

***AN ESTIMATED VALUE AND LEASE RATE
RELATING TO PARCELS AT THE CARSON CITY AIRPORT
FOR PRIVATE AIRCRAFT STORAGE
CARSON CITY, NEVADA
AS OF JULY 5, 2016***

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July 6, 2016

Carson City Airport Authority
c/o Steve Tackes
Attorney at Law
Kaempfer & Crowell
510 West Fourth Street
Carson City, NV 89703

Dear Mr. Tackes:

Pursuant to your request, I have examined various sites within the Carson City Airport utilized for personal hangar storage, in order to estimate the value of these sites and their rental value, subject to the restrictions by the Carson City Airport Authority.

The intended user/client of this report is the Carson City Airport Authority, and the intended use is to assist in the valuation of the typical sites within the Carson City Airport for private utilization. It is noted that these sites cannot be used for fixed-base operations (commercial purposes) but only for private utilization for aircraft storage.

The value would typically be based upon fee simple interest, subject to various restrictions by the Carson City Airport Authority. It considers the utilization restrictions on the various parcels, I did not find any significant difference among the various lessees, and therefore the value conclusion will be a base value of the sites and an estimated rental with a per square foot estimate indicating no significant differences in size or location of the various parcels.

Considering these factors, it is my opinion that a rent for each of the aircraft storage sites would be at \$0.12 per square foot, per year. It is noted that this is based upon a base land value of \$1.75 per square foot, and an annual rate of return at 7%.

Sincerely,



William G. Kimmel, MAI, SREA
Certified General Appraiser
State of Nevada
Certification No. A.0000004-CG

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This is an appraisal report, which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice for an appraisal report. The depth of discussion contained in this report is specific to the needs of the client and to the intended use stated below. The appraiser is not responsible for unauthorized use of this report.

CLIENT: Carson City Airport Authority
c/o Steve Tackes
Attorney at Law
Kaempfer & Crowell
510 West Fourth Street
Carson City, NV 89703

APPRAISER: William G. Kimmel, MAI, SREA
Certified General Appraiser
State of Nevada
Certification No. A.0000004-CG

William G. Kimmel & Associates
1281 Terminal Way, Suite 205
Reno, NV 89502

SUBJECT: Various sites within the Carson City Airport utilized for personal hangar storage, in order to estimate the value of these sites and their rental value, subject to the restrictions by the Carson City Airport Authority.

PURPOSE OF THE APPRAISAL

The purpose of this appraisal was to estimate the rental value of typical land sites within the Carson City Airport, with these lands sites to be utilized for personal aircraft storage only, and not for commercial purposes. The understanding is that these will typically be 50-year term leases, with adjustments to changes in the Consumer Price Index every two years.

MARKET VALUE DEFINED

Market value is defined by the regulatory agencies of federal financial institutions as follows:

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

- 1) the buyer and seller are typically motivated;
- 2) both parties are well informed or well advised and acting in what they consider are their own best interests;
- 3) a reasonable time is allowed for exposure in the open market;
- 4) payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and
- 5) the sale represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by any person associated with the sale.

(Source: Office of the Comptroller of the Currency under 12 CFR, Part 34, Subpart C-Appraisals, 34.42 Definitions [f].)

MARKET RENT DEFINED

Market rent is defined by the regulatory agencies of federal financial institutions as follows:

The most probable rent that a property should bring in a competitive and open market reflecting all conditions and restrictions of the specified lease agreement including term, rental adjustment and revaluation, permitted uses, use restrictions, and expense obligations; the lessee and lessor each acting prudently and knowledgeably, and assuming consummation of a lease contract as of a specified date and the passing of the leasehold from lessor to lessee under conditions whereby::

- 1) the lessee and lessor are typically motivated;
- 2) both parties are well informed or well advised and acting in what they consider are their best interests;
- 3) a reasonable time is allowed for exposure in the open market;
- 4) the rent payment is made in terms of cash in United States dollars, and is expressed as an amount per time period consistent with the payment schedule of the lease contract; and
- 5) the rental amount represents the normal consideration for the property leased unaffected by special fees or concessions granted by any person associated with the transaction.

(Source: Office of the Comptroller of the Currency under 12 CFR, Part 34, Subpart C-Appraisals, 34.42 Definitions [f].)

INTENDED USER/CLIENT

The intended user of this report is the Carson City Airport Authority.

INTENDED USE OF REPORT

This appraisal is to assist the Carson City Airport Authority in establishing a base rent for the next 50 years, with changes by the Consumer Price Index every two years relating to airport land leases for private aircraft storage only. This use would not include commercial utilization such as fixed-base operators or other general or industrial uses.

INTEREST APPRAISED

The primary interest appraised will be one of a fair rental value, but this is based upon the market value of the subject property in its existing or "as-is" condition.

EFFECTIVE DATE OF VALUE

The date of value of this report is July 5, 2016.

DATE OF REPORT

July 6, 2016

SCOPE OF THE APPRAISAL ASSIGNMENT

In order to complete an appraisal of the subject property, this appraiser:

- physically inspected the subject property and considered the overall economics and demographics of the subject area;
- since these will be leases, in my opinion, they would be based first on the market value of the subject sites, with the various restrictions imposed. Once this is estimated, then a market rate of return (or lease rate) is provided;
- from this I prepared an appraisal report.

DISCUSSION OF THE APPRAISAL PROBLEM

As indicated, there are major restrictions on the use of the parcels. They can only be used for private hangar storage, and not for commercial purposes. They also are not able to be utilized for general industrial or commercial use, and essentially it is only for aircraft storage. This means general aviation aircraft storage.

Each of the various sites have access from either Arrowhead Drive or College Parkway, through the gates into the airport complex. All of the sites do have the utilization of the airport with the taxiways and runways. Individuals can construct hangars of either small sizes or fairly large hangars for multiple aircraft. The restriction is strictly for aircraft storage utilization.

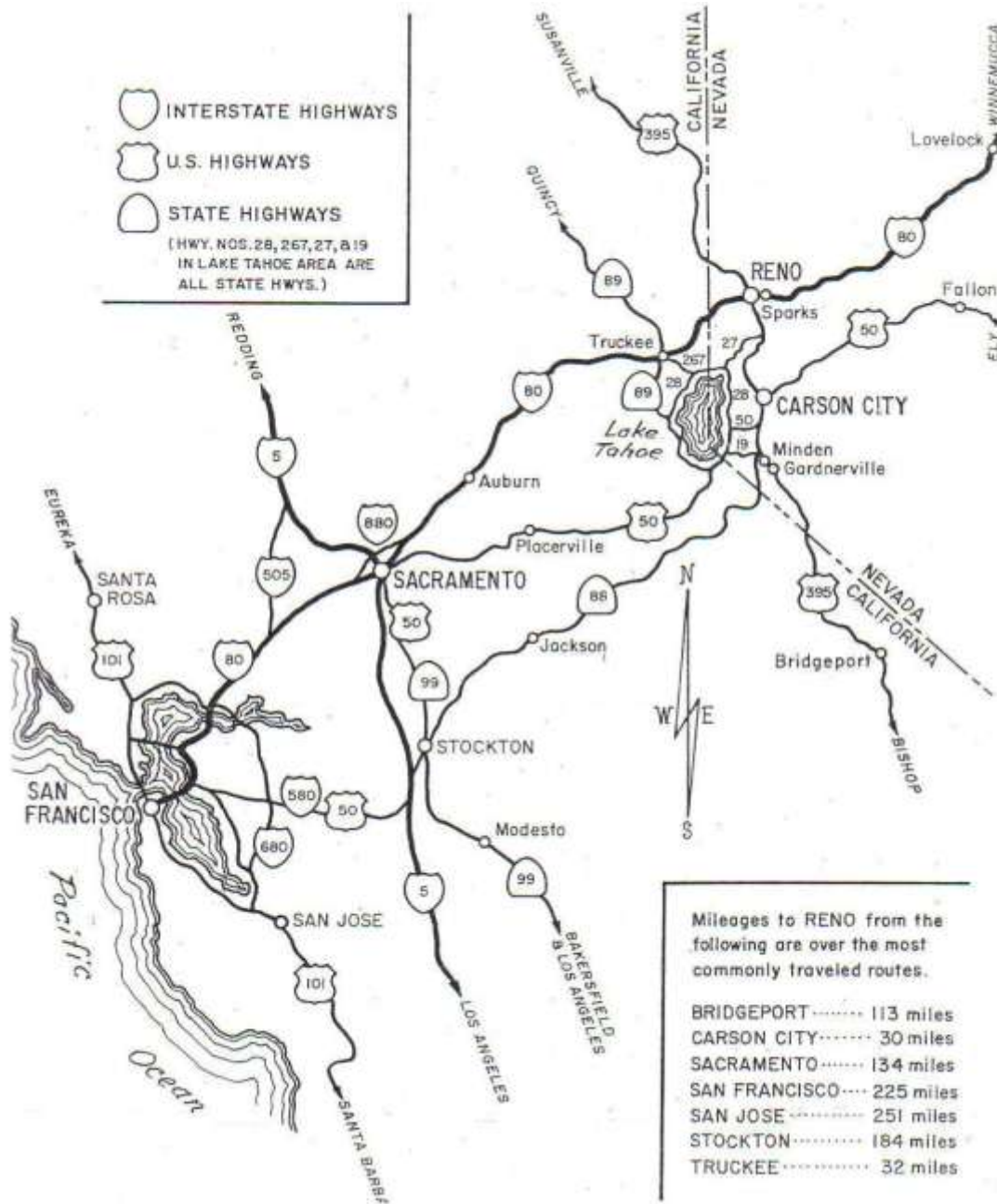
Since this is on airport land, which is typical of other publicly owned airports, these parcels are not sold. In my opinion, the best methodology would be first to consider industrial type properties close to or abutting the airport. In this regard, I investigated sales of vacant industrial/commercial sites just north and easterly of the Carson City Airport. In my opinion, these would have substantially greater value either as a sale or as a lease of the properties since there are not restrictions on the use for aircraft storage only.

After considering these sales, I then established a base value for the ten parcels that are to be considered for new 50-year leases, with CPI adjustments every two years. To estimate the fair rentals, I considered rentals of other properties as to a rate of return. In my opinion, the base land value would be significantly lower than adjoining industrial properties because of the subject limitation of use. Once that base value is established,

I do not believe there would be a substantial difference in rental rates as a percentage of value from other industrial and commercial properties, since the base value would reflect the differences in utilization.

In summary, the appraisal process was to first consider the value of industrial properties near the Carson City Airport, then to consider the limitations for the subject sites, and then to apply a fair rental percentage based upon value.

AREA MAP



CARSON CITY AREA DESCRIPTION

Carson City, which is the state capitol, is at the juncture of U.S. Highway 395 and U.S. Highway 50 in the western part of the state of Nevada. It is located approximately 30 miles south of Reno, and has its own large regional hospital known as the Carson-Tahoe Regional Medical Center. Gardnerville, about 20 miles south of Carson City, also has its own medical center, and the Reno-Sparks area has several medical centers.

U.S. Highway 395, referred to as Carson Street, is the major north-south thoroughfare through Carson City. U.S. Highway 50 easterly of Carson Street is known as Williams Street. The U.S. Highway 395 Freeway (Interstate 580) has been completed south of U.S. Highway 50 down to Fairview Lane, and that bypass is nearing completion as it swings to the west and connects at the existing U.S. Highway 395 and U.S. Highway 50 intersection. It is anticipated this intersection and bypass will be completed by the end of 2016, although it will be an at-grade intersection with grade separate in the future as more money is available.

Air service is available at the Carson City Airport, which is a general aviation facility.

Carson City is a combined government entity that was formed by the consolidation of the city of Carson City and Ormsby County in 1969.

Important statistical data for the Carson City area is as follows:

CARSON CITY POPULATION STATISTICS

YEAR	POPULATION	% INCREASE
1950	4,172*	--
1960	8,062*	+93.3%
1970	15,468*	+91.8%
1980	32,114*	+107.6%
1985	35,400	+10.2%
1990	40,192*	+13.54%
1991	41,130	+2.33%
1992	42,140	+2.46%
1993	43,460	+3.13%
1994	44,620	+2.67%
1995	46,770	+4.82%
1996	49,320	+5.45%
1997	50,410	+2.21%
1998	51,860	+2.88%
1999	52,620	+1.47%
2000	52,457*	-0.31%
2001	54,171	+3.27%
2002	54,844	+1.24%
2003	55,220	+0.68%
2004	56,146	+1.68%
2005	57,104	+1.71%
2006	57,701	+1.05%
2007	75,723	+0.38%
2008	57,600	-0.21%
2009	56,506	-1.90%
2010*	55,274	-2.18%
2011	56,066	+1.43%
2012	55,441	-1.11%
2013	54,668	-1.39%
2014	53,969	-1.28%
2015	54,273	+0.56%

**U.S. Bureau of the Census
NV Dept. of Demographer, Bureau of Business and Economic Research, College of
Business Administration – UNR.*

These figures show there was a fairly continuing increase in population from 2001 through 2010, then a decline through 2011, a minor increase and then slight decline since. Basically, Carson City has remained relatively stable from a population standpoint.

GROSS GAMING REVENUE
(Years Ending June 30)

YEAR	GROSS TAXABLE REVENUE	% CHANGE
1970	\$71,553	--
1980	\$212,605	+197.29%
1990	\$350,522	+64.87%
1991	\$330,432	-5.73%
1992	\$323,520*	n/a
1993*	\$60,624,000	n/a
1994*	\$61,565,000	+1.55%
1995*	\$66,280,000	+7.66%
1996	\$71,313,000	+7.59%
1997*	\$73,759,000	+3.43%
1998*	\$81,010,539	+9.82%
1999*	\$88,028,820	+8.66%
2000*	\$89,961,437	+2.20%
2001*	\$93,249,454	+3.65%
2002*	\$97,186,332	+4.22%
2003*	\$102,961,022	+5.94%
2004*	\$112,587,881	+9.35%
2005*	\$124,621,000	+10.69%
2006*	\$124,244,000	-0.30%
2007*	\$119,292,899	-3.98%
2008*	\$111,631,000	-6.42%
2009*	\$101,834,326	-8.78%
2010*	\$97,468,119	-4.29%
2011*	\$100,661,394	+3.28%
2012	\$98,154,918	-2.49%
2013	\$95,803,635	-2.40%
2014	\$94,759,095	-1.09%
2015	\$97,225,456	+2.60%

*Nevada Gaming Control Board (*in 1993, the taxable gaming revenue for Carson City was combined with Carson Valley)*

Gaming revenue also has remained relatively flat for the last few years, but did show some increase in 2015 over 2014. From 2006 through 2010 gaming revenues declined substantially, but 2011 did show an increase, but then again a decline until 2015.

TAXABLE (RETAIL) SALES
(Fiscal Year – Year Ending)

YEAR	SALES	% CHANGE
1980	\$203,840,665	-7.6%
1985	\$267,846,918	+10.9%
1990	\$411,952,336	+8.3%
1991	\$416,732,492	+1.2%
1992	\$440,396,035	+5.7%
1993	\$462,391,973	+5.0%
1994	\$495,937,998	+7.3%
1995	\$547,906,266	+10.48%
1996	\$610,819,638	+11.48%
1997	\$638,138,117	+4.47%
1998	\$670,182,116	+5.02%
1999	\$740,960,594	+10.56%
2000	\$754,678,043	+1.85%
2001	\$822,598,759	+9.00%
2002	\$888,249,423	+7.98%
2003	\$861,278,413	-3.10%
2004	\$925,500,080	+7.46%
2005	\$979,049,466	+5.79%
2006	\$1,021,210,529	+4.24%
2007	\$991,893,429	-2.87%
2008	\$919,266,455	-7.32%
2009	\$761,379,338	-17.18%
2010	\$678,625,833	-10.87%
2011	\$735,161,302	+8.33%
2012	\$756,078,488	+2.85%
2013	\$779,297,546	+3.07%
2014	\$804,368,288	+3.22%
2015	\$892,529,769	+10.96%

Source: Nevada State Department of Taxation

Basically, since 2011 taxable retail sales have increased, with a fairly substantial increase from 2014 to 2015. One of the reasons for this is the governing body shifted a percentage of the tax load to retail.

AVERAGE SINGLE FAMILY HOME PRICE

YEAR	Carson City		Carson Valley	
	# of Sales	Average Price	# of Sales	Average Price
1988	806	\$101,619	497	\$103,000
1989	787	\$107,052	596	\$102,125
1990	901	\$114,035	757	\$113,900
1991	798	\$118,070	659	\$128,800
1992	879	\$120,660	667	\$134,600
1993	951	\$127,528	828	\$146,547
1994	911	\$130,291	807	\$158,590
1995	751	\$145,814	690	\$163,128
1996	786	\$150,596	633	\$172,124
1997	742	\$152,585	610	\$167,431
1998	830	\$159,462	698	\$171,389
1999	952	\$161,901	770	\$183,431
2000	945	\$167,553	777	\$198,516
2001	1,058	\$178,541	981	\$203,392
2002	1,185	\$198,703	1,048	\$242,676
2003	1,153	\$227,410	1,105	\$285,219
2004	1,083	\$282,995	1,263	\$364,910
2005	933	\$339,866	1,041	\$430,648
2006	646	\$435,235	761	\$468,998
2007	478	\$327,677	595	\$434,177
2008	299	\$305,891	478	\$357,973
2009	415	\$219,702	565	\$303,583
2010	463	\$198,004	576	\$262,909
2011	573	\$12,569	659	\$225,331
2012	663	\$163,626	808	\$239,805
2013	659	\$208,143	805	\$285,578
2014	639	\$226,675	778	\$305,718
2015	693	\$256,363	877	\$331,893

Source: Nevada State Department of Taxation

Housing figures are included on the following chart, which also includes Carson Valley, that is, the Gardnerville/Minden area. As mirrored through the general economy, there was a decline from 2008 from 2007 in Carson City, and a continuing decline down to 2012. But then there was an increase in the average single family home sale price from 2013 through 2015. This was also true in Carson Valley.

SFR RESIDENTIAL BUILDING PERMITS

YEAR	PERMITS	VALUATION	% CHANGE
1975	488	\$18,930,983	--
1976	649	\$25,155,692	+39.90%
1977	674	\$35,267,865	+40.20%
1979	262	\$17,193,497	-51.20%
1980	100	\$7,792,972	-54.70%
1981	106	\$6,659,503	-14.50%
1982	60	\$5,982,068	-10.20%
1983	199	\$12,764,578	+113.40%
1984	189	\$13,408,055	+5.10%
1985	248	\$17,668,533	+31.80%
1986	424	\$32,046,724	+81.40%
1987	343	\$25,988,125	-18.90%
1988	321	\$27,712,318	+6.60%
1989	378	\$33,827,867	+22.10%
1990	423	\$34,628,922	+2.40%
1991	331	\$28,565,408	-17.50%
1992	374	\$31,475,651	+9.20%
1993	401	\$34,710,617	+10.28%
1994	379	32,003,424	-7.80%
1995	334	\$30,768,661	-3.86%
1996	324	\$30,764,552	-0.01%
1997	329	\$29,021,031	-5.67%
1998	264	\$27,185,983	-19.76%
1999	293	\$33,073,363	+21.66%
2000	243	\$29,394,115	-17.41%
2001	308	\$42,493,323	+44.56%
2002	306	\$49,491,118	+16.47%
2003	195	\$34,482,477	-30.32%
2004	130	\$29,568,763	-14.25%
2005	110	\$31,027,579	-15.38%
2006	111	\$20,763,072	-33.08%
2007	42	\$10,774,281	-48.11%
2008	15	\$5,132,942	-52.36%
2009	16	\$2,556,258	-50.20%
2010	10	\$2,990,808	+17.00%
2011	9	\$2,113,679	-29.32%
2012	8	\$2,377,990	+12.50%
2013	21	\$5,629,293	+136.72%
2014	38	\$11,650,690	+106.97%
2015	40	\$10,888,681	-6.54%

This showed a significant decline after 2006, with the lowest number in 2011 and 2012, but then increases from 2013 to 2015.

In addition, the next chart shows multiple family residential and commercial construction, which has indicated an increase in commercial over the last three years, but again substantially below the mid-2000s. This is also true with multiple family residential permits.

MULTI-FAMILY AND COMMERCIAL BUILDING VALUATIONS

Year	Multi-Family Permits/Units	Multi-Family Valuation	Commercial Permits New/Addn	Commercial New/Addn Valuation	Total Valuation*
1979	2/ 12	\$314,120	45/ 114	\$20,186,603	\$39,732,665
1980	12/ 39	\$864,301	41/ 91	\$23,496,877	\$33,819,886
1981	3/ 32	\$1,291,936	26/ 111	\$11,170,826	\$20,362,282
1982	5/ 34	\$1,271,777	26/ 107	\$11,776,603	\$20,367,288
1983	3/ 29	\$502,815	26/ 130	\$7,087,501	\$22,206,867
1984	3/ 16	\$1,234,496	27/ 166	\$10,262,108	\$25,206,867
1985	9/ 71	\$2,246,446	21/ 176	\$15,027,143	\$36,929,701
1986	33/ 72	\$2,739,858	25/ 187	\$11,714,280	\$48,869,691
1987	13/ 68	\$1,925,181	33/ 164	\$15,586,289	\$45,951,155
1988	14/ 34	\$1,711,911	18/ 191	\$17,181,772	\$48,799,497
1989	26/ 86	\$3,147,634	21/ 191	\$12,589,714	\$52,589,714
1990	20/ 68	\$2,104,506	28/ 187	\$14,604,186	\$53,987,474
1991	12/ 57	\$1,740,544	23/ 205	\$20,190,640	\$53,765,800
1992	20/ 106	\$3,259,044	36/ 171	\$15,943,953	\$53,760,444
1993	20/ 94	\$2,908,143	38/ 137	\$22,498,567	\$65,311,271
1994	16/ 115	\$4,001,787	39/ 140	\$28,866,293	\$66,150,907
1995	27/ 82	\$2,865,474	59/ 120	\$26,163,243	\$59,797,378
1996	37/ 119	\$5,049,890	40/ 234	\$23,640,493	\$60,464,892
1997	54/ 377	\$14,153,277	63/ 172	\$22,977,164	\$67,238,178
1998	1/ 2	\$97,154	44/ 180	\$31,347,995	\$60,737,573
1999	11/ 38	\$1,962,696	45/ NA	\$24,098,069	\$62,029,678
2000	0/ 00	-0-	41/ 166	\$436,784,684	\$72,156,563
2001	15/ 80	\$3,860,883	20/ 158	\$21,211,924	\$70,190,490
2002	8/ 31	\$1,903,385	12/ 131	\$26,323,94	\$77,620,478
2003	2/ 6	\$278,807	17/ 130	\$79,625,455	\$114,386,739
2004	15/ 117	\$5,901,583	32/ 146	\$42,664,256	\$82,439,699
2005	7/ 80	\$3,834,322	20/ 117	\$31,605,859	\$75,628,411
2006	10/ 77	\$4,607,246	17/ 120	\$34,105,298	\$65,296,145
2007	3/ 8	\$675,170	25/ 123	\$33,825,612	\$79,619,867
2008	4/ 48	\$3,139,700	17/ 127	\$57,227,107	\$68,902,713
2009	0/ 0	-0-	9/ 89	\$17,222,737	\$22,599,070
2010	4/ 60	\$3,719,104	2/ 81	\$7,803,303	\$26,270,822
2011	1/ 4	\$310,000	6/ 74	\$10,317,771	\$46,077,752
2012	1/ 40	\$3,762,347	1/ 46	\$9,640,904	\$33,603,463
2013	1/ 2	\$297,610	2/ 85	\$8,260,903	\$22,908,525
2014	2/ 4	\$678,635	5/ 112	\$10,618,582	\$40,284,101
2015	1/ 4	\$360,259	5/ 91	\$15,321,032	\$45,950,880

The next figures show room tax revenue. The following chart indicates room tax collections, however it is important to note that the initial tax was based upon 8% of gross revenue, but in February 2003 it was raised to 10.375% in order to assist in the financing of the construction of the V&T Railroad project. Of that tax amount, the Visitor's Bureau receives a little less than 8% of gross revenue, and Carson City 2%.

ROOM TAX COLLECTED
(Fiscal & Calendar Year)

YEAR	TAX TOTAL	% CHANGE
1989-90	\$676,367	
1994-95	\$661,728	+5.1%
1999-00	\$807,345	+4.5%
2000-01	\$891,305	+10.4%
2001-02	\$910,054	+2.1%
2002-03	\$1,011,098	+11.1%
2003-04	\$1,231,004	+21.7%
2004-05	\$1,369,446	+11.2%
2005-06	\$1,433,722	+4.7%
2006-07	\$1,503,780	+4.8%
2007-08	\$1,526,503	+1.5%
2008-09	\$1,362,619	-10.7%
2009-10	\$1,234,797	-9.4%
2010-11	\$1,190,529	-3.6%
2011-12	\$1,199,922	+0.8%
2012 calendar year	\$1,268,423	
2013 calendar year	\$1,347,874	+6.26%
2014 calendar year	\$1,416,908	+5.12%

Source: Carson City Convention and Visitor's Bureau

Overall Economic Conclusion: The Carson City area is judged to be relatively stable, with no significant changes in the foreseeable future. There is significant growth in the Reno-Sparks area and Fernley as a result of the major industrial projects particularly at Tahoe Reno Industrial Center, which includes Tesla and Switch. In addition, USA Parkway which runs through the Tahoe Reno Industrial Center is being currently being

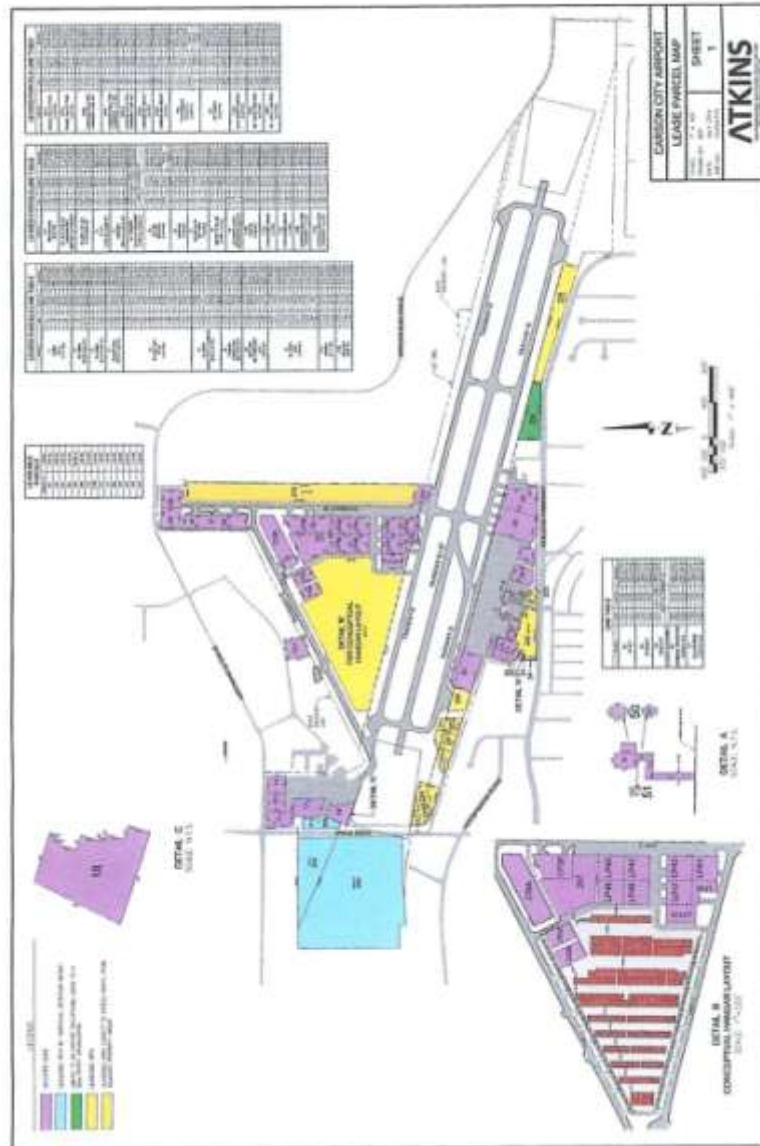
constructed down to U.S. Highway 50 near the airport and the high school. This extension will provide easier accessibility and a quicker bypass to Fernley for many commuters. In my opinion, this roadway will not have a major impact on Carson City, but will have an impact on the Silver Springs area, Stagecoach, Mark Twain Estates, and to some degree, Dayton.

Growth in Carson City is judged to be limited and relatively stable within the foreseeable future.

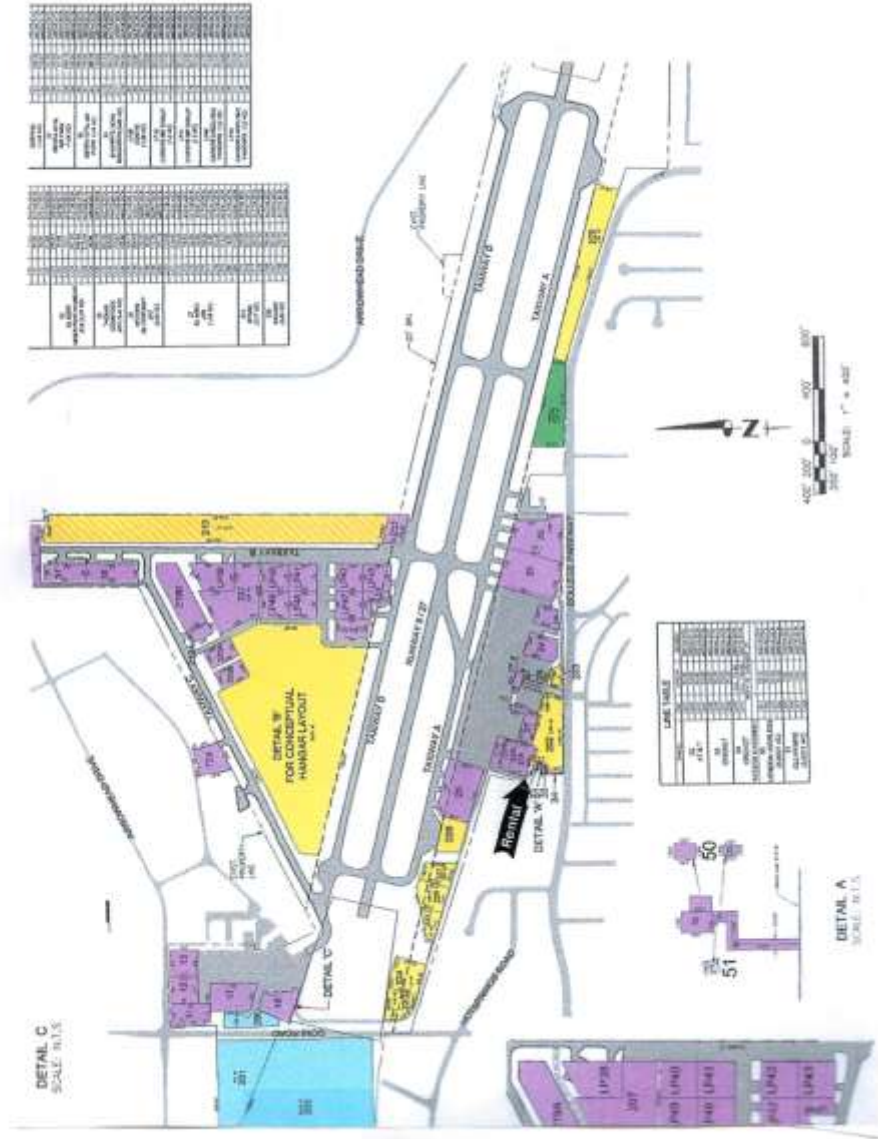
NEIGHBORHOOD MAP



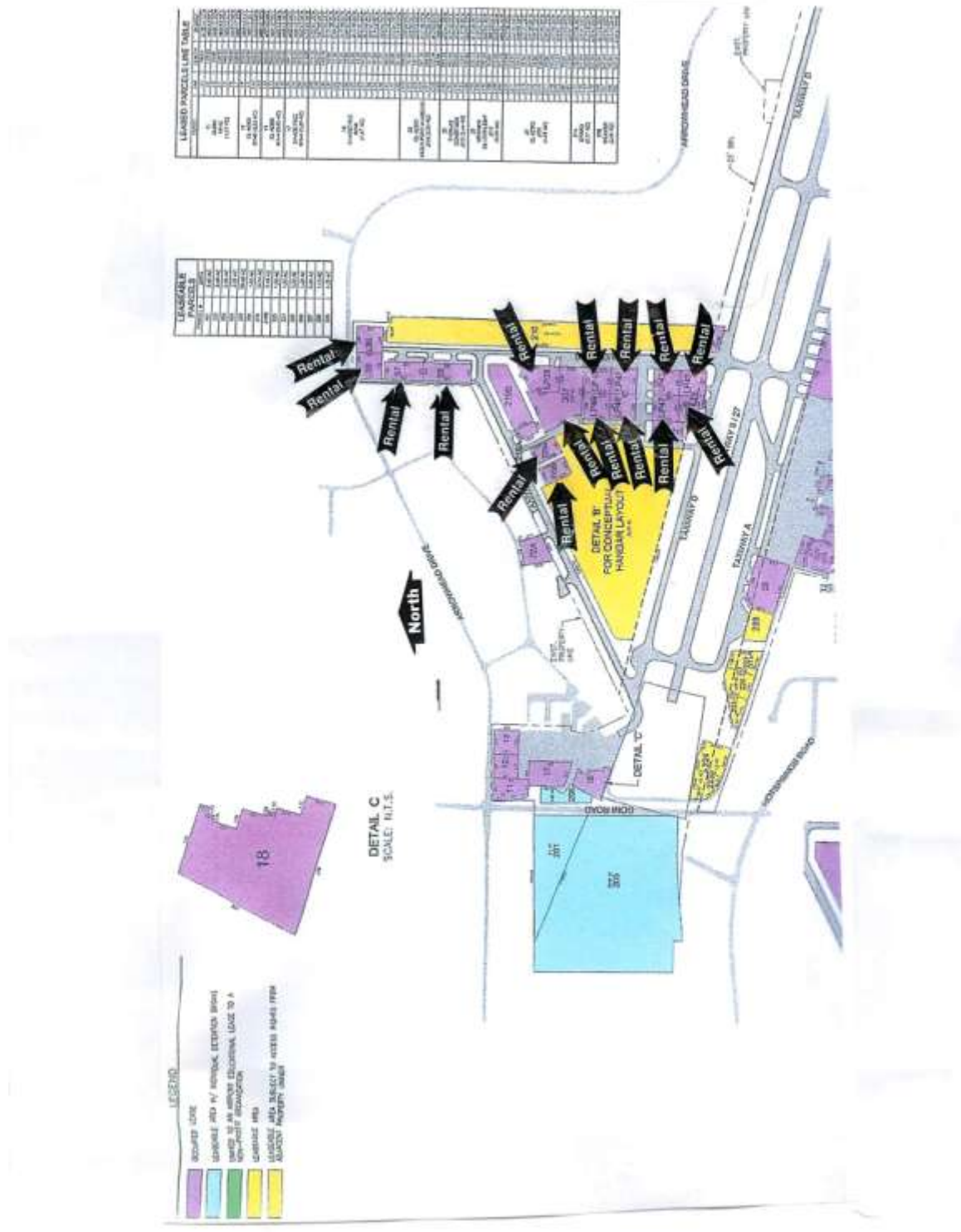
AIRPORT MAP



**AIRPORT MAP
(SOUTH SIDE OF AIRPORT)**



**AIRPORT MAP
(NORTH SIDE OF AIRPORT)**



NEIGHBORHOOD DESCRIPTION

The subject property is located within the Carson City Airport, in the northeasterly part of Carson City, generally north of College Parkway, east of Goni Road, and south of Arrowhead Drive. Accessibility into the area is typically either from College Parkway or Arrowhead Drive, both of which connect westerly to North Carson Street, or in the case of College Parkway, a fully interchange at the U.S. Highway 395 Freeway (Interstate 580).

There are several taxiways within the complex, but one east-west runway, identified as 9/27. The main airport entrance is on the south side of the airport, and El Aero has a large fixed based operation in the northwest portion of the airport.

South of College Parkway, Lampa Lane connects down to U.S. Highway 50 (East William Street) as does Airport Road and Fairview Drive, which ties into College Parkway.

Overall this is a good neighborhood and the airport and the area surrounding it should remain desirable within the foreseeable future.

SITE DATA

Location: The prior maps indicate the locations of the various parcels and areas. All are located north of the airport, except for Parcel 27A, Byard, which is on the south side of the airport.

Assessor's Parcel Numbers and Sizes: An identification of each of the sites and their area is as follows:

Name	Land Size	
	Acres	Square Feet
35 Seibold Estate (shows as Wayne Brooks on map)	1.03± acres	45,084± sf
36 Corrao	1.04± acres	45,302± sf
37 Sierra Mtn Air Park north	1.04± acres	45,302± sf
38 Sierra Mtn Air Park south	1.30± acres	56,628± sf
LP 38 John Mayes (formerly held by Contri)	1.38± acres	60,113± sf
207 Gonzales-KCXP Investments	3.28± ac.	142,878± sf
220A, 220B Gonzales – KCXP Investments	1.48± ac.	64,469± sf
LP40-LP41-LP48-LP49 – Carson Air Group (contact John Mayes)	4.0± ac.	174,240± sf
LP42-LP43-LP46-LP47 – Carson Executive Hangars	5.64± ac.	246,114± sf
27A Byard	0.77± ac.	33,541± sf

As can be seen, most of the rentals are in the area of 1 to 1.5 acres. The exception to this is 207 Gonzales with 3.28± acres, then the Carson Air Group parcel with 4± acres, and Carson Executive Hangars at 5.64± acres.

Topography: All of the sites are flat, level land, with no known adverse topographical problems.

Earthquake Zone: As is typical of the area, the subject is located within a Seismic Zone 3, which indicates areas having the potential for moderate to severe shaking.

Availability of Utilities: Typically, within the airport there is the availability of power, telephone, water, sewer and natural gas. Some hangars have toilet areas with showers and sinks, and others do not, however those utilities are available.

Flood Plain: According to the Federal Emergency Management Agency's Flood Rate Map, the subject located outside of a known flood zone.

Zoning: The subject property is in a General Industrial Commercial area, but is governed by the restrictions of the Carson City Airport. Based upon these restrictions, the parcels can only be used for storage of private aircraft and not commercial use, or any other industrial use. There is no available purchase of the sites, but based upon instructions to me, the proposal is for 50-year leases with changes in the Consumer Price Index every two years.

Improvement Description: All of the subject sites are improved with a variety of hangars, however I am only considering the land value and proposed land lease, and therefore I have not described any of the improvements.

HIGHEST AND BEST USE

Highest and best use may be defined as: "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." In estimating the highest and best use, there are essentially four stages of analysis:

- 1) Permissible Use: What uses are permitted by zoning and deed restrictions on the site in question?
- 2) Possible Use: What uses of the site in question are physically possible?
- 3) Feasible Use: Which possible and permissible uses will produce a net return to the owner of the site?
- 4) Highest and Best Use: Among the feasible uses, which will produce the highest net return or the highest present worth?

The highest and best use of the land (or site) if vacant and available for use, may be different from the highest and best use of the improved property. This is true when the improvement is not an appropriate use, but it makes a contribution to the total property value in excess of the value of the site.

The following tests must be met in estimating the highest and best use. The use must be legal and the use must be probable, not speculative or conjectural. There must be a profitable demand for such use and it must return to the land the highest net return for the longest period of time.

Physically Possible Uses: The size of the sites varying from a minimum of 0.77± acres to a maximum of 5.64± acres, with most in the 1 to 1.5 acre bracket, are certainly large enough for typical industrial or smaller commercial uses. The sites are flat and level, and do not have any adverse topographical problems. Therefore, from a physically possible standpoint, they are not limiting.

Legally Permissible Uses: Because of the restrictions by the Carson City Airport, the only uses to which the parcels can be put are private commercial hangars. Commercial or industrial utilization is not allowed, and therefore this is a very limiting use.

Conclusion of Most Financially Feasible and Highest and Best Use: The sites can only be used for private hangar storage, and therefore are quite limited in this regard. As a general statement, general aviation (non-commercial aviation) has not grown substantially, and in fact has declined over the last 20 years. The Carson City Airport did benefit from some of the restrictions placed at the Reno-Tahoe International Airport, and as a result many of the current Carson users moved from Reno. In addition, Reno is also promoting the Stead Airport for general aviation.

Overall, this is a limited market and, in my opinion, would definitely have lesser values than surrounding industrial commercial land.

SUMMARY OF ANALYSIS AND VALUATION

As indicated earlier, it is my judgment that the primary valuation approach will be to first consider sales of other industrial properties close to the Carson City Airport, and then to consider the differences due to the restrictions and what I consider to be much more limited demand within the airport facility.

It is noted that I considered sales back through 2011, and found that there have been very few land sales of industrial properties close to the airport. Discussions with several brokers, as well as reviewing the records, indicate a limited demand for industrial properties. I also found that prices today are generally less than what was occurring a number of years ago. This is, of course, due to competition from other areas as well as the general economic downturn that occurred in 2008 and 2009. Although the area has recovered to some extent, the economy is not back up to those levels.

The following chart summarizes land sales near the airport.

INDUSTRIAL LAND SALES
(Near Carson City Airport)

Sale No.	Location	Date	Land Size	Price	Price/SF
1	SWC of Lockeed Way and Ryan Way 005-061-10	12/2011	1.96± ac.	\$400,000	4.69
2	2850 Conestoga NWC of Conestoga and Sigstrom 008-816-39	6/2014	1.66± ac.	\$144,619	\$1.98
3	W/S Arrowhead, S. of Lamott Drive, and S. of Hytech Drive 005-053-05	2/2016	1.94± ac.	\$292,000	\$3.46
4	N. of Conestoga and Metric Way, at end of Metric 008-816-73	In Escrow 7/2016	1.11± ac.	\$166,000	\$3.44

Sale 1 is the oldest transaction, and is actually located south of Arrowhead Drive at the corner of Lockheed Way and Ryan Way. It is an example of the downturn in price due to the time element. This parcel is slightly less than 2 acres in size and sold for \$4.69 per square foot. It is a good flat, level parcel, and as indicated, abuts the airport but does not have through-the-fence or access rights. This was the highest price per square foot, but was in the December 2011 timeframe.

Sale 2 occurred in June 2014, and is at the northwest corner of Conestoga and Sigstrom. Conestoga is approximately one block north of Arrowhead Drive, and this is a good corner parcel of 1.66± acres in size, is flat and level, and sold for \$1.98 per square foot.

Sale 3 occurred in February 2016, and is on the east side of the airport in an area of industrial buildings. It is 1.94± acres and sold for \$3.46 per square foot. This property directly abuts Arrowhead Drive and, as indicated, has a number of industrial buildings on both sides of the street.

Finally, Sale 4 is the most recent transaction, and is in escrow and scheduled to close within a week or so of this appraisal report. It is at the end of Metric Way, which is a cul-de-sac, and is a good flat, level parcel abutting other industrial buildings. It sold for \$3.44 per square foot. It should be noted that according to the broker, he has other vacant parcels available in the area, and this has been one of the first sales that will close in recent times.

As can be seen from the data, Sale 1 was the highest price, but occurred in 2011. Sale 2 was the lowest price in 2014, and as indicated, is a good corner parcel. Sale 3 was a

relatively high price, but not substantially different than Sale 4, which tends to indicate that the few sales that have occurred of industrial parcels are typically in the area of \$3.00 to \$3.50 per square foot.

I should note that there is a relatively large listing along the easterly side of the airport, and on the southwest side of Arrowhead Drive. This is a total of 46± acres which is generally available in parcels from slightly under 5 acres to almost 12 acres. These properties have access of Arrowhead, and from the advertisement have through-the-fence permits, or gate access, to the Carson City Airport. Typically, these are listed at \$5.00 per square foot, and had been available for some time but with no takers. These do not have the use restrictions as do the subject parcels.

Again, the primary difference between the sales, which would tend to indicate that the more recent transactions are closer to the \$3.45 per square foot bracket, is that these sales had no restrictions and could be used for industrial or light commercial purposes. The subject uses have a much more limited demand, and very importantly can only be used for aircraft storage. Therefore, in my opinion, the subject parcels would generally have a lower value.

As a result, I have estimated that the typical site within the airport would have a market value, with the restriction of use, at approximately \$1.75 per square foot. I have not made any significant distinctions between the various parcels.

ESTIMATED FAIR MARKET RENT

The next consideration was a fair rental value based upon \$1.75 per square foot. In this regard, I have analyzed rates of return.

Analysis of Rates of Return: In order to estimate an appropriate rate of return, I interviewed several brokers and property owners active in the Northern Nevada real estate markets. I have also analyzed historical information.

The Airport Authority has leased several acres on the east side of the Reno airport, which is referred to as the Airport East Property. Federal Express Ground and R Supply currently occupy two sites in the Airport East Property. Both of these sites have each been leased for a 50-year period based upon NNN terms. The rental rates are adjusted very five years based on the Consumer Price Index (CPI). These properties were leased at an 8% rate of return applied to the value of the land.

The Reno-Tahoe Airport Authority also negotiated a long-term land lease in 2005 for the new Hyatt Place hotel located on the west side of the airport. This lease involves a favorable commercial location near the freeway, and at the entrance to the airport. The appraised value in 2005 was \$18.00 per square foot of land area. The initial lease rate for the first two years was at a reduced rate of \$125,000 per year, while the project was under construction, equating to a rate of return of 6.13%. The current rental rate is \$176,462.28 per year, which based upon the 2005 value, equates to a rate of return of 8.66%.

The Reno-Tahoe Airport Authority has also negotiated several leases of land located to the south of the Reno airport involving an 8% rate of return on the land.

Mr. Bruce D. Storey, Investment Committee and CFO Emeritus of Dermody Properties of Reno, Nevada, stated that Dermody Properties negotiated potential land leases in 2013 on two different properties for two different clients. One property involved a potential land lease in North Las Vegas. A prospective tenant of a Dermody warehouse building needed additional parking. They approached the adjacent land owner and negotiated a long-term land lease based upon a rate of return of 8%. The prospective tenant subsequently decided that the warehouse space did not suit their needs and therefore the ground lease was never executed.

The second potential land lease involved a prospective tenant who wanted Dermody Properties to build them a building in the Harry Reid Research Park, which is operated by the University of Nevada Las Vegas. Dermody Properties entered into negotiations with UNLV to lease the land. Both parties then agreed to a rate of return of 8% for the long-term ground lease. The prospective tenant subsequently determined that the cost to construct their desired improvements was too high and they therefore abandoned the project.

Mr. John Pinjuv, SIOR of Avison Young, indicated that the land leases which he has negotiated have been based on a rate of return of approximately 7% to 9%. Mr. Pinjuv did note that the properties he has been involved with are commercial sites and the lease terms are typically 30 years with options to extend the term.

Mr. Bruce Robertson with NAI in Carson City stated that he was involved with a ground lease in Carson City. This ground lease was for an Auto Zone store on South Carson Street. The ground lease was executed in November 2011 with an initial term of 15 years, with four 5-year options to renew. The lease stipulates that the rate for the first three years is \$37,200 per year. The rate increases to \$42,000 per year for years 4 and 5. In years 6 through 10 the lease rate will be \$46,200 per year. The lease rate for the remaining five years of the initial lease term will be \$50,820 per year. The total land area of the site is 36,155± square feet. Based upon a land value of \$12.50 per square foot, the initial lease rate equates to a rate of return of 8.23%.

The lease rates that were before the economic down turn in 2008/2009 would be higher than 2016 rates.

The Union Pacific Railroad entered into a year-to-year ground lease with the Truckee Meadows Water Authority for a 27,500± square foot parcel located on Woodland Avenue at the Union Pacific Railroad right-of-way. This lease, which was executed in 2010, has an annual rent of \$2,926, NNN. The lease indicates an annual return of 7.33% based upon the railroad's opinion of land value.

Considering all of these factors, I have utilized an 7% rate of return, and when applied to the base of \$1.75 per square foot, this would give an indicated base rent at \$0.12 per square foot per year. This recognizes that this would be based upon a 50-year lease with adjustments every two years as a result of changes in the Consumer Price Index.

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A final estimate for each parcel is as follows:

Name	Land Size		Lease Rate @ \$0.12/sf per year
	Acres	Square Feet	
35 Seibold Estate (shows as Wayne Brooks on map)	1.03± ac	45,084± sf	\$5,523
36 Corrao	1.04± ac	45,302± sf	\$5,550
37 Sierra Mountain Air Park north	1.04± ac	45,302± sf	\$5,550
38 Sierra Mountain Air Park south	1.30± ac	56,628± sf	\$7,364
LP 38 John Mayes (formerly held by Contri)	1.38± ac	60,113± sf	\$7,364
207 Gonzales – KCXP Investments	3.28± ac	142,878± sf	\$17,503
220A, 220B Gonzales – KCXP Investments	1.48± ac	64,469± sf	\$7,897
LP40-LP41-LP48-LP49- Carson Air Group (contact John Mayes)	4.0± ac	174,240± sf	\$21,344
LP42-LP43-LP46-LP47- Carson Executive Hangars	5.64± ac	246,114± sf	\$30,149
27A Byard	0.77± ac	33,541± sf	\$4,109

ADDENDA

LIMITING CONDITIONS

In acceptance of this appraisal assignment and the completion of the appraisal report submitted herewith, it has been assumed by these appraisers:

1. LIMIT OF LIABILITY:

The liability of Kimmel & Associates and employees is limited to the client only and to the fee actually received by Appraiser(s). Further, there is no accountability, obligation, or liability to any third party. If this report is disseminated to anyone other than client, the client shall make such party aware of all limiting conditions and assumptions of the assignment and related discussions. The Appraiser(s) is in no way to be responsible for any costs incurred to discover or correct any deficiencies of any type present in the property; physically, financially, and/or legally. In the case of limited partnerships or syndication offerings or stock offerings in real estate, client agrees that if a legal action is initiated by any lender, partner, part owner in any form of ownership, tenant, or any other party, the client will hold the Appraiser(s) completely harmless in any such action from any and all awards or settlements of any type, regardless of outcome.

2. COPIES, PUBLICATION, DISTRIBUTION, 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 other than its intended use; the physical report(s) remain the property of the Appraiser(s) for the use of the client, the fee being for the analytical services only.

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

3. CONFIDENTIALITY:

This appraisal is to be used only in its entirety and no part is to be used without the whole report. All conclusions and opinions concerning the analysis as set forth in the report were prepared by the Appraiser(s) whose signature(s) appear on the appraisal report, unless indicated as "Review Appraiser". No change of any item in the report shall be made by anyone other than the Appraiser(s). The Appraiser(s) and firm shall have no responsibility if any such unauthorized change is made.

The Appraiser(s) may not divulge the material (evaluation) contents of the report, analytical findings, or conclusions, or give a copy of the report to anyone other than

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the client or his designee as specified in writing except as may be required by the Appraisal Institute as they may request in confidence for ethics enforcement or by a court of law or body with the power of subpoena.

4. **INFORMATION USED:**

No responsibility is assumed for accuracy of information furnished by work of others, the client, his designee or public records. We are not liable for such information or the work of possible subcontractors. Be advised that some of the people associated with Kimmel & Associates and possibly signing the report are independent contractors. 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 source thought reasonable; all are considered appropriate for inclusion to the best of our factual judgment and knowledge. An impractical and uneconomic expenditure of time would be required in attempting to furnish unimpeachable verification in all instances, particularly as to engineering and market related information. It is suggested that the client consider independent verification as a prerequisite to any transaction involving sale, lease, or other significant commitment of funds or subject property.

5. **TESTIMONY, CONSULTATION, COMPLETION OF CONTRACT FOR APPRAISAL SERVICE:**

The contract for appraisal, consultation or analytical service is fulfilled and the total fee is payable upon completion of the report. The Appraiser(s) or those assisting in preparation of the report will not be asked or required to give testimony in court or hearing because of having made the appraisal, in full or in part, nor engage in post appraisal consultation with client or third parties except under separate and special arrangement and at additional fee. If testimony or deposition is required because of any subpoena, the client shall be responsible for any additional time, fees, and charges regardless of issuing party.

6. **EXHIBITS:**

Any sketches, maps, and photographs in this report are included to assist the reader in visualizing the property and are not necessarily to scale. Site plans are not surveys unless indicated as such.

7. **LEGAL, ENGINEERING, FINANCIAL, STRUCTURAL, OR MECHANICAL COMPONENTS; SOIL QUALITY:**

No responsibility is assumed for matters, legal in character or nature, nor of any architectural, structural, mechanical, or engineering nature. No opinion is rendered as to the title, which is presumed to be good and merchantable. The property is appraised as if free and clear, unless otherwise stated in the appraisal report.

The legal description is assumed to be correct as used in this report as furnished by the client, their designee, or as derived by the Appraiser(s).

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Please note that no advice is given regarding mechanical equipment or structural integrity or adequacy, soils and potential for settlement or drainage, matters concerning liens, title status, and legal marketability, and similar matters. The client should seek assistance from qualified architectural, engineering or legal professionals regarding such matters. The lender and owner may wish to require mechanical or structural inspections by a qualified and licensed contractor, civil or structural engineer, architect, or other expert.

The Appraiser(s) has inspected, as far as possible, by observation, the land and the improvements; however, it was not possible to personally observe conditions beneath the soil or hidden structural or other components. We have not critically inspected mechanical components within the improvements and no representations are made herein as to these matters unless specifically stated and considered in the report. The value estimate considers there being no such conditions that would cause a loss of value. The land or the soil of the area being appraised appears firm; however, subsidence in the area is unknown. The Appraiser(s) do not warrant against this condition or occurrence of problems arising from soil conditions.

Unless otherwise stated, it is assumed that there are no drainage problems relating to the land or the improvements.

The appraisal is based on there being no hidden, unapparent, or apparent conditions of the property site, sub-soil, or structures or toxic materials which would render it more or less valuable. 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 status standard for properties of the subject type. Conditions of heating, cooling, ventilating, electrical and plumbing equipment is considered to be commensurate with the condition of the balance of the improvements unless otherwise stated. No judgment may be made by us as to adequacy of insulation, type of insulation, or energy efficiency of the improvements or equipment; which is assumed standard for the subject property's age and type.

If the Appraiser(s) has not been supplied with a termite inspection, survey or occupancy permit, no responsibility or representation is assumed or made for any costs associated with obtaining same or for any deficiencies discovered before or after they are obtained. No representations or warranties are made concerning the above mentioned items.

The Appraiser(s) assumes no responsibility for any costs or consequences arising due to the need, or the 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.

8. **INSULATION AND TOXIC MATERIALS:**

Unless otherwise stated in this report, the Appraiser(s) signing this report have no knowledge concerning the presence or absence of toxic materials and/or urea-formaldehyde foam insulation in existing improvements. If such is present, the value of the

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property may be adversely affected, and re-appraisal at additional cost will be necessary to estimate the effects of such.

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9. HAZARDOUS SUBSTANCES OF MATERIALS:

Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyls, petroleum leakage or agricultural chemicals which may or may not be present on the property, or other environmental conditions, were not called to the attention of, nor did the appraiser become aware of such during the appraiser's inspection. The appraiser has no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraiser, however, is not qualified to test such substances or conditions. If the presence of such substances, such as asbestos, urea-formaldehyde, foam insulation, or other hazardous substances or environmental conditions, may affect the value of the property, the value estimated is predicated on the assumption that there is no such condition on or in the property or in such proximity thereto that it would cause a loss in value. No responsibility is assumed for any such conditions, nor for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in the field of environmental impact upon real estate if so desired.

10. LEGALITY OF USE:

The appraisal is based on the premise that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless otherwise stated in the report, and that all applicable zoning, building, use regulations and restrictions of all types have been complied with unless otherwise stated in the report. It is further assumed that all required licenses, consents, permits, or other legislative or administrative approvals from all applicable local, state, federal and/or private authorities have been or can be obtained or renewed for any use considered in the value estimate.

11. COMPONENT VALUES:

The allocation of the total valuation in this report between land and improvements, if included in this report, applies only under the use of the property which is assumed in this report. The separate valuations for land and building must not be used in conjunction with any other appraisal and are invalid if so used.

12. AUXILIARY AND RELATED STUDIES:

No environmental or impact studies, special market study or analysis, special highest and best use study or feasibility study has been requested or made unless otherwise specified in an agreement for services or so stated in the report.

13. DOLLAR VALUES, PURCHASING POWER:

The market value estimated and the costs used are as of the date of the estimate of value. All dollar amounts are based on the purchasing power and value of the dollar as of the date of the value estimate.

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14. VALUE CHANGE, DYNAMIC MARKET, INFLUENCES, ALTERATION OF ESTIMATE BY APPRAISER:

The estimated market value, which is defined in the report, is subject to change with market changes over time. Value is highly related to exposure, time, promotional effort, terms, motivation, and conditions. The value estimate considers the productivity and relative attractiveness of the property physically and economically in the marketplace as of the date of value.

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

The "Estimate of Market Value" in the appraisal report is not based in whole or in part upon the race, color or national origin of the present owners or occupants of the properties in the vicinity of the property appraised.

The appraisal report and value estimate are subject to change if the physical or legal entity or the terms of financing are different from what is set forth in this report.

15. INCLUSIONS:

Except as specifically indicated and typically considered as a part of the real estate, furnishings, equipment, other personal property, or business operations have been disregarded with only the real estate being considered in the value estimate. In some property types, business and real estate interests and values are combined but only if so stated within this report.

16. PROPOSED IMPROVEMENTS, CONDITIONED VALUE:

Improvements proposed, if any, on-site or off-site, as well as any repairs required are considered, for purposes of this appraisal, to be completed in good and workmanlike manner according to information submitted and/or considered by the appraisers. In cases of proposed construction, the appraisal is subject to change upon inspection of the property after construction is completed. This estimate of market value is as of the date shown, as proposed, as if completed and operating at levels shown and projected, unless otherwise stated.

17. MANAGEMENT OF THE PROPERTY:

It is assumed that the property which is the subject of this report will be under typically prudent and competent management, neither inefficient or superefficient.

18. FEE:

The Appraiser certifies that, my compensation is not contingent upon the report of a predetermined value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent

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event, or that the appraisal assignment was not based on a requested minimum valuation, a specific valuation or the approval of a loan.

19. **AMERICANS WITH DISABILITIES ACT:**

The Americans With Disabilities Act became effective January 26, 1992. Unless otherwise stated in this report, this appraisal firm did not conduct a compliance survey or audit, nor was one provided to determine whether or not the subject property is in conformity with the numerous requirements of the Americans With Disabilities Act. If the subject property is found to not be in compliance with Americans With Disabilities Act, the cost to cure the lack of compliance may have a negative or adverse impact on the value of the subject property. No responsibility is assumed for any such conditions, nor for any expertise or knowledge required to discover them. The client is urged to retain an expert in this field to ascertain the subject property's compliance with the Americans With Disabilities Act.

20. **FEDERAL FAIR HOUSING ACT:**

I am not an expert in the application of the Federal Fair Housing Act as it relates to multi-residential property requirements regarding physical or mental disabilities. This act requires certain accommodations for disabled persons in multi-unit buildings of four or more that were constructed after March 13, 1991. I recommend that a qualified inspector be retained to determine if the subject property meets the applicable requirements and if not what costs may be necessary to abide by the law. Unless otherwise stated, I have not considered any deductions in cost or value to comply with the requirements of the Federal Fair Housing Act.

21. **CHANGES, MODIFICATIONS:**

The Appraiser(s) reserve the right to alter statements, analyses, conclusions or any value estimate in the appraisal if there becomes known to them facts pertinent to the appraisal process which were unknown when the report was finished.

22. This is an appraisal report which is intended to comply with the reporting requirements set forth under Standard Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice. The information contained in this report is specific to the needs of the client and for the intended use stated in this report. The appraiser is not responsible for unauthorized use of this report.

23. ACCEPTANCE AND/OR USE OF THIS APPRAISAL REPORT BY THE CLIENT OR ANY THIRD PARTY CONSTITUTES ACCEPTANCE OF THE ABOVE CONDITIONS. APPRAISER LIABILITY EXTENDS ONLY TO THE STATED CLIENT AND NOT TO SUBSEQUENT PARTIES OR USERS, AND THE LIABILITY IS LIMITED TO THE AMOUNT OF FEE RECEIVED BY THE APPRAISER(S).

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QUALIFICATIONS OF WILLIAM G. KIMMEL

CERTIFIED GENERAL APPRAISER
STATE OF NEVADA, CERTIFICATION #A.0000004-CG

Education: B.A. Degree in Economics from Stanford University.

Experience: From 1959 to 1961, employed as a real estate broker-salesman in Reno and Lake Tahoe, Nevada. From 1961 to 1968, employed by the Nevada State Highway Department as a real estate appraiser and Assistant Supervisor. From April 1968 to present, an independent fee appraiser.

Expert Witness: Qualified as an expert witness in District Court in Washoe, Clark, Carson City, Lander, Lyon, Humboldt, Elko and Douglas Counties, Nevada; Superior Court in Eldorado and Los Angeles Counties, California; United States Tax Court in Las Vegas and Reno, Nevada, New York City, and Seattle, Washington; Federal Bankruptcy Courts in Reno, Las Vegas, San Francisco, Los Angeles, Phoenix, Portland Oregon; U.S. District Court in Reno and Las Vegas, Nevada; State District Court, Salt Lake City, Utah; U.S. District Court, Boise, Idaho; Superior Court, Newton County, Kentland, Indiana; United States Court of Federal Claims in Washington D.C.; Second Judicial Court, Chancery Court of Harrison County, Biloxi, Mississippi; Tax Court New Jersey; Court of Tax Appeals State of Kansas.

Lecturer: Instructed at the University of Nevada, Reno; Truckee Meadows Community College; Educations Dynamics Institute (Reno School of Real Estate); and Graduate Realtor Institute courses in real estate appraisal and land economics.

Professional Organizations: MAI - Member Appraisal Institute
SREA - Senior Real Estate Analyst Member of the Appraisal Institute
Licensed Real Estate Broker, Reno/Sparks Association of Realtors 1958-2011
Certified General Appraiser, State of Nevada, Certification Number A.0000004-CG

Offices Held: President - 1986 - Sierra Nevada Chapter 60, American Institute of Real Estate Appraisers

President - 1976-1977 - Reno-Carson-Tahoe Chapter 189 Society of Real Estate Appraisers

President - 1966 - Chapter 44, American Right-of-Way Association

President - 1996 - Reno-Carson-Tahoe Chap. 189 Appraisal Institute

Board of Directors - 1973-1976 -Reno Board of Realtors

Commissioner - 1989-1994 - State of Nevada, Nevada Commission of Appraisers

WILLIAM G. KIMMEL & ASSOCIATES

Clients Served: Public Entities (partial list)

Internal Revenue Service
Nevada Industrial Commission
Nevada State Highway Department (NDOT)
Nevada State Division of Parks
Nevada State Planning Board
Nevada State Division of Real Estate
Nevada State Mental Health Institute
Clark County
Public Employees Retirement System
California Division of Highways
Carson City
City of Elko
City of Reno
City of Sparks
City of South Lake Tahoe
City of Las Vegas
City of Los Angeles
City of West Wendover
Incline Village General Improvement District
University of Nevada, Reno
Feather River College
Kingsbury Improvement District
Tahoe-Douglas Improvement District
Crystal Bay Improvement District
Douglas County
Washoe County
United States Forest Service
McCarran International Airport
Reno Redevelopment Agency
Las Vegas Redevelopment Agency
Sierra Pacific Power Company (NV Energy)
Kern River Gas
Nevada Power Company
Washoe County Airport Authority

Lending Institutions & Mortgage Companies: (partial list)

American Bank
American Federal Savings Bank Lending Institutions
(Formerly First Federal Savings)
Bank of America
Bank of Nevada
Bank of Tokyo
Bank of the West
Bank West
Banker's Mortgage Co. of CA
Business Bank
California Fed. Savings & Loan
Central California Bank

WILLIAM G. KIMMEL & ASSOCIATES

Central Valley National Bank
Chase Manhattan Bank
Citibank
Colonial Bank
Coldwell Banker
Comerica Bank
Crocker-Citizens National Bank
Far West Mortgage Company
First Bank of Arizona
First Independent Bank of Nevada
First Interstate Bank of Nevada
First National Bank of Nevada
First Western Savings & Loan
Fleet Mortgage
Giddings Company
Great Basin Bank
Heritage Bank
Home Savings Association
Interwest Mortgage
Investor's Mortgage Service Co.
Irwin Union Bank
Manufacturer's Hanover Trust
Mason-McDuffie
Mortgage Guaranty Ins. Corp. (Hibernia Bank)
Nevada National Bank
Nevada Security Bank
Nevada State Bank
Northern Nevada Bank
Pioneer Citizen's Bank of Nevada
PriMerit Bank (Formerly Nevada Savings & Loan)
Security Bank of Nevada
Security Pacific Bank (Formerly Nevada National Bank)
The Stanwell Company
Sun West Bank
United Mortgage Company
U.S. Bank (Formerly Security Pacific Bank)
Valley Bank of Nevada
Wells Fargo Bank
Zion's Bank

Business Firms:

In addition to the above,
various accounting firms and law offices.

WILLIAM G. KIMMEL & ASSOCIATES

Types of Properties Appraised:

Gaming Casinos
Hotel/Casinos
Motels
Hotels
Apartments
Condominiums
Time Share & Interval Ownerships
Mobile Home Park
Shopping Centers
Warehouses
Medical Buildings
Office Buildings
Hospital
Commercial Buildings
Planned Unit Developments
Brothels
Industrial Buildings
Single Family Residences
Ski Areas
Tennis Clubs
Airport Facilities
Feed Lots
Guest Ranches
Ranches
Unimproved Land
Forest Land
Churches
Schools
Cemeteries
Mortuaries
Marinas
Gravel Pits
Air Rights
Sub-Surface Rights
Value of Business as a Going Concern
Leasehold & Partial Interest

CERTIFICATION

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

- The statements of fact contained in this report are true and correct.*
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.*
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.*
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.*
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.*
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.*
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standard of Professional Appraisal Practice of the Appraisal Institute, which include 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 have made a personal inspection of the property that is the subject of this report.*
- The appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.*
- The appraiser's state registration has not been revoked, suspended, canceled or restricted.*
- I have performed 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.*



William G. Kimmel, MAI, SREA
Certified General Appraiser
State of Nevada
Certification No. A.0000004-CG