

SUMMARY OF COMPARABLE UNDEVELOPED VACANT LAND SALES - Carson City/Douglas County

SALE NO.	LOCATION APN	AREA (Acres) ZONING	TOPOGRAPHY ACCESS	SALES PRICE SALE DATE	PRICE/ACRE
VLS-1	1.75 miles W. of Jacks Valley Rd., SE of James Canyon 1419-00-002-018 Genoa Area - Douglas County	80.00± acres FR-19 Part Forested	Steep None Known	\$35,000 8-99	\$ 438±
VLS-2	1.75 miles W. of US 395, South of Clear Creek Road 1419-00-001-018 (15-020-05) Clear Creek Area - Douglas County	118.39± acres FR-19 Part Forested	Gradual to Steep None - Via Forest Service Property	\$144,000 5-01	\$1,216±
VLS-3	.5± miles southeast of Snow Valley Peak 7-031-19, 20 & 32 Carson City Mountain Area	240.99± acres CR Part Forested	Moderate to Steep Fire roads - difficult	\$450,000 3-03	\$1,868±
VLS-4	WS of Jacks Valley Road, west of the Sierra Ranch Golf 15-060-88, 75 & 76 Genoa Area - Douglas County	660.29± acres FR-19 High Desert/Forest	Gentle to Steep Jacks Valley Road	\$1,400,000 6-98	\$2,120±
VLS-5	1.5 mi. W. of Jacks Valley Rd, 1 mile N. of Sierra Golf 15-040-03 (Now 1419-00-002-016) Jacks Valley Area - Douglas County	100.00± acres FR-19 Forest	Moderate to Steep Private easement	\$235,000 12-98	\$2,350±
VLS-6	Kings Canyon Road, 3± Miles west of Carson City 7-031-27, 7-051-01, 11 & 57 Carson City Mountain Area	610.09± acres CR Meadow/Forest	Gentle to Steep Kings Canyon Road	\$1,800,000 6-98	\$2,950±
VLS-7	SS of Old Clear Creek, south of the Youth Center 15-020-10 Clear Creek & Jacks Valley Area - Douglas County	1,605.92± acres FR-19 & A-19 Meadow/Forest	Slight to Steep Old Clear Creek & dirt road off Jacks Valley	\$5,175,000 2-00	\$3,222±
VLS-8	1.5 mi. W. of Jacks Valley Rd, 1 mile N. of Sierra Golf 1419-00-002-016 Jacks Valley Area - Douglas County	100.00± acres FR-19 Forest	Moderate to Steep Private easement	\$575,000 5-04	\$5,750±
VLS-9	Just East of the Clear Creek Youth Center 7-051-23, 61, 62, & 63 Clear Creek Area - Carson City	172.95± acres SF-5 Forest	Gentle to Steep Clear Creek + private easements	\$1,080,000 1-99	\$6,245±
VLS-10	Just east of the Kingsbury Grade Summit 1319-00-002-033 Kingsbury Grade Area - Douglas County	40.00± acres FR-19 Forest	Moderate to Steep Private easement off Kingsbury Grade	\$272,000 11-01	\$6,800±
VLS-11	WS of Jacks Valley Road, 1.5 miles north of Genoa 1419-00-002-027 Genoa Area - Douglas County	1,016.08± acres FR-19 High Desert/Forest	Gentle to Steep Jacks Valley Road	\$7,500,000 2-04	\$7,381±

62

SUMMARY OF COMPARABLE UNDEVELOPED VACANT LAND SALES - Carson City/Douglas County (continued)

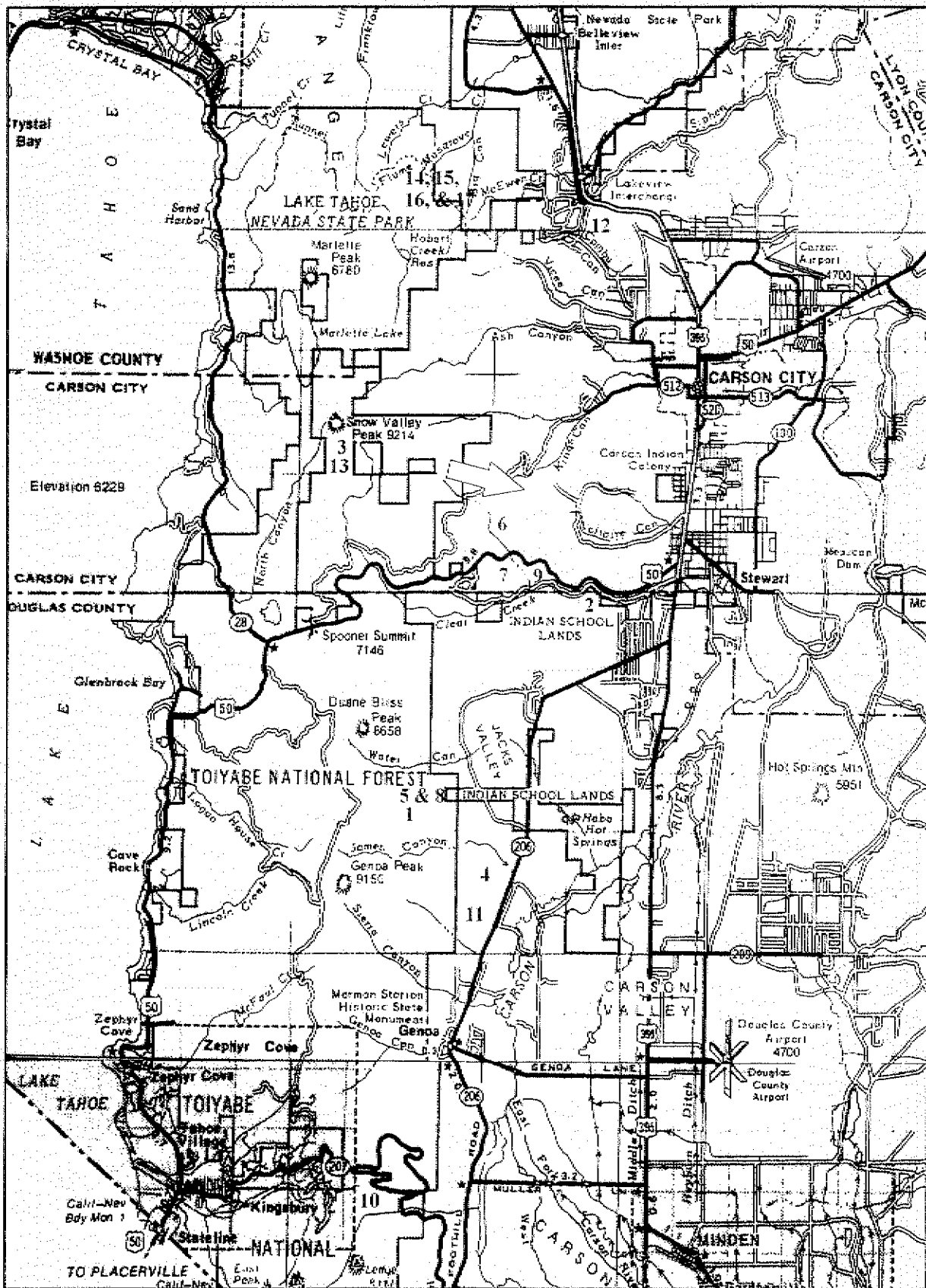
SALE NO.	LOCATION APN	AREA (Acres) ZONING	TOPOGRAPHY ACCESS	SALES PRICE SALE DATE	PRICE/ACRE
VLS-12	East End of Buckskin Road 7-091-74 Carson City - Lakeview Area	60.118± acres SF1A Meadow	Gentle to Steep Paved & dirt road	\$625,000 7-05	\$10,396±
VLS-13	.5 miles SE of Snow Valley Peak, 1.5 miles North of US Hwy 50 7-031-31 Carson City Mountain Area	80.908± acres CR Forest	Gradual to Steep Fire roads - difficult	\$1,200,000 3-06	\$14,832±

SUMMARY OF COMPARABLE UNDEVELOPED VACANT LAND SALES - Washoe Valley

SALE NO.	LOCATION APN	AREA (Acres) ZONING	TOPOGRAPHY ACCESS	SALES PRICE SALE DATE	PRICE/ACRE
VLS-14	ES of Big Canyon Rd & Tunnel Creek Road. 55-430-01 Musgrove Creek, Washoe Valley	40.07± acres GR Partial Forest	Gradual-Steep Paved/Dirt access	\$350,000 08-04	\$8,735±
VLS-15	WS of Musgrove Creek Dr., 1,300' South of Big Canyon Road 55-430-07 Musgrove Creek, Washoe Valley	100.68± acres GR Partial Forest	Gradual-Steep Paved access	\$1,000,000 11-05	\$9,933±
VLS-16	SW end of Musgrove Creek Drive 55-430-06 Musgrove Creek, Washoe Valley	49.92± acres GR Partial Forest	Gradual-Steep Paved access	\$700,000 02-05	\$14,022±
VLS-17	SE end of Musgrove Creek Drive 55-430-05 Musgrove Creek, Washoe Valley	46.84± acres GR Partial Forest	Gradual-Steep Paved access	\$750,000 12-05	\$16,012±
SUBJ.	S of Kings Canyon Rd, Sec. 27, NE¼, SE¼ 7-051-07 Carson City Mountain Area	40.00± acres CR Part Forested	Gradual - Steep Dirt access		

63

VACANT LAND SALES MAP



VACANT LAND SALE NO. 1:

Location: Located 1.75± miles west of Jacks Valley Road, 1.5± miles southwest of the James Canyon Ranch, Jacks Valley/Genoa, Douglas County

APN: 1419-00-002-018

Legal Description: Portion of Section 21, T.14N, R.19E., M.D.B.&M.

Grantor: Harry Schneider Estate

Grantee: Wayne E. & Linda L. Rorex

Land Use: Vacant steep undeveloped land

Recording Date: 8-31-99

Document No. : 475620

Land Area: 80.00± acres

Access: No legal access

Utilities: 1.75± miles east

Topography: Steep

Zoning: FR-19 (minimum 19 acre parcels)

Water Rights: None

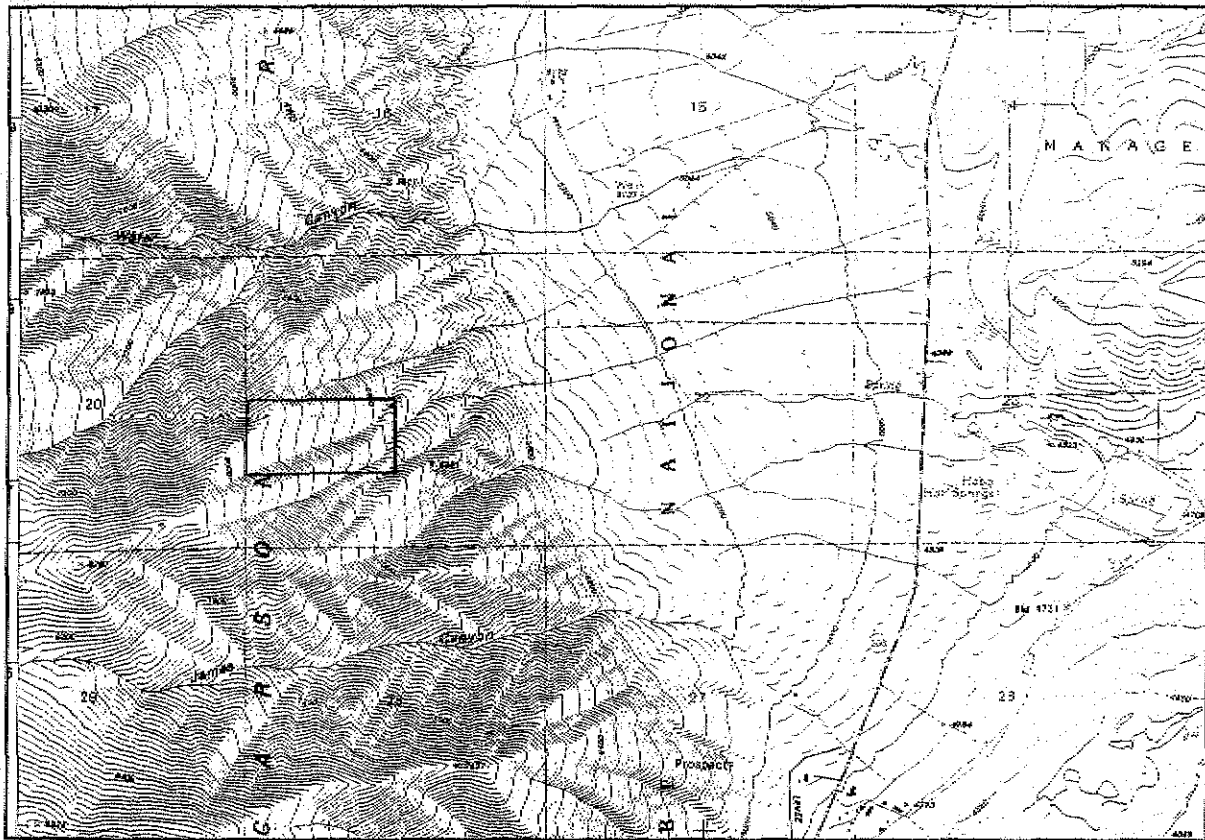
Gross Sale Price: \$35,000

Unit Price/Acre: \$438

Financing: Cash to seller

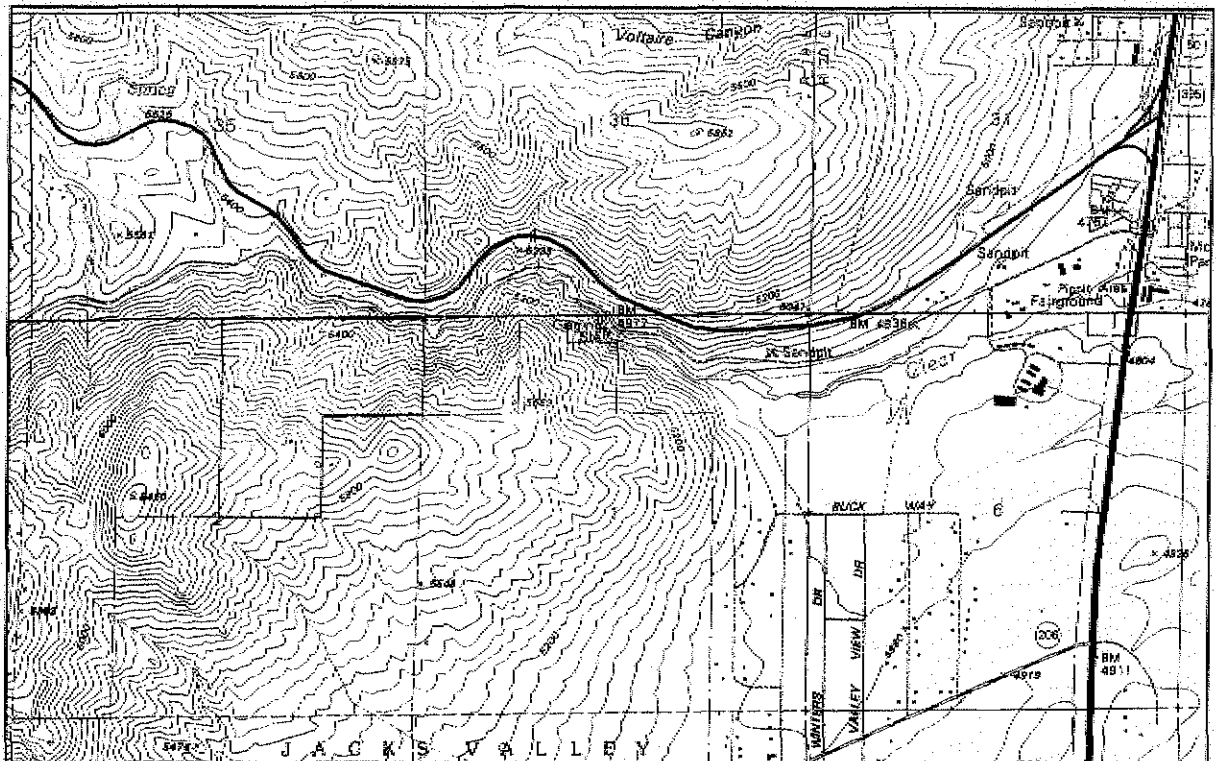
Remarks: A court order approved sale. There is no known legal access.

Source: Wayne Rorex, buyer



VACANT LAND SALE NO. 2:

Location: 1.75± miles west of U.S. Highway 395, just south of Clear Creek Road, Clear Creek area, Douglas County
APN: 1419-00-001-018 (15-020-05)
Legal Description: Portion of Section 2, T.14N, R.19E., M.D.B.&M.
Grantor: Elizabeth S. Rabe Estate
Grantee: Dingman Investments, Inc.
Land Use: Vacant gradual to steep undeveloped land
Recording Date: 5-16-01
Document No. : 5014665
Land Area: 118.39± acres
Access: Access is via Forest Service land, with an actual trail/road within less than .25 mile.
Utilities: Along Clear Creek Road, but most likely would have to come from Jacks Valley Road area.
Topography: Gradual to steep
Zoning: FR-19 (minimum 19 acre parcels)
Water Rights: None
Gross Sale Price: \$144,000
Unit Price/Acre: \$1,216
Financing: Cash
Remarks: The northern portion of the parcel is very steep, but buildable sites are located in the southern portion. Purchased for assemblage with adjacent Clear Creek project.
Source: County Records and confidential owner of adjacent property



VACANT LAND SALE NO. 3:

Location: .5± miles southeast of Snow Valley Peak, some 1.5 miles north of U.S. Highway 50, and some 6 miles west of U.S. Highway 395, Carson City

APN: 7-031-19, 20 & 32

Legal Description: Portion of Sections 20 & 29, T.15N, R.19E., M.D.B.&M.

Grantor: Schulz Investments

Grantee: Carol Giannotti Family Trust

Land Use: Vacant steep undeveloped land

Recording Date: 3-5-03

Document No. : 293352

Land Area: 240.9± acres

Access: Access via Kings Canyon Road & Jeep trails thru Forest Service land. Currently, no trails to the property.

Utilities: 3± miles southeast

Topography: Moderate to steep

Zoning: CR (Conservation Reserve)

Water Rights: None

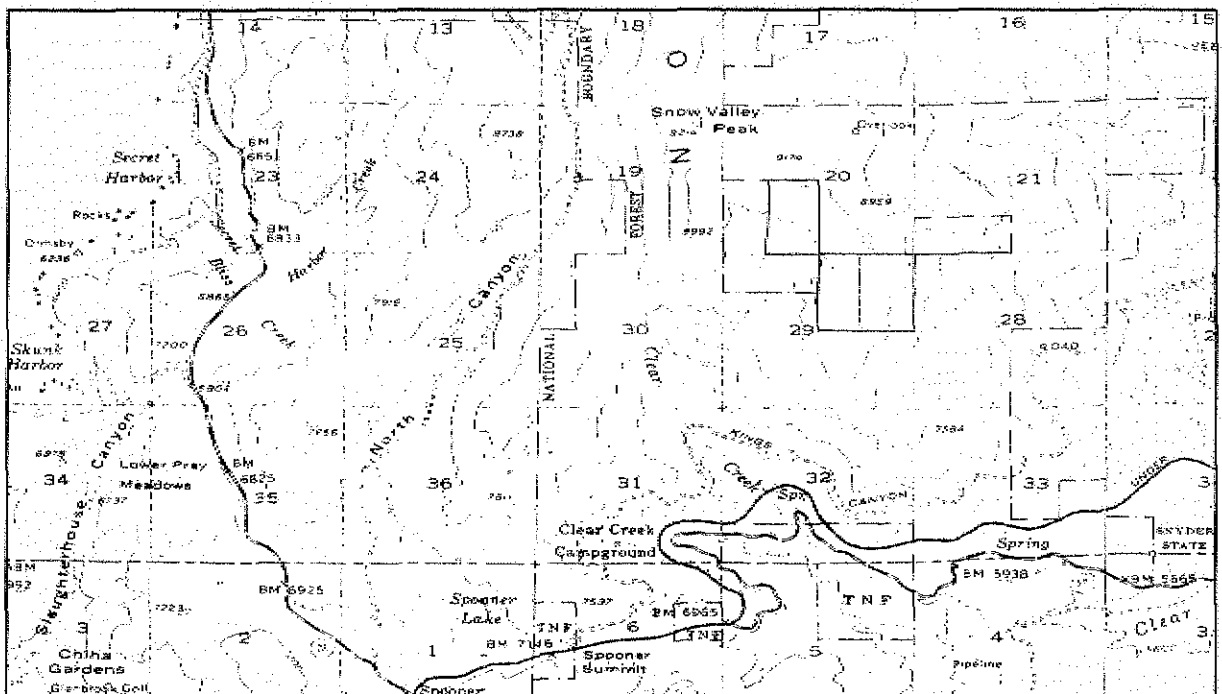
Gross Sale Price: \$450,000

Unit Price/Acre: \$1,868

Financing: Cash

Remarks: Seller indicated that the 80 acre site just south east of Snow Valley Peak was priced at \$3,000/acre, while the balance of the site (160 acres), priced at \$1,312.50/acre as they were not accessible due to their steep topography. Though this sale closed in 2003, the price was initially negotiated in 1997.

Source: Bill Schulz

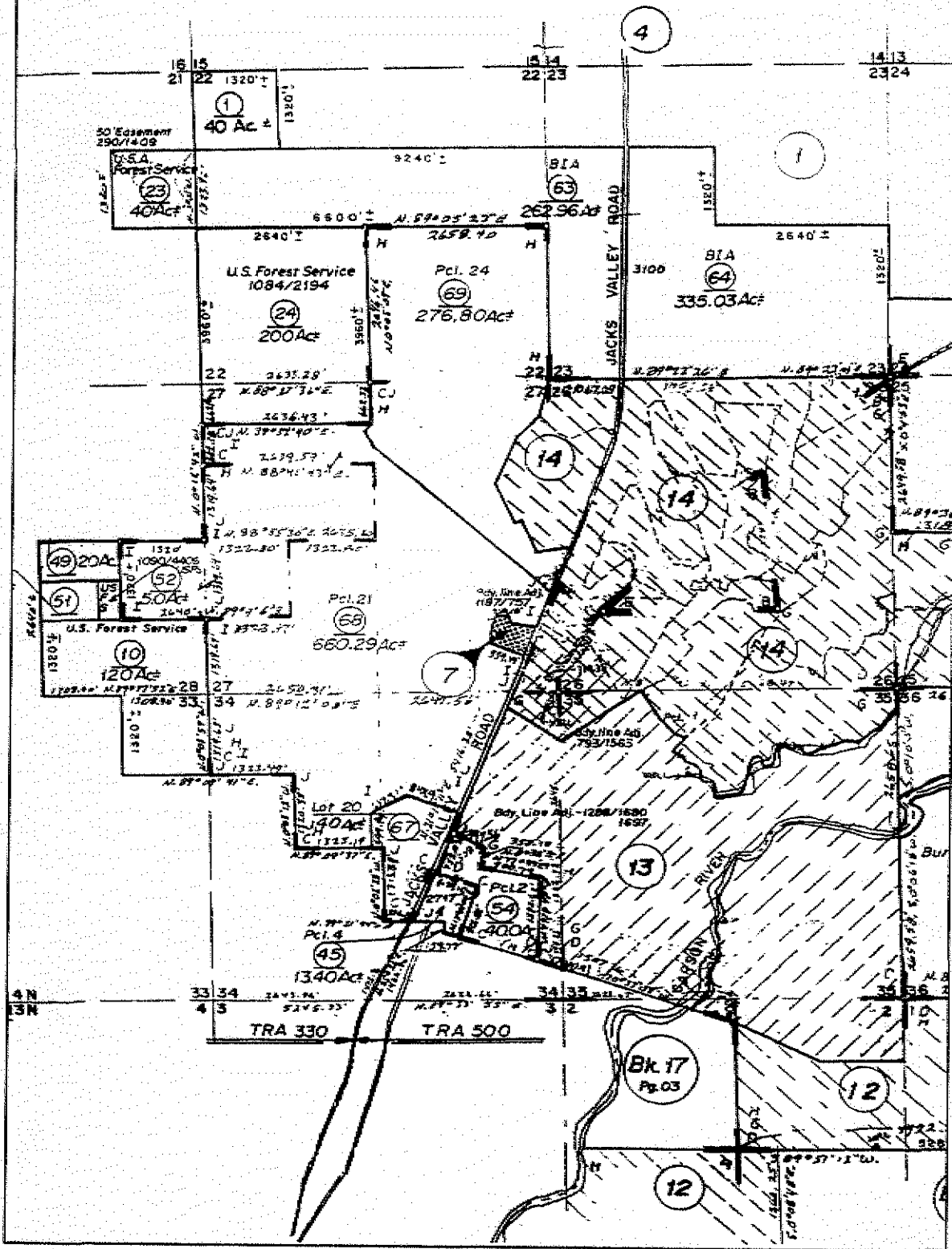


VACANT LAND SALE NO. 4:

Location: West side of Jacks Valley Road, west of the Sierra Ranch Golf Course, Douglas County, Genoa area
APN: 15-060-68, 75 & 76
Legal Description: Portion of Sections 27, 28 & 34, T.14N, R.19E., M.D.B.&M.
Grantor: Ronald L. Simek
Grantee: Charney 1996 Trust
Land Use: Vacant moderate to steep undeveloped land
Recording Date: 6-12-98
Document No. : 441882
Land Area: 703.97± acres
Access: Jacks Valley Road
Utilities: Northwest end - electricity
Topography: Moderate to steep
Zoning: FR-19 (minimum 19 acre sites)
Water Rights: Minimal
Gross Sale Price: \$1,999,000
Unit Price/Acre: \$2,839.61
Financing: Cash
Remarks: Buyer indicated the initial sale included 660.29 acres, based on a price of \$1,400,000, or \$2,120/acre. Prior to the close of escrow, the seller had to make a lot line adjustment to exclude a well site on the property and the buyer decided to purchase two additional twenty acre parcels. For the purpose of this analysis, the 660.29 acre sale will be reflected, as this only included one development right. It should be noted that the buyer attempted to drill a well but was unsuccessful in obtaining an adequate source. It necessitated him to drill on the east side of Jacks Valley Road and construct a long pipe line to the home site.
Source: Howard Charney

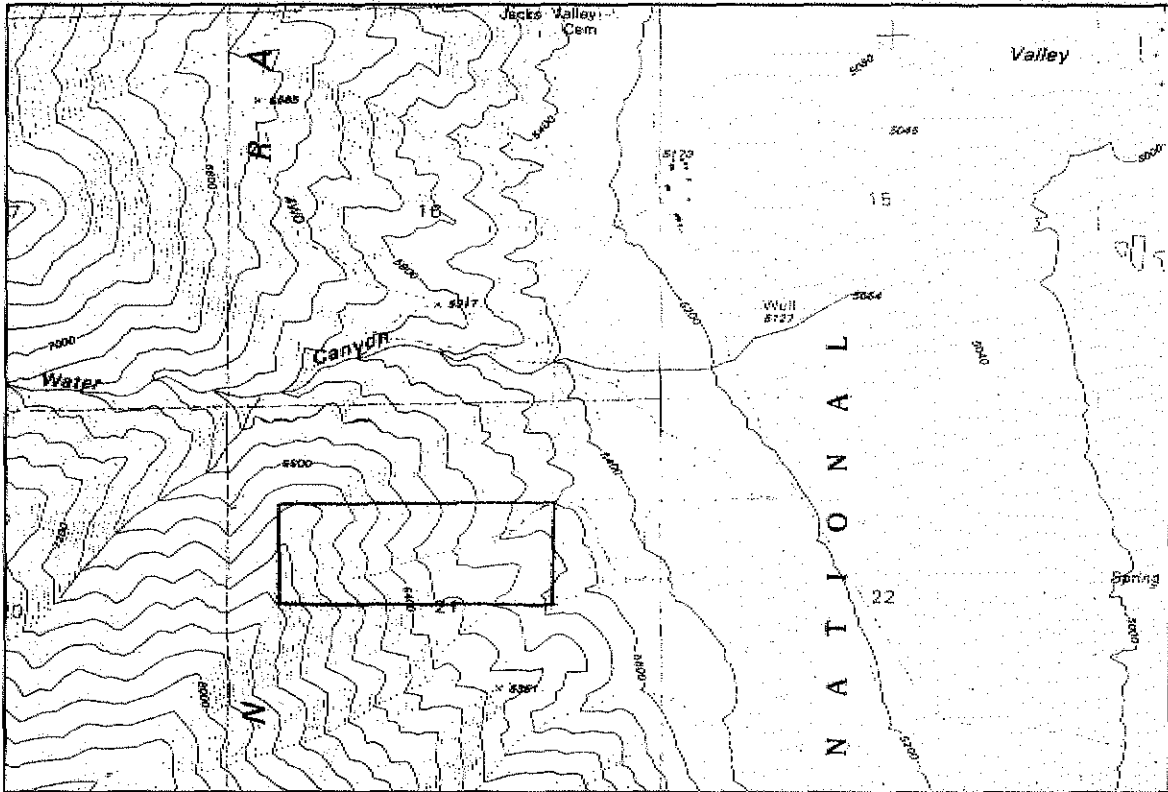
LOCATION MAP OF VACANT LAND SALE NO.4

PTN. T.14N., R.19E. & R.20E., M.D.B&M.
 PTN. T.13N., R.19E. & R.20E., M.D.B&M.



VACANT LAND SALE NO. 5:

Location: 1.5± miles west of Jacks Valley Road, 1± mile north of the Sierra Nevada Golf Course, Jacks Valley Area, Douglas County
APN: 1419-00-002-016
Legal Description: Metes & Bounds Description
Grantor: Kenneth M. Butti
Grantee: S & S Realty LLC (Sharon Chase)
Land Use: Undeveloped land
Recording Date: 12-9-98
Document No. : 456224
Land Area: 100.00± acres
Access: Private easements from Jacks Valley Road
Utilities: Electricity and telephone are located along Jacks Valley Road
Topography: Primarily steep alpine terrain with light timber
Zoning: FR-19
Water Rights: None
Gross Sale Price: \$235,000
Unit Price/Acre: \$2,350
Financing: Cash
Remarks: Purchased for private secluded site, with only 1 approved building site. Access thru BIA and Forest Service land.
Source: Cindy Humphreys (seller's secretary)



VACANT LAND SALE NO. 6:

Location: Both sides of Kings Canyon Road, some 3± miles west of Carson City (Carson City)

APN: 7-031-22, 7-051-01, 7-051-11 & 7-051-57

Legal Description: Portions of Sections 27, 28 & 34, T15N, R19E

Grantor: Deborah A Hutchison, etal

Grantee: William M. Fagen and Elizabeth Anne McCleary

Recording Date: 6-29-98

Document No.: 219854

Land Use: Vacant

Gross Land Size: 610.086± ac.

Access: U.S. Highway 50 & Kings Canyon Road

Proposed Use: Isolation

Utilities: Power & telephone are across U.S. Highway 50 in Clear Creek area.

Topography: Meadow to Steep

Zoning: CR

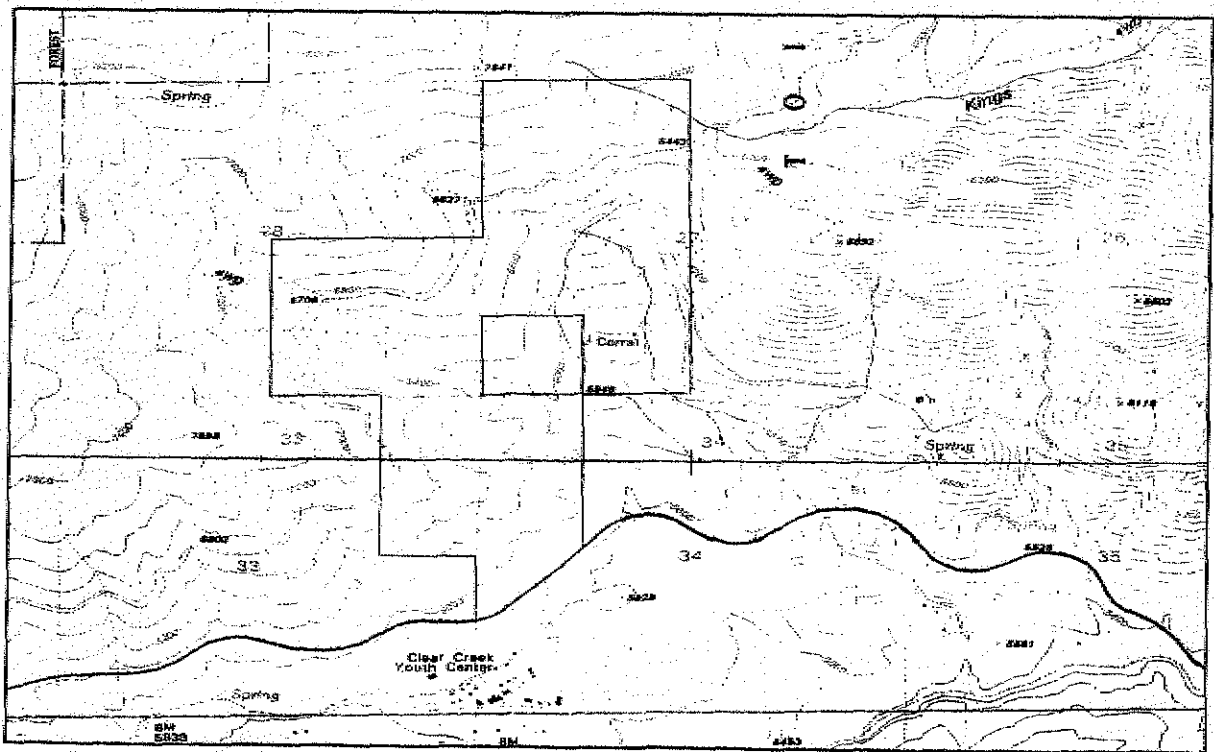
Gross Sale Price: \$1,800,000

Unit Price: \$2,950/acre

Financing: Cash

Comments: Though there are two small cabins/out buildings on the property, they are in fair condition and have little to no value. The attractiveness of the property is a secluded meadow just north of the restricted access roads to U.S. Highway 50. At the time of sale, the property had restricted access to U.S. Highway 50, but has since secured a deeded access from NDOT. Also includes 6% of water rights in Clear Creek. During inspection, 5 springs were observed on the property.

Source: William Fagan



VACANT LAND SALE NO. 7:

Location: South side of Old Clear Creek Road, just south of Youth Center, 3± miles west of U.S. Highway 395, Carson City

APN: 15-020-10

Legal Description: Parcel 2 of DLM 99-076

Grantor: Harry Schneider Estate

Grantee: Incline Energy, LLC

Land Use: Operating ranch

Recording Date: 2-29-00

Document No.: 2000-4699

Land Area: 1,605.92± acres

Access: Old Clear Creek Road and dirt roads off Jacks Valley Road.

Utilities: Electricity and telephone are to the site

Topography: Lower meadows and steep alpine topography

Zoning: A-19 and FR-19 (minimum 19 acre sites)

Water Rights: Limited rights in Clear Creek

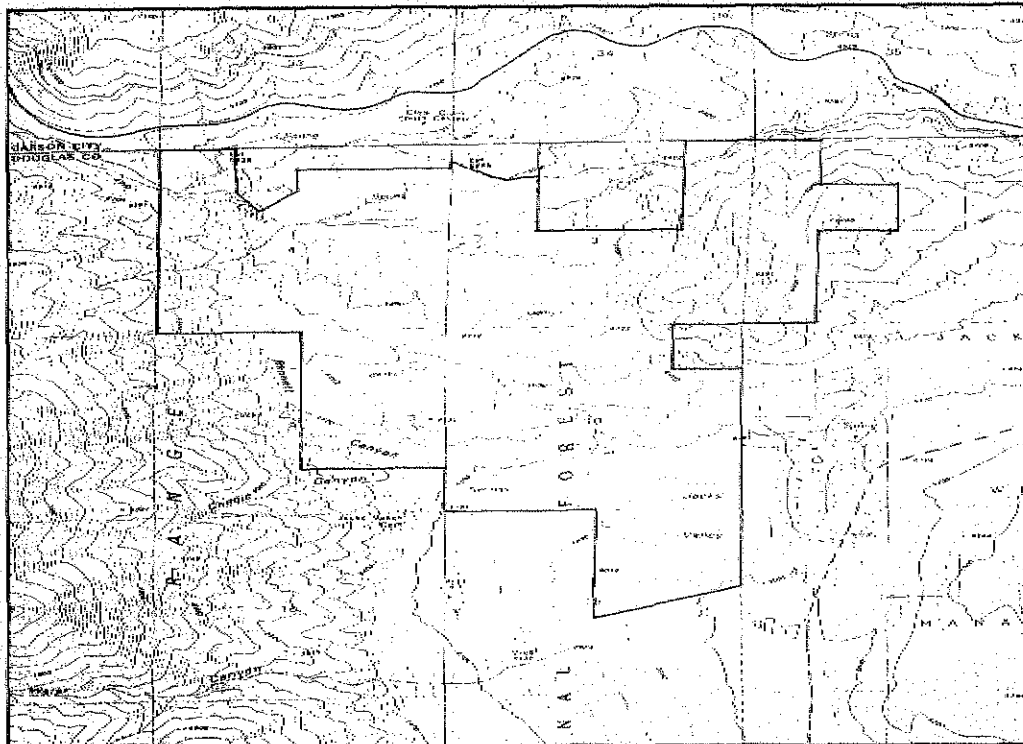
Gross Sale Price: \$5,175,000

Unit Price/Acre: \$3,222

Financing: Cash

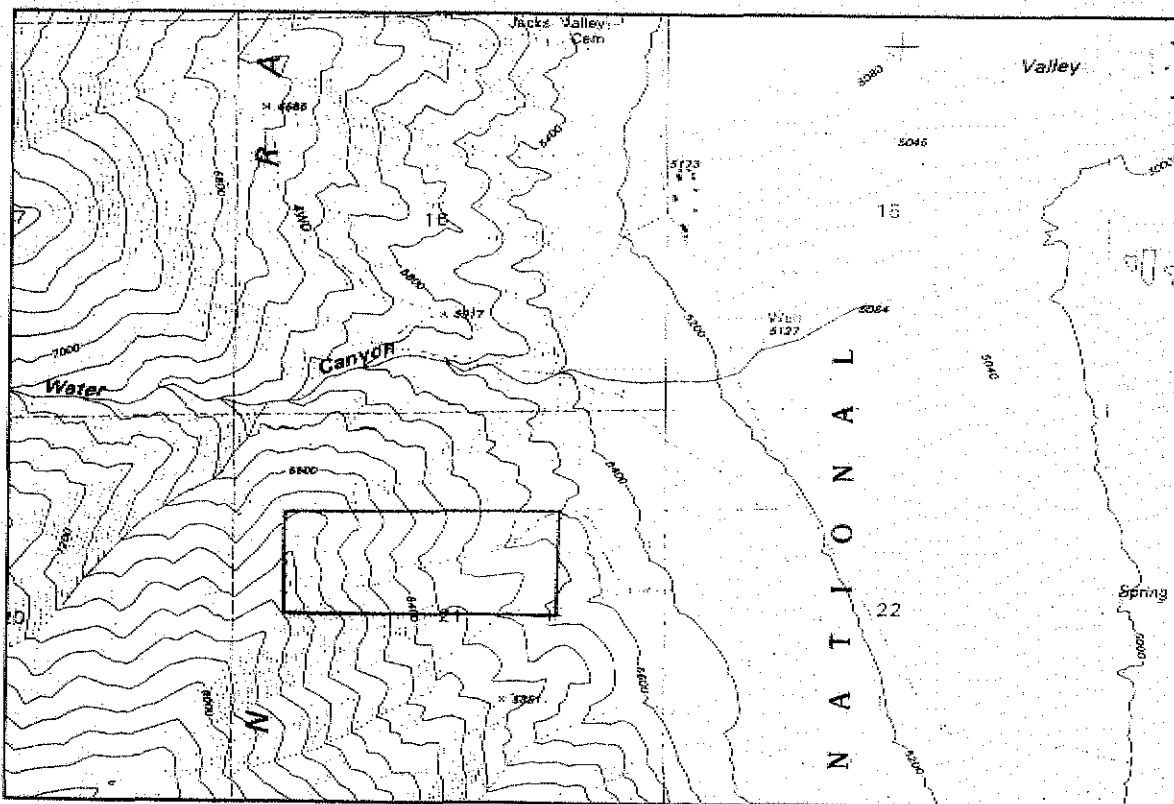
Remarks: A unique parcel of land that extends from the western Clear Creek area to the northern portion of Jacks Valley. It includes Clear Creek which bisects the property as well as some forested and meadow regions.

Source: Barbara Rainey



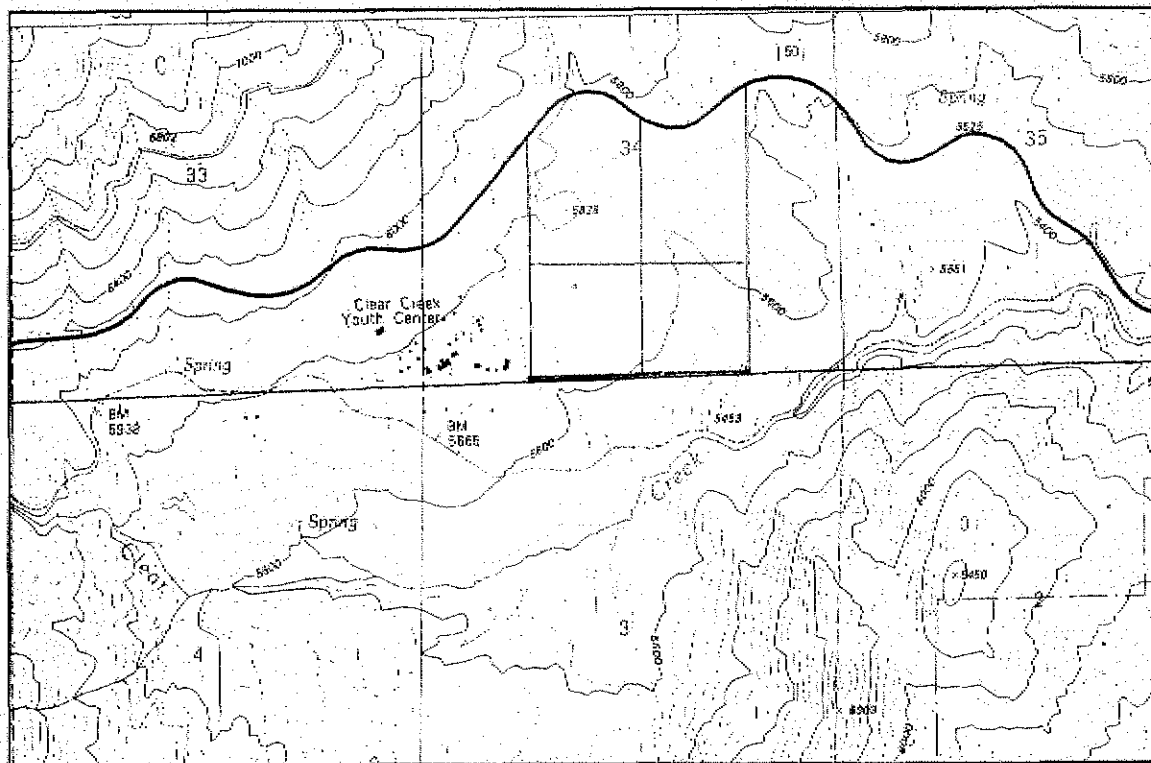
VACANT LAND SALE NO. 8:

Location: 1.5± miles west of Jacks Valley Road, 1± mile north of the Sierra Nevada Golf Course, Jacks Valley Area, Douglas County
APN: 1419-00-002-016
Legal Description: Metes & Bounds Description
Grantor: S & S Realty LLC (Sharon Chase)
Grantee: Keith D. Storey and E. Taylor
Land Use: Undeveloped land
Recording Date: 5-4-04
Document No.: 61306
Land Area: 100.00± acres
Access: Private easements from Jacks Valley Road
Utilities: Electricity and telephone are located along Jacks Valley Road
Topography: Primarily steep alpine terrain with light timber
Zoning: FR-19
Water Rights: None
Gross Sale Price: \$575,000
Unit Price/Acre: \$5,750
Financing: Cash
Remarks: Purchased for private secluded site. The property was last sold in December 1998 for \$235,000.
Source: Cindy Humphreys (seller's secretary)



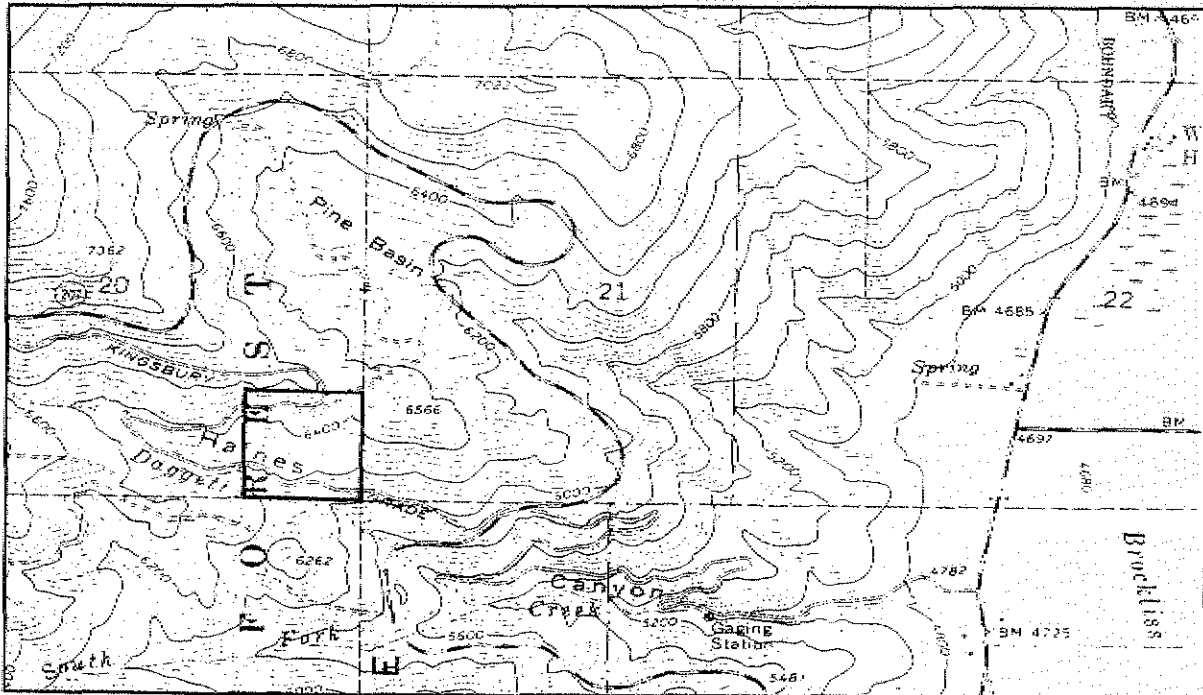
VACANT LAND SALE NO. 9:

Location: Just east of the Clear Creek Youth Center, .25 miles north of Old Clear Creek Road, Carson City
APN: 7-051-23, 61, 62 & 63
Legal Description: Parcels 1 - 3 of PM 2223 plus a portion of Section 34/15/19
Grantor: Harry Schneider Estate
Grantee: Andrezej Bugajski
Land Use: Undeveloped land
Recording Date: 1-29-99
Document No.: 229543
Land Area: 172.95± acres
Access: Private easements from Old Clear Creek Road
Utilities: Electricity and telephone are located in the area
Topography: Primarily steep alpine terrain with light timber
Zoning: SF-5 Acre
Water Rights: None
Gross Sale Price: \$1,080,000
Unit Price/Acre: \$6,245
Financing: Cash
Remarks: Buyer was anticipating parceling the property into 5 acre sites. Access is an issue as well as topography.
Source: Barbara Rainey



VACANT LAND SALE NO. 10:

Location: Just east of the Kingsbury Grade Summit, south side of the road,
Douglas County, Nevada
APN: 1319-00-002-033
Legal Description: SE¼ SE¼, Section 4, T13N, R19E
Grantor: Richard & Ursula Tracy
Grantee: Patrick Samal
Land Use: Undeveloped land
Recording Date: 11-21-01
Document No.: 528342
Land Area: 40.00± acres
Access: Private easement from Kingsbury Grade
Utilities: Electricity and telephone are located in the area
Topography: Primarily moderate to steep alpine terrain with light timber
Zoning: FR-19
Water Rights: None
Gross Sale Price: \$272,000
Unit Price/Acre: \$6,800
Financing: Cash
Remarks: This site is located on the east side of the top of Kingsbury Grade,
approximately .30 miles from the road.
Source: Public Records



VACANT LAND SALE NO. 11:

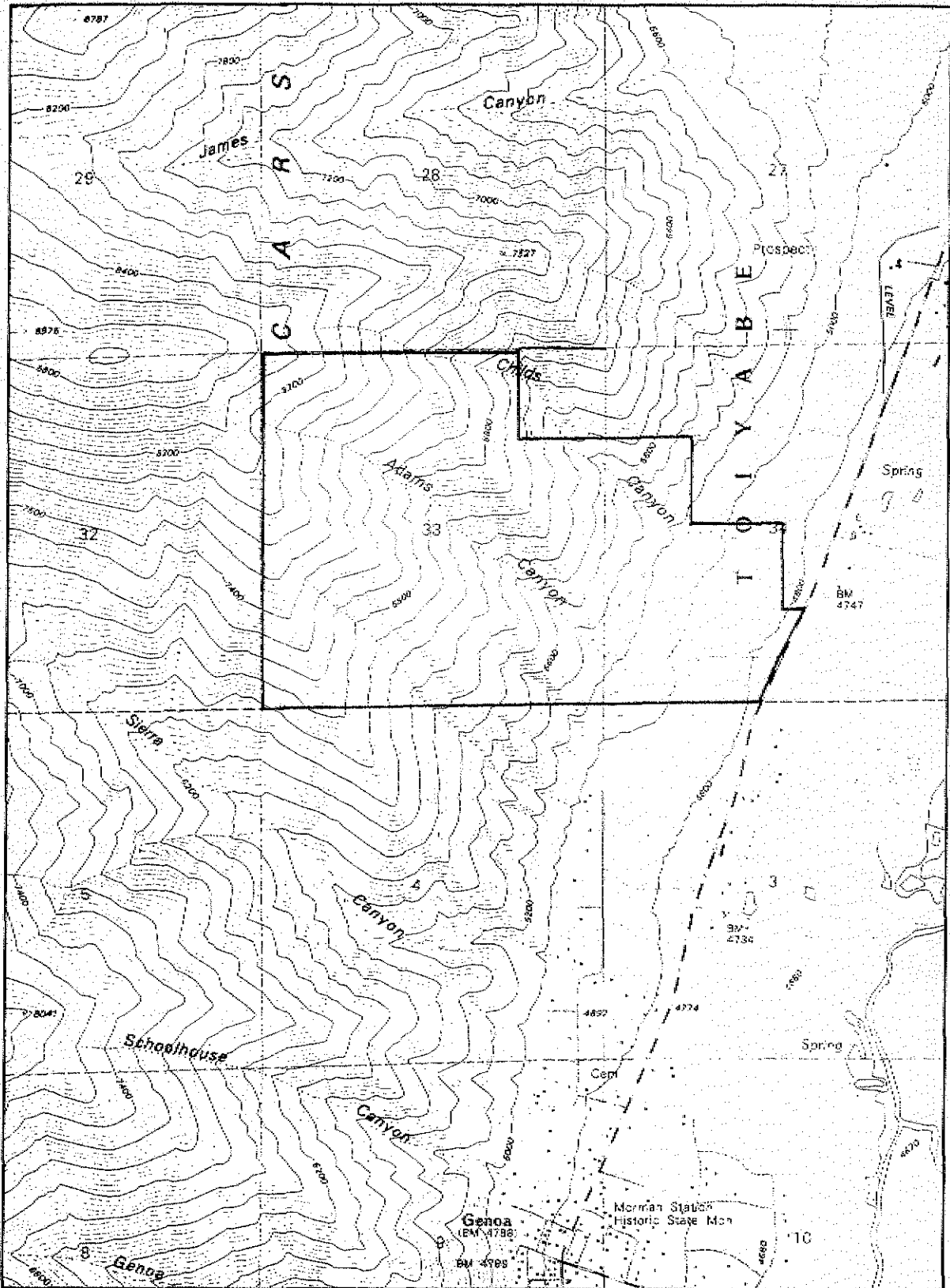
Location: West side of Jacks Valley Road, some 1.5 miles north of Genoa,
Douglas County
APN: 1419-00-002-027
Legal Description: Parcel A of the Record of Survey of the Adams Ranch
Grantor: Madcap LLC
Grantee: Eagle Ridge at Genoa LLC
Land Use: Undeveloped land
Recording Date: 02-12-04
Document No. : 204-4596
Land Area: 1,016.08± acres
Access: Jacks Valley Road
Utilities: Electricity and telephone are to the site
Topography: Slight to moderate for the eastern 275± acres, while the balance of
741± acres involves steep slopes.
Zoning: FR-19 (minimum 19 acre sites)
Water Rights: Minimal
Gross Sale Price: \$7,500,000
Unit Price/Acre: \$7,381
Financing: Cash
Remarks:

This parcel sets on the west side of Jacks Valley Road, overlooking the Carson Valley area. Just over 25% of land area can be developed. At the time of sale, a tentative map of 57 residential lots was approved for the site. The majority of the lots, 55, are located in the eastern 275 acre developable area, while the remaining 2 lots will be allocated to the remaining steep mountainous area. The vegetation for the developable area is primarily high desert.

It should be noted: the seller had negotiated an option price of \$5,425,000 in early to mid 2003 with the Adams Family, the previous long term property owners. The price included \$125,000 in allocated water rights.

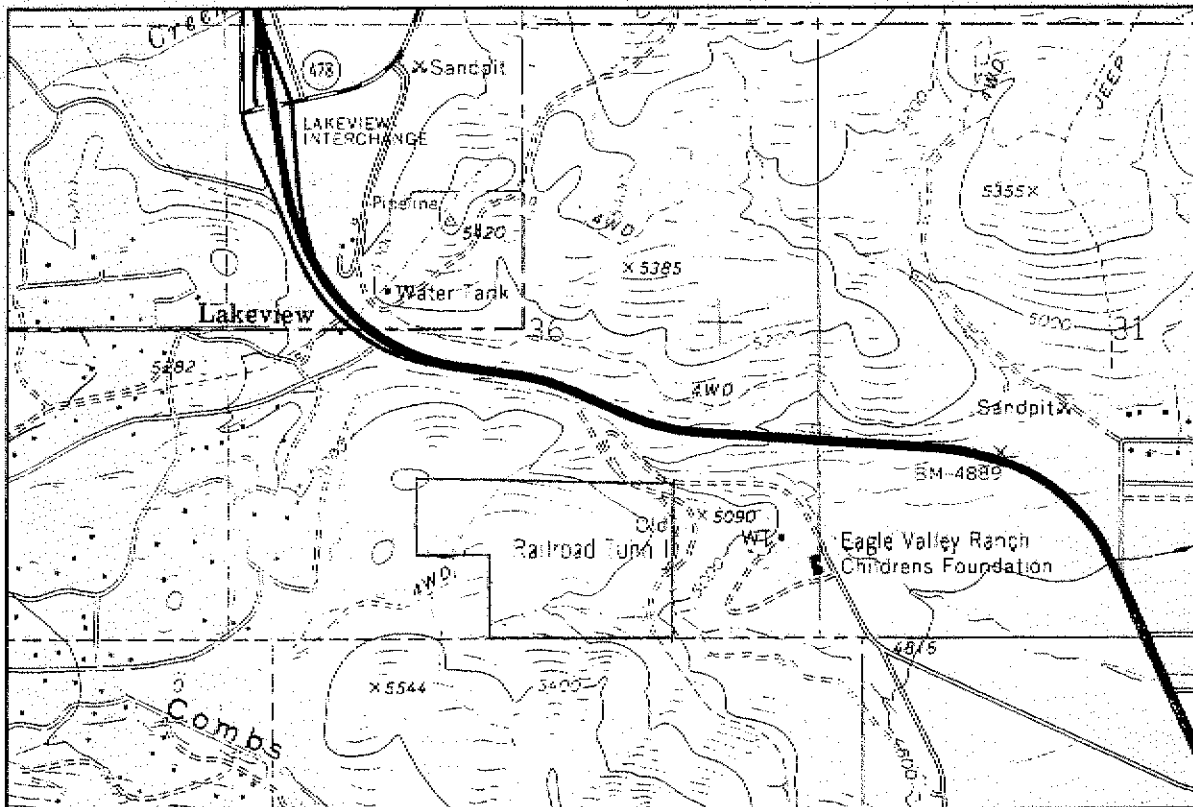
Source: Mike Gilbert, seller

LOCATION MAP OF VACANT LAND SALE NO. 11



VACANT LAND SALE NO. 12:

Location: East end of Buckskin Road, Carson City
APN: 7-091-74
Legal Description: Portion of Section 36, T.16N, R.19E., M.D.B.&M.
Grantor: Helgren, Stodieck, Wagner, Churn Families
Grantee: DiMartino Revokable Trust, etal
Land Use: Undeveloped land with gentle to steep slopes
Recording Date: 7-25-05
Document No.: 340140
Land Area: 60.118± acres
Access: Access via Buckskin Road and possible 50' easement
Utilities: 1,500± feet westerly along Lakeview Road
Topography: Gentle to steep
Zoning: SF1A (Minimum 1 acre residential sites)
Water Rights: None
Gross Sale Price: \$625,000
Unit Price/Acre: \$10,396
Financing: Cash to seller
Remarks: Buyer indicated they have a 50' legal access to Buckskin Road, and a possible second access, but access slopes are greater than 15%. The upper portion of this property is a bench region with views of the north Carson City Area.
Source: Lori Jenkins - buyer



VACANT LAND SALE NO. 13:

Location: .5± miles southeast of Snow Valley Peak, some 1.5 miles north of U.S. Highway 50, and some 6 miles west of U.S. Highway 395, Carson City

APN: 7-031-31

Legal Description: Portion of Sections 20, T.15N, R.19E., M.D.B.&M.

Grantor: Schulz Investments

Grantee: West Peak-HCT, LLC (Carol Giannotti)

Land Use: Vacant steep undeveloped land

Recording Date: 3-24-06

Document No.: 351421

Land Area: 80.906± acres

Access: Access via Kings Canyon Road & Jeep trails thru Forest Service land. Currently, no trails to the property.

Utilities: 3± miles southeast

Topography: Moderate to steep

Zoning: CR (Conservation Reserve)

Water Rights: None

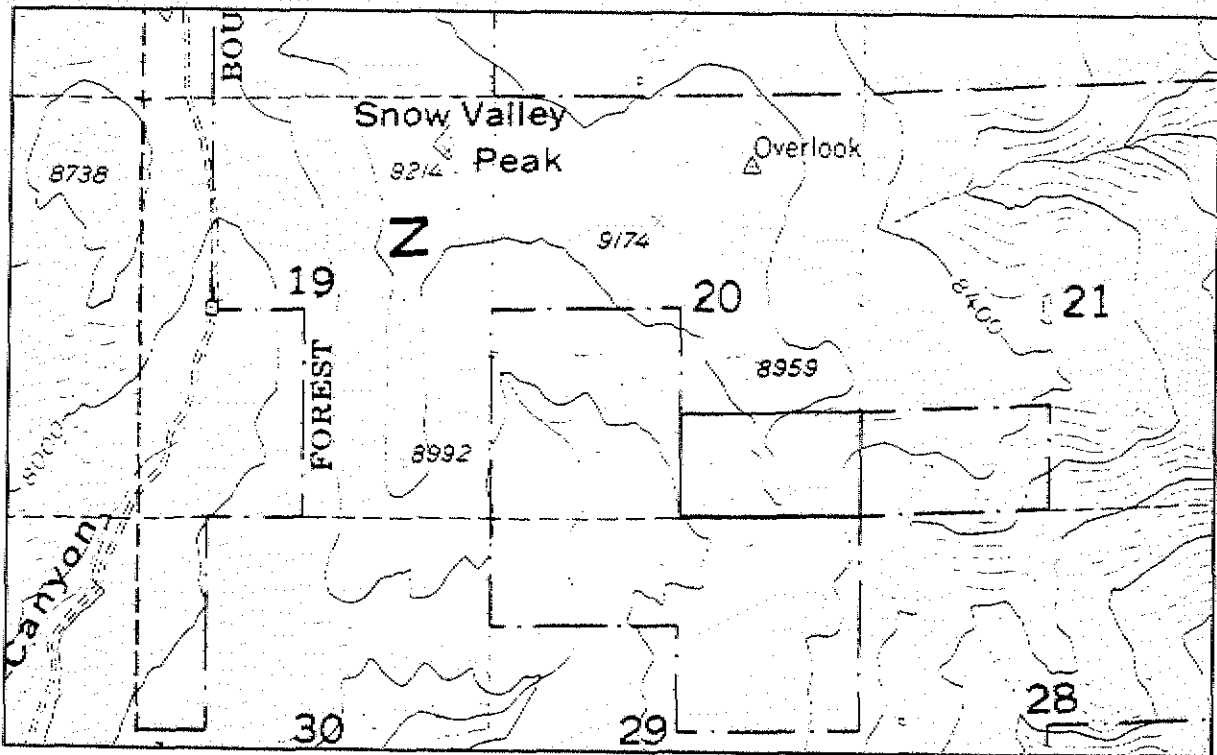
Gross Sale Price: \$1,200,000

Unit Price/Acre: \$14,832

Financing: Cash

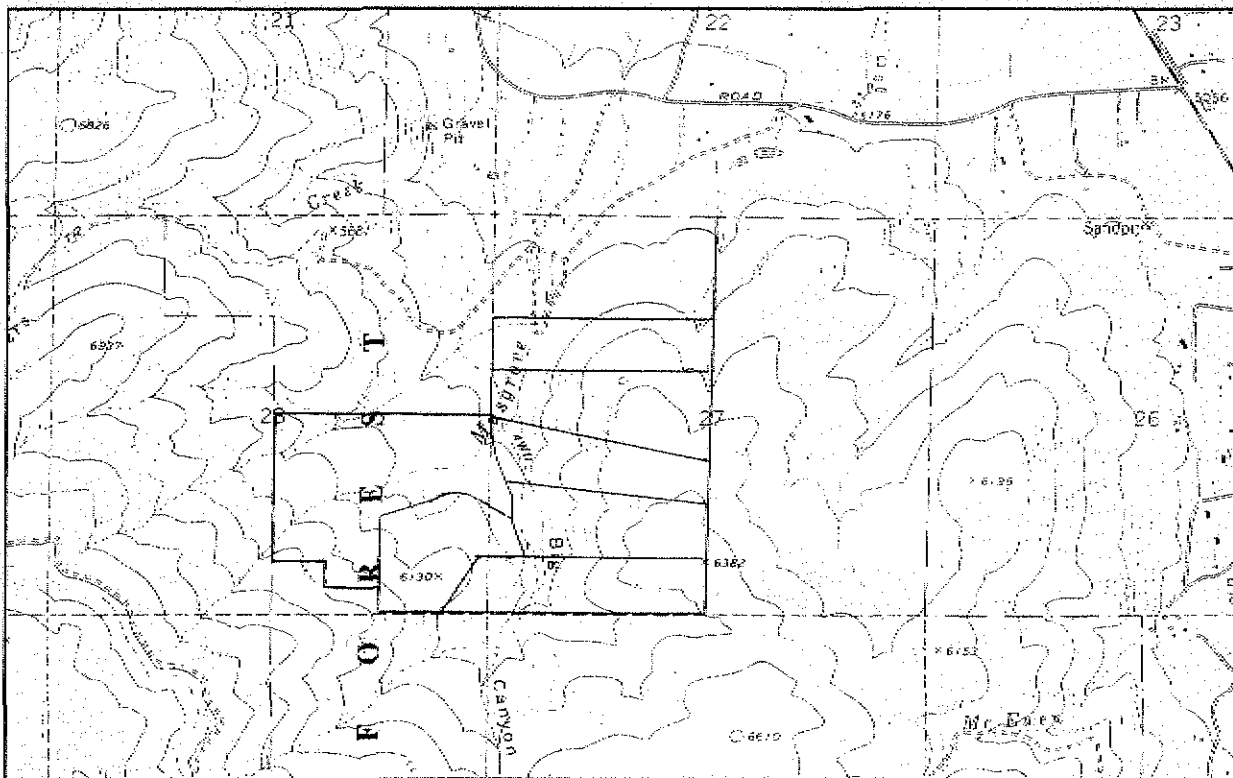
Remarks: Seller indicated that the buyers were paying a premium in order to assemble the property to their adjacent acreage.

Source: Bill Schulz - Seller



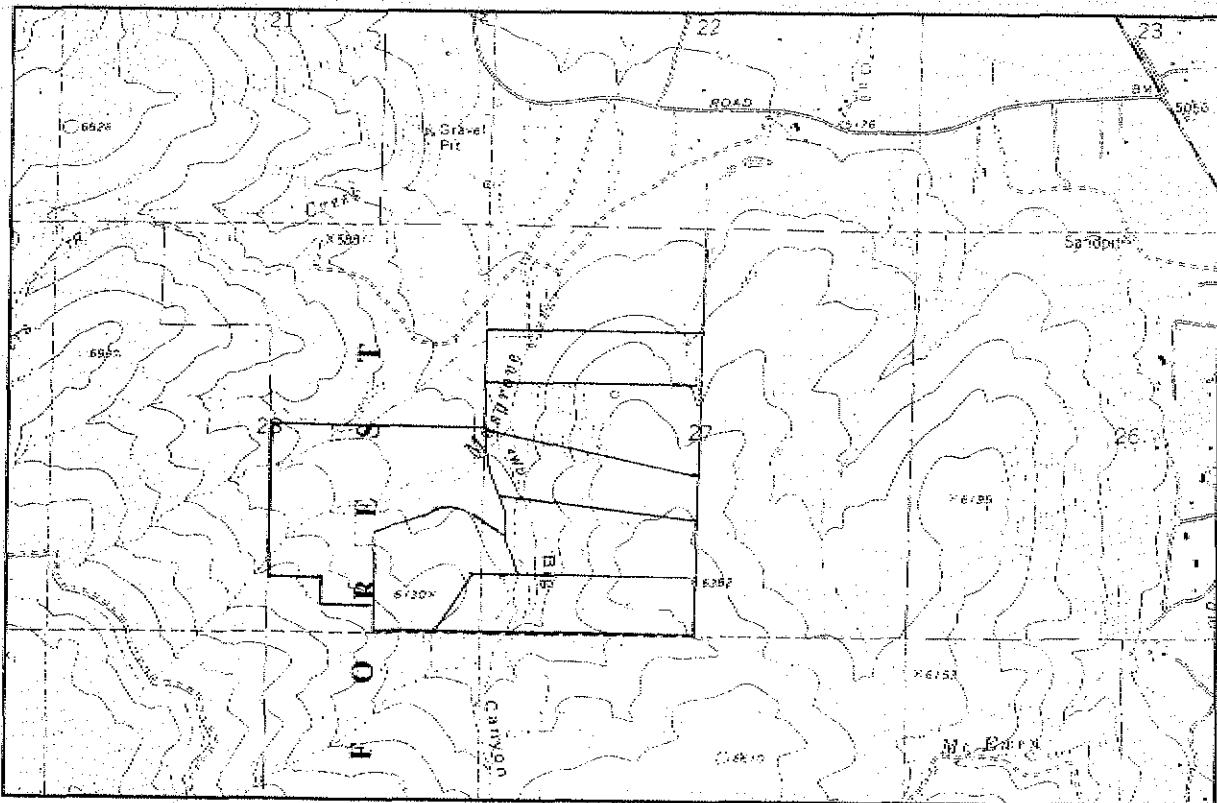
VACANT LAND SALE NO. 14:

Location: East side of Big Canyon Road and Tunnel Creek Road, Washoe Valley, Washoe County
APN: 55-430-01
Legal Description: Parcel A of Land Division Map 203
Grantor: Stephen Zolotow
Grantee: John C. Trijois, Trustee
Land Use: Vacant gradual to steep undeveloped land
Recording Date: 8-9-04
Document No. : 3080727
Land Area: 40.07± acres
Access: Big Canyon Road and Tunnel Creek Road
Utilities: Electricity
Topography: Gradual to steep
Zoning: GR
Water Rights: None
Gross Sale Price: \$350,000
Unit Price/Acre: \$8,735
Financing: Cash to seller
Remarks: The original price was \$550,000, but the seller discounted the price, as the buyer is now responsible for the extension of electricity, natural gas, telephone and paved roadway.
Source: Broker - Tory Williams



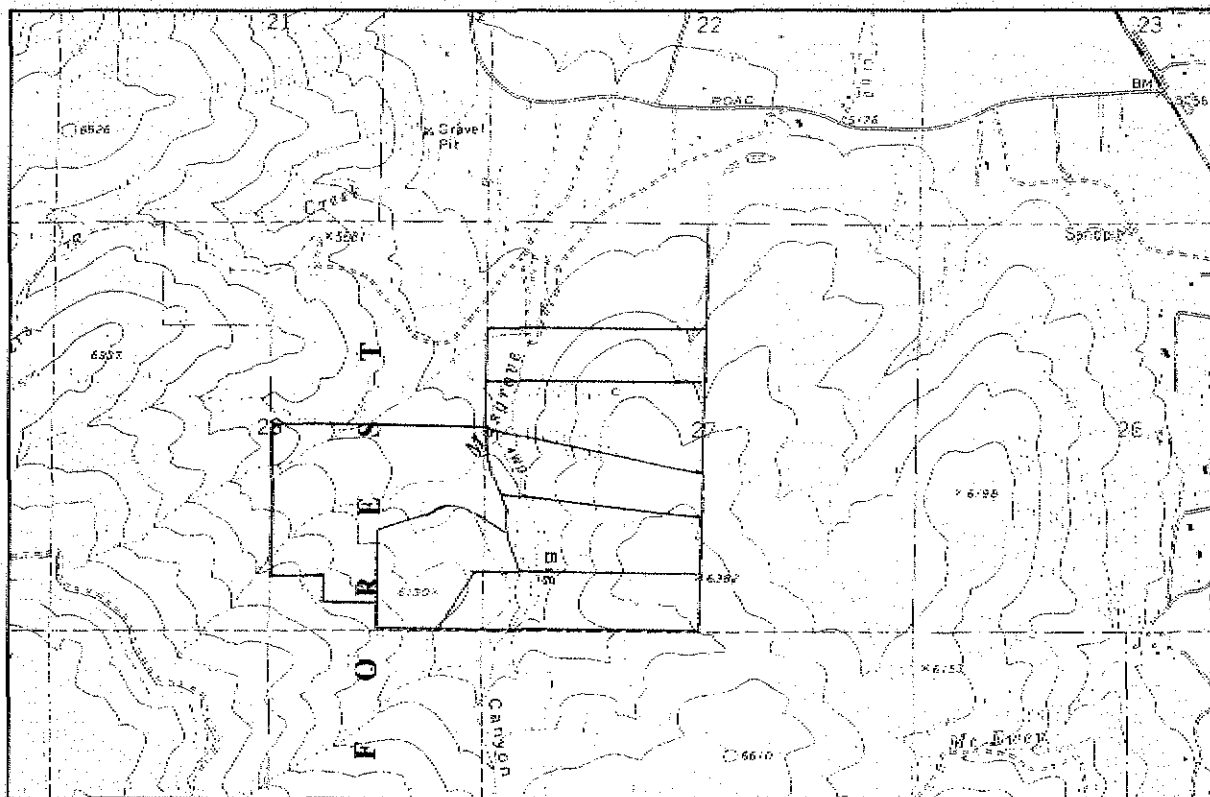
VACANT LAND SALE NO. 15:

Location: West side of Musgrove Creek Drive, 1,300' south of Big Canyon Road, Washoe Valley, Washoe County
APN: 55-430-07
Legal Description: Parcel G of Land Division Map 203
Grantor: Stephen Zolotow
Grantee: Soni, Viney & Vandana, etal
Land Use: Vacant gradual to steep undeveloped land
Recording Date: 11-17-05
Document No.: 3309319
Land Area: 100.68± acres
Access: Big Canyon Road and Musgrove Creek Road
Utilities: Electricity, natural gas & telephone
Topography: Gradual to steep
Zoning: GR
Water Rights: None
Gross Sale Price: \$1,000,000
Unit Price/Acre: \$9,933
Financing: Cash to seller
Remarks: This parcel is located in the Musgrove Creek area. It includes a paved access, with electricity, natural gas & telephone.
Source: Broker - Tory Williams



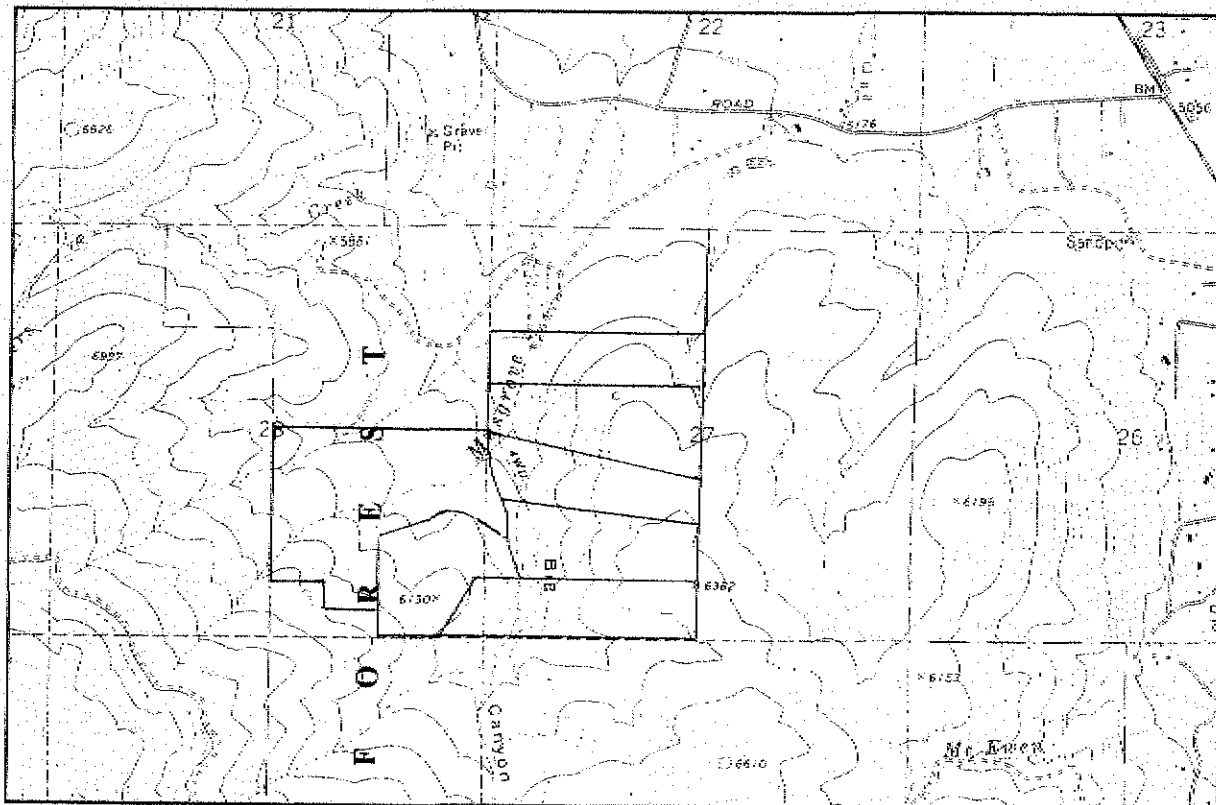
VACANT LAND SALE NO. 16:

Location: Southwest end of Musgrove Creek Drive, Washoe Valley, Washoe County
APN: 55-430-06
Legal Description: Parcel F of Land Division Map 203
Grantor: Stephen Zolotow
Grantee: PSF Investments, LLC; etal
Land Use: Vacant gradual to steep undeveloped land
Recording Date: 2-04-05
Document No. : 3166095
Land Area: 49.92± acres
Access: Big Canyon Road and Musgrove Creek Road
Utilities: Electricity, natural gas & telephone
Topography: Gradual to steep
Zoning: GR
Water Rights: None
Gross Sale Price: \$700,000
Unit Price/Acre: \$14,022
Financing: Cash to seller
Remarks: This parcel is located in the Musgrove Creek area. It includes a paved access, with electricity, natural gas & telephone.
Source: Broker - Tory Williams



VACANT LAND SALE NO. 17:

Location: Southeast end of Musgrove Creek Drive, Washoe Valley, Washoe County
APN: 55-430-05
Legal Description: Parcel E of Land Division Map 203
Grantor: Stephen Zolotow
Grantee: Jerry & Julie Kirstine
Land Use: Vacant gradual to steep undeveloped land
Recording Date: 12-2-05
Document No.: 3320039
Land Area: 46.84± acres
Access: Big Canyon Road and Musgrove Creek Road
Utilities: Electricity, natural gas & telephone
Topography: Gradual to steep
Zoning: GR
Water Rights: None
Gross Sale Price: \$750,000
Unit Price/Acre: \$16,012
Financing: Cash to seller
Remarks: This parcel is located in the Musgrove Creek area. It includes a paved access, with electricity, natural gas & telephone.
Source: Broker - Tory Williams



LAND SALES ADJUSTMENTS DISCUSSED

On the previous pages, seventeen (17) vacant land sales are listed. These sales are located in the rural areas of Carson City, Douglas County and Washoe Valley. The sale properties range in size from 40.00 acres to 660.29 acres. The unit prices (price/acre) range from a low of \$438/acre to \$16,012/acre. Nine of the sales have transferred ownership in the past three years, while the balance of sales are as old as eight years. The older sales are provided to demonstrate the appreciation that has taken place over the past eight years.

The first step when analyzing vacant land is to determine the property differences between the sales and the subject. As will be demonstrated, the differences will be reflected as quantitative (paired sales analysis) adjustments and qualitative (relative) adjustments. Quantitative adjustments, by way of paired sales analysis, is the process in which two or more land sales are compared to derive an indication of a specific adjustment (dollar or percentage) attributed to a single characteristic. The analysis of relative adjustments recognizes that there is a differentiating factor between the subject and the comparable sale, but a specific dollar or percentage amount cannot reasonably be extracted based on paired sales analysis. Also, the relative adjustment for one sale might, and probably is not given the same weight as another sale.

Cash Equivalency

This is the first adjustment made prior to other market comparisons. This adjustment compensates for financing that is atypical; that is, not a cash transaction or its equivalent. Based on the definition of market value as addressed in this report, cash equivalency is not considered to adversely affect any of the sales.

Property Rights Conveyed

All the sales conveyed similar property rights. No adjustment is warranted.

Condition of Sale

All the sales, except VLS-12, are arm's length transactions, under no duress. VLS-12 is provided due to its proximity to the subject but this property was not listed on the market and was purchased by an adjacent property owner for assemblage purposes. Furthermore, when compared to VLS-11 and VLS-14, two superior properties, it clearly illustrates that the sales conditions for VLS-12 do not meet the definition of Market Value.

Time Adjustment

The market condition - Time - is the next market comparison adjustment. This adjustment enables all of the sales to be considered as of the same date. The adjustment for time not only reflects changes due to inflation/deflation but also a variation in market conditions related to supply and demand factors.

Land is typically a very volatile commodity. It typically produces no income while allowed to remain vacant, and is even subject to negative cash flows due to property taxes, assessments and maintenance. Holding acreage as an investment is fairly common, especially in growing regions. This adjustment reflects the duration of time between the date of appraisal and the date of the sales transaction.

Because there are no good direct current sale comparisons to the subject, this method is considered the best analysis in determining the value of the subject property. As the local data for determining a time adjustment is somewhat skewed, ten additional sales from the Markleeville and Woodsfords areas (VLS-18 thru VLS-27), are provided in the Addenda Section of the report. As noted, these are being provided to support the appraiser's time adjustment, as it has been found that investors/buyers will consider mountain properties in both regions. Though the sales are being used to support a time adjustment, it is felt that ample sales more proximate to the subject (VLS-1 thru VLS-17) are the best comparables due to their proximity and Nevada location.

Some of the best sales data necessary to determine a reasonable time adjustment are the sales located in the Genoa/Jacks Valley region (VLS-1, VLS-2, VLS-4, VLS-5, VLS-7, VLS-8 and VLS-11), as well as the Markleeville and Woodsfords areas (VLS-18 thru VLS-27). The first comparisons are VLS-5 and VLS-8. These are a sale and resale of the same parcel, located in the Genoa/Jacks Valley area.

Time Pairing #1

	<u>VLS-5</u>	<u>VLS-8</u>
Parcel Size-Acre	100.00 acres	100.00 acres
Sale Date	12-98	5-04 (65 months)
Location	Jacks Valley	Jacks Valley
Unit Price/Acre	\$2,350	\$5,750

$$\$5,750 - \$2,350 = \$3,400$$

$$\$3,400 \div \$2,350 = 144.68\%$$

$$144.68\% \div 65 \text{ months} = 2.22\% \text{ per month or } 26.40\%/\text{year}$$

The next pairing is also located in Douglas County. These are two large parcels of land situated along or just off Jacks Valley Road. VLS-7 is a 1,606± acre property with meadow, forest and high desert features. VLS-11 is very similar but this property lacks the timber amenity in its developable area. A downward adjustment to VLS-11 is warranted to reflect the tentative map condition of the sale. As a result, I have reverted back to the initial offer price of \$5,425,000, which was accepted by the Adams Family in April 2003. This price will be compared to VLS-7, as it did not include any map approvals. Overall, VLS-7 is considered a superior parcel due to its higher percentage of developable land. Though the time adjustment will reflect a low indicator due to VLS-7 being superior, it will provide additional support to the previous data.

<u>Time Pairing #2</u>	<u>VLS-7</u>	<u>VLS-11 (adjusted)</u>
Parcel Size-Acre	1,605.92 acres	1,016.08 acres
Sale Date	2-00	4-03 (50 months)
Location	Clear Creek	Genoa
Unit Price/Acre	\$3,222	\$5,339

$$\begin{aligned}
 & \$5,339 - \$3,222 = \$2,117 \\
 & \$2,117 \div \$3,222 = 65.70\% \\
 & 65.70\% \div 50 \text{ months} = 1.31\% \text{ per month or } 15.77\%/\text{year}
 \end{aligned}$$

The next pairings will compare similar sized parcels located in the Musgrove Creek area of Washoe Valley (VLS-16 and VLS-17). This time adjustment is also considered a low indicator as the parcels in this project have been under construction for nearly two years, and are yet to be completed. It is believed the project now has been adversely impacted due to the lack of completion.

<u>Time Pairing #3</u>	<u>VLS-16</u>	<u>VLS-17</u>
Parcel Size-Acre	49.92 acres	46.84 acres
Sale Date	2-05	12-05 (10 months)
Location	Musgrove Creek	Musgrove Creek
Unit Price/Acre	\$14,022	\$16,012

$$\begin{aligned}
 & \$16,012 - \$14,022 = \$1,990 \\
 & \$1,990 \div \$14,022 = 14.19\% \\
 & 14.19\% \div 10 \text{ months} = 1.42\% \text{ per month or } 17.03\%/\text{year}
 \end{aligned}$$

The Markleeville/Woodsford sales will now be analyzed. The first two comparisons will be VLS-21 and VLS-27. These are nearly side by side properties. VLS-21 consists of two parcels with frontage along both sides of State Highway 89. Both sales have Scott Creek

bisecting their sites and both have relatively gentle topography. The following is a summary of the time comparison between the two sales.

<u>Time Pairing #4</u>	<u>VLS-21</u>	<u>VLS-27</u>	
Parcel Size-Acre	127.43 acres	73.89 acres	
Sale Date	3-96	10-03	(91 months)
Location	Alpine County	Alpine County	
Unit Price/Acre	\$3,492	\$10,150	
	$\$10,150 - \$3,492 = \$6,658$		
	$\$6,658 \div \$3,492 = 190.66\%$		
	$190.66\% \div 91 \text{ months} = 2.10\% \text{ per month or } 25.14\%/\text{year}$		

The next time pairing will equate VLS-17 and VLS-18. These are the same parcels, but VLS-18 was a portion of a larger sale that included a single family home and 40+ acre site. The contribution value of the residence was deducted from VLS-18 to determine the value of the remaining land area.

<u>Time Pairing #5</u>	<u>VLS-17</u>	<u>VLS-18</u>	
Parcel Size-Acre	591.84 acres	591.84 acres	
Sale Date	8-97	4-02	(56 months)
Location	Markleeville	Markleeville	
Unit Price/Acre	\$1,195	\$2,619	
	$\$2,619 - \$1,195 = \$1,424$		
	$\$1,424 \div \$1,195 = 119.16\%$		
	$119.16\% \div 56 \text{ months} = 2.13\% \text{ per month or } 25.54\%/\text{year}$		

The sixth pairing will compare VLS-22, which is a secluded parcel with difficult access, to VLS-18 and VLS-19. VLS-22 is adjacent to the other sales and was purchased by the same buyer as VLS-19. Though there is a possible size adjustment, this adjustment is offset by the superior access of VLS-18 and VLS-19.

<u>Time Pairing #6</u>	<u>VLS-18</u>	<u>VLS-22</u>	
Parcel Size-Acre	591.84 acres	160.00 acres	
Sale Date	8-97	10-03	(62 months)
Location	Markleeville	Markleeville	
Unit Price/Acre	\$1,195	\$3,500	
	$\$3,500 - \$1,195 = \$2,305$		
	$\$2,305 \div \$1,195 = 192.89\%$		
	$192.89\% \div 62 \text{ months} = 3.11\% \text{ per month or } 37.33\%/\text{year}$		

<u>Time Pairing #7</u>	<u>VLS-19</u>	<u>VLS-22</u>	
Parcel Size-Acre	591.84 acres	160.00 acres	
Sale Date	4-02	10-03	(18 months)
Location	Markleeville	Markleeville	
Unit Price/Acre	\$2,619	\$3,500	

$$\$3,500 - \$2,619 = \$881$$

$$\$881 \div \$2,619 = 33.64\%$$

$$33.64\% \div 18 \text{ months} = 1.87\% \text{ per month or } 22.43\%/\text{year}$$

Based on the seven time pairings, an annual appreciation range of 15.77% to 37.33%, or 1.31% to 3.11% per a month is illustrated, with the central tendency being 25±% per year or 2.1±% per month. The central tendency is consistent with the most proximate time comparison, VLS-5 & VLS-8, in which the property is located in the Genoa/Jacks Valley area and fairly proximate to the subject.

Though Time Pairing #3 indicates only a 1.42%/month appreciation for 2005, as stated, this is considered a low indicator as the project is considered to be adversely impacted due to the developer not finishing the project over a 2 year period (the drainage on the project is yet to be completed). Overall, the data tends to indicate a 2.0% to 2.5% monthly time adjustment up thru 2005. There is not sufficient data to demonstrate a specific time adjustment for the first four to seven months in 2006.

In order to provide some evidence that it is most likely mountain properties have continued a monthly appreciation rate of 2%+/month, I will discuss the relationship of the appreciation rates for mountain sales compared to the single family home sales. On Page 17 of the report is a summary of average home prices in the Carson City and Carson Valley areas over the past 18 years. Since Time Pairing #1 is considered the best indicator, I have compared the similar time periods (appreciation rates) for the Carson City and Carson Valley average home prices. The appreciation for the Carson City area during that period was .67%/month, while the average Carson Valley home appreciated .93%/month. As shown, TP# 1 exhibited an appreciation of 2.22%/month.

Since there are no good time pairings for the time period between the end of 2003 to present, I have compared the average home prices from 2003 thru 2005. Carson City's appreciation rate is 1.37%/month, while the rate for Carson Valley 1.42%/month. The evidence indicates that home prices accelerated at an increasing appreciation rate when compared to the 1999 thru 2003 period. As a result, one could conclude that the appreciation rates for mountains sales would also increase at an accelerated rate.

Prior to 2006, the data indicates the unprecedented appreciation experienced by these mountain properties was greater than the appreciation that was taking place in the Carson City and Carson Valley markets for single family homes. One of the biggest factors driving the increasing prices for the mountain properties is scarcity. There are very few developable mountain properties remaining along the eastern front of the Sierra Nevada Mountains, proximate to the Reno/Sparks and Carson City communities. The most current sale in which a time adjustment can be extracted is VLS-17.

Given the above discussion, an overall appreciation rate of 2.2% for the period of June 1998 thru the end of 2005 is selected. The remaining time adjustment to account for the current date of value will be considered in the reconciliation of the subject property.

Location

Attempts were made to determine if there is a divergence in value between the different areas, such as the Carson City, Clear Creek and Washoe Valley regions compared to the Genoa/Jacks Valley, Kingsbury Grade and Markleeville/Woodfords areas. Though market activity in the Markleeville/Woodfords area was relatively slow during the 1990's, activity significantly increased in the past few years due to the lack of mountainous properties in the Carson City and Douglas County areas. Overall, since there are adequate sales fairly proximate to the subject, only the Carson City, Carson Valley (Douglas County) and Washoe County sales will be used in this analysis.

Topography/Access

All the comparable sales have varying topography and access. Though these two characteristics are typically separate adjustments, in this case, most of the steep property sales have difficult access. Two of the best comparisons are VLS-20 and VLS-26. VLS-20 (\$3,011/acre) consists of multiple parcels that are intermixed along the west side of State Highway 89. Approximately 90% of this property consists of moderate to steep topography. Due to the steepness of most of the parcels, access is very questionable. When compared to VLS-26 (\$9,000/acre), in which approximately 45% of the land area is less than 15% to 20% slopes with average to good access, a meaningful difference in value is illustrated (\$5,989/acre). This indicates VLS-20 to be 66.54% inferior to VLS-26.

Though the above analysis indicates a 66+% adjustment for the two sale properties, no two sales have similar access or topography, plus, other physical characteristics, such as proximity to utilities also tends to skew the data. Because each sale has different slopes

and access, there is not ample data to determine a specific topography adjustment. Most properties have legal access or ingress/egress via trails located within the Forest Service jurisdiction. Overall, the subject's 40 acre parcel is considered to have adequate access, via Kings Canyon Road for a single building site lot.

Size

This adjustment accounts for the size of the parcel, which in turn often defines the size of the project. Typically, the smaller the parcel, the higher the unit price. The subject property size sets the lower range of the seventeen sales, 40± acres to 1,606± acres. The best comparisons are VLS-8 (Jacks Valley area) and VLS-14 (Washoe Valley area). These two transactions are some of the most current sales, VLS-8 is a 100± acre parcel and relatively proximate to the subject. VLS-14 is a similar sized parcel located in the northwesterly area of Washoe Valley. VLS-8 is provided due to its proximity and though 100 acres in size, a deed restriction allows only on building site.

In order to demonstrate a size adjustment, VLS-15 (100± acres) is paired to VLS-17 (46.84 acres) - both have similar closing dates. The adjustments for this pairing result in downward adjustment of 39%.

A further dissection of the sales is as follows:

Unit price for a 46+ acre site:	\$16,012/acre
Unit price for a 100+ acre site:	\$ 9,933/acre
Contribution Value of the excess acreage (54 acres):	\$ 4,630/acre*

* $\$1,000,000 - \$750,000 = \$250,000 \div 54 \text{ acres} = \$4,630/\text{acre}$ or 46.61% of the overall unit price, indicating a discount of 55%±.

The above analysis indicates the excess acreage to be worth \$4,630/acre, assuming you are purchasing a 100 acre site.

To demonstrate the opposite extreme, VLS-1, a steep land locked parcel (without access), will be analyzed. This 80 acre property sold in August 1999 for \$438/acre. Allocating a 2.2%/month time adjustment thru December 2005, results in a current adjusted unit price of \$1,170. This property is located adjacent VLS-8, which is a single 100 acre building site with relatively steep topography.

The two values of the excess land area indicates a range of \$1,170/acre to \$4,630/acre, a nearly 300% difference. The difference is attributed to two factors: (1) the lower range reflects a property that cannot be used unless a individual would want to hike to the property, while (2) though it is considered excess land, since it adjoins a developable land area (100 acres), the market tends to recognize a greater contribution to its use and proximity to the existing home site.

Based on a 100 acre single site property, the contribution value of the excess land (60 acres) to VLS-8 should reflect a value higher than \$1,170/acre, but lower than \$4,630/acre.

Due to the topography and access issues with the remaining larger sale properties, there is not ample data to extract a reasonable adjustment. Since the subject consists of a 40 acre developable site, the most similar acreage sales will be given most weight.

Development Rights/Zoning

Though the subject zoning would allow up to two parcels, it is considered unrealistic to achieve a parcel split due to the single jeep trail access. As a result, the subject is considered as a single building site.

Utilities

Most of the sales have power and telephone within .5 to 1 mile of the property, and most will require the owners to drill a well for water, as well as constructing a septic system. Furthermore, the buyer of VLS-4 indicated he drilled a well on his site but could not find water. He had to relocate the well to the east side of Jacks Valley Road and construct a pipeline to the home site. Overall, there is not ample data to demonstrate a specific utilities adjustment.

Other Adjustments

I also attempted to abstract a unit price due to differentiating factors such as shape and soils, etc. After reviewing the data, there was not ample information to demonstrate a reliable quantitative or qualitative adjustment for these items.

GRID ANALYSIS

SALE No.	LOCATION	PRICE/ACRE	SALE DATE	ADJUSTMENTS							Adjusted Unit Price
				Time	Location	Topo/Access	Size	Zoning	Utilities		
VLS-1	Genoa	\$438	8-99	+2.672	-0-	(+)(+)	(+)	-0-	-0-	\$1,170 (+)(+)	
VLS-2	Clear Creek	\$1,216	5-01	+2.210	-0-	(+)	(+)	-0-	-0-	\$2,687 (+)(+)	
VLS-3	Snow Valley Peak	\$1,868	3-03	+1.726	-0-	(+)	(+)	-0-	-0-	\$3,224 (+)(+)	
VLS-4	Genoa	\$2,120	6-98	+2.980	-0-	-0-	(+)	-0-	(-)	\$6,318	
VLS-5	Jacks Valley	\$2,350	12-98	+2.848	-0-	-0-	(+)	-0-	-0-	\$6,693 (+)	
VLS-6	Kings Canyon	\$2,950	6-98	+2.980	-0-	-0-	(+)(+)	-0-	-0-	\$8,791 (+)(+)	
VLS-7	Clear Creek	\$3,222	2-00	+2.54	-0-	(-)	(+)(+)	(-)	(-)	\$8,184 (-)	
VLS-8	Jacks Valley	\$5,750	5-04	+1.418	-0-	-0-	(+)	-0-	-0-	\$8,154 (+)	
VLS-9	Clear Creek	\$6,245	1-99	+2.826	-0-	(-)	(+)	(-)	(-)	\$17,648 (-)(-)	
VLS-10	Kingsbury Grade	\$6,800	11-01	+2.078	-0-	-0-	-0-	-0-	-0-	\$14,130	
VLS-11	Genoa	\$7,381	2-04	+1.484	-0-	(-)	(+)(+)	(-)	(-)	\$10,953 (-)	
VLS-12	Lakeview	\$10,396	7-05	+1.11	-0-	(-)	-0-	(-)	(-)	\$11,540(-)(-)(-)	
VLS-13	Snow Valley Peak	\$14,832	3-06	-0-	-0-	(+)	(+)	-0-	-0-	\$14,832 (+)(+)	
VLS-14	Musgrove Creek	\$8,735	8-04	+1.352	-0-	-0-	-0-	-0-	-0-	\$11,809	
VLS-15	Musgrove Creek	\$9,933	11-05	-0-	-0-	(-)	(+)	-0-	(-)	\$9,933 (-)	
VLS-16	Musgrove Creek	\$14,022	2-05	+1.22	-0-	(-)	-0-	-0-	(-)	\$17,107 (-)(-)	
VLS-17	Musgrove Creek	\$16,012	12-05	-0-	-0-	(-)	-0-	-0-	(-)	\$16,012 (-)(-)	

* The monthly time adjustment of 2.2% is allocated through December 2005, the latest sale in which an adjustment could be extracted.

Subject Kings Canyon

92

LAND VALUE CORRELATION

Prior to concluding a unit price or prices for the subject property, the unit price selected will be based on subject property being developed into a single 40± acre site. Based on a site area of 40 acres, the sales given most weight will be adjusted to reflect this land area.

Of the seventeen sales located in the Carson City, Carson Valley and Washoe Valley areas, VLS-8, VLS-12 and VLS-14 are given most weight. In addition to these sales being fairly similar in size (40 to 100 acres), they are all relatively proximate to the subject.

VLS-8 (\$5,750/acre) is considered a good comparable to the subject's undeveloped parcel. Both the subject and VLS-8 have access to the property and both are afforded excellent Carson Valley views, but VLS-8 will require extensive grading and site development costs. Though VLS-8 is a larger site (100 acres), it is only one building site, as only one dwelling unit can be constructed on this property. Overall, an upward adjustment is warranted to this sale due to the subject's smaller size.

Given the above discussion, the only significant differences between the subject and VLS-8 is time and size. VLS-8 transferred ownership in May 2004, while the subject's date of value is July 2006. As illustrated, property values between 1998 and 2005 increased some 1.5% to 3.0% per month, with an adjustment of 2.2% is selected for this analysis. Allocating this time adjustment to the based price of \$5,750/acre (19 months or 41.80%), results in the unit price of \$8,153/acre. This is considered a low indicator, due to the subject's 40 acre size.

VLS-12 is an in-fill parcel with superior access and zoning, but due to the steep slopes along the sale's periphery, a second means of ingress/egress is very difficult and would require the property owners to acquire access through adjacent properties. After allocating a 2.2%/month time adjustment, a unit price of \$11,540/acre is indicated. Though this is a slightly larger parcel, an overall downward adjustment is warranted to this sale due to better access, zoning and utilities.

The final sale given strong consideration is VLS-14 (40± acres or \$8,735/acre). This property has superior access and proximity to utilities, but the subject offers superior views. As noted, the developer discounted the price for the property for not constructing paved access to the property as well as extending utilities. Allocating the appropriate time

adjustment to this sale, indicates an adjusted unit price of \$11,809/acre. Overall, this is considered a slightly high indicator when compared, to the subject.

Of the three weighted sales, the adjusted unit price range is \$8,154/acre to \$11,809/acre. For the purpose of this analysis, a unit price of \$10,000/acre is selected. Multiplying this rate times the subject's gross land area, 40 acres, results in an overall value of \$400,000. The mid range was chosen due to the lack of utilities proximate to the subject and the time and effort needed to negotiate a legal access to the property from Kings Canyon Road.

ESTIMATED PROPERTY VALUE: **\$400,000**

APPRAISER'S CERTIFICATION

The undersigned does hereby certify that, as otherwise noted in this appraisal report:

The statements of fact contained in this report are true and correct.

The reported analyses, opinions and conclusion are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions and conclusions.

I have no present or prospective interest in the property that is the subject of this report and have no personal interest with respect to the parties involved.

I have no bias with respect to the property that is the subject of this report or to the parties involved in this assignment.

My engagement in this assignment was not contingent upon the developing or reporting of a predetermined result(s).

My compensation for completing this assignment is not contingent upon the development of reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.

The reported analyses, opinions, and conclusions contained 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.

I have made a personal inspection of the property that is the subject of this report.

No one provided significant real property appraisal assistance to the person signing this certification.

The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives, as well as Chapter 645C of the Nevada Revised Statutes.

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

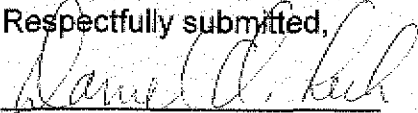
The appraiser's state registration has not been revoked, suspended, canceled or restricted.

The use of this report is subject to the requirement of the Appraisal Institute and the State of Nevada Department of Business and Industry relating to review by its duly authorized representative. Both conduct voluntary programs of continuing education for its designated and licensed members. As of the date of this report, I Daniel A. Leck, have completed the requirements of the continuing education program of the Appraisal Institute as well as the State of Nevada. I am currently certified under both these programs.

Based on the assumptions and limiting conditions set out in this report, it is this appraiser's opinion that the fee simple market value of the subject property, as of July 15, 2006, is:

FOUR HUNDRED THOUSAND DOLLARS
(\$400,000.00)

Respectfully submitted,



Daniel A. Leck, MAI
Certified General Appraiser
State of Nevada #00043

ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal assignment has been accepted and the accompanying report has been made subject to the following conditions.

1. LIMIT OF LIABILITY:

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

2. COPIES, PUBLICATION, DISTRIBUTION, USE OF REPORT:

Possession of this report or any copy thereof does not carry with it the right of publication, nor may it be used for other than its intended use; the physical report(s) remains the property of the Appraiser(s) for the use of the client, the fee being for the analytical services only.

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

3. CONFIDENTIALITY:

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

The Appraiser(s) may not divulge the material (evaluation) contents of the report, analytical findings, or conclusions, or give a copy of the report to anyone other than the client or his designee as specified in writing except as may be required by the Appraisal Institute or the Nevada State Department of Commerce (Real Estate Division) as they may request in confidence for ethics enforcement, or by a court of law or body with the power of subpoena.

4. INFORMATION USED:

No responsibility is assumed for accuracy of information furnished by work of or work by others, the client, his designee, or public records. We are not liable for such information or the work of possible subcontractors. Be advised that some of the people associated with the Appraiser(s) and possibly signing the report are independent contractors. The comparable data relied upon in this report has been confirmed with one or more parties familiar with the transaction or from affidavit or other source thought reasonable; all are considered appropriate for inclusion to the best of our factual judgment and knowledge. An impractical and uneconomic expenditure of time would be required in attempting to furnish unimpeachable verification in all instances, particularly as to engineering and market-related information. It is suggested that the client consider independent verification as a prerequisite to any transaction involving sale, lease, or other significant commitment of funds or subject property.

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

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

6. EXHIBITS:

Any sketches, maps, and photographs in this report are included to assist the reader in visualizing the property and are not necessarily to scale. Site plans are not surveys unless shown from separate surveyor.

7. LEGAL, ENGINEERING, FINANCIAL, STRUCTURAL, OR MECHANICAL NATURE HIDDEN COMPONENTS, SOIL:

No responsibility is assumed for matters legal in character or nature, nor any of architectural, structural, mechanical, or engineering nature. No opinion is rendered as to the title, which is presumed to be good and merchantable. The property is appraised as if free and clear, unless otherwise stated in particular parts of the report. The legal description is assumed to be correct as used in this report as furnished by the client, his designee, or as derived by the Appraiser(s).

Please note that no advice is given regarding mechanical equipment or structural integrity or adequacy, nor soils and potential for settlement, drainage, and such (seek assistance from qualified architect and/or engineer) nor matters concerning liens, title status, and legal marketability (seek legal assistance), and such. The lender and owner should inspect the property before any disbursement of funds; further, it is likely that the lender or owner may wish to require mechanical or structural inspections by qualified and licensed contractor, civil or structural engineer, architect, or other expert.

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

The appraisal is based on there being no hidden, unapparent, or apparent conditions of the property site, subsoil, or structures or toxic materials which would render it more or less valuable. No responsibility is assumed for any such conditions or for any expertise or engineering to discover them. All mechanical components are assumed to be in operable condition and status standard for properties of the subject type. Conditions of heating, cooling, ventilating, electrical and plumbing equipment is considered to be commensurate with the condition of the balance of the improvements unless otherwise stated. No judgment may be made by the Appraiser(s) as to adequacy of insulation, type of insulation, or energy efficiency of the improvements or equipment which is assumed standard for subject age and type.

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

The Appraiser(s) assumes no responsibility for any costs or consequences arising due to the need, or the lack of need, for flood hazard insurance. An Agent for the Federal Flood Insurance Program should be contacted to determine the actual need for Flood Hazard Insurance.

8. LEGALITY OF USE:

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

9. COMPONENT VALUES:

The distribution of the total valuation in this report between land and improvements, if included in this report, applies only under the existing program of utilization. The separate valuations for land and building must not be used in conjunction with any other appraisal and are invalid if so used.

10. AUXILIARY AND RELATED STUDIES:

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

11. DOLLAR VALUES, PURCHASING POWER:

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

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

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

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

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

Appraisal report and value estimate are subject to change if physical or legal entity or financing different than that envisioned in this report.

13. INCLUSIONS:

Furnishings and equipment or personal property or business operations, except as specifically indicated and typically considered as a part of real estate, have been disregarded with only the real estate being considered in the value estimate unless otherwise stated. In some property types, business and real estate interests and values are combined.

14. PROPOSED IMPROVEMENTS, CONDITIONED VALUE:

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

15. MANAGEMENT OF THE PROPERTY:

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

16. FEE:

The fee for this appraisal or study is for the service rendered and not for the time spent on the physical report or the physical report itself.

17. INSULATION AND TOXIC MATERIALS:

Unless otherwise stated in this report, the Appraiser(s) signing this report has no knowledge concerning the presence or absence of toxic materials and/or urea-formaldehyde foam insulation in existing improvements; if such is present, the value of the property may be adversely affected and reappraisal at additional cost will be necessary to estimate the effects of such.

18. AMERICANS WITH DISABILITIES ACT:

The Americans with Disabilities Act ("ADA") became effective January 26, 1992. I have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect upon the value of the property. Since I have no direct evidence relating to this issue, unless specifically addressed in this report, I did not consider possible non-compliance with the requirements of ADA in estimating the value of the property.

19. CHANGES, MODIFICATIONS:

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

20. ACCEPTANCE OF AND/OR USE OF THIS APPRAISAL REPORT BY CLIENT OR ANY THIRD PARTY CONSTITUTES ACCEPTANCE OF THE ABOVE CONDITIONS. APPRAISER LIABILITY EXTENDS ONLY TO STATED CLIENT, NOT SUBSEQUENT PARTIES OR USERS, and the limited amount of fee received by Appraiser(s).

ADDENDA

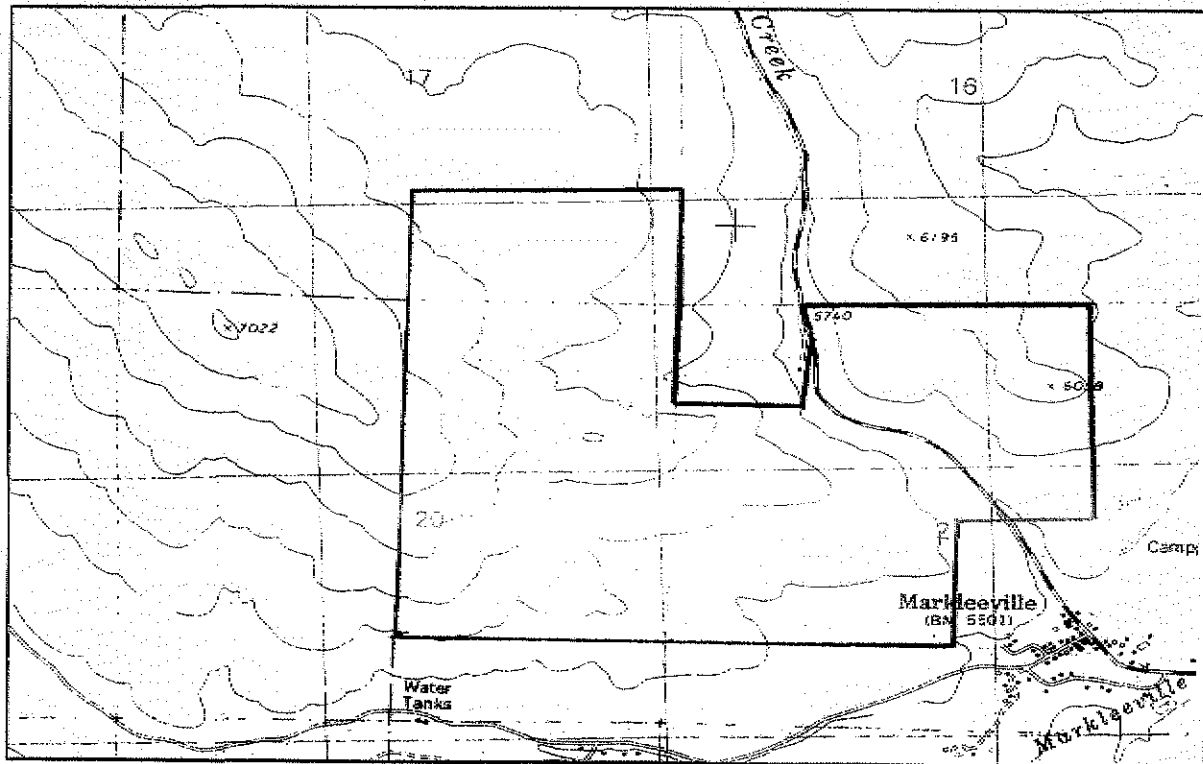
SUMMARY OF COMPARABLE UNDEVELOPED VACANT LAND SALES - Markleeville/Woodsford

SALE NO.	LOCATION APN	AREA (Acres) ZONING	TOPOGRAPHY ACCESS	SALES PRICE SALE DATE	PRICE/ACRE
VLS-18	ES & WS Hwy 89, north of Markleeville, Ca. 2-250-03, 12 & 21 North side of Markleeville	591.84± acres AG Forested	Gradual-Steep Highway access	\$707,000 8-97	\$1,195±
VLS-19	ES & WS Hwy 89, north of Markleeville, Ca. 2-250-03, 12 & 21 North side of Markleeville	591.84± acres AG Forested	Gradual-Steep Highway access	\$1,550,000 4-02	\$2,619±
VLS-20	WS Hwy 89, north of Airport Road 2-150-01 + Multiple Parcels Markleeville/Woodsford, Ca	1,195.47± acres AG Meadow/Forest	Gentle to Steep Hiway access + difficult access many parcels	\$3,600,000 10-03	\$3,011±
VLS-21	ES & WS of Hwy 89, at Hawkins Ranch Road 2-230-27 & 31 Markleeville/Woodsford, Ca	127.43± acres AG & RE-5 Meadow/Forest	Slight to Moderate Highway Access	\$445,000 3-96	\$3,492±
VLS-22	1.5± Miles NW of Markleeville, Ca 2-250-02 Markleeville, Ca	160.00± acres AG Forested	Moderate-Steep Access Difficult	\$560,000 10-03	\$3,500±
VLS-23	1.5 mi west of Hawkins Rd & Hwy 89 2-150-03 Markleeville/Woodsford, Ca	160.00± acres AG Steep Forest	Moderate to Steep Fire road	\$592,000 10-03	\$3,700±
VLS-24	Just north of Upper Manzanita Drive & Hwy 89 2-230-19 (now 2-230-52 7 53) Markleeville/Woodsford, Ca	152.58± acres AG Mod-Steep Forest	Moderate to Steep Highway access	\$1,000,000 10-05	\$6,554±
VLS-25	1.5 mi west of Hwy 89 & Airport Rd. 2-190-01 Markleeville/Woodsford, Ca	40.00± acres AG Steep Forest	Moderate to Steep Fire road	\$300,000 10-03	\$7,500±
VLS-26	ES Hwy 89, north of Airport Road 2-230-08 + Multiple Parcels Markleeville/Woodsford, Ca	572.80± acres AG Meadow/Forest	Gentle to Steep Hiway access	\$5,155,200 6-04	\$9,000±
VLS-27	WS Hwy 89, 2 miles north of Airport Road 2-230-44 Markleeville/Woodsford, Ca	73.89± acres AG & RE-5 Meadow/Forest	Gentle to Moderate Hawkins Ranch Road	\$750,000 10-03	\$10,150±
SUBJ.	NS of Kings Canyon Rd, 1.50 miles SW of Canyon Drive 7-061-34 thru 41 Carson City Mountain Area	320.00 acres CR Part Forested	Moderate to Steep Dirt Access		

104

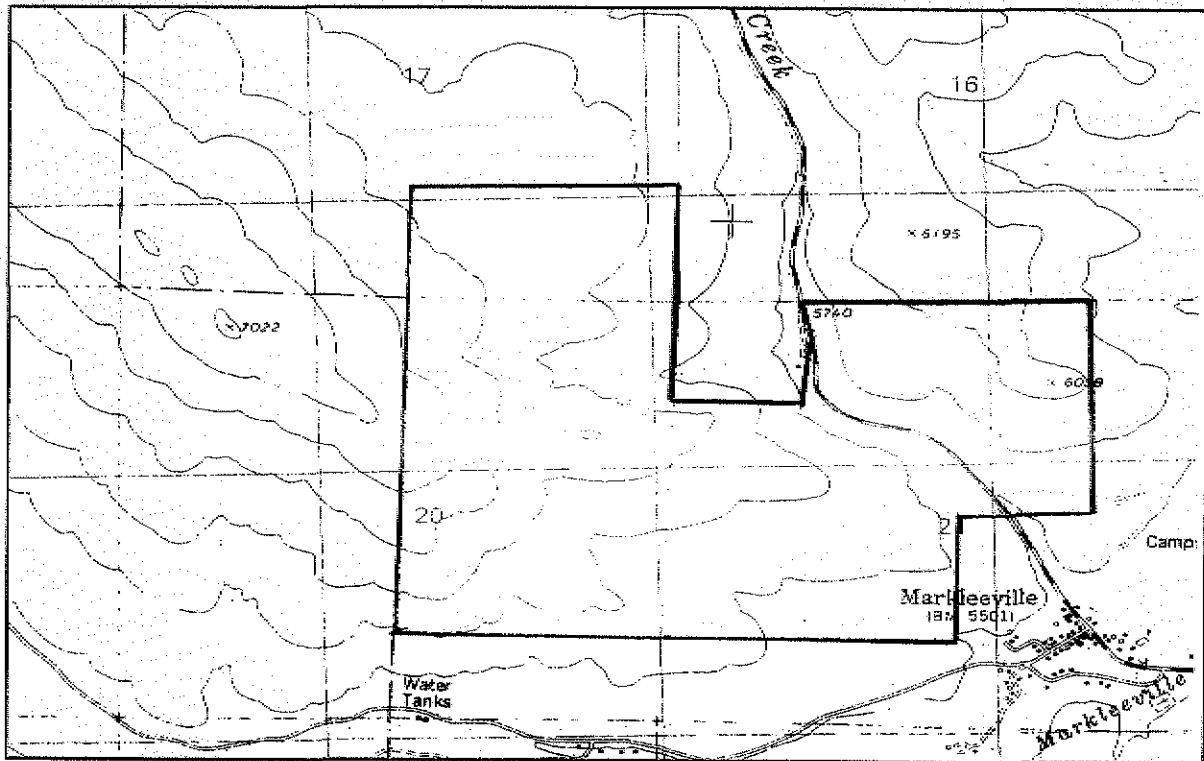
VACANT LAND SALE NO. 18:

Location: Both sides of State Highway 89, along the north boundary of Markleeville, Ca.
APN: 02-250-03, 12 & 21
Legal Description: Portions of Section 17, 20 & 21 T10N, R20E
Grantor: Kirk State Bank
Grantee: Millberry Creek, LLC
Land Use: Vacant undeveloped forest
Recording Date: 8-14-97
Document No. : 86-1570
Land Area: 591.84 acres
Access: State Highway 89
Utilities: Electric & telephone along highway
Topography: Gradual to steep
Zoning: AG (minimum 20 acre parcels)
Water Rights: None
Gross Sale Price: \$707,000
Unit Price/Acre: \$1,195
Financing: \$500,000 TD to Kirk State Bank
Remarks: Located on both sides of State Highway 89, just north of the Town of Markleeville.
Source: Lyn Norberg



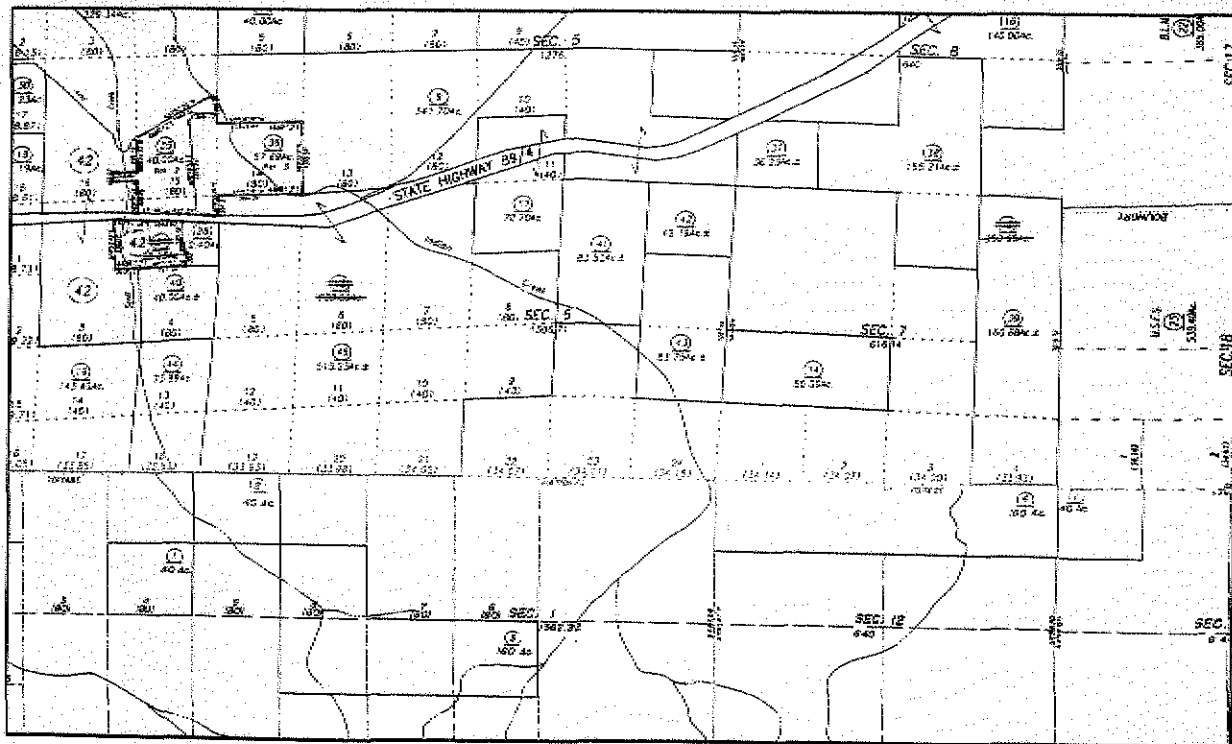
VACANT LAND SALE NO. 19:

Location: Both sides of State Highway 89, along the north boundary of Markleeville, Ca. (245 Hot Springs Road)
APN: 02-250-03, 12 & 21 (02-250-16 includes the SFR)
Legal Description: Portions of Section 17, 20 & 21 T10N, R20E
Grantor: Millberry Creek, LLC
Grantee: Lisa Thomas
Land Use: Vacant + 41.78 acre site included a single family residence
Recording Date: 4-11-02
Document No.: 91-423
Land Area: 633.62 acres with homesite (591.84 acres of mountainous forest)
Access: State Highway 89
Utilities: Electric & telephone to home site
Topography: Gradual to steep
Zoning: AG (minimum 20 acre parcels)
Water Rights: None
Gross Sale Price: \$2,500,000 (includes home on 41.78 acre site)
Land Price: \$1,550,000
Unit Price/Acre: \$2,619 for mountainous forest
Financing: \$1,500,000 TD to Wells Fargo Bank @ 7% fixed rate
Remarks: The sale included a 41.78 acre site that was improved with a 4,000 sq.ft. single family home, valued at \$950,000, according to the valuating appraiser. The remaining land area, 591.84 acres, consists for undeveloped forest area with dirt road access.
Source: Lyn Norberg



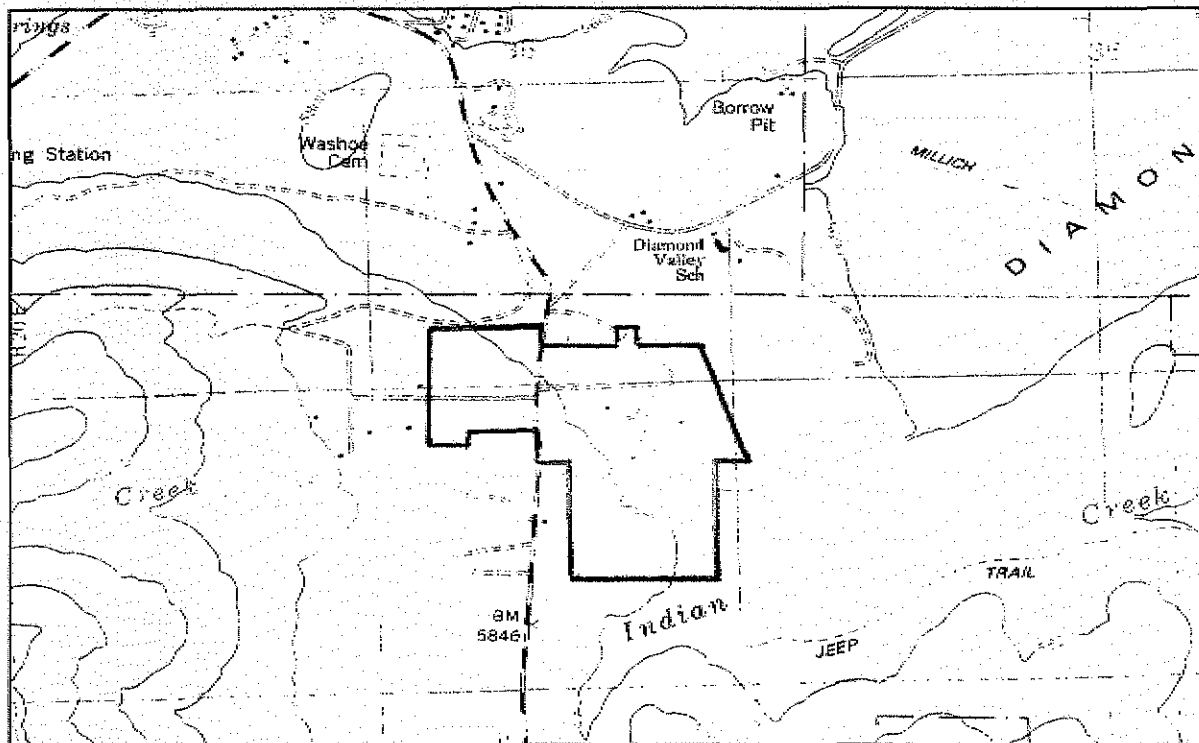
VACANT LAND SALE NO. 20:

Location: West side of State Highway 89, just west of Airport Road, Alpine Co.
APN: 02-150-01, 02, 03 & 04; 02-190-01; 02-230-14, 37, 38, 39, 40, 41, 42, 43 & 44
Legal Description: Metes & Bounds + Parcel Maps in Alpine County
Grantor: Chris & Faye Gansberg
Grantee: High Mountain Properties (Thomas Abdo)
Land Use: Vacant undeveloped forest and meadow lands
Recording Date: 10-7-03
Document No.: 92-7783
Land Area: 1,195.47± acres
Access: Dirt roads thru portions of the parcels
Utilities: Located along State Highway 89 near Airport Road
Topography: Gentle to steep
Zoning: AG (minimum 20 acre parcels)
Water Rights: None
Gross Sale Price: \$3,600,000
Unit Price/Acre: \$3,011
Financing: Cash
Remarks: This multiple parcel sale was purchased for future development and speculation. Due to the land area having slopes predominantly in excess of 15%, the buyer plans to resale portions of the property as individual parcels.
Source: Thomas Abdo



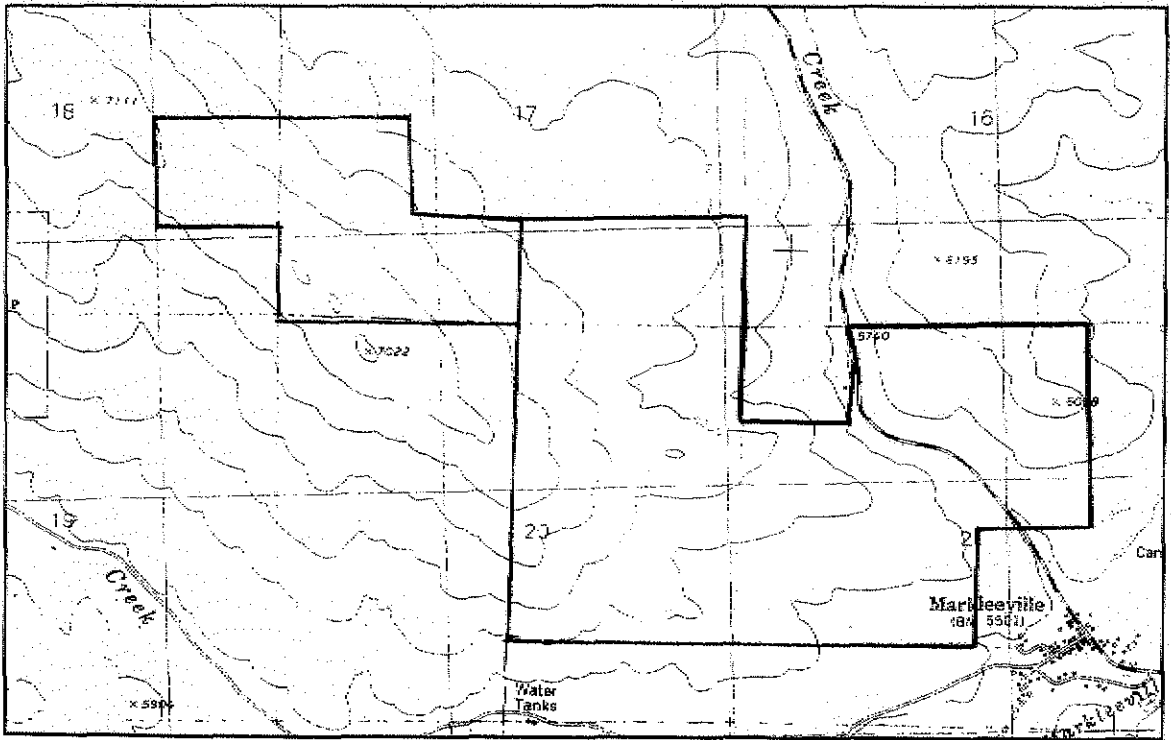
VACANT LAND SALE NO. 21:

Location: Both sides of State Highway 89 at Hawkins Ranch Road, Alpine Co.
APN: 2-230-31 & 27 (now: 2-230-34, 35 & 36)
Legal Description: Portions of Section 5 & 6, T.10N, R.20E., M.D.B.&M.
Grantor: Bryon Barthole, etal
Grantee: Ronald & Jamic Fuller, etal
Land Use: Vacant undeveloped forest
Recording Date: 3-5-96
Document No. : 85-606 thru 85-616
Land Area: 127.43 acres
Access: State Highway 89 bisects the property
Utilities: Along Highway
Topography: Slight to moderate
Zoning: AG (minimum 20 acre parcels)
Water Rights: 67.60 acre feet of riparian rights in the Scotts Creek
Gross Sale Price: \$445,000
Unit Price/Acre: \$3,492
Financing: Cash to sellers
Remarks: Located on both sides of State Highway 89 between Markleeville and Woodsfords. Indian Creek bisects the property.
Source: Public Records



VACANT LAND SALE NO. 22:

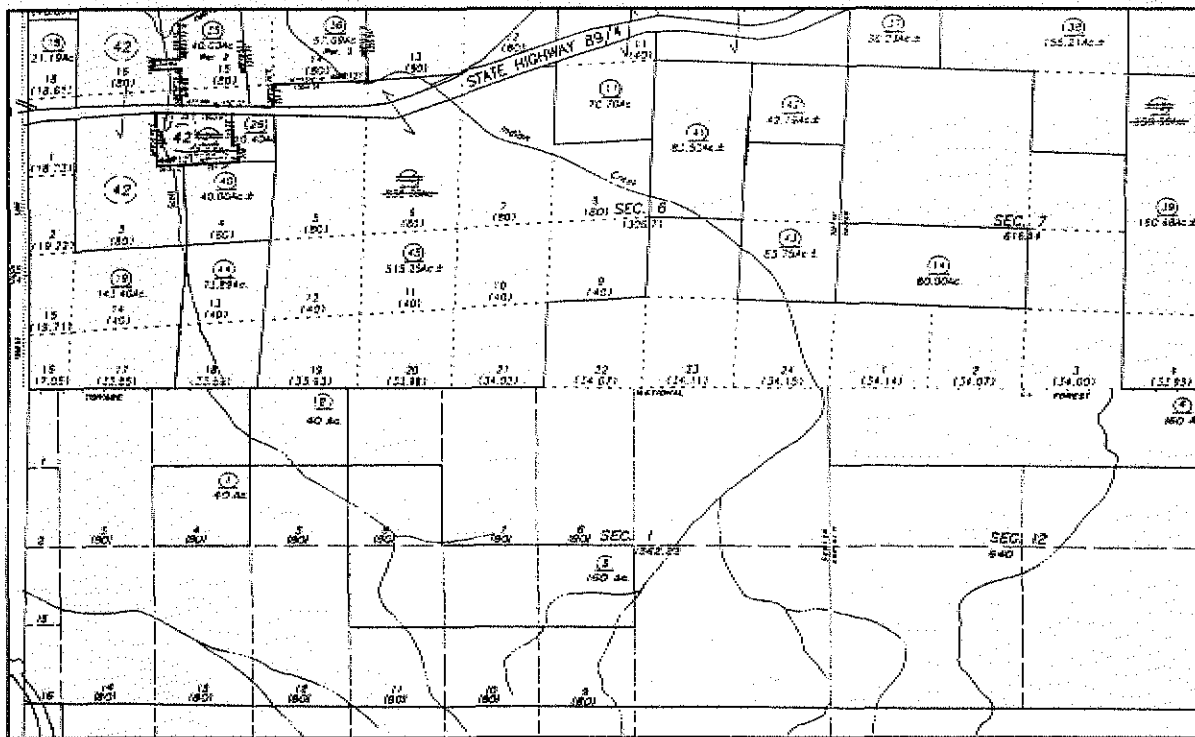
Location: 1.5± miles northwest of Markleeville, with limited access
APN: 02-250-02
Legal Description: Portions of Section 17 & 18, T.10N, R.20E., M.D.B.&M.
Grantor: Chris & Faye Gansberg
Grantee: Lisa Thomas
Land Use: Vacant undeveloped forest
Recording Date: 10-7-03
Document No. : 03-001770
Land Area: 160 acres
Access: Dirt roads thru adjacent ownership
Utilities: 1± miles east or south
Topography: Moderate to steep
Zoning: AG (minimum 20 acre parcels)
Water Rights: None
Gross Sale Price: \$560,000
Unit Price/Acre: \$3,500
Financing: Cash
Remarks: This property was purchased by the adjacent property owner for additional open space. Access is very difficult due to the steep terrain.
Source: Mike Gilbert



VACANT LAND SALE NO. 23:

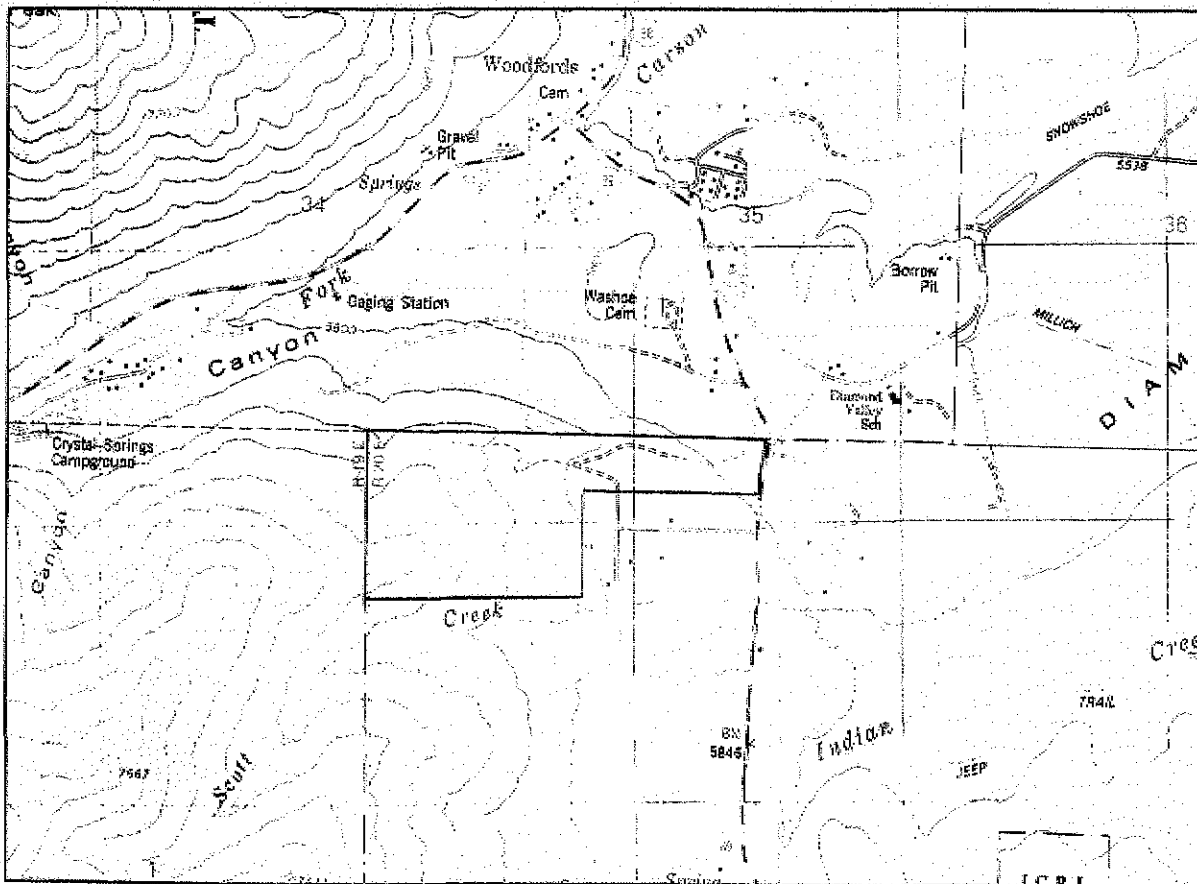
Location: 1+ miles west of State Highway 89, some 1.5 miles west of Turtle Rock Road, Alpine Co.
APN: 02-150-03
Legal Description: Portion of Section 1, T.10N, R.20E., M.D.B.&M.
Grantor: High Mountain Properties (Thomas Abdoo)
Grantee: Steve Tipaldi
Land Use: Vacant undeveloped forest
Recording Date: 10-7-03
Document No.: 92-7825
Land Area: 160± acres
Access: Dirt road access (private easement)
Utilities: 1.5± miles west of State Highway 89
Topography: Moderate to steep
Zoning: AG (minimum 20 acre parcels)
Water Rights: None
Gross Sale Price: \$592,000
Unit Price/Acre: \$3,700
Financing: \$192,000 paid outside of escrow + \$400,000 cash
Remarks: This parcel has moderate to steep topography but has forested vegetation. Access is difficult.

Source: Thomas Abdoo



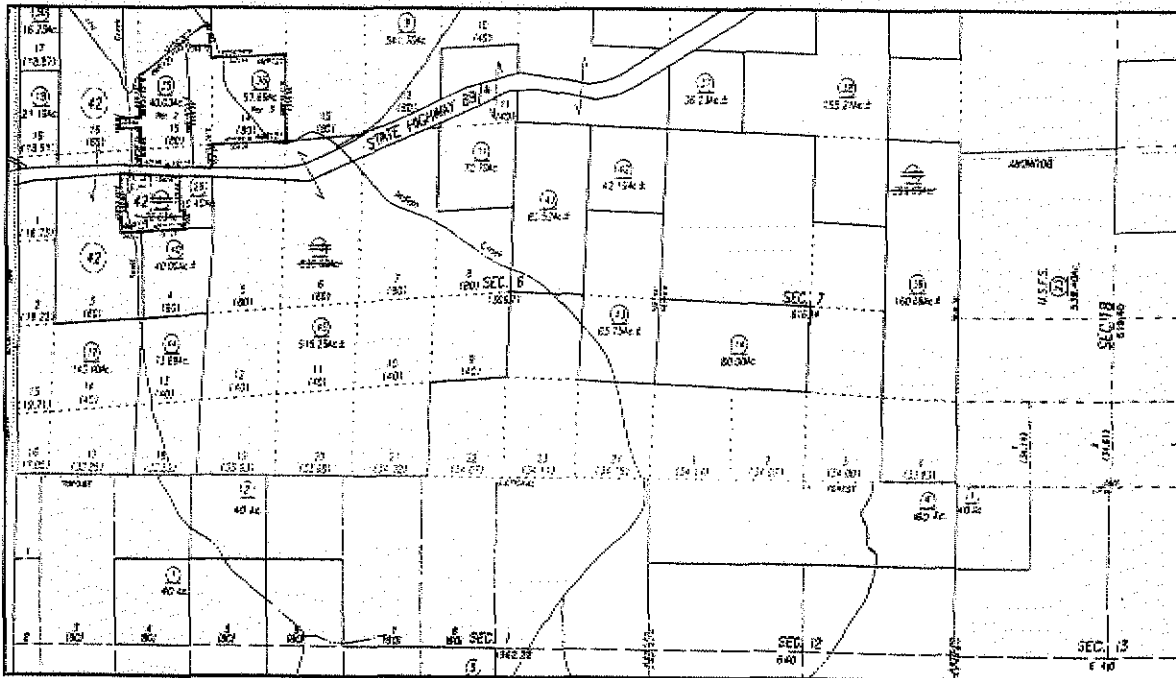
VACANT LAND SALE NO. 24:

Location: West side of State Highway 89, just north of Upper Manzanita Drive
APN: 2-230-19 (now: 2-230-52 & 53)
Legal Description: Lots 1, 2, 14, 15, 16 & 17, Section 6, T10N, R.20E., M.D.B.&M.
Grantor: High Mountain Properties
Grantee: Graniteridge at Markleeville, LLC
Land Use: Vacant undeveloped forest
Recording Date: 10-27-05
Document No. : 94-6000
Land Area: 152.58 acres
Access: State Highway 89
Utilities: Along Highway
Topography: Slight to Steep
Zoning: AG (minimum 20 acre parcels)
Water Rights: None
Gross Sale Price: \$1,000,000
Unit Price/Acre: \$6,554
Financing: Cash to seller
Remarks: Located just south of Woodsfords. A dirt road bisects the northern portion of the property.
Source: Mike Gilbert



VACANT LAND SALE NO. 25:

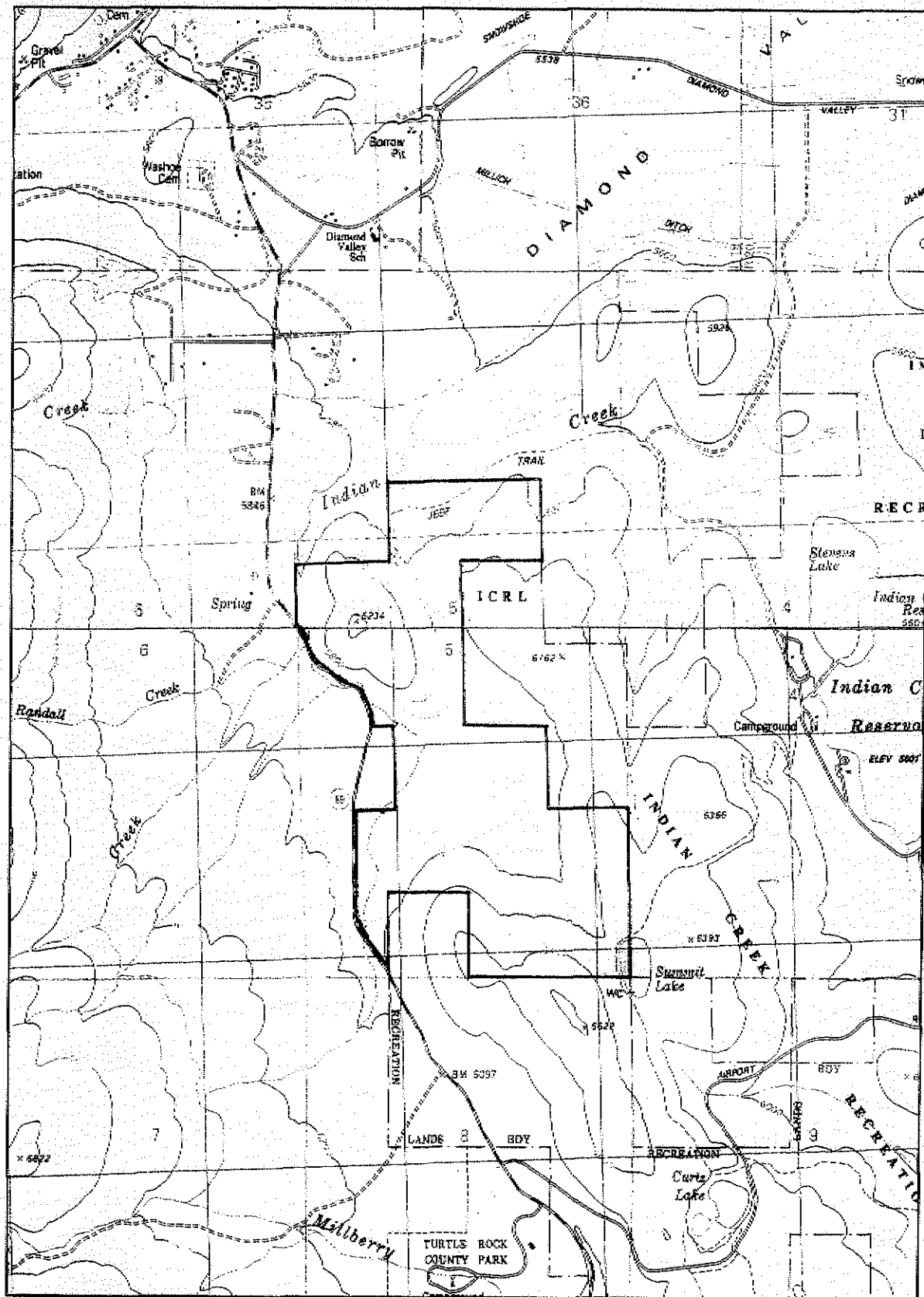
Location: 1+ miles west of State Highway 89, some 1.5 miles north of Airport Road, Alpine Co.
APN: 02-190-01
Legal Description: Portion of Section 13, T.10N, R.19E., M.D.B.&M.
Grantor: High Mountain Properties (Thomas Abdo)
Grantee: Tal Leverett
Land Use: Vacant undeveloped forest
Recording Date: 10-7-03
Document No.: 92-7832
Land Area: 40± acres
Access: Dirt road access (private easement)
Utilities: 1.5± miles west of State Highway 89
Topography: Moderate to steep
Zoning: AG (minimum 20 acre parcels)
Water Rights: None
Gross Sale Price: \$300,000
Unit Price/Acre: \$7,500
Financing: \$225,000 TD to seller @ 10%, interest only for 1 year
Remarks: Access is difficult. Seller indicated that he might have to take the property back.
Source: Thomas Abdo



VACANT LAND SALE NO. 26:

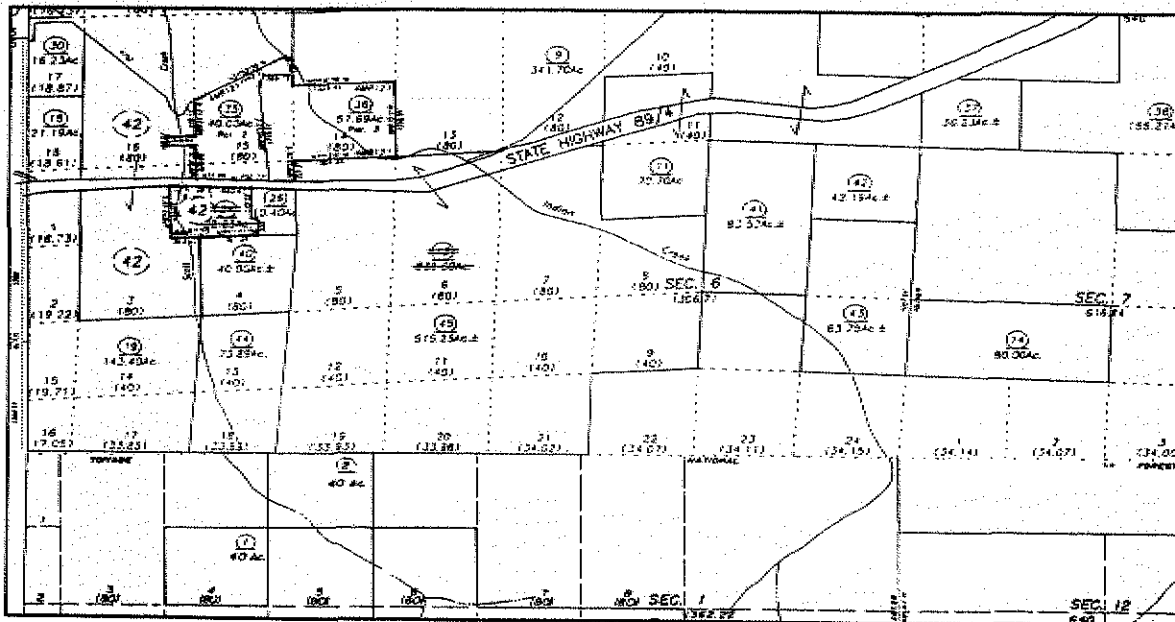
Location: The east side of State Highway 89, .5 miles north of Airport Road, Alpine Co.
APN: 02-230-08, 10 & a portion of 02-230-09
Legal Description: Portion of Section 5, T.10N, R.20E., M.D.B.&M.
Grantor: Chris & Faye Gansberg
Grantee: Alpine Conservancy Group
Land Use: Vacant undeveloped forest and high desert
Recording Date: 6-1-04
Document No. : 93-4109
Land Area: 572.8± acres
Access: State Highway 89
Utilities: Near Turtle Rock Road and Airport Road
Topography: Gentle to steep, with open meadows
Zoning: AG (minimum 20 acre parcels)
Water Rights: 109.6 acre feet of riparian rights for irrigation purposes (Claim #42 of Carson Water Decree)
Gross Sale Price: \$5,155,200
Unit Price/Acre: \$9,000
Financing: Cash to sellers (\$3,000,000 TD to Irwin Union Bank)
Remarks: This property is being purchased for a recreational site. Indian Creek bisects the property as well as a portion of Summit Lake. The property is also encumbered by the Williamson Act. Access is good due to the property's extensive frontage along State Highway 89.
Source: Jim Bawden

LOCATION MAP OF VACANT LAND SALE NO. 26



VACANT LAND SALE NO. 27:

Location: West of State Highway 89, 2 miles north of Airport Road, Alpine Co.
APN: 02-230-44
Legal Description: Portions of Section 6, T.10N, R.20E., M.D.B.&M.
Grantor: High Mountain Properties (Thomas Abdo)
Grantee: Richard R. & Jean M. Glover
Land Use: Vacant undeveloped forest
Recording Date: 10-7-03
Document No. : 92-7814
Land Area: 73.89± acres
Access: Dirt road access (private easement)
Utilities: .5± miles west of State Highway 89
Topography: Gentle to Moderate
Zoning: AG (minimum 20 acre parcels)
Water Rights: None
Gross Sale Price: \$750,000
Unit Price/Acre: \$10,150
Financing: \$575,000 TD to seller @10%, interest only for 2 years
Remarks: This parcel has gentle to moderate topography, in addition to forested and meadow vegetation.
Source: Thomas Abdo



Background: Education - continued

American Institute of Real Estate Appraisers, Valuation Analysis and Report Writing	1988
Comprehensive Review	1989
American Institute of Real Estate Appraisers, Capitalization Theory and Techniques, Part B	1990
American Institute of Real Estate Appraisers, Computer Appraisal Applications	1990
Society of Real Estate Appraisers, Nevada Law	1990
Society of Real Estate Appraisers, Exam Prep Seminar for Commercial Appraisal Certification	1990
Passed Nevada Real Estate Appraiser Licensing Exam	1990
Standards of Professional Practice (Part A & B)	1992
Risk Analysis (Appraisal Institute Course)	1994
Rates, Ratios & Reasonableness (Appraisal Institute Course)	1994
Business Valuation Seminar (Appraisal Institute)	1996
Highest and Best Use Analysis (Appraisal Institute)	1996
Standards of Professional Practice (430-C)	1997
Boundary Law in Nevada	1997
Litigation Skills for the Appraiser	1998
Valuation of Detrimental Conditions in Real Estate	1998
Standards of Professional Practice & Nevada Appraisal Law (Instructor)	1999
Attacking & Defending an Appraisal in Litigation	1999
Lease Abstraction & Analysis	1999
Appraising of Non-Conforming Uses	2000
Case Studies in Commercial Highest & Best Use	2000
Uniform Appraisal Standards for Federal Land Acquisitions	2002
Condemnation Appraising: Basic & Advanced	2003
USPAP Update 2003	2003
Business Practice and Ethics	2003
USPAP Update 2005	2005

TYPES OF APPRAISALS COMPLETED

Single Family Residential

Multi-Family Residential - Apartments

Acreage - Subdivisions - Vacant Lots

Commercial (Income Properties): Retail, Industrial, Professional Offices, Motel-Hotels
and Special Use Properties

Condemnation - State of Nevada

ADMITTED AS EXPERT WITNESS

United States District Court - District of Nevada

Clark County District Court

Carson City District Court

Washoe County District Court

Douglas County District Court

Washoe County Board of Equalization

Douglas County Board of Equalization

Nevada State Board of Equalization

A list of clients served will be provided at your request.