridgeview Drive, Suite 220 Reno, NV 89519 9 venturlawusa@gmail.com	<i>Attorneys for Defendants John Iliescu, Jr. and Sonnia Iliescu, Trustees of The John Iliescu, Jr. and Sonnia Iliescu 1992 Family Trust Agreement, Dated January 24, 1992</i>
12 Brett W. Maupin, Esq. Maupin, Cox & LeGoy 4785 Caughlin Parkway P.O. Box 30000 Reno, NV 89520 15 bmaupin@mcllawfirm.com	<i>Attorneys for Defendant John Iliescu, Jr. and Sonnia Iliescu</i>

16

17

18 DATED: May 28, 2020.

19

20 /s/ Dianne M. Kelling
Employee of Woodburn and Wedge

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22

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25

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1 **2245**

2 Gordon H. DePaoli, Esq.

3 Nevada Bar No. 195

4 Dane W. Anderson, Esq.

5 Nevada Bar No. 6883

6 **WOODBURN AND WEDGE**

7 6100 Neil Road, Suite 500

8 Reno, Nevada 89511

9 Telephone: 775-688-3000

10 Facsimile: 775-688-3088

11 gdepauli@woodburnandwedge.com

12 danderson@woodburnandwedge.com

13 Attorneys for Plaintiff, the Regional Transportation
14 Commission of Washoe County

15 **IN THE SECOND JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA**

16 **IN AND FOR THE COUNTY OF WASHOE**

17 THE REGIONAL TRANSPORTATION
18 COMMISSION OF WASHOE COUNTY, a
19 special purpose unit of the government,

Case No.: CV19-00753

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20 Plaintiff,

21 v.

22 JOHN ILIESCU, JR. and SONNIA ILIESCU,
23 Trustees of The John Iliescu, Jr. and Sonnia
24 Iliescu 1992 Family Trust Agreement, dated
25 January 24, 1992; The City of Reno, a
26 political subdivision of the State of Nevada;
27 and DOES 1 – 20, inclusive,

28 Defendants.

29 **MOTION IN LIMINE TO PRECLUDE DEFENDANTS FROM PRESENTING A**
30 **REBUTTAL EXPERT WITNESS**

31 Plaintiff The Regional Transportation Commission of Washoe County ("RTC")
32 moves this Court pursuant to the authorities cited here for an order precluding Defendants
33 from presenting a rebuttal expert witness in this case. This motion is made pursuant to NRC
34 16.1(a)(2)(E) and the Court's May 14, 2020 Order Granting In Part And Denying In Part
35 Motion In Limine To Exclude Evidence Pursuant TO NRS 50.275, 50.285 and 50.305. This

1 motion is supported by the following memorandum of points and authorities and the entire
2 file in this matter.

3 **I. INTRODUCTION**

4 This is a condemnation action in which RTC seeks to acquire certain easements on
5 property owned by The John Iliescu, Jr. and Sonnia Iliescu 1992 Family Trust dated
6 January 24, 1992 (“the Trust”). Defendants John Iliescu, Jr. and Sonnia Iliescu are the
7 trustees of the Trust (the Trust and these defendants are referred to collectively herein as
8 “Iliescu”). RTC seeks to acquire a permanent easement and temporary easement located
9 upon Washoe County Assessor Parcel Number (“APN”) 014-063-11 and a temporary
10 construction easement located upon APN 014-063-07, as further described in RTC’s
11 Verified Complaint in Eminent Domain on file herein (“the Property”).

12 On July 15, 2019, the Court entered its Order Granting Motion for Immediate
13 Occupancy Pending Final Judgment, finding that the use for which the Property is being
14 condemned is a public use authorized by law and that RTC’s taking of that property is
15 necessary to that public use. Therefore, pursuant to NRS Chapter 37, the only remaining
16 issue in this case is the amount of just compensation due Iliescu as a result of RTC’s
17 acquisition of the Property—the value of the Property and any severance damages. See
18 NRS 37.110.

19 As these issues are elements of Defendants’ case in chief, Defendants clearly
20 should have disclosed an initial expert to opine on these issues. Defendants failed to
21 timely disclose an initial expert under the Court’s deadline of February 7, 2020. They
22 also failed to timely disclose a rebuttal expert under the Court’s initial rebuttal expert
23 deadline of March 9, 2020. The Court has precluded Defendants from calling an expert
24 witness in their case in chief, but reopened the discovery deadline and the rebuttal expert
25 deadline to May 22, 2020 for the limited purpose of allowing Defendants to disclose a
26 rebuttal expert “whose testimony will be limited to rebutting the expert testimony filed by
27 Plaintiff.”

28 ///

1 Despite being granted this reprieve, Defendants failed to disclose a rebuttal report
2 by the extended deadline of May 22, 2020. Instead, Defendants apparently believe their
3 belatedly served initial expert report prepared by Anthony Wren qualifies as a rebuttal
4 report. They are mistaken.

5 Evidence is properly considered to be rebuttal evidence only if the “evidence is
6 intended to contradict or rebut evidence on the same subject matter identified by another
7 party.” NRCp 16(E)(i)(b). Rebuttal evidence is proper if it tends to contradict *new*
8 matters raised by an adverse party in their case-in-chief. *Andrews v. Harley Davidson, Inc*
9 106 Nev. 503, 539 (1990) (citing *Morrison v. Air California*, 101 Nev. 233, 235-36
10 (1985). A rebuttal expert cannot testify about matters beyond the scope and subject
11 matter of the adverse party’s presentation. *Carr v. Paredes*, No. 60318, 2017 Nev. Lexis
12 56, at *1, *2 (Nev. 2017) (citing *Downs v. River City Group, LLC*, No. 3:11-cv-0085-
13 LRH-WGC, 2014 U.S. Dist. LEXIS 26056, at *1,*2 (D. Nev. Feb. 28, 2014). Further, a
14 rebuttal expert cannot testify about matters “that should have been expected and
15 anticipated” by that party.

16 In other words, as it applies to this case, Plaintiffs cannot present an expert witness
17 to testify about value of the property and any severance damages (i.e., just compensation),
18 as those matters clearly should have been expected and anticipated. In *Downs* the plaintiff
19 failed to disclose an expert witness report prior to the deadline. However, during the trial
20 the plaintiff sought to introduce an expert witness report to “rebut” the findings of the
21 defendant’s expert witness. The defense argued the plaintiff should have anticipated using
22 the expert witness report during trial as it went directly to plaintiff’s allegations. The court
23 found the plaintiff should have disclosed the expert during discovery rather than
24 introducing the expert as a rebuttal witness. The plaintiff’s expert witness’s report
25 referenced a report an expert witness presented during its case in chief but did not
26 contradict or rebut the subject matter of the report. The court noted that although the
27 report addressed the same general subject matter as the defense’s report, the plaintiff’s
28 expert’s report also addressed elements outside the report and was therefore inappropriate

1 to allow into evidence. The court held that plaintiff's expert witness' report was not
2 rebuttal evidence because the focus of his report was on expected and anticipated
3 elements of the plaintiff's claims that were not introduced during his case-in-chief. Thus,
4 an expert witness is precluded if the evidence to be introduced should originally have been
5 be presented during the case-in-chief.

6 That is the situation presented here. Based on Mr. Wren's appraisal report, which
7 does not mention RTC's expert or his report at all, it is clear Mr. Wren is offering original
8 opinions on value and just compensation that Defendants should have been expected and
9 anticipated—and therefore should have been part of an initial expert disclosure and
10 presented in Defendants' case in chief. It makes no sense that Defendants can use the
11 same report, clearly intended as an initial expert disclosure, and re-brand it as a rebuttal
12 report to present the same information. That is unfair and prejudicial to RTC.

13 Mr. Wren should be precluded from testifying as a rebuttal expert, as Defendants
14 have failed to disclose an expert rebuttal report. There are no other proffered experts.
15 Therefore, Defendants should be precluded from offering any rebuttal experts in this case.

16 **Affirmation pursuant to NRS 239B.030**

17 The undersigned does hereby affirm that the preceding document does not contain
18 the personal information of any person.

19 DATED: June 1, 2020.

20 WOODBURN AND WEDGE

21
22 By: /s/ Dane W. Anderson
23 Gordon H. DePaoli, Esq.
24 Nevada Bar No. 195
Dane W. Anderson, Esq.
Nevada Bar No. 6883
25 Attorneys for Plaintiff, the Regional
26 Transportation Commission of Washoe County
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CERTIFICATE OF SERVICE

I hereby certify that I am an employee of Woodburn and Wedge and that on this date,
I caused to be sent via electronic delivery through the Court's E-flex system a true and correct
copy of the **MOTION IN LIMINE TO PRECLUDE DEFENDANTS FROM
PRESENTING A REBUTTAL EXPERT WITNESS** to:

Michael James Morrison, Esq. 1495 Ridgeview Drive, Suite 220 Reno, NV 89519 venturlawusa@gmail.com	<i>Attorneys for Defendants John Iliescu, Jr. and Sonnia Iliescu, Trustees of The John Iliescu, Jr. and Sonnia Iliescu 1992 Family Trust Agreement, Dated January 24, 1992</i>
Brett W. Maupin, Esq. Maupin, Cox & LeGoy 4785 Caughlin Parkway P.O. Box 30000 Reno, NV 89520 bmaupin@mcllawfirm.com	<i>Attorneys for Defendant John Iliescu, Jr. and Sonnia Iliescu</i>

DATED: June 1, 2020.

/s/ Dianne M. Kelling
Employee of Woodburn and Wedge