AN APPRAISAL
OF

A 2.19± ACRE PARCEL

LOCATED AT
THE CARSON CITY AIRPORT
2600 COLLEGE PARKWAY, CARSON CITY, NEVADA

OWNED BY
CARSON CITY AIRPORT

PREPARED FOR
CARSON CITY AIRPORT AUTHORITY

FOR THE PURPOSE OF ESTIMATING
MARKET RENT
AS OF
AUGUST 21, 2017
September 7, 2017

Email: stackes@kcnvlaw.com

Mr. Steven E. Tackes, Esq.
Kaempfer Crowell
510 West Fourth Street
Carson City, Nevada 89703

Re: A Market Rental Analysis of a 2.19± Acre Vacant Parcel of Land Located on Airport Property at the southwest corner of Taxiway B and Taxiway C, Carson City, NV

Dear Mr. Tackes:

This is in response to your request for an appraisal of a 2.19± acre property located on airport property at the Carson City Airport, Carson City, Nevada. The subject site is identified as Carson City Assessor’s Parcel Number 005-091-18. The subject is owned by the Carson City Airport. The subject property is more completely described in the following report.

The appraisal report is being prepared for the purpose of estimating the Market Land Rent of the subject property as of a current date of valuation. The intended users of the appraisal report include the Carson City Airport Authority and their representatives. The intended use of the appraisal report is to assist the client in negotiations to lease the subject property. Any other use of the appraisal report requires the prior written authorization of this appraiser.

The appraisal has been prepared based upon the following Special Assumptions:

- As per the client’s instructions, this analysis has been prepared under the assumptions that the subject will be leased on a long-term NNN basis.

- The subject property is a vacant site located on Airport having access to the ramp, taxiways and runways. The appraisal report and the value conclusions set forth herein are based upon the extraordinary assumption that the land area of 2.19± acres for the subject site, as set forth on the exhibit map and legal description prepared by Atkins for the subject site, is correct.
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. As such, it presents summary discussions of the data, reasoning and analyses that are used in the appraisal process to develop the appraisers’ opinion of value. Supporting documentation concerning the data, reasoning and analyses is retained in these appraisers’ files. The depth of the discussion contained in the report is specific to the needs of the client and for the intended use as stated herein. This appraisal firm is not responsible for unauthorized use of the report.

After careful consideration of all data available, and upon thorough personal investigation of the subject property and the comparable properties analyzed, the Market Land Rent of the subject property, under the special assumptions set forth herein, as of August 21, 2017, is as follows:

**MARKET LAND RENT CONCLUSION**

<table>
<thead>
<tr>
<th>MARKET LAND RENT CONCLUSION</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Market Land Rent Conclusion/Square Foot</td>
<td>$0.24/SF/Year/NNN</td>
</tr>
<tr>
<td>Market Land Rent Conclusion/Year</td>
<td>$23,000/Year/NNN</td>
</tr>
</tbody>
</table>

Respectfully Submitted,

Cindy Lund Fogel, MAI
Nevada Certified General Appraiser
License Number A.0002312-CG

Reviewed By:

Stephen R. Johnson, MAI, SREA
Nevada Certified General Appraiser
License Number A.0000003-CG
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</table>
SUMMARY OF SALIENT FACTS AND IMPORTANT CONCLUSIONS

Property Address  
Carson City Airport  
2600 College Parkway, Carson City, Nevada

Owner of Record  
Carson City Airport

<table>
<thead>
<tr>
<th>Property Summary</th>
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<tbody>
<tr>
<td><strong>Property Type</strong></td>
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<tr>
<td><strong>Property Location</strong></td>
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<tr>
<td><strong>Assessor’s Parcel Number</strong></td>
</tr>
<tr>
<td><strong>Land Area-Acres</strong></td>
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<tr>
<td><strong>Land Area-Square Feet</strong></td>
</tr>
<tr>
<td><strong>Zoning Designation</strong></td>
</tr>
<tr>
<td><strong>Master Plan Designation</strong></td>
</tr>
<tr>
<td><strong>Flood Zone Designation</strong></td>
</tr>
<tr>
<td><strong>Highest &amp; Best Use Conclusion</strong></td>
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</tbody>
</table>

**Legal Description**

<table>
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<tr>
<th>A.P.N.</th>
<th>Section, Township &amp; Range</th>
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<tbody>
<tr>
<td>005-091-18</td>
<td>Portion of the NE ¼ of Section 4, Township 15 North, Range 20 East, M.D.B. &amp; M. in Carson City, Nevada</td>
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</table>

**DATES OF APPRAISAL**

<table>
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<tr>
<th>Date Description</th>
<th>Date</th>
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<tbody>
<tr>
<td>Dates of Inspection</td>
<td>July 12, 2017 and August 21, 2017</td>
</tr>
<tr>
<td>Effective Date of Value</td>
<td>August 21, 2017</td>
</tr>
<tr>
<td>Completion Date of Appraisal</td>
<td>September 7, 2017</td>
</tr>
</tbody>
</table>

Property Rights Appraised  
Market Land Rent

Type of Report  
Appraisal Report

**MARKET LAND RENT CONCLUSION**

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<td>Market Land Rent Conclusion/Square Foot</td>
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<td>Market Land Rent Conclusion/Year</td>
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</table>
PURPOSE OF APPRAISAL

This appraisal was prepared for the purpose of estimating the Market Rent of the subject land as of a current date of valuation.

DATES OF APPRAISAL

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</tr>
</tbody>
</table>

INTENDED USE OF APPRAISAL

It is our understanding that the appraisal will be utilized by the client, the Carson City Airport Authority, in negotiations to lease the subject site. Any other use of this appraisal report requires the prior written authorization of these appraisers.

INTENDED USERS OF APPRAISAL

The intended users of the appraisal report include the Carson City Airport Authority and their representatives.

MARKET RENT DEFINED

The most probable rent that a property should bring in a competitive and open market reflecting the conditions and restrictions of a specified lease agreement, including the rental adjustment and revaluation, permitted uses, use restrictions, expense obligations, term, concessions, renewal and purchase options, and tenant improvements (TIs).\(^1\)

FEE SIMPLE ESTATE DEFINED

Fee simple estate is defined as “Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.”\(^2\)

MARKET VALUE DEFINED

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

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

SCOPE OF APPRAISAL

The preparation of this appraisal included:
• Identification, inspection and analysis of the subject property;
• Interviews with a representative of the subject ownership;
• Identification and analysis of the subject neighborhood;
• Completion of a Highest and Best Use Analysis;
• Research, verification, inspection and analysis of comparable land sales;
• Completion of a Sales Comparison Approach to Land Value;
• An analysis and determination of an appropriate rate of return, which will be applied to the fee simple land value to arrive at an indication of the Market Land Rent which would be applicable to the subject site;
• Research, verification, inspection and analysis of comparable land rentals on comparable airport properties;
• Completion of a Reconciliation and Final Market Land Rent Conclusion;
• Preparation of the appraisal report.

³ Rules and Regulations, Federal Register, Vol. 55, No. 165, Page 34696, 12CFR Part 34.42(f)
TYPE OF REPORT

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. As such, it presents summary discussions of the data, reasoning and analyses that are used in the appraisal process to develop the appraisers’ opinion of value. Supporting documentation concerning the data, reasoning and analyses is retained in these appraisers’ files. The depth of the discussion contained in the report is specific to the needs of the client and for the intended use as stated herein. This appraisal firm is not responsible for unauthorized use of the report.

STATEMENTS OF LIMITING CONDITIONS

Extraordinary Assumptions

An Extraordinary Assumption is defined as “An assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser’s opinions or conclusions.”

The appraisal has been prepared based upon the following Extraordinary Assumptions:

- The subject property is a vacant site located on Airport having access to the ramp, taxiways and runways. The appraisal report and the value conclusions set forth herein are based upon the extraordinary assumption that the land area of 2.19± acres for the subject site, as set forth on the exhibit map and legal description prepared by Atkins for the subject site, is correct. As per the client’s instructions, this analysis has been prepared under the assumption that the subject will be leased on a long-term, NNN basis.

Hypothetical Conditions

A Hypothetical Condition is defined as “a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.”

The appraisal has been prepared based upon the following Hypothetical Conditions:

- None
NEIGHBORHOOD DESCRIPTION

The subject property is located in the northeastern portion of Carson City. The subject neighborhood is generally formed by the U.S. 395 Bypass to the west, Arrowhead Drive to the north, the Carson Airport to the east, and U.S. Freeway 50, also known as East William Street, to the south.

Major roadways through the subject neighborhood include Hot Springs Road, Arrowhead Drive, Airport Road and East College Parkway. Hot Springs Road, Arrowhead Drive and Airport Road are secondary arterial streets, which provide access to the residential areas of northeast Carson City as well as to the industrial areas around the airport.

The U.S. 395 Freeway Bypass has been completed through the subject neighborhood. A full interchange is located at East College Parkway and the US 395 Bypass, directly west of the Shaheen Business Park. The Bypass interchange at East College Parkway is a major reason why Wal-Mart constructed a 203,091± square foot Supercenter at the southeast corner of Hot Springs Road and College Parkway. The Bypass has been completed from near Arrowhead Drive in northeast Carson City to U.S. 395 in south Carson City.

U.S. Highway 50 intersects with North Carson Street (U.S. Highway 395), just north of the downtown casino core area. This roadway provides access to the residential areas in eastern Carson City as well as to Moundhouse, Virginia City, Dayton, Silver Springs and Fallon. Most of the development on U.S. Highway 50 includes retail-commercial uses, office uses and some limited residential utilizations. U.S. Highway 50 (East William Street) experiences some of the highest traffic counts in the Carson City area.

East College Parkway runs in an east-west direction and connects with South Carson Street (U.S. 395 Business Route), to the west of the subject neighborhood. South Carson Street is a commercial corridor and Carson City's main north-south thoroughfare. Properties along East College Parkway, west of its intersection with Roop Street and Emerson Drive, are developed with residential uses, including primarily single-family residential homes, as well as multi-family residential projects. These properties are generally in average condition. Those properties along East College Parkway east of its interchange with the U.S. 395 Bypass are developed with a variety of light industrial, retail commercial and professional office uses.
The Shaheen Business Park is situated on the south side of East College Parkway, between Research Way and Lompa Lane. This business park includes a series of one-story multi-tenant light-industrial/office buildings, a café, a bank branch and an urgent-care medical facility. Overall, the Shaheen Business Park is one of the more attractive industrial-commercial developments in Carson City.

The Shaheen Business Park is a portion of the former Steinheimer Trust Property. This ownership originally involved almost 500 acres of total land area. The northern portion of the site was purchased for industrial development, while the southern portion of this property involves the Mountain Park/Northridge Subdivision. The project is a 235 acre site which, in 1994, was approved for development with 793 lots ranging in size from 6,000± square feet to 15,000± square feet.

At and near the corner of East College Parkway and Goni Road are several office and retail developments, including the Parkway Professional Center, the Comstock Casino, Sonic Burger and the State of Nevada offices, a First Independent Bank building, and other office, retail and light industrial uses.

The southwestern portion of the neighborhood, known as the Hamilton Avenue/Camille Drive area, is improved primarily with average quality tract residences located on 6,000± square foot to 9,000± square foot lots

Overall, due to the arterial and collector streets, the subject neighborhood is considered to have good accessibility to most portions of the Carson City area.

The Carson City Airport is located in the northeast portion of the subject neighborhood off of College Parkway. The Carson City Airport is a General Aviation, public use airport. It offers 24-hour access and is located 3 miles northeast of downtown Carson City and approximately 30 miles from downtown Reno. There is no regularly scheduled commercial air service into the Carson City Airport. Most of the traffic is single or twin engine propeller aircraft or small private jets. There are two primary aircraft parking aprons at the airport providing approximately 150 tie-down positions. The Airport does include airfield lighting and is equipped with an automated weather observation system (AWOS). Fuel, maintenance, charters, aircraft sales and aircraft storage services are available on the airport property. Fixed base operators include Mountain West Aviation, Weaver Aircraft, Carson Aviation Services, Sterling Air, Ltd.,
Carson Aviation Adventures, Cactus Air Force Historic Aircraft Museum and Warbird maintenance and restoration. Carson City Sheriff’s Aero Squadron is also located on airport.

The most recent developments at the Carson City Airport include the Jet Ranch, a Class A aircraft hangar complex, and the Heritage Hangar project. Jet Ranch includes 86,000± square feet on 3.3± acres and offers a large customized private aircraft hangar and ten additional hangars. The Jet Ranch facility is intended to appeal to high end private aircraft users, as well as both business turbo-prop and corporate jet aircraft. Heritage Hangars is an aircraft storage condominium project and includes four hangars which are privately owned.

The heaviest concentration of industrial development in Carson City is located around the airport. Development in this area has been fostered by Carson City, the developer of the Carson City Airpark Industrial Park. The developments within the Carson City Airport market are primarily light industrial users. The majority of these improvements were constructed in the mid 1970’s to the mid 1980’s and include a variety of construction ranging from metal materials to concrete tilt-up and concrete block. A number of industrial buildings have been constructed within the northerly portion of the subject neighborhood. These improvements generally include light manufacturing, light industrial and high-tech or fabricating type uses. These developments are both single tenant and multi-tenant projects.

A second industrial area east of the airport has developed and is known as the Arrowhead Business Park. Development within this park includes average to good quality construction light industrial buildings and are currently in average to good condition.

The primary residential development within the subject neighborhood is single family homes. These single-family residential developments are situated both north and south of Highway 50 East. These homes were constructed in the late 1960’s and early 1970’s and are generally of average quality and are in fair to average condition. The properties in the vicinity of Airport Road, south of Highway 50 East, involve a fairly high concentration of multi-family developments which are of average quality and are generally in average condition.

The topography of the subject neighborhood is gently sloping down from north to south. While most of the neighborhood is located in an area of minimal flooding, there is a large floodway extending in a northwesterly-southeasterly direction through the Steinheimer Trust Property, west of Airport Road. The floodway crosses Lompa Lane and U.S. 395 onto the
Lompa Ranch. Extensive flood control channels have been constructed along U.S. 395 as well as along Lompa Lane in order to channelize flood flows and reduce the impact on surrounding properties.

Recreational opportunities within the subject neighborhood include the Eagle Valley Golf Course, the Empire Ranch Golf Course, Riverview Park and the Carson River.

All public facilities are immediately available throughout the neighborhood. These include municipal water and sewer service, electrical service, natural gas, telephone and cable television. Police protection is provided by the Carson City Sheriff's Department, while fire protection is provided by the Carson City Fire Department.

In summary, the subject neighborhood is located in the northeastern portion of Carson City, to the north of U.S. Highway 50 (East William Street) and west of the U.S. Freeway 395 Bypass. The subject neighborhood is a mixture of residential, commercial, office and industrial utilizations. The Carson City Airport is located in the easterly portion of the subject neighborhood.
CARSON CITY AIRPORT HISTORY

Established in 1928 with 1.02 acres of land. The first runway was what is now Taxiway Charley. The Airport expanded dramatically in January, 1958 when the John D. Winters’ family donated approximately 240 acres to the City to be used as an airport. This acreage comprises the approximate footprint of the main runway. Most areas were dirt and few if any services were available.

In the 1960’s, the Carson City Sheriff’s Aero Squadron paved and improved a portion of the ramp on the south side of the runway and has conducted operations from that location for over 40 years. The Airport is also used as a fire fighting base of operations for former military aircraft being operated under contract to the U.S. Forrest Service and the Nevada Division of Forestry. FBO’s, who had been operating on the Airport for many years began to expand during this period, offering a wide variety of services such as aircraft maintenance, fuel sales, flight instruction, and charter operations. As these activities increased, the Airport footprint began to grow as well. Today, it’s over twice its original size.

During the 1970’s, Carson City designated land north of the main runway as the Carson City Industrial Airpark and began offering low cost 99 year leases in order to attract clean, high quality manufacturing businesses to the area. These parcels were eventually sold, however, the “industrial airpark zone” remains to this day. Per NRS 844, two of the CCAA board members come from this zone.

Following the 1970’s and over the course of the last twenty to thirty years, Carson City and the CCAA have looked for ways to increase the economic viability of the Airport and to make it a more productive member of the tax base while, at the same time, improving safety and keeping the negatives associated with growth and development to a minimum. Today, this vision has evolved into a joint effort between Carson City and the Federal Aviation Administration (FAA).

In 2001, the FAA accepted the CCAA’s Master Plan for the Airport and agreed to provide approximately 95% of their funding through the Airport Capital Improvement Program (ACIP) over a phased, multi-year period. In 2009-2010, Carson City received well in excess of $9 million from the FAA to fund infrastructure improvement programs such as construction of a new, lengthened and realigned main runway, associated taxiways, state-of-the-art weather reporting equipment, and many other upgrades. These improvements and additions not only dramatically enhance safety and operability, but act as catalyst for the Airport to provide a vastly more robust contribution to Carson City’s tax base.
The Carson City Airport is owned by Carson City and operated by the Carson City Airport Authority (CCAA). The CCAA was created by the legislature in 1989 and its board members are appointed by the Carson City Board of Supervisors to serve four year terms. Its members consist of one city official, one citizen-at-large, one pilot, two manufacturers, and two fixed base operators (FBO’s).

The Carson City Airport provides general aviation services to tenants and transient aircraft operators. The Carson City Airport is completely self-sustaining and retains one third of the tax revenue it generates from fuel flowage fees, personal property tax from aircraft and property taxes from hangars. The airport retains approximately 30% of the tax revenue generated and the remainder goes to Carson City to be used for education and public safety.

While boasting of the lowest fuel prices in the region, its enhanced and modernized infrastructure, and its close proximity to Lake Tahoe, Reno and other destinations, the Carson City Airport has securely been established as the “Heart of the Sierras”.

Source: Carson City Airport Website
SUBJECT AERIAL PHOTOGRAPH
SUBJECT PHOTOGRAPHS

VIEW LOOKING EASTERLY TOWARD THE SUBJECT PROPERTY FROM TAXIWAY C

VIEW LOOKING NORTHEASTERLY ALONG TAXIWAY C ADJACENT TO THE SUBJECT
SUBJECT PHOTOGRAPHS

VIEW LOOKING EASTERLY TOWARD THE SUBJECT FROM COMMON AREA “A”, (JET RANCH HANGARS TO THE RIGHT)

VIEW LOOKING NORTHERLY TOWARD COMMON AREA “A” SUBJECT ON THE RIGHT, HERITAGE HANGARS ON THE LEFT
SUBJECT PHOTOGRAPHS

VIEW LOOKING SOUTHWESTERLY TOWARD THE SUBJECT TAKEN FROM TAXIWAY B NEAR ITS INTERSECTION WITH TAXIWAY C

A VIEW LOOKING NORTHERLY ALONG TAXIWAY B SUBJECT ON THE LEFT
SUBJECT PHOTOGRAPHS

VIEW LOOKING NORTHWESTERLY TOWARD THE SUBJECT FROM ITS SOUTHEAST CORNER, TAKEN FROM TAXIWAY B

VIEW OF UTILITY SERVICE FACILITIES LOCATED ON THE SUBJECT SITE
CARSON CITY AIRPORT MAP

Subject Parcel
SUBJECT EXHIBIT MAP

Subject Land Area

<table>
<thead>
<tr>
<th>Land Acreage</th>
<th>Land Square Feet</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.19± Acres</td>
<td>95,774± Square Feet</td>
</tr>
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</table>
LEGAL DESCRIPTION

LEGAL DESCRIPTION
LOT E (REMAINDER PARCEL)

All that portion of property in the Northeast one-quarter (NE 1/4) of Section 4, Township 15 North, Range 20 East, M.D.M. in Carson City, Nevada, as shown on the map of Heritage Hangers filed in the office of the Carson City Recorder, in Book 10 at Page 2707, as Document No. 386259, described as follows:

COMMENCING at the Northeast corner of said section 4 as shown on said map; thence South 25°24'42" West, 884.23 feet to the Northeast corner of said Lot E, and the POINT OF BEGINNING of this description; thence, along the lines of said Lot E the following five (5) courses:

1) South 01° 00' 00" West 147.70 feet
2) South 63° 40' 38.00" West 515.51 feet
3) North 25° 19' 22.00" West 175.00 feet
4) North 63° 40' 38.00" East 498.55 feet
5) South 89° 00' 18"E 95.39 feet, to the point of beginning.

Containing 95,774 Sq. Ft., more or less.

The Basis of Bearings for this description is the map of Heritage Hangers filed in the office of the Carson City Recorder, in Book 10 at Page 2707, as Document No. 386259
SUBJECT MASTER PLAN MAP

Carson City Master Plan Designation
Public/Quasi-Public
SUBJECT FLOOD ZONE MAP
PROPERTY IDENTIFICATION AND SITE DESCRIPTION

Property Address
Carson City Airport
2600 College Parkway, Carson City, Nevada

Owner of Record
Carson City Airport

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</tr>
<tr>
<td>Assessor’s Parcel Number</td>
</tr>
<tr>
<td>Land Area-Acres</td>
</tr>
<tr>
<td>Land Area-Square Feet</td>
</tr>
<tr>
<td>Shape</td>
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<td>005-091-18</td>
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</tbody>
</table>

Street Improvements/Access

As the subject is an interior site on the airport property, it does not have direct public street frontage or access. The subject is accessed by way of the interior roadway system on the airport property. Access to the airport is provided via security entry gates located along the north side of College Parkway, the airport main entry, and along the south side of Arrowhead Drive to the north of the airport.

East College Parkway is a major east-west arterial roadway. In the vicinity of the subject property, College Parkway is a two-way, four-lane asphalt paved roadway with concrete curbs, gutters and sidewalks. East of its intersection with Airport Road, College Parkway becomes a two-lane road. College Parkway has a full interchange with the U.S. 395 Freeway Bypass approximately 3/4 of a mile west of the subject property. Additionally, College Parkway provides access to Carson Street approximately 1-3/4 miles west of the subject property. Arrowhead Drive, in the vicinity of the airport, is an east-west two-way, two-lane asphalt paved roadway.

Overall, the subject is considered to have adequate access.
Subject Zoning & Master Plan Designations

<table>
<thead>
<tr>
<th>Carson City Zoning Designation</th>
<th>Carson City Master Plan Designation</th>
</tr>
</thead>
<tbody>
<tr>
<td>PR (Public Regional))</td>
<td>Public/Quasi-Public</td>
</tr>
</tbody>
</table>

Zoning

The purpose of the Public Regional "means Federal, state and city facilities and uses whose main purpose is to sustain wide regional needs." All uses are conditional uses permitted only with a special use permit. These uses include a wide variety of public service type uses.

Master Plan

Under the Carson City Master Plan, the subject is designated Public/Quasi-Public.

According to the Carson City Airport Master Plan “the area along both sides of Taxiway B is reserved for aircraft storage hangar development. Aircraft storage hangars are best placed along this taxiway due to their lower levels of activity. Additional aircraft storage hangar development is reserved along the south side of Taxiway C at the intersection of Taxiway C and Taxiway B. “

The Carson City Airport Authority leases individual parcels for aviation related uses which include the existing hangar condominium associations and aircraft storage hangars.
Utilities & Public Services

<table>
<thead>
<tr>
<th>Utility &amp; Public Service</th>
<th>Provider</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electricity</td>
<td>NV Energy</td>
</tr>
<tr>
<td>Natural Gas</td>
<td>Southwest Gas</td>
</tr>
<tr>
<td>Telephone/Cable/Internet</td>
<td>Various Carriers</td>
</tr>
<tr>
<td>Water</td>
<td>Municipal</td>
</tr>
<tr>
<td>Sewer</td>
<td>Municipal</td>
</tr>
<tr>
<td>Waste Disposal</td>
<td>Waste Management</td>
</tr>
<tr>
<td>Fire Protection</td>
<td>Carson City Fire Department</td>
</tr>
<tr>
<td>Police Protection</td>
<td>Carson City Sheriff Department</td>
</tr>
<tr>
<td>Public Transportation</td>
<td>JAC Transit</td>
</tr>
</tbody>
</table>

In discussions with Mr. Steven Tackes, Esq., the airport representative, it was indicated that all utilities are immediately available to the subject parcel. At the time of inspection, a number of fire hydrants and electrical vaults were noted on or proximate to the subject property.

Environmental and Soils Data

An environmental site assessment was not provided to us by the client. However, based upon surrounding improvements, it is our expectation that the subject property does have adequate soils to allow for normal development. This appraisal report assumes that the subject soils are sufficient for the current development on the subject site.

Hazardous Substances

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

Vegetation

Vegetation on the subject site consists primarily of sagebrush.
According to the Federal Emergency Management Agency's Flood Insurance Rate Map, Community Panel Number 3200010103E, with an effective date of January 16, 2009, the subject property is located in a Flood Zone “X”. A Flood Zone “X” designates areas of minimal flooding potential. Flood insurance is not required in a Flood Zone “X”.

Soils

A soils report was not available to us, however, as several parcels on the airport property have been developed, it is assumed that the subject is not adversely affected by soil conditions to a greater degree than is typical for the subject neighborhood.

Topography

The topography of the subject parcel is generally level being at street grade.

Earthquake Zone

According to the most recent Uniform Building Code, the subject property is located in a Seismic Risk Zone 3. This zone encompasses areas which have a number of local faults and where there is relatively strong probability of moderate to strong seismic activity. Seismic Risk Zone 3 is characteristic of the entire area.

Easements and Encumbrances

A preliminary title report was not made available and as such, we are unaware of any easements or other encumbrances affecting the subject’s use potential. A number of fire hydrants and electrical vaults were noted on the subject site at the time of inspection. Our physical inspection of the subject property revealed no other overt signs of any easements which would impact its development potential. Overall, it is assumed that the subject is not encumbered by easements to a greater degree than is typical for similar properties in the surrounding area.

Surrounding Development

The subject is located on airport at the Carson City Airport which has been developed with aviation uses including aircraft storage hangars, the Heritage Hangars, the Jet Ranch
hangars, El Aero Services, Sterling Air, the Sheriff’s Aero Squadron facility, a Carson City Fire Department substation and Mountain West Aviation (FBO including a self-service aviation fueling station). The properties to the west, north and east of the airport involve primarily industrial uses. The properties to the south of the airport are improved with single family residential uses as well as the Comstock Mobile Home Village.

**Current Improvements**

The subject property is currently vacant and unimproved. All necessary utility services have been installed to the subject site and it is ready for immediate development. The subject has access to the airport’s interior roadway, ramps, taxiways and runway.

**Subject Sales History**

There have been no arm’s length sales with respect to the subject property within the last five years.

**Tax Data**

Not-for-profit organizations, quasi-governmental, and governmental organizations are exempt from real estate taxes. As the subject is under the ownership of the Carson City Airport Authority, it is exempt from taxation.

**Summary and Conclusion**

In summary, the subject property contains 2.19± acres (95,774± square feet) of land area. The subject site is located on the airport property within the northeasterly portion of the Carson City Airport. The subject is accessed by way of the interior roadway system on the airport property. The Airport has adequate access and adequate to good freeway accessibility. The subject site is of slightly irregular shape and has level topography. All utilities are immediately available to the property.
HIGHEST AND BEST USE ANALYSIS

Highest and best use is defined in the 6th Edition of The Dictionary of Real Estate Appraisal (Appraisal Institute, Chicago, 2015) as “The reasonably probable use of a property that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.”

The subject parcel is vacant and unimproved; therefore, the highest and best use analysis will analyze the subject as vacant.

Physically Possible

The first step in the Highest and Best Use Analysis is to consider the physical features of the subject site. In determining the physically possible uses of the subject parcel, its location and physical characteristics must be considered. The subject is located on the Carson City Airport within the northeast portion of the airport property. The subject is situated at the southwest corner of Taxiway B and Taxiway C, north of the runway. The subject site contains 2.19± acres of land area. The subject has direct access to the airport ramp area and taxiways. The subject is accessed by way of the interior roadway system on the airport property. The Airport has adequate access and adequate to good freeway accessibility. The subject site is of slightly irregular shape and has level topography. All utilities are immediately available to the property.

Overall, the subject site has adequate physical features to support a variety of development. It is recognized that due to its location on airport and as access is provided by the airport interior roads that development would be restricted to those allowed within the confines of the airport property.

Legally Permissible

In order to satisfy the criteria of highest and best use, a proposed use must also be legally permissible. The legally permissible utilizations of a property are governed by zoning ordinances, master plan designations, and other restrictions.

The subject property is currently zoned Public Regional. The purpose of the Public Regional district is to accommodate the wide range of public institutional and auxiliary uses which are established in response to the health, safety, cultural and welfare needs of the citizens of the City. All uses are conditional uses permitted only with a special use permit. These uses
include a wide variety of public service type uses. The subject is designated Public/Quasi-Public which include services provided by the City, special districts or by a quasi-public organization.

According to the Carson City Airport Master Plan “the area along both sides of Taxiway B is reserved for aircraft storage hangar development. Aircraft storage hangars are best placed along this taxiway due to their lower levels of activity. Additional aircraft storage hangar development is reserved along the south side of Taxiway C at the intersection of Taxiway C and Taxiway B. “

From a legal perspective, the subject’s zoning designation permits development of the site with aircraft storage hangar uses.

Financially Feasible/Maximally Productive

The highest and best use of the subject site must also be financially feasible and maximally productive. The maximally productive utilization of the subject would be the most intense utilization of the property which is financially feasible. With consideration given to the subject’s location at the Carson City Airport which has met with adequate market acceptance, and as the subject does have direct access to the main runway and taxiways, the highest and best use of the subject site would involve development with an airport related utilization such as commercial and/or cold storage hangar uses.

Conclusion

Based upon a careful review of the subject’s physically possible, legally permissible, financially feasible and maximally productive uses, it is our opinion that the highest and best use of the subject parcel is for future development with an aircraft storage hangar development.
MARKET LAND RENT ANALYSIS

The purpose of this report is to estimate the Market Rent of the subject land. This valuation analysis will include two distinct steps. The first step is to estimate the Market Value of the subject’s underlying land area. As the subject is a vacant unimproved parcel of land, the Cost and Income Approaches to Value were not felt to be applicable. Typically, when valuing vacant land, the Sales Comparison is the most reliable approach to value. The Sales Comparison Approach is based on the principal of substitution, which holds that the value of the subject property tends to be set by the price that would be paid to acquire a substitute property of similar utility and desirability.

Once the unencumbered fee simple value of the subject site has been estimated, the next step in the Market Land Rent Analysis is to derive an appropriate rate of return applicable to the subject. The selected rate of return will then be applied to the estimated Market Value of the subject land to arrive at an estimate of the appropriate Market Land Rent applicable to the subject property on an annual basis.

SALES COMPARISON APPROACH TO VALUE

To establish an estimate of the Market Value of the subject site, the Official Records of Carson City were searched for sales of similar parcels in the subject market area. All sales found were investigated, analyzed and compared to the subject. The sales set forth on the following chart were considered to be indicative of the Market Value of the subject site. The sales utilized will be compared to the subject property on a price per square foot of land area basis.
### COMPARABLE LAND SALES CHART

<table>
<thead>
<tr>
<th>Sale Number</th>
<th>A.P.N. Location</th>
<th>Recording Date</th>
<th>Zoning</th>
<th>Land Area</th>
<th>Sale Price/</th>
<th>Sale Price/Square Foot</th>
</tr>
</thead>
<tbody>
<tr>
<td>LS-1</td>
<td>005-053-05 (Mini-Warehouse Site) W/S Arrowhead Drive, 615 ±' S. of North Leg Lamotte Drive Carson City, NV</td>
<td>2/19/2016</td>
<td>GI</td>
<td>1.94 Acres</td>
<td>$292,000</td>
<td>$3.46</td>
</tr>
<tr>
<td>LS-2</td>
<td>008-816-73 Carson City Airport Submarket At the NE Terminus, Metric Way Cul de Sac Carson City, NV</td>
<td>7/8/2016</td>
<td>LI</td>
<td>1.11 Acres</td>
<td>$120,000</td>
<td>$2.48</td>
</tr>
<tr>
<td>LS-3</td>
<td>005-062-07 &amp; 08 Carson City Industrial Airpark 2681 Arrowhead Drive Carson City, NV</td>
<td>3/3/2017</td>
<td>AIP</td>
<td>2.18 Acres</td>
<td>$213,000</td>
<td>$2.24</td>
</tr>
<tr>
<td>LL-4</td>
<td>005-071-11 Carson City Industrial Airpark 3001 Conestoga Drive Carson City, NV</td>
<td>Current Listing 8/21/2017</td>
<td>GIA</td>
<td>3.61 Acres</td>
<td>Asking 157,252 SF</td>
<td>Asking $3.75</td>
</tr>
<tr>
<td>LL-5</td>
<td>005-052-01 &amp; 04, 005-053-01 &amp; 02, 005-054-09 &amp; Carson City Airport Submarket Both Sides Lamotte Drive &amp; on the S/S of Arrowhead Drive Carson City, NV</td>
<td>Current Listing 8/21/2017</td>
<td>GI</td>
<td>4.81 Acres</td>
<td>$590,000</td>
<td>Asking 209,524 SF to 514,879 SF $3.95</td>
</tr>
<tr>
<td>Subject Property</td>
<td>005-091-18 SWC Taxiway C &amp; Taxiway B Carson City Airport Carson City, NV</td>
<td>Date of Value 8/21/2017</td>
<td>PR</td>
<td>2.19 Acres</td>
<td>$95,774 SF</td>
<td>- - -</td>
</tr>
</tbody>
</table>


COMPARABLE LAND SALES MAP
COMPARABLE LAND SALE AERIAL MAP AND PROFILE
SALE LS-1

<table>
<thead>
<tr>
<th>Property Name:</th>
<th>Vacant Land</th>
<th>City:</th>
<th>Carson City</th>
</tr>
</thead>
<tbody>
<tr>
<td>Location:</td>
<td>West side of Arrowhead Dr., 615± feet south of the north leg of LaMotte Dr.</td>
<td>County:</td>
<td>Carson City</td>
</tr>
<tr>
<td>A.P.N.:</td>
<td>005-053-05</td>
<td>State:</td>
<td>Nevada</td>
</tr>
<tr>
<td>Topography:</td>
<td>Level, Slight Above Grade</td>
<td>Flood Zone:</td>
<td>“X”, Minimal Risk Areas</td>
</tr>
<tr>
<td>Zoning:</td>
<td>GI (General Industrial)</td>
<td>Utilities:</td>
<td>Immediately Available</td>
</tr>
<tr>
<td>Parcel Acreage:</td>
<td>1.94± Acres</td>
<td>Shape:</td>
<td>Rectangle</td>
</tr>
<tr>
<td>Parcel Square Feet:</td>
<td>84,506± Square Feet</td>
<td>Proposed Use:</td>
<td>Mini-Warehouse Facility</td>
</tr>
<tr>
<td>Recording Date:</td>
<td>February 19, 2016</td>
<td>Price Per Square Foot:</td>
<td>$3.46</td>
</tr>
<tr>
<td>Sale Price:</td>
<td>$292,000</td>
<td>Terms of Sale:</td>
<td>Cash</td>
</tr>
<tr>
<td>Grantor:</td>
<td>Meliberty, LLC</td>
<td>Grantee:</td>
<td>VKDG Development, LLC</td>
</tr>
<tr>
<td>Document Number:</td>
<td>462009</td>
<td>Verification:</td>
<td>Public Records, Brad Bonkowski, NAI Alliance Real Estate</td>
</tr>
</tbody>
</table>

Comments: This property is situated a short distance east of the Carson City Airport property. The site has generally level topography and is slightly above street grade. Subsequent to the purchase, this property was improved with the Carson City Storage, Self-Storage and RV and Boat Storage facility.
COMPARABLE LAND SALE AERIAL MAP AND PROFILE
SALE LS-2

<table>
<thead>
<tr>
<th>Property Name:</th>
<th>Vacant Land</th>
<th>City:</th>
<th>Carson City</th>
</tr>
</thead>
<tbody>
<tr>
<td>Location:</td>
<td>Airport Submarket</td>
<td>County:</td>
<td>Carson City</td>
</tr>
<tr>
<td>Metric Way cul de sac</td>
<td>State:</td>
<td>Nevada</td>
<td></td>
</tr>
<tr>
<td>A.P.N.:</td>
<td>008-816-73-73</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Topography:</td>
<td>Level, Slight Above Grade</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Zoning:</td>
<td>LI (Light Industrial)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Parcel Acreage:</td>
<td>1.11± Acres</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Parcel Square Feet:</td>
<td>48,352± Square Feet</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recording Date:</td>
<td>July 8, 2016</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sale Price:</td>
<td>$120,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grantor:</td>
<td>Herman K Bauer, et al</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Document Number:</td>
<td>466038</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Price Per Square Foot:</td>
<td>$2.48</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Terms of Sale:</td>
<td>Cash</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grantee:</td>
<td>Alex Bullentini, et al</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Verification:</td>
<td>Public Records/John Uhart, John Uhart Commercial Real Estate</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Comments: This comparable is the July 2016 sale of a 1.11± acre parcel located within the airport submarket. This site is located at the northeast terminus of the Metric Way cul-de-sac. This site has generally level topography being slightly above street grade. Surrounding development consists of primarily older light industrial warehouses and vacant land with single-family residential development to the north.
## Comparative Land Sale Aerial Map and Profile
### Sale LS-3

<table>
<thead>
<tr>
<th>Property Name:</th>
<th>Vacant Land</th>
<th>Location:</th>
<th>Carson City Industrial Airpark</th>
<th>2681 Arrowhead Drive 005-062-07 &amp; 08</th>
</tr>
</thead>
<tbody>
<tr>
<td>City:</td>
<td>Carson City</td>
<td>County:</td>
<td>Carson City</td>
<td></td>
</tr>
<tr>
<td>A.P.N.:</td>
<td></td>
<td>State:</td>
<td>Nevada</td>
<td></td>
</tr>
<tr>
<td>Topography:</td>
<td>Level</td>
<td>Flood Zone:</td>
<td>“X”, Minimal Risk Areas</td>
<td></td>
</tr>
<tr>
<td>Zoning:</td>
<td>AIP (Airport Industrial Park)</td>
<td>Utilities:</td>
<td>Immediately Available</td>
<td></td>
</tr>
<tr>
<td>Parcel Acreage:</td>
<td>2.18± Acres</td>
<td>Shape:</td>
<td>Generally Rectangular</td>
<td></td>
</tr>
<tr>
<td>Parcel Square Feet:</td>
<td>94,961± Square Feet</td>
<td>Proposed Use:</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td>Recording Date:</td>
<td>March 3, 2017</td>
<td>Price Per Square Foot:</td>
<td>$2.24</td>
<td></td>
</tr>
<tr>
<td>Sale Price:</td>
<td>$120,000</td>
<td>Terms of Sale:</td>
<td>Cash</td>
<td></td>
</tr>
<tr>
<td>Grantor:</td>
<td>Cubix Corporation</td>
<td>Grantee:</td>
<td>Holroyd Properties, LLC</td>
<td></td>
</tr>
<tr>
<td>Document Number:</td>
<td>472862</td>
<td>Verification:</td>
<td>Public Records/ Confidential (Local Broker)</td>
<td></td>
</tr>
</tbody>
</table>

Comments: This comparable is the March 2017 sale of 2.18± acres located in the Carson City Industrial Airpark. This property is located at 2681 Arrowhead Drive, a short distance north of the Carson City Airport. The sale consists of two adjacent parcels situated on the west side of Convair Drive, between Arrowhead Drive and Lockheed Way. This site has level topography and is zoned Airport Industrial Park. It is our understanding that the seller was highly motivated to sell the property due to financial difficulties.
<table>
<thead>
<tr>
<th>Property Name:</th>
<th>Vacant Land</th>
<th>City:</th>
<th>Carson City</th>
</tr>
</thead>
<tbody>
<tr>
<td>Location:</td>
<td>Carson City Industrial Airpark 3001 Conestoga Drive</td>
<td>County:</td>
<td>Carson City</td>
</tr>
<tr>
<td>A.P.N.:</td>
<td>005-071-11</td>
<td>State:</td>
<td>Nevada</td>
</tr>
<tr>
<td>Topography:</td>
<td>Level/Gentle</td>
<td>Flood Zone:</td>
<td>“X”, Minimal Risk Areas</td>
</tr>
<tr>
<td>Zoning:</td>
<td>GIA (General Industrial Airport)</td>
<td>Utilities:</td>
<td>Immediately Available</td>
</tr>
<tr>
<td>Parcel Acreage:</td>
<td>3.61± Acres</td>
<td>Shape:</td>
<td>Slightly Irregular</td>
</tr>
<tr>
<td>Parcel Square Feet:</td>
<td>157,252± Square Feet</td>
<td>Proposed Use:</td>
<td>N/A</td>
</tr>
<tr>
<td>Listing Date:</td>
<td>Current Listing August 21, 2017</td>
<td>Asking Price Per SF:</td>
<td>$3.75</td>
</tr>
<tr>
<td>Asking Price:</td>
<td>$590,000</td>
<td>Terms of Sale:</td>
<td>Cash</td>
</tr>
<tr>
<td>Owner of Record:</td>
<td>IRA Services Trust Co. c/o Eileen Kirschner (IRA)</td>
<td>Verification:</td>
<td>Jack Brower, SVN</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Owner of Record:</td>
<td>Commercial Real Estate</td>
</tr>
</tbody>
</table>

Comments: This comparable is located at 3001 Conestoga Drive within the Carson City Industrial Airpark. This parcel is located at the east terminus of Conestoga Drive approximately ½ block east of Convair Drive. This site has level to gentle undulating topography and contains 3.61± acres. In discussions with Mr. Jack Brower, the listing Broker, it was indicated that this property has been available for sale for approximately 3-5 years with no adjustment to the asking price.
**COMPARABLE LAND LISTING AERIAL MAP AND PROFILE LISTING LL-5**

<table>
<thead>
<tr>
<th>Property Name:</th>
<th>Vacant Land</th>
<th>City:</th>
<th>Carson City</th>
</tr>
</thead>
<tbody>
<tr>
<td>Location:</td>
<td>Airport Submarket</td>
<td>County:</td>
<td>Carson City</td>
</tr>
<tr>
<td></td>
<td>Both sides LaMotte Dr., South side Arrowhead Dr.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>A.P.N.:</td>
<td>005-052-01 &amp; 04 005-053-01 &amp; 02 005-054-09 &amp; 10</td>
<td>State:</td>
<td>Nevada</td>
</tr>
<tr>
<td>Topography:</td>
<td>Level/Gentle</td>
<td>Flood Zone:</td>
<td>“X”, Minimal Risk Areas</td>
</tr>
<tr>
<td>Zoning:</td>
<td>GI (General Industrial)</td>
<td>Utilities:</td>
<td>Reasonably Available</td>
</tr>
<tr>
<td>Parcel Acreage:</td>
<td>4.81± Acres to 11.82± Acres</td>
<td>Shape:</td>
<td>Irregular</td>
</tr>
<tr>
<td>Listing Date:</td>
<td>Current Listing August 21, 2017</td>
<td>Proposed Use:</td>
<td>N/A</td>
</tr>
<tr>
<td>Owner of Record:</td>
<td>CC Note Investment Group</td>
<td>Asking Price Per SF:</td>
<td>$3.95</td>
</tr>
<tr>
<td>Verification:</td>
<td>Brad Bonkowski, NAI Alliance Real Estate</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Comments: This comparable is the current listing of six industrially zoned parcels located on both sides of LaMotte Drive and south of Arrowhead Drive. This property is located directly east of the Carson City Airport property. The listing broker, Mr. Bonkowski, of NAI Alliance, has indicated that those parcels adjacent to the airport have deeded through the gate access. The available parcels range in size from 4.81± acres to 11.82± acres and involve generally level to gentle topography. Utility services are reasonably available to this site as they have been installed within Arrowhead Drive and within portions of LaMotte Drive.
COMPARABLE LAND SALES DISCUSSION AND COMPARISON

The comparable land sales utilized in this analysis, range in date of sale from February of 2016 to March of 2017. We have also included two current land listings. The comparables range in land area from 1.11± acres to 11.82± acres, as compared to the subject site, which contains 2.19± acres. The comparables illustrate prices ranging from $2.24 to $3.95 per square foot.

Discussion of Adjustments

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

Property Rights Conveyed

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

Financing-Terms of Sale (Cash Equivalency)

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

Conditions of Sale

Based upon a review of the public records and/or interviews with the persons involved with each of the sales utilized in this analysis, with the exception of Sale LS-3, no adjustments for conditions of sale are required. An upward adjustment for conditions of sales is required for Sale LS-3, as the seller was highly motivated to sell the property.

Market Conditions (Date of Sale)

Based upon interviews with market participants, and with consideration to sales activity in the industrial and commercial land markets, an upward adjustment for market conditions has been made to Sales LS-1 and LS-2 which occurred in 2016. Sale LS-3 occurred in March of 2017 and therefore, no adjustment for market conditions is considered warranted. Comparables LL-4 and LL-5 are currently available for sale and require downward adjustment due to their listing status.
Location

The subject is located in the Carson City Airport industrial submarket. Sales LS-2, LS-3 and Listing LL-4 are located north of the airport and are felt to be similar to the subject in regards to location. Sale LS-1 and Listing LL-5 are located east of the airport generally at Arrowhead Drive and LaMotte Drive. This area includes newer industrial development than the neighborhood north of the airport and is considered to be a more desirable location. As a result, Sale LS-1 and Listing LL-5 are given downward adjustments for location.

Location On Airport

The subject is located on the airport within the northeast portion of the Carson City Airport property. The subject has direct access to the airport ramp area and taxiways. Due to the subject’s location on the Airport, and as it has direct airport ramp and taxiway access, each of the comparable sale properties requires an upward adjustment for this factor.

Zoning

The subject is situated at the southwest corner of Taxiway B and Taxiway C. According to the Carson City Airport Master Plan “the area along both sides of Taxiway B is reserved for aircraft storage hangar development. Aircraft storage hangars are best placed along this taxiway due to their lower levels of activity. Additional aircraft storage hangar development is reserved along the south side of Taxiway C at the intersection of Taxiway C and Taxiway B. “

Each of the comparables is zoned for industrial development. Overall, due to the more restricted uses allowed on the subject site under the Carson City Airport Master Plan, the comparable sales are considered to have a wider range of potential uses as compared to the subject property. As a result, each of the comparables require a downward adjustment for this factor.

Access/Frontage

The subject property is an interior site and has no direct public street frontage. Access is provided to the subject from the airport interior roadway system.

Each of the comparables has direct street frontage and access, requiring downward adjustment.
Size

The comparable sales range in land area from 1.11± acres to 11.82± acres. Generally, a relationship exists between the size of the parcel and the per unit price paid. For those sales which are smaller than the subject property, a downward adjustment will be made to the price per square foot. Conversely, for those sales which are larger than the subject property, an upward adjustment will be made to the price per square foot.

Topography

The subject property has level topography, as does each of the comparables; as a result, no adjustment is required for this factor.

Availability of Utilities

The subject property has immediate access to all necessary utilities. Each of the comparables had immediate or reasonable access to utilities. As a result, no adjustment for availability of utilities is indicated.

Other Adjustments

Each of the comparables, as well as the subject site, is located in a Flood Zone “X”, therefore, no adjustments for flood zone are necessary.

The following summarizes the adjustments made to the sales in comparison to the subject property.

Adjustments to Sales

Sales LS-1 is the February 2016 sale of a 1.94± acre parcel located on the west side of Arrowhead Drive, 615± feet south of the north leg of LaMotte Drive. Subsequent to the purchase, this property was improved with the Carson City Storage Self-Storage, RV and Boat Storage facility. In comparison to the subject, this comparable requires upward adjustments due to its older date of sale and as the subject is located on-airport. On the other hand, this comparable requires downward adjustments due to its superior location and superior development potential. This comparable requires a downward adjustment due to its direct street frontage and access. Overall, this comparable, at $3.46 per square foot is considered to be a high indication of an appropriate per unit value for the subject.
Sales LS-2 is the July 2016 sale of a 1.11± acre parcel located within the airport submarket. This site is located at the northeast terminus of the Metric Way cul-de-sac. In comparison to the subject, this comparable requires an upward adjustment due to its older date of sale. An upward adjustment is made as the subject is a corner site located on-airport at Taxiway B and Taxiway C. On the other hand, this comparable requires downward adjustments due to its smaller land area and superior development potential. This comparable requires a minor downward adjustment due to its street frontage and access from the terminus of the Metric Way. Overall, this comparable, at $2.48 per square foot is considered to be a low indication of an appropriate per unit value for the subject.

Sales LS-3 is the March 2017 sale of 2.18± acres located in the Carson City Industrial Airpark, a short distance north of the Carson City Airport. The sale consists of two adjacent parcels situated on the west side of Convair Drive, between Arrowhead Drive and Lockheed Way. In comparison to the subject, this comparable requires a large upward adjustment due to its conditions of sale. An upward adjustment is made as the subject is located on-airport. On the other hand, this comparable requires downward adjustments due to its superior street frontage on three roads and superior development potential. This comparable is similar to the subject in regards to location, date of sale and size. Overall, this comparable, at $2.24 per square foot is considered to be a very low indication of an appropriate per unit value for the subject.

Listing LL-4 is located at 3001 Conestoga Drive within the Carson City Industrial Airpark. This parcel is located at the east terminus of Conestoga Drive and contains 3.61± acres. In comparison to the subject, this comparable requires an upward adjustment as the subject is located on-airport. An upward adjustment is made due to this comparable’s larger land area. On the other hand, this comparable requires downward adjustments due to its superior street frontage and superior development potential. A large downward adjustment is made due to this comparable’s listing status. As previously noted, this property has been available for sale for approximately 3-5 years with no adjustment to the asking price. This comparable is similar to the subject in regards to location. Overall, this comparable, at $3.75 per square foot was considered to be a very high indication of an appropriate per unit value for the subject.

Listing LL-5 is located on both sides of LaMotte Drive and south of Arrowhead Drive. This property is located directly east of the Carson City Airport property. The available parcels range in size from 4.81± acres to 11.82± acres. According to the listing broker, this property has the potential for thorough-the-fence access to the airport. Therefore, this comparable is given a
minor upward adjustment as the subject is located on-airport. An upward adjustment is made due to this comparable’s larger land areas. On the other hand, this comparable requires downward adjustments due to its superior location and superior development potential. This comparable requires a downward adjustment due to its direct street frontage and access. A large downward adjustment is made due to this comparable’s listing status. Overall, this comparable, at $3.95 per square foot was considered to be a very high indication of an appropriate per unit value for the subject.

In summary Sale LS-1 and Listings LL-4 and LL-5, at $3.46 to $3.95 per square foot, were considered to be high to very high indicators of an appropriate per unit land value for the subject. Sales LS-2 and LS-3, at $2.24 to $2.48 per square foot were considered to be low to very low indicators.

Overall, the above analysis indicates that an appropriate per unit land value for the subject is $3.00 per square foot.

In estimating an appropriate per unit value for the subject, consideration has been given to its location on airport at the Carson City Airport, its corner situs at Taxiway B and Taxiway C, its level topography, immediate availability of utilities, size and other physical characteristics. Further consideration is given to the subject’s lack of direct street frontage. Consideration is also given to the fact that development is limited to aviation uses, primarily involving aircraft hangar storage facilities.

Based upon a review of the available data, it is our opinion that a per unit land value applicable to the subject, as of August 21, 2017, is $3.00 per square foot. Applying the $3.00 per square foot value to the subject’s 95,774± square feet results in an indicated fee simple value of the subject of $287,322, which is rounded to $290,000.

FINAL PROPERTY VALUE CONCLUSION  $290,000

FINAL PER SQUARE FOOT VALUE CONCLUSION  $3.00/SF
MARKET LAND RENTAL ANALYSIS

In order to arrive at an estimate of the Market Rent which would be applicable to the subject site, a rate of return must be selected. The selected rate of return will then be applied to the estimated Market Value of the subject land to arrive at an estimate of the appropriate market rent applicable to the subject property on an annual basis.

Analysis of Rates of Return

In order to estimate an appropriate rate of return, we interviewed several brokers and property owners active in the Northern Nevada and Northern California real estate markets. Additionally, we have analyzed historical information garnered by this appraisal firm relating to ground leases.

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 every 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.

Representatives of this appraisal firm have also spoke with Mr. Drew Mickel of Reynolds & Brown, a commercial real estate development and management company with offices in Concord and San Leandro, California. Mr. Mickel stated that an appropriate rate of return in the current market is 8%. Reynolds & Brown does a number of ground leases, primarily in the East Bay area.
Mr. Frank Gallagher of Commercial Partners of Nevada has indicated that the land leases with which he has been involved have been based upon a rate of return in the range of 10%. He also pointed out that these leases generally involve retail-commercial properties and typically have a CPI adjustment everyone to three years for long-term lease.

This firm interviewed Bruce D. Storey, Director, Investment Committee & CFO Emeritus of Dermody Properties of Reno, Nevada. Mr. Storey indicated that Dermody Properties entered into a long term land lease, as the Lessee, for a site in Allentown, Pennsylvania during the first week of 2006. The rate of return which Dermody Properties was willing to pay for the long term land lease was based upon 7.50% of the market value of the property. Mr. Storey indicated that the land rent will be adjusted every 5 years during the 50 year term lease.

Mr. Storey also 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 9% to 10%. 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 of 2011 with an initial term of 15 years, with four five-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%.

A long term ground lease was negotiated for a new McDonald’s restaurant to be located in Spanish Springs Valley, northeast of Reno, based upon a 7.5% rate of return.

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.

To summarize, longer term land leases typically indicate rates of return ranging from 8% to 10%. Shorter term leases tend to indicate rates of return of approximately 7% to 7.5%. Overall, based upon the information available, it is our opinion that an appropriated rate of return applicable to the subject would be 8.0%.

Applying the selected 8% rate of return to the land value estimate of $3.00 per square foot results in an annual rental rate for the subject site, as of a current date of valuation, of $0.24 per square foot per year.

**MARKET LAND RENT INDICATION**

**2.19± ACRE SITE**

<table>
<thead>
<tr>
<th>Market Value of Land</th>
<th>$3.00</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rate of Return</td>
<td>8.0%</td>
</tr>
<tr>
<td>Indicated Market Land Rent</td>
<td>$0.24/SF/Year</td>
</tr>
</tbody>
</table>

**MARKET LAND RENT CONCLUSION**

(RD) $23,000/YEAR
(95,774± SF @ $0.24/SF/Year)
DIRECT RENTAL COMPARISON AND ANALYSIS

In order to arrive at an estimate of the Market Rent which would be applicable to the subject land we have conducted a comparable rental survey of ground lease rates at other comparable airports in the greater region. Based upon this survey, a number of similar ground rentals on airport property were identified. The rentals were investigated, analyzed and compared to the subject.

The comparable rentals set out following were considered to be indicative of the subject's rental potential. For the purposes of this analysis, the comparables will be compared with the subject on a rent per square foot of land area per year basis.
### COMPARABLE AIRPORT LAND LEASE CHART

<table>
<thead>
<tr>
<th>Rental No.</th>
<th>Airport Location</th>
<th>Land Area Amenities</th>
<th>Lease Term</th>
<th>Expenses Rent Adjustments</th>
<th>Rent/SF Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>CAL-1</td>
<td>Reno-Stead Airport &lt;br&gt; Aviation Classics, Parcel 10 &lt;br&gt; 4825 Texas Avenue &lt;br&gt; Reno, NV</td>
<td>15,874 SF &lt;br&gt; Storage Yard</td>
<td>5 Years &lt;br&gt; 11/1/2015 to 10/31/2020</td>
<td>NNN &lt;br&gt; Annual CPI</td>
<td>$0.22</td>
</tr>
<tr>
<td>CAL-2</td>
<td>Reno-Stead Airport &lt;br&gt; Parcel B-1 &amp; Parcel F &lt;br&gt; Hall Bonanza, LLC. &lt;br&gt; Reno, NV</td>
<td>4,452 SF &lt;br&gt; and 10,625 SF &lt;br&gt; Security card access &lt;br&gt; wash rack, restrooms, Common Area Parking</td>
<td>Start Date &lt;br&gt; 2010% 30 Years</td>
<td>NNN &lt;br&gt; Annual CPI &lt;br&gt; 15th Year per Appraisal &lt;br&gt; CPI Remainder Term</td>
<td>$0.248 to $0.268</td>
</tr>
<tr>
<td>CAL-3</td>
<td>RARA Hangar Site &lt;br&gt; Reno-Stead Airport &lt;br&gt; Reno, NV</td>
<td>RARA Owned Hangar Site Size Per Lease Agreement 8,442 SF</td>
<td>Have Occupied Since 1989 (Now in Holdover)</td>
<td>NNN &lt;br&gt; Annual CPI</td>
<td>Current Rent $0.260</td>
</tr>
<tr>
<td>CAL-4</td>
<td>Minden-Tahoe Airport &lt;br&gt; 1146 Airport Road &lt;br&gt; Minden, NV</td>
<td>Various &lt;br&gt; Restrooms</td>
<td>Typical Lease 25 - 50 Years</td>
<td>NNN &lt;br&gt; Annual CPI &lt;br&gt; 15th Year per Appraisal</td>
<td>East Side $0.20 West Side $0.25</td>
</tr>
<tr>
<td>CAL-5</td>
<td>Elko Regional Airport &lt;br&gt; Summit Air &lt;br&gt; 975 Terminal Way &lt;br&gt; Elko, NV</td>
<td>Various &lt;br&gt; Typical Hangar Site 2,500 SF &lt;br&gt; Wash Rack, Tie Down Areas Restrooms</td>
<td>Typical Lease 25 - 45 Years</td>
<td>Modified Gross Tenant Pays Utilities Periodically Adjusted per County Commission Resolution Last Adj. 9± Yrs. Ago</td>
<td>$0.28</td>
</tr>
<tr>
<td>CAL-6</td>
<td>Winnemucca Municipal Airport Hangar Sites &lt;br&gt; Winnemucca, NV</td>
<td>Various &lt;br&gt; Hangar Sites Tie Down Areas, Restrooms</td>
<td>Typical Lease 20 Years 20 Year Option</td>
<td>NNN &lt;br&gt; Annual 3% Increase</td>
<td>$0.176</td>
</tr>
<tr>
<td>CAL-7</td>
<td>Yerington Municipal Airport Hangar Sites &lt;br&gt; Yerington, NV</td>
<td>Various &lt;br&gt; Typical Hangar Site 1,220 SF/2,500 SF &lt;br&gt; Tie Down Areas Restrooms</td>
<td>Year-to-Year</td>
<td>NNN No Scheduled Increases</td>
<td>$0.14</td>
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<tr>
<td>Subject</td>
<td>Carson City Airport &lt;br&gt; SWC Taxiways B &amp; C &lt;br&gt; 2600 E. College Pkwy &lt;br&gt; Carson City, NV</td>
<td>2.19± Acres &lt;br&gt; Security card access</td>
<td>Typical Lease 50 Years</td>
<td>NNN CPI Adjustments Every 2 Years 10th Year per Appraisal*</td>
<td>- - -</td>
</tr>
</tbody>
</table>

*At the option of the Landlord, the rent rate may be adjusted per appraisal each 10th Year of the lease.
COMPARABLE AIRPORT LAND LEASE MAP

Note: Comps 1, 2 & 3 are in the same vicinity
**COMPARABLE LAND RENTAL AERIAL PHOTOGRAPH AND DISCUSSION**

**RENTAL CAL-1**

<table>
<thead>
<tr>
<th><strong>Airport Name:</strong></th>
<th>Reno-Stead Airport Aviation Classics – Parcel 10</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Address:</strong></td>
<td>4825 Texas Avenue</td>
</tr>
<tr>
<td><strong>General Location:</strong></td>
<td>15± Miles North of Reno</td>
</tr>
<tr>
<td><strong>Runways:</strong></td>
<td>9,000' Length, 150' Width</td>
</tr>
<tr>
<td></td>
<td>7,608' Length, 150' Width</td>
</tr>
<tr>
<td><strong>Condition:</strong></td>
<td>Asphalt in Good Condition</td>
</tr>
<tr>
<td><strong>Airfield Lighting:</strong></td>
<td>Rotating Beacon, Runway Lighting</td>
</tr>
<tr>
<td><strong>Airport Services:</strong></td>
<td>FBO, Fuel Providers, Aircraft Ground Support, New Terminal Building</td>
</tr>
<tr>
<td><strong>Aircraft Parking:</strong></td>
<td>Aircraft Parking Aprons</td>
</tr>
<tr>
<td><strong>Aircraft Operations:</strong></td>
<td>General Aviation, Military</td>
</tr>
<tr>
<td><strong>Land Rent/SF/Year:</strong></td>
<td>$0.22</td>
</tr>
<tr>
<td><strong>Lease Term:</strong></td>
<td>5 Years – 15,874± SF Site</td>
</tr>
<tr>
<td></td>
<td>11/1/2015 - 10/31/2020</td>
</tr>
<tr>
<td><strong>Rent Adjustments:</strong></td>
<td>Annual CPI</td>
</tr>
<tr>
<td><strong>Expenses:</strong></td>
<td>Verified By: NNN</td>
</tr>
<tr>
<td><strong>Verified By:</strong></td>
<td>Kenneth Moen, General Aviation Property Specialist II, Reno-Tahoe Airport Authority</td>
</tr>
</tbody>
</table>

This comparable is the current rental rate for the Aviation Classics outside storage yard. This site is identified as Parcel 10 and is located in the southeast quadrant of the Reno-Stead Airport property. Amenities to the tenant include security card access. The lease term is for a period of 5 years. The rental rate is scheduled to be adjusted annually based upon the CPI. Aviation Classics also leases Hangars 7003 and 8003. The storage yard generally lies between these two hangars. In December of 2013, the new terminal building was opened to serve the general aviation community. The two-story, 12,000± square foot building provides an Emergency Operations Center, administrative offices, community conference room and pilot’s lounge. The Freedom Flight Terminal is dedicated to the nation’s veterans who have served in the armed forces. It is noted that in 2014 that the Reno-Stead Airport was one of the few airports in the nation approved for drone testing.
This comparable is the current rental rate for the Hall Bonanza hangar ground leases at the Reno-Stead Airport. The hangar sites range in size from 4,452± square feet to 10,625± square feet. Amenities to the tenants include security card access, a wash rack/maintenance pad area, common area parking, as well as restrooms. The lease term is for a period of 30 years. The rental rate is scheduled to be adjusted annually based upon the CPI and on the 15th year based on an appraisal of the fair market rent.
**COMPARABLE LAND RENTAL AERIAL PHOTOGRAPH AND DISCUSSION**

**RENTAL CAL-3**

This comparable is the current rental rate for the Reno Air Racing Associations hangar ground lease at the Reno-Stead Airport. The hangar site contains 8,442± square feet. Amenities to the tenants include security card access and common area parking. The tenants also have access to the airfield, aprons, taxiways, runways and interior airport roads. The rental rate is scheduled to be adjusted annually based upon the CPI.

<table>
<thead>
<tr>
<th>Airport Name:</th>
<th>Reno-Stead Airport</th>
<th>City:</th>
<th>Reno</th>
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<tbody>
<tr>
<td>Address:</td>
<td>RARA Hangar Site</td>
<td>County:</td>
<td>Washoe County</td>
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<tr>
<td>General Location:</td>
<td>4895 Texas Avenue</td>
<td>State:</td>
<td>Nevada</td>
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<tr>
<td>Runways:</td>
<td>9,000’ Length, 150’ Width</td>
<td>Condition:</td>
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<tr>
<td>Airfield Lighting:</td>
<td>7,608’ Length, 150’ Width</td>
<td>Aircraft Parking:</td>
<td>Aircraft Parking Aprons</td>
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<tr>
<td>Airport Services:</td>
<td>Rotating Beacon, Runway Lighting</td>
<td>Tie Downs, Hangars</td>
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<tr>
<td></td>
<td>FBO, Fuel Providers, Aircraft Ground Support, New Terminal Building</td>
<td></td>
<td></td>
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<td></td>
<td>Aircraft Operations:</td>
<td>General Aviation, Military</td>
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<tr>
<td>Land Rent/SF/Year:</td>
<td>$0.26</td>
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<td>NNN</td>
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<td>Lease Term:</td>
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<td>Airport Representative</td>
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<tr>
<td>Rent Adjustments:</td>
<td>Annual CPI</td>
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COMPARABLE LAND RENTAL AERIAL PHOTOGRAPH AND DISCUSSION
RENTAL CAL-4

<table>
<thead>
<tr>
<th>Airport Name:</th>
<th>Minden-Tahoe Airport</th>
<th>City:</th>
<th>Minden</th>
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<tbody>
<tr>
<td>Address:</td>
<td>1145 Airport Road</td>
<td>County:</td>
<td>Douglas County</td>
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<tr>
<td>General Location:</td>
<td>4± Miles north of Minden</td>
<td>State:</td>
<td>Nevada</td>
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<td>Runway:</td>
<td>7,400' Length, 100’ Width</td>
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<td>5,300’Length, 75’ Width</td>
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<tr>
<td>Airfield Lighting:</td>
<td>Rotating Beacon, Runway Lighting</td>
<td>Aircraft Parking:</td>
<td>Aircraft Parking Apron, Tie Downs, Hangars</td>
</tr>
<tr>
<td>Airport Services:</td>
<td>FBO, Fuel Providers, Aircraft</td>
<td>Aircraft Operations:</td>
<td>General Aviation, Military</td>
</tr>
<tr>
<td></td>
<td>Ground Support, Terminal Building, On-site Cafe</td>
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<tr>
<td>Land Rent/SF/Year:</td>
<td>East Side - $0.20</td>
<td>Expenses:</td>
<td>NNN</td>
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<tr>
<td>Lease Term:</td>
<td>West Side - $0.25</td>
<td>Verified By:</td>
<td>Ms. Bobbi Thompson, Airport Manager, &amp; Minden-Tahoe Airport Land Lease Agreement</td>
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<tr>
<td>Rent Adjustments:</td>
<td>20 to 40 Years</td>
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<tr>
<td></td>
<td>Annual CPI, 15th Year Fair Market Rent</td>
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</tr>
</tbody>
</table>

This comparable involves the west side sites located at the Minden-Tahoe Airport in Douglas County, Nevada. It is our understanding that the sites involved vacant land. Electrical service was immediately available and water and sewer were reasonably available. The tenant was responsible for bringing utilities onto the site. The tenants are allowed to use the restrooms in the airport facility. There are currently paved interior airport roadways to the subject’s west side hangar sites. According to Ms. Thompson, the hangar sites within this project have meet with good market acceptance and are nearly fully leased. The lease rates for the vacant sites are currently $.25 per square foot per year and are based on triple net lease terms. The rents are scheduled to be adjusted annually based upon the consumer price index. The typical term of the leases is from 20 to 40 years. It is our understanding that the asking lease rate has not been adjusted in approximately four years. The airport has recently expanded to include their Eastside project development land. It is envisioned that the east side land will be development with aviation related uses, similar to the existing utilizations located on the west side of the airport property. The asking land rent for the east side is $0.20 per square foot per year.
This comparable involves the Elko Regional Airport in Elko, Nevada. The airport has a commercial runway and a general aviation runway. General aviation hangars and tie downs are located on the east end of the airport. The airport is improved with the new Air Carrier Passenger Terminal containing 20,000± square feet. There is also a large aircraft parking ramp with a jet bridge for aircraft up to a B757. It is our understanding the typical hangar site is in the range of 2,500± square feet. The hangar sites have met with good demand. There is a wash rack available for the tenants. There are no restrooms as part of the hangar site project, but restroom facilities are available at the airport terminal. Utility infrastructure is reasonably available to the sites, but the tenant is responsible for extending them to their hangar site. The current rental rate for a hangar site within this project is $.28 per square foot per year. The rents were last adjusted in 2007 and are only adjusted periodically per a county commission resolution. The leases do involve an initial 25 to 45 year term. The terms are Modified Gross with the tenant responsible for utilities, which includes electrical service.
This comparable involves the Winnemucca Municipal Airport in Winnemucca, Nevada. The airport serves primarily local general aviation and air taxi (helicopter) operations. There are two runways and two helipads. In an interview with Mr. Stephen West, the city manager, indicated that the land leases typically involve hangar sites and the land area equates to the hangar building footprint square footage. The leases do involve a 20-year term; with an option to renew for an additional 20 years and the terms are NNN. Mr. West indicated that the land leases are increased 3% annually.
COMPARABLE LAND RENTAL AERIAL PHOTOGRAPH AND DISCUSSION
RENTAL CAL-7

This comparable is the Yerington Municipal Airport in Yerington, Nevada. The airport serves local and transient general aviation operations. It has one runway designated 1/19 with an asphalt surface measuring 5,814 feet x 75 feet. The asphalt is reported to be in fair condition. In an interview with Mr. Dan Newell, an airport representative, he indicated that the city recently received a $3.6 million grant from the FAA for airport runway improvements. The current land rental rate is $0.14 per square foot per year and typically involves an individual hangar site containing up to 1,200 to 2,500 square feet of land area.
COMPARABLE LAND RENTALS DISCUSSION

Rentals CAL-1, CAL-2 and CAL-3 involve hangar sites located on the Reno-Stead Airport property. The Reno-Stead Airport facility is a medium size airport that is operated by the Reno-Tahoe Airport Authority in connection with the Reno-Tahoe International Airport. The Reno-Stead Airport has been adequately maintained over the years and is presently utilized for general aviation purposes. The airport also hosts the Reno National Championship Air Races, one of the Reno area's largest tourist events. In December of 2013, a new terminal building was opened to serve the general aviation community.

The land rental rate for Rental CAL-1 is currently $.22 per square foot per year. This comparable is the current rental rate for the Aviation Classics outside storage yard which contains 15,874± square feet. This site is identified as Parcel 10 and is located in the southeast quadrant of the Reno-Stead Airport property. Amenities available to the tenant include security card access and common area parking. The lease term has a start date of November 2015 and is for a period of 5 years, NNN.

The land rental rates for Rentals CAL-2 and CAL-3 are currently between $.248 to $.268 per square foot per year. The Rental CAL-2 leases are typically for a 30 year term, Rental CAL-3 is on month-to-month terms. Each of the leases is on triple net lease terms. The rental sites vary in size from approximately 2,200± square feet to 10,625± square feet of land area. To the best of our knowledge, each of these comparable sites has been improved with an aircraft hangar. Amenities available to the tenant include security card access, a wash rack/maintenance pad area, as well as restrooms. The subject is located at the Carson City Airport. These comparables, at $.22 to $.268 per square foot per year, are considered to bracket an appropriate rental rate for the subject site.

Rental CAL-4 is located at the Minden-Tahoe Airport in Minden, Nevada. It is our understanding that these hangar sites involved vacant land. Electrical service was immediately available and water and sewer were reasonably available. The tenants were responsible for bringing utilities onto their site. It is noted that utilities infrastructure has already been extended to the subject site. Amenities within the Minden-Tahoe Airport include security card access, common area parking, an on-site café, as well as restrooms which are located in the administrative office building. Services available on airport include fuel providers, aircraft support services, tie-downs and hangars. There are currently paved interior airport roadways to the hangar sites. According to Ms. Thompson, the hangar sites within this project have meet
with good market acceptance and are nearly fully leased. The lease rates for the vacant sites are currently $0.25 per square foot per year and are based on triple net lease terms. A typical site is up to one acre in size. The rents are scheduled to be adjusted annually based upon the change in a consumer price index. The typical term of the leases is from 20 to 40 years. It is our understanding that the asking lease rate has not been adjusted in approximately four years.

The airport has recently expanded to include their Eastside project development land. It is envisioned that the east side land will be development with aviation related uses, similar to the existing utilizations located on the west side of the airport property. The asking land rent for the east side is $0.20 per square foot per year.

This comparable is located at the Minden-Tahoe Airport. The subject is located at the Carson City Airport in Carson City, the state capital requiring a downward adjustment for its superior location. Additionally, all utilities have been extended to the subject site and it is ready for immediate development, requiring downward adjustment. On the other hand, the Minden-Tahoe Airport is reporting stronger demand. The Minden-Tahoe Airport has access to similar amenities as the subject, however, the Minden-Tahoe Airport includes a fully staffed administrative office building. Overall, this comparable, at $0.20 to $0.25 per square foot per year, is considered to bracket an appropriate rental rate for the subject site.

**Rental CAL-5** involves the Elko Regional Airport in Elko, Nevada. The airport has a commercial runway and a general aviation runway. General aviation services and tie downs are located on the east end of the airport. The airport is improved with the new Air Carrier Passenger Terminal containing 20,000± square feet. There is also a large aircraft parking ramp with a jet bridge for aircraft up to a B757. In an interview with Mr. Jim Foster, the airport manager, he indicated that the typical hangar site is in the range of 2,500± square feet. There is a wash rack available for the tenants. There are no restrooms as part of the hangar site project, but restroom facilities are available at the airport terminal.

The current rental rate for a hangar site within this project is $.28 per square foot per year. The rents were last adjusted in 2007 and are only adjusted periodically per a county commission resolution. The leases do involve an initial 25 to 45 year term. The terms are Modified Gross with the tenant responsible for utilities, which includes electrical service. The Elko Regional Airport is considered superior to the subject due to the superior level of services it
provides including a commercial runway. Overall, this comparable, at $0.28 per square foot per year, is considered to be a high indication of an appropriate rental rate for the subject site.

Rental CAL-6 involves the Winnemucca Municipal Airport located in Winnemucca, Nevada. The airport serves primarily local general aviation and air taxi (helicopter) operations. There are two runways and two helipads. In an interview with Mr. Stephen West, the city manager, he indicated that the land leases typically involve hangar sites and the land area equates to the hangar building footprint square footage. The leases do involve a 20-year term; with an option to renew for an additional 20 years and the terms are NNN. Mr. West indicated that the land leases are increased 3% annually.

The annual rental rate is currently $0.176 per square foot. The Winnemucca Municipal Airport is considered inferior to the subject in regards to location. Overall, this comparable, at $0.176 per square foot per year, is considered to be a low indication of an appropriate rental rate for the subject site.

Rental CAL-7 is the Yerington Municipal Airport in Yerington, Nevada. The airport serves local and transient general aviation operations. It has one runway designated 1/19 with an asphalt surface measuring 5,814 feet x 75 feet. The asphalt is reported to be in fair condition. In an interview with Mr. Dan Newell, an airport representative, he indicated that the city recently received a $3.6 million grant from the FAA for airport runway improvements. The land rental rate typically involves an individual hangar site containing 1,200 to 2,500 square feet of land area. Services available on airport include fuel, aircraft maintenance and tie-downs.

The current land rental rate is $0.14 per square foot per year on NNN terms. The Yerington Municipal Airport is considered inferior to the subject due to its more remote location. This comparable is also considered inferior to the subject due to the superior condition of the airfield at the Carson City Airport. Overall, this comparable, at $0.14 per square foot per year, is considered to be a very low indication of an appropriate rental rate for the subject site.

The subject is located at the Carson City Airport. There is no regularly scheduled commercial air service into the Carson City Airport. Most of the traffic is single or twin engine propeller aircraft or small private jets. The taxiways are asphalt paved, there are two primary aircraft parking aprons at the airport providing approximately 150 tie-down positions. The
Airport does include airfield lighting and is equipped with an automated weather observation system. Fuel, maintenance and aircraft storage services are available on the airport property.

We have also considered the most recently negotiated leases within the Carson City Airport. A number of land leases were renewed at the airport in the early part of 2017. The leased land involved parcels ranging in size from approximately 1 acre to 1.5 acres. The leases involve 50 year terms, NNN with CPI adjustments every two years. The Landlord has the option to adjust the rental rate every 10 years per appraisal. The Tenant is required to maintain and improve the property. The leases were renewed at a rental rate of $0.12 per square foot per year, as per appraisal. In our discussions with Mr. Steven Tackes, the airport representative, it was indicated that these leases were for bare land and no utility infrastructure was installed to the leased parcels. As a result, these lease rates are considered to be very low indicators for the subject as all utilities have been installed to the subject site. Furthermore, the subject involves a corner site having frontage and access from both Taxiway B and Taxiway C.

In summary, Rental CAL-5, at $.28 per square foot per year, was considered to be a high indicator of an appropriate rental rate for the subject site. Rentals CAL-6 and CAL-7, at $0.176 and $0.14 per square foot per year were felt to be low to very low indicators. Rentals CAL-1, CAL-2 and CAL-3 and CAL-4, at $.20 to $.268 per square foot per year, were considered to bracket an appropriate rental rate for the subject site.

Overall, the comparables discussed above tend to support an annual market rental rate for the subject, by the per square foot analysis, as of August 21, 2017, in the range of $0.20 to $0.25 per square foot of land area, on NNN lease terms.

ANNUAL MARKET LAND RENT INDICATION  $0.20 to $0.25/S.F./YEAR/NNN
MARKET LAND RENT CONCLUSION

In estimating an appropriate per square foot land rent applicable to the subject, consideration is given to its location on the Carson City Airport, corner situs at Taxiway B and Taxiway C and its immediate availability of utilities. Consideration is given to its accessibility via the airport interior roadways, amenities available on airport as well as its size and other physical characteristics. Further consideration is given to the services provided by the airport and the average condition of the airport facilities including the runway and taxiways.

In the Rate of Return Analysis, the market rent for the subject land was indicated to be $0.24 per square foot per year, NNN. In the Direct Rent Comparison Analysis, the market rent for the subject’s storage yard was indicated to be $0.20 to $0.25 per square foot of land area, per year on NNN lease terms. The Direct Rent Comparison Analysis tends to support the Rate of Return Analysis. In the final analysis consideration has been given to each of the Market Rent indications.

Based upon a careful review of all information available, it is our opinion that the Market Land Rent applicable to the subject property, based upon a long term lease and assuming NNN lease terms, as of August 21, 2017, is as set out below:

MARKET LAND RENT CONCLUSION/SQUARE FOOT  $0.24/S.F./YEAR/NNN
APPRAISERS’ CERTIFICATION

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

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

- As per the client’s instructions, this analysis has been prepared under the assumptions that the subject will be leased on a long-term, NNN basis.

- The subject property is a vacant site located on Airport having access to the ramp, taxiways and runways. The appraisal report and the value conclusions set forth herein are based upon the extraordinary assumption that the land area of 2.19± acres for the subject site, as set forth on the exhibit map and legal description prepared by Atkins for the subject site, is correct.

The real property, which is the subject of this appraisal report, was valued, as of August 21, 2017. It is our opinion that the Market Land Rent of the subject property, under the special assumptions set forth herein, is as follows:

**MARKET LAND RENT CONCLUSIONS**

<table>
<thead>
<tr>
<th>Market Land Rent Conclusion/Square Foot</th>
<th>$0.24/SF/Year/NNN</th>
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<tbody>
<tr>
<td>Market Land Rent Conclusion/Year</td>
<td>$23,000/Year/NNN</td>
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</table>

Respectfully Submitted,

Cindy Lund Fogel, MAI  
Nevada Certified General Appraiser  
License Number A.0002312-CG

Reviewed By:

Stephen R. Johnson, MAI, SREA  
Nevada Certified General Appraiser  
License Number A.0000003-CG
STANDARD ASSUMPTIONS AND LIMITING CONDITIONS

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

LIMITS OF LIABILITY

This report was prepared by Johnson Perkins Griffin, LLC. All opinions, recommendations, and conclusions expressed during the course of this assignment are rendered by the staff of Johnson-Perkins Griffin, LLC, as employees, not as individuals. The liability of Johnson Perkins Griffin, LLC and its employees and associates is limited to the client only and to the fee actually received by the appraisal firm. There is no accountability, obligation, or liability to any third party. If the appraisal report is disseminated to anyone other than the client, the client shall make such party or parties aware of all limiting conditions and assumptions affecting the appraisal assignment. Neither the appraisers nor the appraisal firm is in any way to be responsible for any costs incurred to discover or correct any physical, financial and/or legal deficiencies of any type present in the subject property. In the case of limited partnerships or syndication offerings or stock offerings in real estate, the client agrees that in the event of a lawsuit brought by a lender, a partner or part owner in any form of ownership, a tenant or any other party, the client will hold the appraiser(s) and the appraisal firm completely harmless in such action with respect to any and all awards or settlements of any type in such lawsuits.

COPIES, PUBLICATION, DISTRIBUTION AND USE OF REPORT

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

This appraisal is to be used only in its entirety, and no part is to be used without the whole report. All conclusions and opinions concerning the analysis as set forth in the report were prepared by the appraiser(s) whose signature(s) appears on the appraisal report, unless it is indicated that one or more of the appraisers was acting as "Review Appraiser." No change of any item in the report shall be made by anyone other than the appraiser(s). The appraiser(s) and the appraisal firm shall bear no responsibility for any such unauthorized changes.

CONFIDENTIALITY

Except as provided for subsequently, neither the appraiser(s) nor the appraisal firm may divulge the analyses, opinions or conclusions developed in the appraisal report, nor may they give a copy of the report to anyone other than the client or his designee as specified in writing. However, this condition does not apply to any requests made by the Appraisal Institute for purposes of confidential ethics enforcement. Also, this condition does not apply to any order or request issued by a court of law or any other body with the power of subpoena.
INFORMATION SUPPLIED BY OTHERS

Information (including projections of income and expenses) provided by informed local sources, such as government agencies, financial institutions, Realtors, buyers, sellers, property owners, bookkeepers, accountants, attorneys, and others is assumed to be true, correct and reliable. No responsibility for the accuracy of such information is assumed by the appraiser(s). Neither the appraiser(s) nor the appraisal firm is liable for any information or the work product provided by subcontractors. The client and others utilizing the appraisal report are advised that some of the individuals associated with Johnson Perkins Griffin, LLC are independent contractors and may sign the appraisal report in that capacity. The comparable data relied upon in this report has been confirmed with one or more parties familiar with the transaction or from affidavit or other sources thought reasonable. To the best of our judgment and knowledge, all such information is considered appropriate for inclusion. In some instances, an impractical and uneconomic expenditure of time would be required in attempting to furnish absolutely unimpeachable verification. The value conclusions set forth in the appraisal report are subject to the accuracy of said data. It is suggested that the client consider independent verification as a prerequisite to any transaction involving a sale, a lease or any other commitment of funds with respect to the subject property.

TESTIMONY, CONSULTATION, COMPLETION OF CONTRACT FOR APPRAISAL SERVICE

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

EXHIBITS AND PHYSICAL DESCRIPTIONS

It is assumed that the improvements and the utilization of the land are within the boundaries of the property lines of the property described in the report and that there is no encroachment or trespass unless noted otherwise within the report. No survey of the property has been made by the appraiser(s) and no responsibility is assumed in connection with such matters. Any maps, plats, or drawings reproduced and included in the report are there to assist the reader in visualizing the property and are not necessarily drawn to scale. They should not be considered as surveys or relied upon for any other purpose, nor should they be removed from, reproduced or used apart from the report.

TITLE, LEGAL DESCRIPTIONS, AND OTHER LEGAL MATTERS

No responsibility is assumed by the appraiser(s) or the appraisal firm for matters legal in character or nature. No opinion is rendered as to the status of title to any property. The title is presumed to be good and merchantable. The property is appraised as if free and clear, unless otherwise stated in the appraisal report. The legal description, as furnished by the client, his designee or as derived by the appraiser(s), is assumed to be correct as reported. The appraisal is not to be construed as giving advice concerning liens, title status, or legal marketability of the subject property.
ENGINEERING, STRUCTURAL, MECHANICAL, ARCHITECTURAL CONDITIONS

This appraisal should not be construed as a report on the physical items that are a part of any property described in the appraisal report. Although the appraisal may contain information about these physical items (including their adequacy and/or condition), it should be clearly understood that this information is only to be used as a general guide for property valuation and not as a complete or detailed report on these physical items. The appraiser(s) is not a construction, engineering, or architectural expert, and any opinion given on these matters in this report should be considered tentative in nature and is subject to modification upon receipt of additional information from appropriate experts. The client is advised to seek appropriate expert opinion before committing any funds to the property described in the appraisal report.

Any statement in the appraisal regarding the observed condition of the foundation, roof, exterior walls, interior walls, floors, heating system, plumbing, insulation, electrical service, all mechanicals, and all matters relating to construction is based on a casual inspection only. Unless otherwise noted in the appraisal report, no detailed inspection was made. For instance, the appraiser is not an expert on heating systems, and no attempt was made to inspect the interior of the furnace. The structures were not investigated for building code violations, and it is assumed that all buildings meet the applicable building code requirements unless stated otherwise in the report.

Such items as conditions behind walls, above ceilings, behind locked doors, under the floor, or under the ground are not exposed to casual view and, therefore, were not inspected, unless specifically so stated in the appraisal. The existence of insulation, if any is mentioned, was discovered through conversations with others and/or circumstantial evidence. Since it is not exposed to view, the accuracy of any statements regarding insulation cannot be guaranteed.

Because no detailed inspection was made, and because such knowledge goes beyond the scope of this appraisal, any comments on observed conditions given in this appraisal report should not be taken as a guarantee that a problem does not exist. Specifically, no guarantee is given as to the adequacy or condition of the foundation, roof, exterior walls, interior walls, floors, heating systems, air conditioning systems, plumbing, electrical service, insulation, or any other detailed construction matters. If any interested party is concerned about the existence, condition, or adequacy of any particular item, we would strongly suggest that a mechanical and/or structural inspection be made by a qualified and licensed contractor, a civil or structural engineer, an architect or other experts. This appraisal report is based on the assumption that there are no hidden, unapparent or apparent conditions on the property or improvements which would materially alter the value as reported. No responsibility is assumed for any such conditions or for any expertise or engineering to discover them. All mechanical components are assumed to be in operable condition and standard for the properties of the subject type. Conditions of heating, cooling, ventilating, electrical and plumbing equipment are considered to be commensurate with the condition of the balance of the improvements unless otherwise stated. No judgment is made in the appraisal as to the adequacy of insulation, the type of insulation, or the energy efficiency of the improvements or equipment which is assumed to be standard for the subject's age, type and condition.

TOXIC MATERIALS AND HAZARDS

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

**SOILS, SUB-SOILS, AND POTENTIAL HAZARDS**

It is assumed that there are no hidden or unapparent conditions of the soils or sub-soil which would render the subject property more or less valuable than reported in the appraisal. No engineering or percolation tests were made and no liability is assumed for soil conditions. Unless otherwise noted, the land and the soil in the area being appraised appeared to be firm, but no investigation has been made to determine whether or not any detrimental sub-soil conditions exist. Neither the appraiser(s) nor the appraisal firm is liable for any problems arising from soil conditions. These appraisers strongly advise that, before any funds are committed to a property, the advice of appropriate experts be sought.

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

Neither the appraiser(s) nor the appraisal firm assumes responsibility for any costs or for any consequences arising from the need or lack of need for flood hazard insurance. An Agent for the Federal Flood Insurance Program should be contacted to determine the actual need for flood hazard insurance.

**ARCHEOLOGICAL SIGNIFICANCE**

No investigation has been made by the appraiser and no information has been provided to the appraiser regarding potential archeological significance of the subject property or any portion thereof. This report assumes no portion of the subject property has archeological significance.

**LEGALITY OF USE**

This appraisal report assumes that there is full compliance with all applicable federal, state and local environmental regulations and laws, unless non-compliance is stated, defined and considered in the appraisal report. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a non-conformity has been stated, defined and considered in the appraisal report. It is assumed that all required licenses, consents, or other legislative or administrative authority from any local, state or national government, private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.

**COMPONENT VALUES**

Any distribution of the total value between the land and improvements, between partial ownership interests or any other partition of total value applies only under the stated use. Moreover, separate allocations between components are not valid if this report is used in conjunction with any other analysis.

**COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT**

The Americans with Disabilities Act ("ADA") became effective January 26, 1992. It is assumed that the property is in direct compliance with the various detailed requirements of the ADA.
AUXILIARY AND RELATED STUDIES

No environmental or impact studies, special market studies or analyses, special highest and best use studies or feasibility studies have been requested or made by the appraiser(s) unless otherwise specified in an agreement for services and so stated in the appraisal report.

DOLLAR VALUES AND PURCHASING POWER

The estimated market value set forth in the appraisal report and any cost figures utilized are applicable only as of the date of valuation of the appraisal report. All dollar amounts are based on the purchasing power and price of the dollar as of the date of value estimates.

ROUNDING

Some figures presented in this report were generated using computer models that make calculations based on numbers carried out to three or more decimal places. In the interest of simplicity, most numbers have been rounded. Thus, these figures may be subject to small rounding errors.

QUANTITATIVE ANALYSIS

Although this analysis employs various mathematical calculations to provide value indications, the final estimate is subjective and may be influenced by our experience and other factors not specifically set forth in this report.

VALUE CHANGE, DYNAMIC MARKET, ALTERATION OF ESTIMATE BY APPRAISER

All values shown in the appraisal report are projections based on our analysis as of the date of valuation of the appraisal. These values may not be valid in other time periods or as conditions change. Projected mathematical models set forth in the appraisal are based on estimates and assumptions which are inherently subject to uncertainty and variations related to exposure, time, promotional effort, terms, motivation, and other conditions. The appraiser(s) does not represent these models as indicative of results that will actually be achieved. The value estimates consider the productivity and relative attractiveness of a property only as of the date of valuation set forth in the report.

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

This appraisal is an estimate of value based on analysis of information known to us at the time the appraisal was made. The appraiser(s) does not assume any responsibility for incorrect analysis because of incorrect or incomplete information. If new information of significance comes to light, the value given in this report is subject to change without notice. The appraisal report itself and the value estimates set forth therein are subject to change if either the physical or legal entity or the terms of financing are different from what is set forth in the report.
ECONOMIC AND SOCIAL TRENDS

The appraiser assumes no responsibility for economic, physical or demographic factors which may affect or alter the opinions in this report if said economic, physical or demographic factors were not present as of the date of value of this appraisal. The appraiser is not obligated to predict future political, economic or social trends.

EXCLUSIONS

Furnishings, equipment, other personal property and value associated with a specific business operation are excluded from the value estimate set forth in the report unless otherwise indicated. Only the real estate is included in the value estimates set forth in the report unless otherwise stated.

SUBSURFACE RIGHTS

No opinion is expressed as to the value of subsurface oil, gas or mineral rights or whether the property is subject to surface entry for the exploration or removal of such materials, except as is expressly stated.

PROPOSED IMPROVEMENTS, CONDITIONED VALUE

It is assumed in the appraisal report that all proposed improvements and/or repairs, either on-site or off-site, are completed in an excellent workmanlike manner in accord with plans, specifications or other information supplied to these appraisers and set forth in the appraisal report, unless otherwise explicitly stated in the appraisal. In the case of proposed construction, the appraisal is subject to change upon inspection of the property after construction is completed. The estimate of market value is as of the date specified in the report. Unless otherwise stated, the assumption is made that all improvements and/or repairs have been completed according to the plans and that the property is operating at levels projected in the report.

MANAGEMENT OF PROPERTY

It is assumed that the property which is the subject of the appraisal report will be under typically prudent and competent management which is neither inefficient nor superefficient.

FEE

The fee for any appraisal report, consultation, feasibility or other study is for services rendered and, unless otherwise stated in the service agreement, is not solely based upon the time spent on any assignment.

LEGAL EXPENSES

Any legal expenses incurred in defending or representing ourselves concerning this assignment will be the responsibility of the client.
CHANGES AND MODIFICATIONS

The appraiser(s) reserves the right, at the cost of the client, to alter statements, analyses, conclusions, or any value estimates in the appraisal if any new facts pertinent to the appraisal process are discovered which were unknown on the date of valuation of this report.

DISSEMINATION OF MATERIAL

Neither all nor any part of the contents of this report shall be disseminated to the general public through advertising or sales media, public relations media, new media or other public means of communication without the prior written consent and approval of the appraiser(s).

The acceptance and/or use of the Appraisal Report by the client or any third party constitutes acceptance of the Assumptions and Limiting Conditions set forth in the preceding paragraphs. The appraiser’s liability extends only to the specified client, not to subsequent parties or users. The appraiser’s liability is limited to the amount of the fee received for the services rendered.
QUALIFICATIONS OF APPRAISER
STEPHEN R. JOHNSON

Professional Designations
MAI - Member Appraisal Institute 1976
SREA - Senior Real Estate Analyst; Society of Real Estate Appraisers 1984

State Licensing and Certification
Certified General Appraiser-State of Nevada 1991
License #A.0000003-CG
(Certified through 04/30/2019)

Certified General Appraiser-State of California 1992
License #AG007038
(Certified through 06/18/2019)

Association Memberships and Affiliations
Member Reno Board of Realtors
Member Nevada Association of Realtors
International Right-of-Way Association
Member Nevada State Board of Equalization - 1984-1991
(Appointed by Governor Richard Bryan, January 1984 & 1988)
Member Nevada Commission of Appraisers of Real Estate - 1989-1994
(Appointed by Governor Bob Miller, August 7, 1989)
Commissioner, Nevada Commission of Appraisers of Real Estate 2009-2015
(Appointed by Governor Jim Gibbons, 2009)
(Appointed by Governor Sandoval, 2012)
President, Nevada Commission of Appraisers of Real Estate 2012-2014

Offices Held
Chairman, National Ethics Administration Division 1995
Vice Chairman, National Ethics Commission 1993/94
Regional Member, Ethics Administration
Appraisal Institute, Region 1 1989-1992
President, Sierra-Nevada Chapter #60, AIREA - 1989
Vice President, Sierra-Nevada Chapter #60, AIREA - 1988
Secretary, Sierra-Nevada Chapter #60, AIREA - 1987
Vice Governor District 3 (Northern California & Nevada)
Society of Real Estate Appraisers (SREA) - 1980-1981
Past President & Membership Chairman -
Reno/Carson/Tahoe Chapter #189
Member 1976 Young Men's Council, SREA, Atlanta, Georgia
QUALIFICATIONS OF APPRAISER
STEPHEN R. JOHNSON

Offices Held (continued)
Discussion Leader 1977 Young Men's Council, SREA, Las Vegas, Nevada
Elected 1 of 2 National Representatives to the Inter-
National Board of Governors of the SREA, representing
The Young Men's Council - 1977
International Professional Practice Committee, SREA - 1978-1981
International Conference Committee, SREA - 1978 & 1979
National Candidates Guidance Committee of the American
Institute of Real Estate Appraisers (AIREA) - 1978-1981
Chairman National Division of Member and Chapter
Services, AIREA - 1981
Board of Directors Northern California Chapter #11, AIREA - 1980
Admissions Committee, Sierra-Nevada Chapter #60, AIREA
Board of Directors, Sierra-Nevada Chapter #60, AIREA 1984-1986
Board of Directors, Reno-Carson-Tahoe Chapter

Appraisal Experience
Independent Fee Appraiser 1976 to present
Johnson Perkins Griffin, LLC 2015 to Present
Alves Appraisal Associates 1972-1976

Qualified as an Expert Witness
Nevada District Courts:
Washoe County, Carson City, Douglas County,
and Elko County
U.S. Bankruptcy Courts:
Reno, Las Vegas, Sacramento, and Los Angeles
U.S. District Court, San Francisco, California
United States Tax Court
Arizona Superior Court, Maricopa County, Phoenix
Douglas County Board of Equalization
Washoe County Board of Equalization
Nevada State Board of Equalization
King County Superior Court, Seattle, Washington
QUALIFICATIONS OF APPRAISER  
STEPHEN R. JOHNSON

**Formal Education**
- Reno High School Graduate 1966
- Bachelor of Science Degree in Business Administration 1972
  - Majoring in Real Estate, from the University of Nevada, Reno

**Appraisal Education**
- University of Nevada:
  - B.A. 430 Real Estate Evaluation 1970
  - B.A. 432 Real Estate Appraisal Problems 1971
- American Institute of Real Estate Appraisers:
  - Course 1A Basic Appraisal Principles, Methods & Techniques, San Francisco, CA 1972
  - Course 1B Capitalization Theory & Techniques, San Francisco, California 1973
  - Course 2 Urban Properties, San Francisco, California
  - Course 6 Investment Analysis, Memphis, Tennessee 1976
- Society of Real Estate Appraisers:
  - Course 301 Special Applications of Appraisal Analysis, Pomona, California 1974
- Uniform Appraisal Standards for Federal Land Acquisitions June 2009
- Numerous Continuing Education Seminars and Courses

**Appraisal Instructor**
- Nevada Association of Realtors
- Department of Commerce, Real Estate Division, State of Nevada
  - Appraisal "A" Residential Appraising
  - Appraisal "B" Apartment and Commercial Property Appraising
- Western Nevada Community College
  - R.E. 206 Real Estate Appraising
- Northern Nevada Real Estate School
  - Real Estate Appraisal
QUALIFICATIONS OF APPRAISER

STEPHEN R. JOHNSON

REPRESENTATIVE APPRAISAL CLIENTS AND PROPERTIES

BARTON MEMORIAL HOSPITAL
CITY OF RENO
CITY OF SPARKS
COLONIAL BANK
R.J.B. DEVELOPMENT COMPANY, CARSON CITY
DOUGLAS COUNTY
LINCOLN COUNTY
LYON COUNTY
WASHOE COUNTY
MINERAL COUNTY
EMERALD BAY POST OFFICE
NEVADA STATE PARK SYSTEM
NEVADA STATE DEPT. OF TRANSPORTATION
NEVADA STATE DIVISION OF LANDS
NEVADA ATTORNEY GENERAL’S OFFICE
U.S. DEPARTMENT OF NAVY
U.S. FOREST SERVICE
FNMA - REGIONAL OFFICE
INTERNAL REVENUE SERVICE
FEDERAL TRADE COMMISSION
WASHOE COUNTY REGIONAL TRANS.
RENO TAHOE AIRPORT AUTHORITY
TAHOE REGIONAL PLANNING AGENCY
CALIFORNIA ATTY GENERAL’S OFFICE
CALIFORNIA TAHOE CONSERVANCY
CITY OF SOUTH LAKE TAHOE
PLACER COUNTY REDEVELOPMENT AGENCY
NEW HAMPSHIRE DEPARTMENT OF JUSTICE
MISSOURI HIGHWAY AND TRANSPORT DEPT COMMISSION
IDAHO TRANSPORTATION DEPARTMENT
COLONIAL BANK
PLUMAS BANK
SECURITY BANK OF NEVADA
LIBERTY BANK
FIRST INDEPENDENT BANK OF NV
NORTHERN NEVADA BUSINESS BANK
NEVADA STATE BANK
UNION BANK
VALLEY BANK OF NEVADA
BANK OF AMERICA
THE BANK OF CALIFORNIA
CROCKER NATIONAL BANK
WELLS FARGO BANK
B OF A TRUST DEPARTMENT
FIRST FEDERAL SAVINGS & LOAN
FIRST WESTERN SAVINGS & LOAN
AMERICAN SAVINGS AND LOAN
NEVADA SAVINGS & LOAN
DILORETO CONST. & DEVELOPMENT
DERMODY PROPERTIES
TRAMMELL CROW CO.
MCKENZIE PROPERTIES
HOMEWOOD HIGH & DRY MARINA
TAHOE KEYS MARINA
TAHOE CITY MARINA
WASHOE MEDICAL CENTER
PLAZA RESORT CLUB
ROYAL BANK OF SCOTLAND
CARSON-TAHOE HOSPITAL
JOHNNY RIBEIRO BUILDER
KEEVER CONSTRUCTION COMPANY
SIERRA PACIFIC POWER COMPANY
SOUTH LAKE TAHOE PUBLIC UTILITY DIST.
TAHOE DOUGLAS SEWER DISTRICT
GLENBROOK WATER COMPANY
TAHOE PARK WATER COMPANY
NORTH POOTHILL APARTMENTS
MEADOWOOD APARTMENTS
WOODSIDE VILLAGE APARTMENTS
SIERRA WOODS APARTMENTS
AMESBURY PLACE APARTMENTS
SUNDANCE APARTMENTS
KEYSTONE SQUARE SHOPPING CTR.
POZZI MOTORS
CARSON CITY DATSUN-AMC-JEEP
LEMMON VALLEY LAND COMPANY
CONSOLIDATED FREIGHTWAYS
RINGSBY UNITED
SYSTEMS 99
EASTMAN KODAK
HALLMARK CARDS
OSCAR MEYER AND COMPANY
GENERAL ELECTRIC
CHEMETRO
CITY SERVICES MINERAL CO.
SUPERIOR OIL COMPANY
TRAVELERS INSURANCE
FARMERS INSURANCE COMPANY
FIRST AMERICAN TITLE CO. OF NV.
FIDELITY TITLE INSURANCE CO
MERRILL LYNCH RELOCATION
YOUNG ELECTRIC SIGN COMPANY
THE TRUST FOR PUBLIC LANDS
THE TRUCKEE DONNER LAND TRUST
THE CONSERVATION FUND
THE NATURE CONSERVANCY
SUGAR BOWL SKI RESORT
THE FEATHER RIVER LAND TRUST
SKI INCLINE RESORT
KIRKWOOD ASSOCIATES
NORTHSTAR
SQUAW VALLEY U.S.A.
LEWIS HOMES OF NEVADA
SYNCON HOMES
MG M GRAND HOTEL CASINO & THEME PARK
EL DORADO HOTEL - CASINO
COMSTOCK HOTEL - CASINO
LAKESIDE INN HOTEL - CASINO
RAMADA EXPRESS HOTEL - CASINO
QUALIFICATIONS OF APPRAISER
CINDY LUND FOGEL

Professional Designations
MAI – Member of the Appraisal Institute 2000

State Licensing and Certification
Nevada Certified General Appraiser
License #A.0002312-CG (Certified through 5/31/18) 1996

Offices Held
Board of Directors, Reno/Carson/Tahoe Chapter Appraisal Institute 2011/2012
President, Reno/Carson/Tahoe Chapter Appraisal Institute 2009/2010
Vice President, Reno/Carson/Tahoe Chapter Appraisal Institute 2008
Education Chair, Reno/Carson/Tahoe Chapter Appraisal Institute 2002 to Present
President, Reno/Carson/Tahoe Chapter Appraisal Institute 2001
Vice President, Reno/Carson/Tahoe Chapter Appraisal Institute 2000
Treasurer, Reno/Carson/Tahoe Chapter Appraisal Institute 1999
Secretary, Reno/Carson/Tahoe Chapter Appraisal Institute 1998

Occupational History
Johnson Perkins Griffin, LLC 03/2015 to Present
Real Estate Appraiser
Johnson - Perkins & Associates 1994 – 02/2015
Real Estate Appraiser
Real Estate Appraiser
Real Estate Appraiser

Admitted as Expert Witness
Washoe County Board of Equalization
Nevada State Board of Equalization

Appraisal Education & Technical Training
Real Estate 103 and 202 1986
Real Estate Financing 1986
American Institute of Real Estate Appraisers 1991
Course 1A-1 "Real Estate Appraisal Principles"
Course 1A-2 "Basic Valuation Procedures"
Course 1BA "Cap Theory & Tech, Part A" 1992
Course 1BB "Cap Theory & Tech, Part B"
Nevada Law (NRS 645C) 1993
Standards of Professional Practice Parts A & B 1993
QUALIFICATIONS OF APPRAISER
CINDY LUND FOGEL

Appraisal Education & Technical Training (Continued)

Advanced Applications 1993
Report Writing and Valuation Analysis 1995
Case Studies in Law and Ethics 1998
Standards of Professional Practice, Part C 1998
Advanced Income Capitalization 1999
Standards of Professional Practice, Part C 2000 & 2002
7-Hour National USPAP Update Course 2004
7-Hour National USPAP Update Course 2006
Cost Approach to Commercial Appraising 2006
Uniform Appraisal Standards/Federal Land Acquisitions 2007
7-Hour National USPAP Update Course 2007
7-Hour National USPAP Update Course 2008
Business Practices and Ethics 2008
Uniform Appraisal Standards for Federal Land Acquisitions (Yellow Book) 2009
7-Hour National USPAP Update Course 2010
Business Practices and Ethics 2010
Corridor Valuation & Yellow Book Issues and Divided Partial Interests 2010
7-Hour National USPAP Update Course 2012
State of Nevada Economic Overview, Brian Bonnenfant 2013
7-Hour National USPAP Update Course 2014

Appraisal Seminars

Appraising Airports and Airplane Hangars 2014
Online Data Verification Methods 2014
Online Using Your HP12C Financial Calculator 2014
Online Advanced Internet Search Strategies 2014
Effective Rent and Seller Concessions in Market Value Appraisals 2013
Appraisal Curriculum Overview 2011
Diminution of Value and Severance Damages 2011
Qualitative Analysis: How and Why it is Important 2011
The Lending World in Crisis-What Clients Need 2011
Forecasting Revenue/Appraising Distressed Commercial Real Estate 2009
Valuation of Easements and Other Partial Interests 2009
Construction Defects and Cost Trends & Feasibility Analysis 2008
Valuation of Detrimental Conditions 2008
Spotlight on Common Errors & Confidentiality USPAP Issues 2008
The Essentials, Current Issues & Misconceptions in Appraising 2007
Attacking & Defending an Appraisal in Litigation 2007
Market Analysis and Site to do Business 2006
Analyzing Distressed Properties 2005
Appraising From Blueprints and Specifications 2005
Appraisal Valuation Modeling 2004
Subdivision Valuation 2004
The Road Less Traveled: Special Purpose Properties 2004
QUALIFICATIONS OF APPRAISER
CINDY LUND FOGEL

Appraisal Education & Technical Training (Continued)
Scope of Work Seminar 2003
Appraisal Consulting: A Solutions Approach for Professionals 2002

Formal Education
University of Nevada-Reno: Bachelor of Arts, College of Arts and Science 1989
Truckee Meadows Community College, Associate in Arts 1984
Sparks High School, Sparks, Nevada 1975
QUALIFICATIONS OF APPRAISER
CINDY LUND FOGEI

Types of Property Appraised
- Vacant Land
- Warehouses and Industrial Buildings
- Professional Office Buildings
- Commercial Buildings
- Apartment Complexes
- Subdivisions
- Aircraft Hangars
- Right-a-Way & Public Utility Easements

Representative Client List
- Regional Transportation Commission
- Truckee Meadows Water Authority
- Reno-Tahoe Airport Authority
- Minden-Tahoe Airport Authority
- University of Nevada, Reno
- NV Energy
- Carson City
- State of Nevada Division of State Lands
- V & T Railroad Commission
- Washoe County Community Services
- Carson City Hospital
- Thomas Hall, Attorney
- Bank of Nevada
- Greater Nevada Credit Union
- Nevada State Bank
- First Independent Bank/Western Alliance Bank
- Bank of the West
- Mutual Bank of Omaha
- Housing Capital Company
- U.S. Bank