



STAFF REPORT

Report To: Board of Supervisors **Meeting Date:** April 7, 2022

Staff Contact: Darren Schulz, Public Works Director

Agenda Title: For Possible Action: Discussion and possible action regarding the potential disposal of City-owned land at 2621 Northgate Lane, APN 002-062-05 ("Property"), that is 1.133 acres in total, including a 15,841 square foot office building, and a proposed resolution related to disposal of the Property. (Robert Nellis, RNellis@carson.org; Randall Rice, RRice@carson.org; Darren Schulz, DSchulz@carson.org)

Staff Summary: Currently, the City leases office space on the Property to various non-profits which pay nominal or below-market rent to the City. On July 1, 2021, the Board of Supervisors ("Board") directed staff to obtain a title report and appraisals for the Property, discuss disposal options with the District Attorney's Office and provide the current tenants with information on the Property's capital investment needs. On February 25, 2022, the Board directed staff to prepare a resolution for the disposal of the Property through an auction among qualified non-profits under Nevada Revised Statutes ("NRS") 244.284. Staff has completed its diligence in preparation of disposal and is now seeking approval of a resolution establishing the procedure and terms for the Property's disposal.

Agenda Action: Resolution **Time Requested:** 15 Minutes

Proposed Motion

I move to approve Resolution No. 2022-R-____.

Board's Strategic Goal

Sustainable Infrastructure

Previous Action

June 1987 - the Board approved an agreement for the support and conduct of cooperative extension work between the Agricultural/Extension Department of the University of Nevada System of Higher Education and Carson City.

April 18, 1996 - the Board approved the sale of the Property at public auction.

May 1, 1997 - the Board approved action to allow the Nevada Department of Transportation to auction the Property; auction was unsuccessful.

October 16, 1997 - the Board approved entering into sales agreements with licensed real estate brokers or agents to facilitate the Property's sale; sales efforts were unsuccessful.

September 17, 2009 - the Board approved a lease for \$1.00 per year to Nevada Rural Counties RSVP Program, Inc. ("RSVP") for an initial 10-year term expiring on September 17, 2019, with one 10-year option to renew. The lease may be terminated with 30 days' notice in the event the City conveys the office building on the Property.

March 18, 2010 - the Board approved a lease for \$1.00 per year to Ron Wood Family Resource Center ("RWFRC") beginning on the August 1, 2010 and terminating on July 30, 2020 with one 10-year option to renew. The lease may be terminated with 30 days' notice in the event the City conveys the office building on the Property.

July 21, 2016 - the Board approved a lease for \$1.00 per year to Capital City Circles Initiative ("CCCI") for a 5-year term through August 31, 2021 with one 5-year option to renew. The lease may be terminated with 30 days' notice in the event the City disposes of the Property.

February 17, 2017 - the Board directed staff to review existing lease agreements for the Property and determine potential termination options.

December 21, 2017 - the Board approved, and the City subsequently entered into, lease amendments clarifying maintenance responsibilities between the City and the Property's tenants, RSVP, RWFRC and CCCI.

July 1, 2021 - the Board directed staff to proceed with diligence related to disposal of the Property, including securing a title report and appraisals, discussing the possibility of transferring the Property to one or multiple non-profit tenants with the District Attorney's Office and providing the current tenants with information on the Property's capital investment needs.

February 25, 2022 - the Board directed staff to prepare a proposed resolution declaring the intent to sell the Property to a qualified non-profit at auction and perform all preparatory tasks for disposal in compliance with NRS.

Background/Issues & Analysis

Property History:

In 1982, the City acquired the Property, including the office building situated on the Property, which was constructed in 1976.

On August 12, 1997, the Property was offered for sale at auction and there were no bidders. Due to there being no bidders at public auction, the City attempted to list the Property for sale with agents and brokers, but the Property still did not sell.

Current Tenants & Leases:

The City currently leases the office building on the Property to three non-profit organizations: RSVP, RWFRC and CCCI (collectively, "Non-Profit Tenants") and to the Board of Regents, University of Nevada System Cooperative Extension program ("UNCE"). The Non-Profit Tenants pay a dollar a year in rent, plus maintenance costs. The leases with the Non-Profit Tenants can be terminated with 30 days' notice if the office building on the Property is conveyed.

UNCE is a holdover tenant on the Property unless or until an agreement is executed with the City, and it pays for utilities on the Property.

Maintenance & Capital Investment Needs:

The average annual cost to the City for maintenance on the Property is approximately \$19,000.

On March 3, 2020, Faithful + Gould, Inc. ("F+G") prepared a Facility Condition Assessment ("FCA") Report that identified capital investment needs that are projected to be \$1,693,406.00 over 10 years for the Property.

Adjusted for today's dollars and considering current building market conditions, the estimated cost for the Property's capital investment needs is estimated to be \$1,814,608. F+G also estimated the Construction Replacement Value of the office building on the Property to be \$5,132,400, or \$350.00 per SF, if the City was to construct an equivalent building.

Diligence Completed by Staff:

On July 19, 2021, the District Attorney's Office provided an analysis regarding City's ability to potentially convey the Property to a new Non-Profit comprising the current Non-Profit Tenants and UNCE pursuant to NRS 244.284 or 244.2833.

On September 23, 2021, Public Works staff met with the current Non-Profit Tenants and UNCE to discuss the costs of the recommended capital investment for the building over a ten-year period, Non-Profit Tenants' and UNCE's financial plan to maintain the building if it were to be conveyed to them, Non-Profit Tenants' and UNCE's plan to continue to lease space to the current tenants, and the possibility of forming a new non-profit, comprising the current Non-Profit Tenants and UNCE, to accept the donation.

Between October 21 and December 14, 2021, staff received two appraisals for the Property indicating a minimum average value of \$1,035,000 if the City elects to not cure any of the recommended deferred maintenance prior to disposal.

The Proposed Resolution & Disposal:

The proposed resolution is designed to follow the general procedures for real property transactions, except where doing so is inconsistent with the Board's goal to transfer the Property to a local non-profit organization using the Property to actually provide charitable services to the community. Based on those procedures, the auction would likely occur at the Board's May 5, 2022, meeting, or later.

The resolution is designed to allow the Board to determine whether a non-profit organization is qualified to bid before opening sealed bids. Based on NRS 244.284 and direction provided during the Board's February 25, 2022 meeting, bidding will be limited to "qualified non-profits," which must (1) be Nevada non-profit corporations, (2) be tax exempt 501(c)(3) organizations, and (3) have been providing charitable services in Carson City for at least one year.

Sealed written bids from qualified non-profits would be opened at a time-certain during a Board meeting, the written bids would be ordered by price, and the Board would solicit any oral bids exceeding the highest written bid. The Board would maintain discretion to reject any particular bid, or all bids. The Board would then issue a second resolution accepting the bid it determines to be highest, and accepting the second highest bid in the event the highest bidder fails to timely tender payment in full.

The conveyance will be made "as-is, where-is" through a quitclaim deed, and, as required by NRS 244.284(3), the Property would automatically revert to the City if it is no longer used for charitable purposes.

Applicable Statute, Code, Policy, Rule or Regulation

NRS 244.284

Financial Information

Is there a fiscal impact? Yes

If yes, account name/number: General Fund – Surplus Sales – 1010090-482080

Is it currently budgeted? Yes

Explanation of Fiscal Impact: Proceeds from the sale would go into the General Fund to be used for future facilities maintenance or to acquire other real property for the City's use.

Alternatives

Do not adopt the resolution and/or provide alternative direction to staff.

Attachments:

- 2. [NRS 244.284 Resolution & Exhibits_Northgate Disposal.pdf](#)
- 3. [Carson City Northgate Tier 2 FCA Report - Final.pdf](#)
- 4. [Title Report_Northgate.pdf](#)
- 5. [FINAL REPORT 21-097-01.pdf](#)
- 6. [21-074 2621 Northgate Lane Appraisal and Addenda Final.pdf](#)

Board Action Taken:

Motion: _____	1) _____	Aye/Nay
	2) _____	_____

(Vote Recorded By)

RESOLUTION NO. 2022-R-_____

A RESOLUTION DECLARING THE INTENTION TO SELL 1.133 ACRES OF CARSON CITY LAND KNOWN AS 2621 NORTHGATE LANE, APN 002-062-05, (“PROPERTY”), INCLUDING THE 15,841 SQUARE FOOT OFFICE BUILDING ON THE PROPERTY, THROUGH AN AUCTION AMONG QUALIFIED NON-PROFITS.

WHEREAS, the City owns the Property, which is further depicted in Exhibit A to the resolution, and with the legal description in Exhibit B to the resolution; and

WHEREAS, the City acquired the Property in 1982, including the office building situated on the Property, which was constructed in 1976; and

WHEREAS, on August 12, 1997, the Property was offered for sale at auction and there were no bidders. Due to there being no bidders at public auction, the City attempted to list the Property for sale with agents and brokers, but the Property still did not sell; and

WHEREAS, the City currently leases the office building on the Property to three non-profit organizations and to the Board of Regents; and

WHEREAS, the average annual cost to the City for maintenance on the Property is approximately \$19,000 and the estimated cost for the Property’s capital investment needs is \$1,814,608 over 10 years; and

WHEREAS, NRS 244.284 allows the City to dispose of real property to a corporation for public benefit to be used for charitable or civic purposes on such terms and conditions as seem proper to the City; and

WHEREAS, the proposed sale of the City’s interest in this property via an auction among qualified non-profits would be consistent with NRS 244.284;

NOW, THEREFORE, the Carson City Board of Supervisors hereby resolves that:

- (1) As used in this resolution, the term “qualified non-profit” shall refer to an organization that:
 - (a) Is organized as a Nevada non-profit corporation under NRS Ch. 82;
 - (b) Is a tax exempt 501(c)(3) organization; and
 - (c) Has provided charitable services in Carson City for at least one year from the date of this resolution;
- (2) Carson City does not need the Property for public purposes, and auctioning the Property among qualified non-profits to be used for charitable purposes is desirable and in the best interest of Carson City;
- (3) The Board of Supervisors intends to sell the Property through an auction among qualifying non-profit organizations to be used for charitable purposes, consistent with NRS 244.284;
- (4) As required by NRS 244.284(3), any conveyance is subject to automatic reversion to the City if the qualified non-profit organization ceases to use the Property for charitable purposes;

- (5) The minimum price of the auction shall be _____;
- (6) A sealed-bid auction for the Property will be held on _____, 2022, at _____:_____ am/pm;
- (7) Notice of the adoption of this resolution and of the time, place and manner of the auction among qualified non-profits shall be given by:
- (a) Posting this resolution, including exhibits, in at least three public locations for at least the 15 days preceding the scheduled sealed-bid auction; and
 - (b) Publishing in the Nevada Appeal, at least once a week for the three weeks preceding the scheduled sealed-bid auction, notice of the resolution's adoption; a description of the Property; the minimum price for the Property; the time, place and manner of the auction; and where copies of the resolution can be found.
- (8) No later than 8:00 am on the date on which the sealed-bid auction will take place, prospective bidders shall submit to the City Manager a package containing the following sealed and unsealed components for the Board of Supervisors' review and consideration:
- (a) Unsealed Portion of Submission:
 - (i) Information sufficient for the City to quickly verify that the prospective bidder fulfills the criteria of a "qualified non-profit," as defined in this resolution, and is therefore eligible to participate in the auction.
 - (b) Sealed Portion of Submission:
 - (i) The qualified non-profit's actual bid for the Property; and
 - (ii) A letter of credit or other proof of ability to pay at least the amount of the written bid by the qualified non-profit.
- (9) The Board of Supervisors will open the sealed bids of qualified non-profits at the date and time designated for the sealed-bid auction. The Board of Supervisors will determine the highest written bidder, then call for any oral bids which exceed the highest written bid by 5% or more. Oral bids may only be made by qualified non-profits that properly submitted a sealed bid. At the conclusion of any oral bidding, the Board of Supervisors will determine the highest and second highest bidders. The Board of Supervisors may reject any oral bids that exceed the amount of the letter of credit or other proof of ability to pay provided in the qualified non-profit's sealed submission.
- (10) The Board of Supervisors reserves the right to reject any bid, or all bids, if it determines doing so is in the best interests of Carson City. Any rejected bids will be excluded from the determination of the highest and second highest bidders.
- (11) All bids for the Property, and the Property's conveyance, are subject to the following terms and conditions:
- (a) The bid offer may be all cash, or for 25 percent cash down with third-party financing as the bidder may obtain.

- (b) A \$15,000 security deposit from the highest and second highest bidder will be required. The security deposit must be paid within two days of notification of selection as the highest and second highest bidder, and must be made payable to the Carson City Treasurer. The security deposit will be credited against the purchase price.
- (c) Payment in full must be received from the highest bidder within 30 days of the date of the resolution approving the highest bidder.
- (d) The City will hold the security deposit of the second highest bidder until payment is received from the highest bidder and the City provides a quitclaim deed to the buyer. The City will then refund the security deposit of the second highest bidder.
- (e) If the highest bidder fails to submit full payment within 30 days, the security deposit will be forfeited to the City as liquidated damages, not as a penalty, and the Property will be offered to second highest bidder. The second highest bidder will then have 30 days from the date of that offer to tender payment in full to the City, and if no tender is timely made, that security deposit will also be forfeited to the City as liquidated damages, not as a penalty.
- (f) The purchase price for the Property shall be paid via certified funds acceptable to the Carson City Treasurer or wire-transferred funds, and Carson City shall provide a fully executed quitclaim deed, substantially similar to Exhibit C to this resolution, to the buyer upon confirmation that the full purchase price has cleared. Thereafter, Carson City shall record that fully executed quitclaim deed upon buyer's request.
- (g) **The Property is being conveyed AS-IS, WHERE-IS, subject to NRS 244.284, and via quitclaim deed.** Carson City has disclosed the following items during open meetings regarding the Property: a title report from Stewart Title (dated July 26, 2021; File No. 1321115); two appraisals for the Property (Johnson, Perkins, Griffin appraisal, dated Nov. 12, 2021; John S. Wright & Assocs. appraisal, dated Sept. 29, 2021), and a facility condition assessment for the Property (Faithful+Gould assessment, dated March 3, 2020). **However, all bidders and the ultimate buyer must rely on their own diligence and investigations, performed at their own expense, in determining whether to bid on and/or buy the Property. This section is a material part of Carson City's consideration for and inducement to offer the Property for sale, and this term shall survive the closing for this transaction.**
- (h) The buyer shall be responsible for all costs associated with closing, including but not limited to any transfer costs.

(12) The Board of Supervisors will issue a resolution declaring the qualified non-profits it determines to be the highest and second highest bidders, and it will authorize the Mayor to execute a quitclaim deed substantially similar to Exhibit C to this resolution, in favor of the appropriate, qualified non-profit.

Upon motion by Supervisor _____, seconded by Supervisor _____, the foregoing Resolution was passed and adopted this ___th day of _____, 2022 by the following vote.

VOTE: AYES:

NAYS:

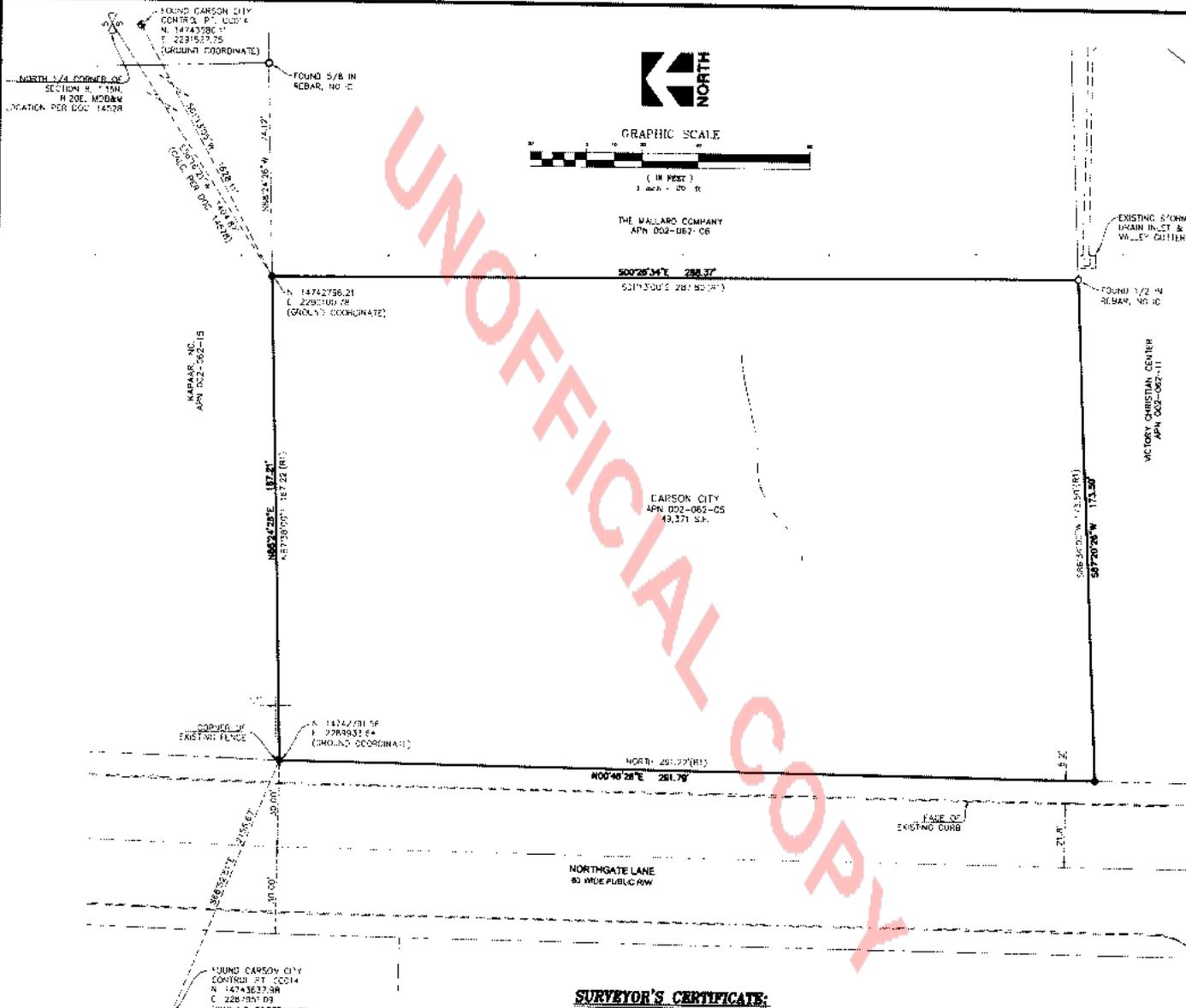
ABSENT:

ABSTAIN:

Lori Bagwell, Mayor

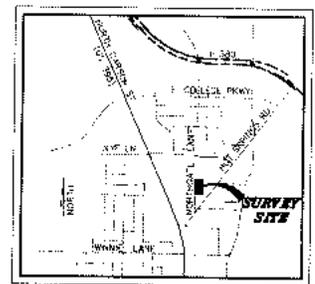
ATTEST

Aubrey Rowlett, Clerk
Carson City, Nevada



BASIS OF BEARINGS
 GRID NORTH, NEVADA STATE PLANE COORDINATE SYSTEM, WEST ZONE, NORTH AMERICAN DATUM OF 1983/1994, HIGH ACCURACY REFERENCE NETWORK (HAD 81.54' NAD) BASED ON REAL TIME KINEMATIC (RTK) GPS OBSERVATIONS OF THE 2010 CARSON CITY CONTROL NETWORK AS SHOWN ON RECORD OF SURVEY MAP NO. 2749 RECORDED AUGUST 31, 2010, AS FILE NO. 403435 IN THE OFFICIAL RECORDS OF CARSON CITY, NEVADA.
 A COMBINED GRID TO GROUND SCALE FACTOR OF 1.0002 WAS USED TO DETERMINE THE COORDINATES SHOWN.
 ALL DISTANCES AND COORDINATES SHOWN HEREON ARE GROUND VALUES IN U.S. FEET.

- REFERENCES**
- MAP 422, RECORD OF SURVEY FOR ROGER L. SHAMEEL, RECORDED MAY 26, 1974 AS NO. 38547, OFFICIAL RECORDS OF CARSON CITY, NEVADA.
 - MAP 2287, RECORD OF SURVEY BOUNDARY LINE ADJUSTMENT FOR KAPPA, INC., RECORDED AUGUST 12, 1996 AS FILE NO. 221828 IN BOOK 6, PAGE 2287, OFFICIAL RECORDS OF CARSON CITY, NEVADA.



LOCATION MAP
 NTS

- LEGEND**
- = SET 5/8 INCH REBAR AND CAP PLS 17044
 - = FOUND MONUMENT AS NOTED
 - = CARSON CITY CONTROL POINT
 - (H) = RECORD MAP REFERENCE
 - = EX. PROPERTY LINE
 - - - = EX. ADJACENT LOT LINES
 - - - = EX. CENTERLINE
 - - - = EX. CONCRETE/CURB
 - - - = EX. CONTROL MONUMENT TIE

SURVEYOR'S CERTIFICATE:

I, JAMES R. BEDARD, A PROFESSIONAL LAND SURVEYOR REGISTERED IN THE STATE OF NEVADA, CERTIFY THAT:

- THIS PLAT REPRESENTS THE RESULTS OF A SURVEY CONDUCTED UNDER MY SUPERVISION AT THE INSTANCE OF CARSON CITY.
- THE LAND SURVEYED LIES WITHIN A PORTION OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 8, TOWNSHIP 15 NORTH, RANGE 20 EAST, MOUNT Diablo BASE AND MERIDIAN, CARSON CITY, NEVADA AND THE SURVEY WAS COMPLETED ON SEPTEMBER 11, 2018.
- THIS PLAT COMPLIES WITH APPLICABLE STATUTES OF THIS STATE AND ANY LOCAL ORDINANCES IN EFFECT ON THE DATE THAT THE SURVEY WAS COMPLETED, AND THE SURVEY WAS CONDUCTED IN ACCORDANCE WITH CHAPTER 825 OF THE NEVADA ADMINISTRATIVE CODE.
- THE MONUMENTS DEPICTED ON THE PLAT ARE OF THE CHARACTER SHOWN, OCCUPY THE POSITIONS INDICATED, AND ARE OF SUFFICIENT NUMBER AND DURABILITY.

JAMES R. BEDARD
 NEVADA P.L.S. 17044



RECORDER'S CERTIFICATE:

FILED FOR RECORD AT THE REQUEST OF MANHARD CONSULTING, LTD. ON THIS 17 DAY OF SEPT 2018, AT 3:22 MINUTES PAST 10 O'CLOCK A.M. IN BOOK 4, AT PAGE 2949 OF OFFICIAL RECORDS OF CARSON CITY, NEVADA.
 RECORDING FEE: \$17.00 BY: SUSAN MERRIWEATHER
 RECORDER

FILE NUMBER 411518 BY: [Signature]

RECORD OF SURVEY
 FOR
CARSON CITY
 BEING THAT PARCEL OF LAND DESCRIBED IN DOC. # 14528
 RECORDED NOV. 4, 1982, OFFICIAL RECORDS OF CARSON CITY, NV
 SITUATE WITHIN THE NE 1/4 NW 1/4 OF SECTION 8, T15N, R20E, M06&M
 CARSON CITY, NEVADA

Manhard CONSULTING LTD

DATE: 4/5/2018
 PREP. CODE: CON.COMV
 PROJ. P. 01
 SHEET 1 OF 1

EXHIBIT A

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SECTION 8,
E SURVEY
OF
THE DATE
5 OF THE
, AND ARE

RECORDER'S CERTIFICATE:

FILED FOR RECORD AT THE REQUEST OF MANHARD CONSULTING, LTD. ON THIS
17 DAY OF SEPT 2018, AT 32 MINUTES PAST 10 O'CLOCK A.M. IN
BOOK 11, AT PAGE 2949 OF OFFICIAL RECORDS OF CARSON CITY, NEVADA.
RECORDING FEE: \$17.00 BY: SUSAN MERLIWETHER
RECORDER
FILE NUMBER: 489548 BY: [Signature]

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RECORD OF SURVEY
FOR
CARSON CITY
BEING THAT PARCEL OF LAND DESCRIBED IN DOC. # 14528
RECORDED NOV. 4, 1982, OFFICIAL RECORDS OF CARSON CITY, NV
SITUATE WITHIN THE NE 1/4 NW1/4 OF SECTION 8, T15N, R20E, MDB&M
CARSON CITY
NEVADA

Manhard
CONSULTING LTD
9850 Double R Boulevard, Suite 101, Reno, NV 89521 ph: 775-746-3500 fx: 775-746-3500 manhard.com
Civil Engineers • Surveyors • Water Resource Engineers • Water & Wastewater Engineers
Construction Managers • Environmental Scientists • Landscape Architects • Planners

DRAWN BY:	JM
DATE:	4/5/2018
PROJ. CODE:	CON.CONV
PROJ. #:	01
SHEET	1
OF	1

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EXHIBIT A

EXHIBIT B

Legal Description

That portion of the Northeast 1/4 of the Northwest 1/4 of Section 8, Township 15 North, Range 20 East, M.D.B. & M., in Carson City Nevada, described as follows:

Commencing at the North 1/4 corner of Section 8, Township 15 North, Range 20 East, M.D.B.&M., thence South 55°29'55" West, 1404.87 feet to the Northeast corner of the parcel and the True Point of Beginning; thence South 1°13' East, 287.80 feet; thence South 86°34' West, 173.50 feet; thence along Northgate Street, North 291.22 feet; thence North 87°38' East, 167.22 feet to the Point of Beginning.

EXHIBIT C

APN 002-062-05

AFTER RECORDING RETURN TO:
Attention: Real Property Manager
Carson City Public Works

3505 Butti Way
Carson City, NV 89701

MAIL TAX STATEMENTS TO:
[Buyer]
[Buyer Address 1]
[Buyer Address 2]

The undersigned hereby affirms that this document, including any exhibits, submitted for recording does not contain the personal information of any person or persons. (Pursuant to NRS 239B.030)

QUITCLAIM DEED

THIS DEED, made this ____ day of _____, 2022 by and between CARSON CITY, a consolidated municipality and political subdivision of the State of Nevada, hereinafter called GRANTOR, and _____, a Nevada nonprofit corporation and I.R.S. tax-exempt 501(c)(3) organization, hereinafter called GRANTEE,

WITNESSETH:

That said GRANTOR, pursuant to Resolution 2022-R-____ (Exhibit A), NRS 244.284, and for good and valuable consideration, the receipt whereof is hereby acknowledged, and subject to the requirements of NRS 244.284(3), does hereby remise, release and forever quitclaim unto the said GRANTEE all of the right, title and fee interest said GRANTOR can convey in and to that certain real property, hereinafter PROPERTY, located at 2621 Northgate Lane, Carson City, Nevada (APN 002-062-05), described as follows:

That portion of the Northeast 1/4 of the Northwest 1/4 of Section 8, Township 15 North, Range 20 East, M.D.B. & M., in Carson City Nevada, described as follows: Commencing at the North 1/4 corner of Section 8, Township 15 North, Range 20 East, M.D.B.&M., thence South 55°29'55" West, 1404.87 feet to the Northeast corner of the parcel and the True Point of Beginning; thence South 1°13' East, 287.80 feet; thence South 86°34' West, 173.50 feet; thence along Northgate Street, North 291.22 feet; thence North 87°38' East, 167.22 feet to the Point of Beginning.

SUBJECT TO: Consistent with NRS 244.284(3), this Quitclaim Deed conveys GRANTOR's interest in the PROPERTY to GRANTEE so long as the PROPERTY is used for charitable or

EXHIBIT C

civic purposes, and if the PROPERTY ceases to be used for charitable or civic purposes, the PROPERTY automatically reverts to GRANTOR.

IN WITNESS WHEREOF said GRANTOR has hereunto signed on the day and year first above written.

LORI BAGWELL, Mayor

STATE OF NEVADA)

CARSON CITY)

This instrument was acknowledged before me on this _____ day of _____, _____
by _____.

Notary Public

APPROVED AS TO FORM:

Carson City District Attorney

By: _____

Date: _____

Facility Condition Assessment

For
Carson City
Northgate
2621 Northgate Lane
Carson City,
NV 89706



Date of Report: March 03, 2020

Provided By:

Faithful+Gould, Inc.

Provided For:

Carson City, NV

**FAITHFUL
GOULD**

Member of the SNC-Lavalin Group



EXECUTIVE SUMMARY

Introduction

In accordance with the contract held between Carson City, NV and Faithful+Gould Inc, this completed report provides a comprehensive Facility Condition Assessment of the Northgate located at 2621 Northgate Lane, Carson City, NV, 89706 (The Property).

This report provides a summary of the facility information known to us at the time of the study, the scope of work performed, an equipment inventory, evaluation of the visually apparent condition of The Property together with a forecast of capital expenditures anticipated over the next 10 years. The expenditure forecast does not account for typical preventative maintenance items such as changing filters to fan coil units.

Our cost rates to produce life cycle and replacement cost estimates are based on our knowledge of the local regional market rates and the RS Means Cost Database benchmarking. Our line item costs assume that the work will be procured through public general contractor bids.

This report provides a summary of the anticipated primary expenditures over the 10-year study period. Further details of these expenditures are included within each respective report section and within the 10-year expenditure forecast, in Appendix A.

The report also calculates the Current Facility Condition Needs Index (FCNI) which is used in Facilities Management to provide a benchmark to compare the relative condition of a group of facilities. The FCNI is a snapshot of the **current** condition of the building. Future conditions of the building, known as the FCI are also presented. The FCNI and FCI scores are primarily used to support asset management initiatives of federal, state, and local government facilities organizations.

Limiting Conditions

This report has been prepared for the exclusive and sole use of the Carson City. The report may not be relied upon by any other person or entity without the express written consent of Faithful+Gould.

Any reliance on this report by a third party, any decisions that a third party makes based on this report, or any use at all of this report by a third party is the responsibility of such third parties. Faithful+Gould accepts no responsibility for damages, if any, suffered by any third party as a result of decisions made, or actions taken, based on this report.

The assessment of the building/site components was performed using methods and procedures that are consistent with standard commercial and customary practice as outlined in ASTM Standard E 2018-015 for PCA assessments. As per this ASTM Standard, the assessment of the building/site components is based on a visual walk-through site visit, which captured the overall condition of the site at that specific point in time only.

No legal surveys, soil tests, environmental assessments, geotechnical assessments, detailed barrier-free compliance assessments, seismic assessments, detailed engineering calculations, or quantity surveying compilations have been made. No responsibility, therefore, is assumed concerning these matters. Faithful+Gould did not design or construct the building(s) or related structures and therefore will not be held responsible for the impact of any design or construction defects, whether or not described in this report. No guarantee or warranty, expressed or implied, with respect to the property, building components, building systems, property systems, or any other physical aspect of The Property is made.

The recommendations and our opinion of probable costs associated with these recommendations, as presented in this report, are based on walk-through non-invasive observations of the parts of the building which were readily accessible during our visual review. Conditions may exist that are not as per the general condition of the system being observed and reported in this document. Opinions of probable costs presented in this report are also based on information received during interviews with operations and maintenance staff. In certain instances, Faithful+Gould has been required to assume that the information provided is accurate and cannot be held responsible for incorrect information received during the interview process. Should additional information become



available with respect to the condition of the building and/or site elements, Faithful+Gould requests that this information be brought to our attention so that we may reassess the conclusions presented herein.

The opinions of probable costs are intended for global budgeting purposes only. Faithful+Gould has no control over the cost of labor and materials, general contractor's or any subcontractor's method of determining prices, or competitive bidding and market conditions. The data in this report represent an opinion of probable cost of construction and is made on the basis of the experience, qualifications, and best judgment of the professional consultant familiar with the construction industry. Faithful+Gould cannot and does not guarantee that proposals, bids, or actual construction costs will not vary from this or subsequent Cost Estimates. The scope of work and the actual costs of the work recommended can only be determined after a detailed examination of the site element in question, understanding of the site restrictions, understanding of the effects on the ongoing operations of the site/building, definition of the construction schedule, and preparation of tender documents.

Project Details

On October 8, 2019, Robbie Dalziel of Faithful+Gould visited The Property to observe and document the condition of the building and site components. During our site visit, Faithful+Gould was assisted by Dan Stucky (City Engineer) who is associated with Carson City.

Building Details

Item	Description
Project Name	Northgate
Property Type	OFFICE
Full Address	2621 Northgate Lane Carson City, NV 89706
Onsite Date	10/8/2019
Historic District	No
Historic Building	No
Year Built	1976
Occupancy Status	Occupied
Number of Stories	1
Gross Building Area (GSF)	14,664
Current Replacement Value (CRV)	\$5,132,400
CRV/GSF (\$/Sq Ft)	\$350.00 / Sq Ft



Building Description

Property Executive Summary

Northgate (“the Property”) is located at 2621 Northgate Lane, Carson City, Nevada 89706. The building consists of a one-story structure, which has a total approximate gross square footage of 14,664 square feet. The building is understood to have originally been constructed circa 1976, with the flat roof section replaced approximately eight years ago.

In consideration of the age and condition of the structure, we anticipate the following major and non-major replacement expenditures over the 10-year study period: BUR roof covering (including roof drains and flashing), aluminum gutters, aluminum glazed exterior doors, aluminum window units, interior wood doors, HVAC equipment (packaged rooftop units), electrical equipment (including switchboards, panelboards, interior and exterior lighting and full rewire), plumbing fixtures (including water closets, urinals, lavatories, kitchen sinks, service sinks and drinking fountains), interior finishes (including kitchen cabinets, toilet partitions, acoustic ceiling tiles, carpets, vinyl composite tiles, vinyl sheet, ceramic tiles and repainting of internal walls/ceilings) and site systems (including concrete sidewalks and crack fill, seal coat and restripe of asphalt parking lot).

An LED energy efficient upgrade is recommended for all lighting that is scheduled to be replaced in the 10-year study period. A like-for-like replacement for the lighting has been included within the 10-year capital expenditure for this building, with an independent Energy Conservation Measures (ECM) capital expenditure report providing the energy efficient lighting upgrade costs.

It should be noted, most of the packaged rooftop units were installed in 2002 and operate on R-22 refrigerant, which as of January 2020 is no longer available in the United States. The estimated useful life (EUL) for this type of equipment is usually 20-years and therefore the units are not due to exceed their EUL until 2022. As they operate on R-22 refrigerant, proactive replacement of these units is recommended early in the study period to ensure continuous operation at the building.



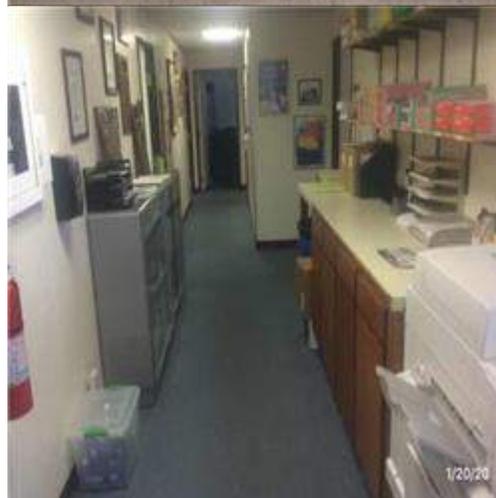


It should also be noted, the flat roof finish was replaced approximately eight years ago, however, the roof and roof drains have failed, and it was reported that a thermal image roof survey discovered excess moisture between the roof finish and wood roof structure. Due to this issue, water has penetrated the roof structure and the interior ceiling finishes which could have potentially caused structural damage to the building. The roof finish is currently scheduled to be replaced in 2023, however, it is recommended this is brought forward to the beginning of the 10-year study period. An allowance has also been included to carry out a structural engineering assessment to identify any areas of damage to the roof structure. Any repairs or replacements should be carried out based on the structural engineers' recommendations.

Architectural Executive Summary

The building foundations consist of a combination of cast-in-place reinforced concrete strip footings and a cast-in-place reinforced concrete slab on grade, which provide support to a combination of concrete masonry unit (CMU) and wood structure above grade. The roof consists of mansard style slopes with drop down parapet walls to a low-sloped flat roof. The sloped sections of the roof are assumed to be constructed of manufactured wood trusses and are clad with clay tiles. The flat roof section is assumed to be constructed of wood joists supporting an exterior grade plywood and is clad with a modified bitumen built-up roof (BUR) roof finish. The flat roof is provided with an internal drainage system, with sections of the sloped roof provided with aluminum rainwater gutters. The building envelope also consists of brick veneer over CMU walls, aluminum window units and a combination of aluminum glazed and hollow metal entrance doors.

Interior floor finishes to the building consist of a combination of vinyl composite tile, vinyl sheet, broadloom carpet, carpet tile, ceramic tile and exposed concrete. Wall finishes to the building consist of painted gypsum wall board throughout. Ceiling finishes to the building consist of a combination of suspend acoustical ceiling tiles and painted gypsum wall board. Internal doors consist of wood throughout.





Mechanical Executive Summary

Heating and cooling to the building is provided via numerous packaged rooftop air conditioning with heat units, which circulate the warm and cool air around the building through the internal ducting system. Domestic hot water to the building is provided via one electric-fired hot water heater which has a capacity of 40-gallons.

The restrooms contain a combination of vitreous china floor mounted water closets, wall hung urinals and wall hung lavatories. Additional plumbing fixtures to the building include multiple stainless-steel double bowl countertop kitchen sinks, multiple floor mounted service sinks and one wall mounted drinking fountain.

Electrical Executive Summary

The building's electrical equipment consists of four Main Distribution Panel (MDP) switchboards, each rated at 120/208-volts at 400-amperes. The electrical system is also provided with multiple sub-panels rated at 120/208-volts, with amperages ranging from 100-amperes to 200-amperes.

Lighting at the building consists of internal fluorescent light fixtures throughout and a combination of external metal halide flood light fixtures and fluorescent wall pack light fixtures running the soffit of the building perimeter. The branch wiring including receptacles, switches and other devices appear to be standard non-décor commercial grade.

Site Executive Summary

Immediate site systems at the Property consist of an asphalt paved parking lot and cast-in-place concrete sidewalks which run the building perimeter.





Summary of Findings

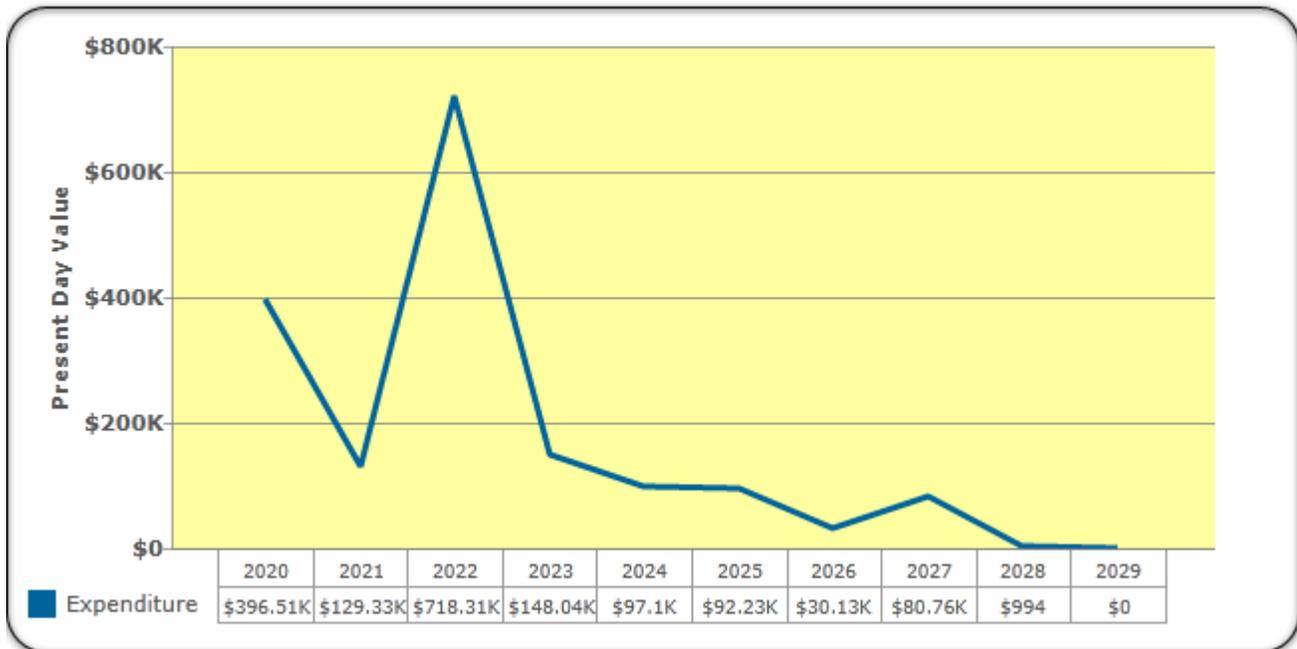
This report represents summary-level findings for the Facility Condition Assessment. The deficiencies identified in this assessment can be combined to develop an overall Long-Term Capital Needs Plan that can be the basis for a facility wide capital improvement funding strategy. Key findings from the Assessment include:

Key Findings	Metric
Current Year Facility Condition Needs Index	7.73 %
Immediate Capital Needs (Year 1) (included in FCNI)	\$396,512
Future Capital Needs (FCI) (Year 2 to Year 10)	\$1,296,894

Building Expenditure Summary

The building expenditure summary section provides an executive overview of the findings from the assessment. The chart below provides a summary of yearly anticipated expenditures over the study period for the Northgate building. In addition, we have scheduled key findings highlighting items greater than \$5,000 and their anticipated failure year. Further details of these expenditures are included within each respective report section and within the expenditure forecast, in Appendix A of this report. The results illustrate a total anticipated expenditure over the study period of approximately \$1,693,406.

Expenditure Forecast Over Study Period





Key Findings

- + B Shell: Undertake structural engineering assessment to assess the impact (if any) of water ingress to roof structure. Carry out remedial action based on structural engineer recommendations. at an estimated cost of \$5,000 in year 2020
- + B Shell: Replace Aluminum Perimeter Gutters at an estimated cost of \$8,653 in year 2020
- + B Shell: Replace BUR (Built-up Roofing) Covering at an estimated cost of \$193,583 in year 2020
- + B Shell: Replace Single Aluminum Glazed Doors at an estimated cost of \$174,134 in year 2022
- + B Shell: Replace Aluminum Window Units - Fixed or Single Hung at an estimated cost of \$202,665 in year 2022
- + C Interiors: Replace Broadloom Standard without Padding at an estimated cost of \$39,607 in year 2021
- + C Interiors: Replace Acoustic Ceiling System - Standard at an estimated cost of \$83,424 in year 2021
- + C Interiors: Replace Painted Finish - Standard at an estimated cost of \$97,100 in year 2024
- + C Interiors: Replace Toilet Partition at an estimated cost of \$23,134 in year 2025
- + C Interiors: Replace Ceramic Tile at an estimated cost of \$8,032 in year 2025
- + C Interiors: Replace Carpet Tiles - Standard at an estimated cost of \$26,010 in year 2026
- + C Interiors: Replace Interior Single Wood Door(s) at an estimated cost of \$80,758 in year 2027
- + D Services: Replace Packaged Rooftop A/C With Heat, Under 20 Tons - W-4 at an estimated cost of \$9,464 in year 2020
- + D Services: Replace Packaged Rooftop A/C With Heat, Under 20 Tons - E-8 at an estimated cost of \$11,041 in year 2020
- + D Services: Replace Packaged Rooftop A/C With Heat, Under 20 Tons - E-6 at an estimated cost of \$7,887 in year 2020
- + D Services: Replace Packaged Rooftop A/C With Heat, Under 20 Tons - W-3 at an estimated cost of \$9,464 in year 2020
- + D Services: Replace Packaged Rooftop A/C With Heat, Under 20 Tons - E-5 at an estimated cost of \$7,887 in year 2020
- + D Services: Replace Packaged Rooftop A/C With Heat, Under 20 Tons - E-2 at an estimated cost of \$9,464 in year 2020
- + D Services: Replace Packaged Rooftop A/C With Heat, Under 20 Tons - E-9 at an estimated cost of \$7,887 in year 2020
- + D Services: Replace Packaged Rooftop A/C With Heat, Under 20 Tons - E-10 at an estimated cost of \$7,887 in year 2020
- + D Services: Replace Packaged Rooftop A/C With Heat, Under 20 Tons - W-6 at an estimated cost of \$7,887 in year 2020
- + D Services: Replace Packaged Rooftop A/C With Heat, Under 20 Tons - W-5 at an estimated cost of \$7,887 in year 2020



- + D Services: Replace Packaged Rooftop A/C With Heat, Under 20 Tons - W-10 at an estimated cost of \$7,887 in year 2020
- + D Services: Replace Packaged Rooftop A/C With Heat, Under 20 Tons - E-3 at an estimated cost of \$7,887 in year 2020
- + D Services: Replace Packaged Rooftop A/C With Heat, Under 20 Tons - W-1 at an estimated cost of \$9,464 in year 2020
- + D Services: Replace Packaged Rooftop A/C With Heat, Under 20 Tons - E-7 at an estimated cost of \$7,887 in year 2020
- + D Services: Replace Packaged Rooftop A/C With Heat, Under 20 Tons - W-7 at an estimated cost of \$7,887 in year 2020
- + D Services: Replace Packaged Rooftop A/C With Heat, Under 20 Tons - E-1 at an estimated cost of \$9,464 in year 2020
- + D Services: Replace Packaged Rooftop A/C With Heat, Under 20 Tons - W-2 at an estimated cost of \$9,464 in year 2020
- + D Services: Replace Packaged Rooftop A/C With Heat, Under 20 Tons - E-11 at an estimated cost of \$7,887 in year 2020
- + D Services: Replace Packaged Rooftop A/C With Heat, Under 20 Tons - W-9 at an estimated cost of \$7,887 in year 2020
- + D Services: Replace Packaged Rooftop A/C With Heat, Under 20 Tons - E-12 at an estimated cost of \$7,887 in year 2020
- + D Services: Replace Packaged Rooftop A/C With Heat, Under 20 Tons - E-4 at an estimated cost of \$11,041 in year 2020
- + D Services: Replace Packaged Rooftop A/C With Heat, Under 20 Tons - W-8 at an estimated cost of \$7,887 in year 2020
- + D Services: Replace Flood Lights - Metal Halide Fixtures at an estimated cost of \$10,305 in year 2022
- + D Services: Replace Switchboard - 120/208volts, 400 to 2000amp at an estimated cost of \$17,664 in year 2022
- + D Services: Replace Switchboard - 120/208volts, 400 to 2000amp at an estimated cost of \$17,664 in year 2022
- + D Services: Replace Switchboard - 120/208volts, 400 to 2000amp at an estimated cost of \$17,664 in year 2022
- + D Services: Replace Switchboard - 120/208volts, 400 to 2000amp at an estimated cost of \$17,664 in year 2022
- + D Services: Replace Wiring Systems (Inc. Receptacles & Switches) at an estimated cost of \$132,885 in year 2022
- + D Services: Replace Interior Light Fixtures - Fluorescent at an estimated cost of \$123,442 in year 2022
- + D Services: Replace Service Sink Floor Mounted at an estimated cost of \$7,245 in year 2025



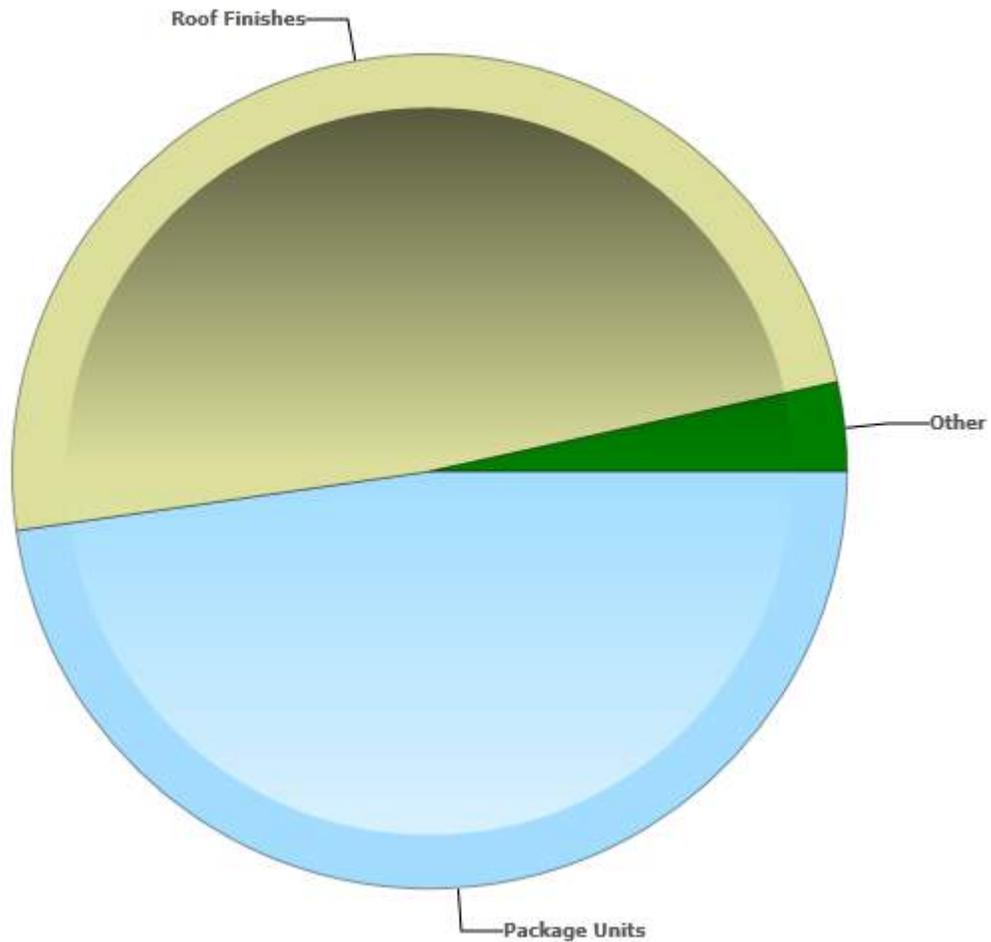
- + D Services: Replace Wall Hung Lavatories at an estimated cost of \$22,240 in year 2025
- + D Services: Replace Floor Mounted Water Closets at an estimated cost of \$28,980 in year 2025
- + E Equipment & Furnishing: Replace Floor Mounted Base Cabinets - Standard at an estimated cost of \$45,426 in year 2023
- + E Equipment & Furnishing: Replace Wall Mounted Cabinets - Standard at an estimated cost of \$11,266 in year 2023
- + G Building Sitework: Replace Concrete 3' - 4' Wide at an estimated cost of \$83,738 in year 2023

1. All costs presented in present day values
2. Costs represent total anticipated values over the 10-year study period
3. The Key Findings above represent expenditures of **\$5,000 or above only**. For a full list of expenditures, please refer to Appendix A of this report



Distribution of Immediate (Year 1) Needs by Building System

Distribution of Immediate Needs by Building System

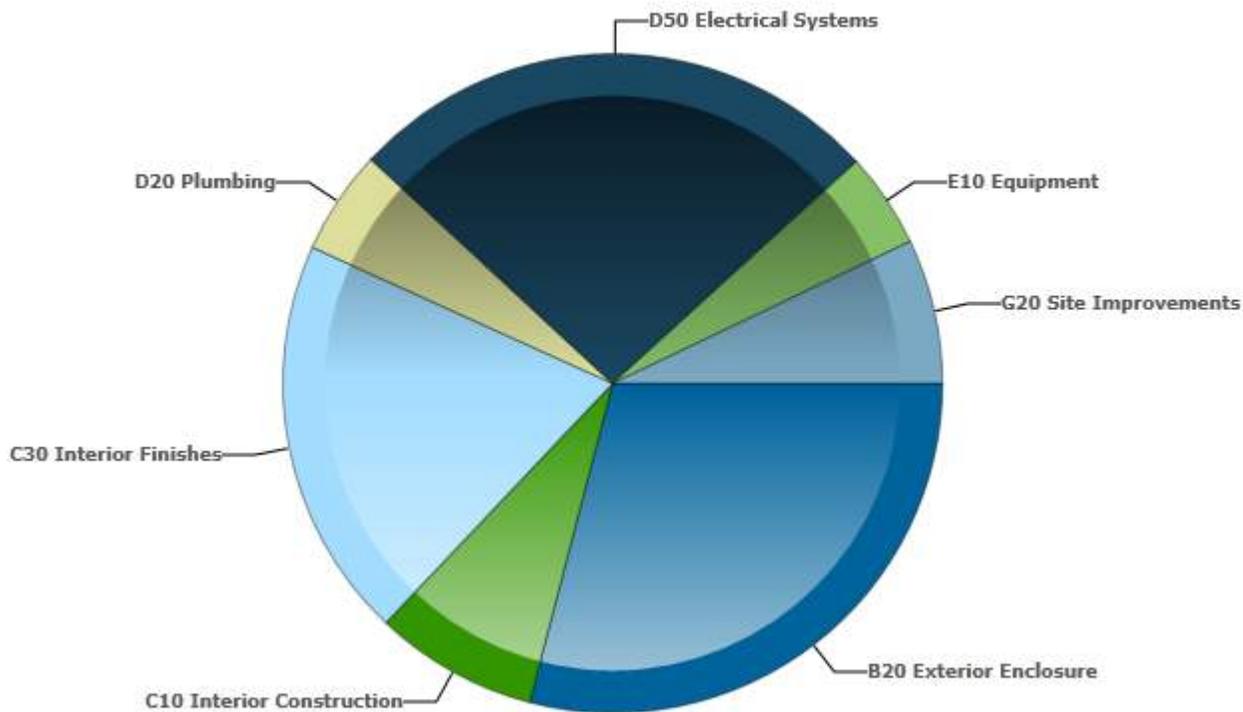


Building System	Estimated Cost	Percentage of Total Cost
Flat Roof Construction	\$5,000	1.3%
Gutters and Downspouts	\$8,653	2.2%
Package Units	\$189,276	47.7%
Roof Finishes	\$193,583	48.8%
Total	\$396,512	100%



Distribution of Future (Year 2 – Year 10) Needs by Building System

Distribution of Capital Needs by Building System



Building System	Estimated Cost	Percentage of Total Cost
B20 Exterior Enclosure	\$376,799	29.1%
C10 Interior Construction	\$103,891	8.0%
C30 Interior Finishes	\$255,663	19.7%
D20 Plumbing	\$66,568	5.1%
D50 Electrical Systems	\$341,514	26.3%
E10 Equipment	\$60,478	4.7%
G20 Site Improvements	\$91,981	7.1%
Total	\$1,296,894	100%



Energy Conservation Measures

Energy Conservation opportunities have been identified through an assessment of the systems and equipment during the Facility Condition Assessment (FCA) and provide simple payback in years and the annual cost avoidance for each ECM.

The physical assessment consisted of a limited, non-intrusive visual assessment of the building and its components. It was expected that generally all aspects of the buildings were made assessable, including provision to gain access to the roof, interior areas, mechanical, electrical rooms and common areas. Confined spaces or hazardous areas were not expected to be assessed. Low-sloped roofs with safe access were accessed; however, high-sloped, inaccessible roofs or roofs that were considered unsafe without the use of personal protective equipment were not accessed.

The assessment techniques followed the ASTM standards for property condition assessments (ASTM E2018-15) and consisted of a visual assessment of those components that are readily accessible and visible. The building assessment was limited to those components that affected energy usage, which typically include:

- Building Envelope, material description, construction type, windows and doors
- Lighting, type and approximate coverage by type
- Heating, type and area serviced
- Cooling, type and area serviced
- Ventilation, type
- Domestic Hot Water, method of heating, capacity, storage
- Miscellaneous Equipment, motors, solar panels, pools etc.

We have focused our assessment of energy conservation opportunities on measures that have realistic payback periods of 10 years or less. Our experience tells us that major architectural and mechanical system upgrades are almost never justified based on energy savings alone. We recommend specifying suitable high efficiency replacements for systems that are at the end of their useful life in an effort to lower long term cost of ownership. Some typical examples of energy conservation opportunities that are justified based on energy savings alone include, but are not limited to the following:

- Lighting lamp and ballast retrofits
- Variable Frequency Drive (VFD) upgrades on motors with variable loads greater than 20 horsepower
- HVAC system retrocommissioning and/or controls upgrades
- Instantaneous domestic water heaters
- Heat recovery on 100% fresh air HVAC systems
- Economizer / free cooling upgrades on suitable HVAC systems
- Attic insulation upgrades

PROJECTED EXPENDITURES

Energy Conservation Measures (ECM) are included in a separate report.



Facility Condition Needs Index

In this report we have calculated the Current Year Facility Condition Needs Index (FCNI) for the facility; illustrating the likely condition of the systems, equipment and building needs should the required funding not be expended over the cost study period. The FCNI is used in Facilities Management to provide a benchmark to compare the relative condition and needs of a group of facilities. The FCNI is primarily used to support asset management initiatives of federal, state, and local government facilities organizations.

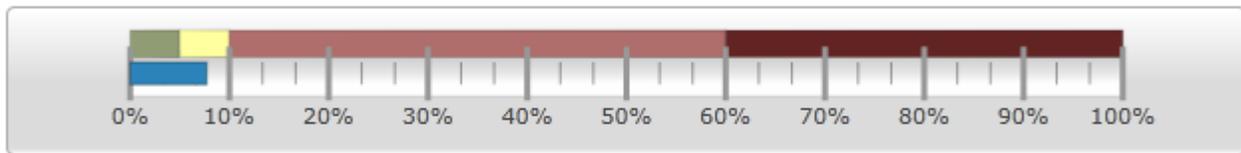
The FCNI is the ratio of accumulated Deferred Maintenance (DM) (total sum of immediate required and recommended works) to the Current Replacement Value (CRV) for a constructed asset. Calculated by dividing DM and Needs by CRV. The range is from zero for a newly-constructed building, to 100% for a constructed asset with a Deferred Maintenance value equal to its CRV. Acceptable ranges vary by Building Type, but as a general guideline, the FCNI scoring system is as follows:

$$FCNI = \frac{\text{Deferred Maintenance, Immediate Repair Needs and Replacement Deficiencies}}{\text{Current Replacement Value of the Facility(s) (CRV)}}$$

If the FCNI rating is 60% or greater then replacement of the asset/building should be considered instead of renewal.

Condition	Definition	Percentage Value
GOOD	In a new or well-maintained condition with no visual evidence of wear, soiling or other deficiencies.	0% to 5%
FAIR	Subject to wear and soiling but is still in a serviceable and functioning condition.	5% to 10%
POOR	Subjected to hard or long-term wear. Nearing the end of its useful or serviceable life.	Greater than 10%
V-POOR	Subjected to hard or long-term wear. Has reached the end of its useful or serviceable life. Renewal now necessary.	Greater than 60%

The chart below indicates the current FCNI ratio of the Northgate building.



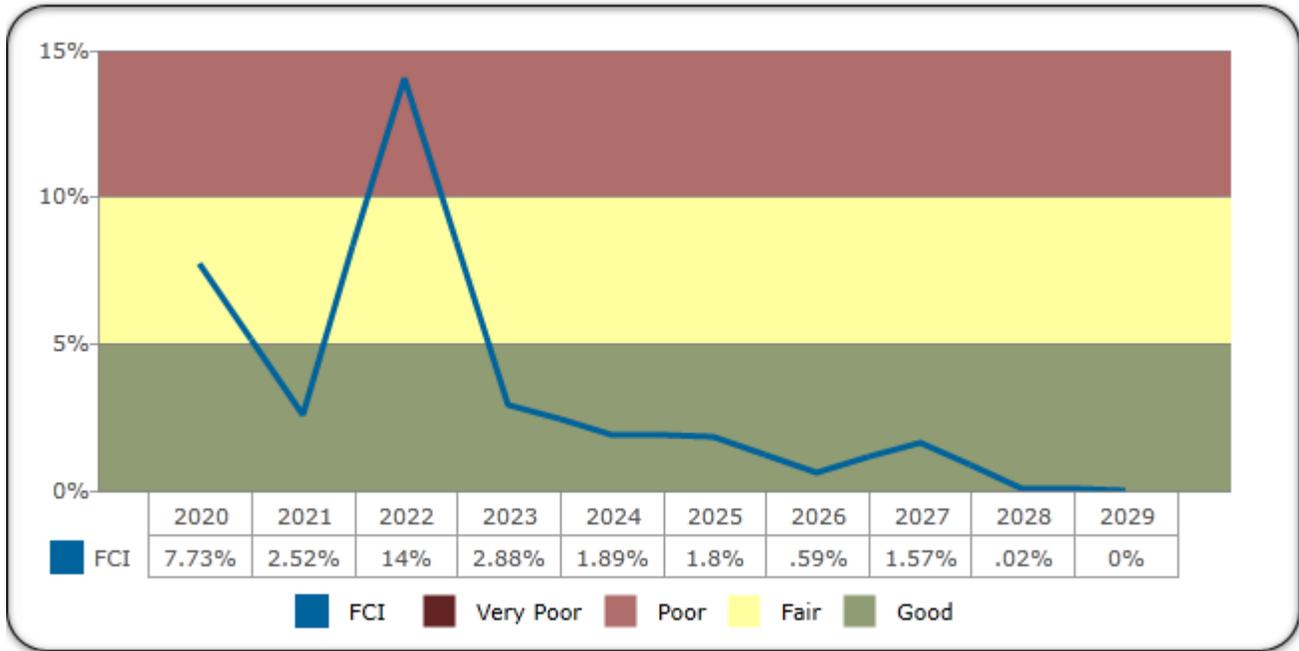
■ FCI ■ Good ■ Fair ■ Poor ■ Very Poor

Northgate, FCNI: 7.73%



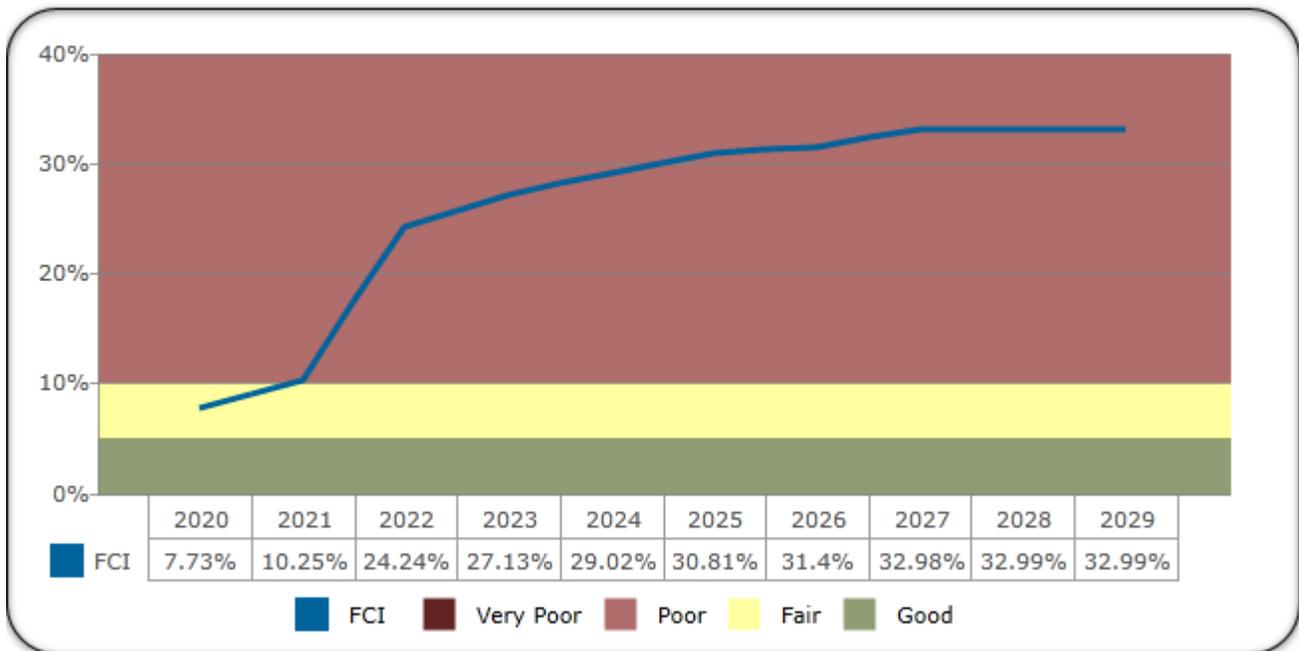
The chart below indicates the effects of the FCNI ratio per year, assuming the required funds and expenditures ARE made to address the identified actions each year.

Year by Year Effects of FCI Over the Study Period



The Chart below indicates the cumulative effects of the FCI ratio over the study period assuming the required funds and expenditures are NOT provided to address the identified works and deferred maintenance each year.

Cumulative Effects of FCI over the Study Period





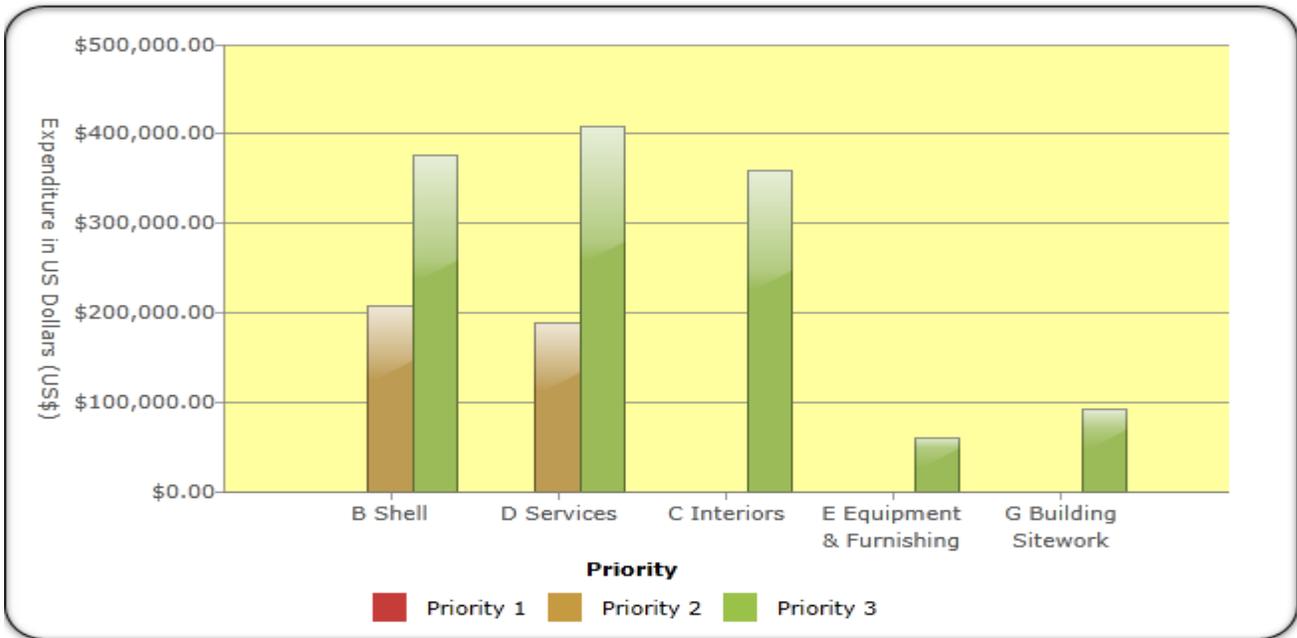
Needs Sorted by Prioritization of Work

Faithful+Gould has prioritized the identified work in order to assist with analyzing the deficiencies found during the assessment. The following Priorities are shown below:

Priority 1 Currently Critical	<ul style="list-style-type: none"> Systems requiring immediate action that have failed, compromises staff or public safety or requires to be upgraded to comply with current codes and accessibility
Priority 2 Potentially Critical:	<ul style="list-style-type: none"> A system or component is nearing end of useful life, if not addressed will cause additional deterioration and added repair costs
Priority 3 Necessary / Not Critical:	<ul style="list-style-type: none"> Lifecycle replacements necessary but not critical or mid-term future replacements to maintain the integrity of the facility or component

The chart below illustrates the breakdown of expenditure according the priority coding providing an opportunity to strategically plan and effectively direct funding to the highest priority.

Planning Horizon Needs by System and Priority



Building System	Priority 1	Priority 2	Priority 3	Total
B Shell	\$0	\$207,236	\$376,799	\$584,035
C Interiors	\$0	\$0	\$359,554	\$359,554
D Services	\$0	\$189,276	\$408,082	\$597,358
E Equipment & Furnishing	\$0	\$0	\$60,478	\$60,478
G Building Sitework	\$0	\$0	\$91,981	\$91,981
Totals	\$0	\$396,512	\$1,296,894	\$1,693,406



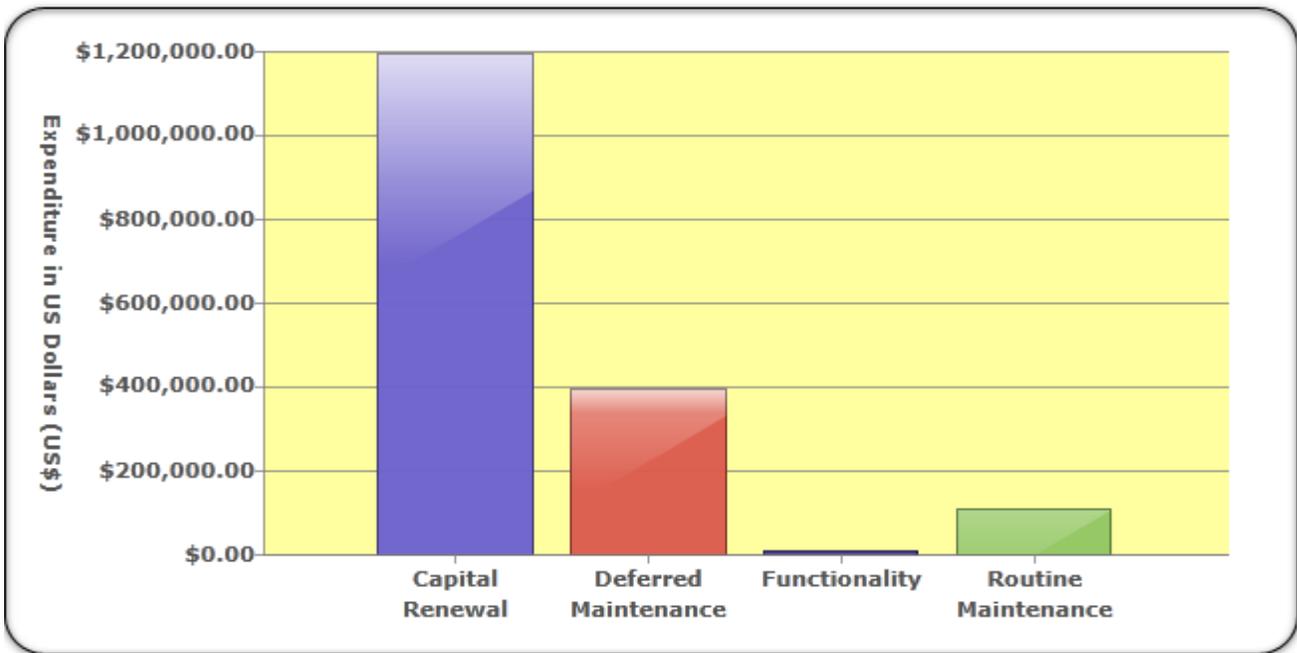
Needs Sorted by Plan Type

Faithful+Gould has prioritized the identified work according to the Plan Type or deficiency categories in order to assist with analyzing the deficiencies found during the assessment. The following Plan Types are shown below:

Deferred Maintenance	• Maintenance that was not performed when it was scheduled or assets that are past useful life resulting in immediate repair or replacement
Routine Maintenance	• Maintenance that is planned and performed on a routine basis to maintain and preserve the condition
Capital Renewal	• Planned future replacement of building systems that have or will reach the end of their useful life during the study period
Energy & Sustainability	• When the repair or replacement of equipment or systems are recommended to improve energy and sustainability performance
ADA	Repairs, Modifications, or Replacements identified to bring the building or asset in to ADA code compliance

The chart below illustrates the breakdown of expenditure according to the Plan Type or deficiency categories providing an opportunity to strategically plan and effectively direct funding.

Planning Horizon Needs by Category



Building System	Total Cost
Deferred Maintenance	\$391,512
Capital Renewal	\$1,191,551
Functionality	\$5,000
Routine Maintenance	\$105,343
Total	\$1,693,406

APPENDICES

- Appendix A: Capital Expenditures
- Appendix B: Photographic Record
- Appendix C: Document review and Warranty Information
- Appendix D: Equipment Tables
- Appendix E: Glossary of Terms



APPENDIX A

Capital Expenditures



Deficiency Report

Northgate

GSF: 14,664

Year Built: 1976

Replacement Cost: \$5,132,400

Year	\$	ID	CSI	Type Name	Description	Materials				Estimate	\$
						Qty	Units	Cost	Assessed Cost		
2020	\$396,512	312217	B1020	Functionality	Undertake structural engineering assessment to assess the impact (if any) of water ingress to roof structure. Carry out remedial action based on structural engineer recommendations.	1	EACH	\$5,000.00	\$5,000		\$5,000
		312220	B3010	Deferred Maintenance	Replace BUR (Built-up Roofing) Covering	14644	SF	\$13.22	\$193,583		\$193,583
		312221	B3010	Deferred Maintenance	Replace Aluminum Perimeter Gutters	500	LF	\$17.31	\$8,653		\$8,653
		312245	D3050	Deferred Maintenance	Replace Packaged Rooftop A/C With Heat, Under 20 Tons - W-4	3	TON	\$3,154.60	\$9,464		\$9,464
		312246	D3050	Deferred Maintenance	Replace Packaged Rooftop A/C With Heat, Under 20 Tons - E-8	3.5	TON	\$3,154.60	\$11,041		\$11,041
		312247	D3050	Deferred Maintenance	Replace Packaged Rooftop A/C With Heat, Under 20 Tons - E-6	2.5	TON	\$3,154.60	\$7,886		\$7,887
		312243	D3050	Deferred Maintenance	Replace Packaged Rooftop A/C With Heat, Under 20 Tons - W-3	3	TON	\$3,154.60	\$9,464		\$9,464
		312244	D3050	Deferred Maintenance	Replace Packaged Rooftop A/C With Heat, Under 20 Tons - E-5	2.5	TON	\$3,154.60	\$7,886		\$7,887
		312248	D3050	Deferred Maintenance	Replace Packaged Rooftop A/C With Heat, Under 20 Tons - E-2	3	TON	\$3,154.60	\$9,464		\$9,464
		312253	D3050	Deferred Maintenance	Replace Packaged Rooftop A/C With Heat, Under 20 Tons - W-2	3	TON	\$3,154.60	\$9,464		\$9,464
		312254	D3050	Deferred Maintenance	Replace Packaged Rooftop A/C With Heat, Under 20 Tons - E-11	2.5	TON	\$3,154.60	\$7,886		\$7,887
		312255	D3050	Deferred Maintenance	Replace Packaged Rooftop A/C With Heat, Under 20 Tons - W-9	2.5	TON	\$3,154.60	\$7,886		\$7,887

Deficiency Report

Year	\$	ID	CSI	Type Name	Description	Materials			Estimate	\$
						Qty	Units	Cost Assessed Cost		
2020	\$396,512	312256	D3050	Deferred Maintenance	Replace Packaged Rooftop A/C With Heat, Under 20 Tons - E-12	2.5	TON	\$3,154.60	\$7,886	\$7,887
		312252	D3050	Deferred Maintenance	Replace Packaged Rooftop A/C With Heat, Under 20 Tons - E-4	3.5	TON	\$3,154.60	\$11,041	\$11,041
		312257	D3050	Deferred Maintenance	Replace Packaged Rooftop A/C With Heat, Under 20 Tons - W-8	2.5	TON	\$3,154.60	\$7,886	\$7,887
		312258	D3050	Deferred Maintenance	Replace Packaged Rooftop A/C With Heat, Under 20 Tons - W-10	2.5	TON	\$3,154.60	\$7,886	\$7,887
		312240	D3050	Deferred Maintenance	Replace Packaged Rooftop A/C With Heat, Under 20 Tons - E-3	2.5	TON	\$3,154.60	\$7,886	\$7,887
		312241	D3050	Deferred Maintenance	Replace Packaged Rooftop A/C With Heat, Under 20 Tons - W-1	3	TON	\$3,154.60	\$9,464	\$9,464
		312242	D3050	Deferred Maintenance	Replace Packaged Rooftop A/C With Heat, Under 20 Tons - E-7	2.5	TON	\$3,154.60	\$7,886	\$7,887
		312249	D3050	Deferred Maintenance	Replace Packaged Rooftop A/C With Heat, Under 20 Tons - W-7	2.5	TON	\$3,154.60	\$7,886	\$7,887
		312250	D3050	Deferred Maintenance	Replace Packaged Rooftop A/C With Heat, Under 20 Tons - E-1	3	TON	\$3,154.60	\$9,464	\$9,464
		312251	D3050	Deferred Maintenance	Replace Packaged Rooftop A/C With Heat, Under 20 Tons - E-9	2.5	TON	\$3,154.60	\$7,886	\$7,887
		312237	D3050	Deferred Maintenance	Replace Packaged Rooftop A/C With Heat, Under 20 Tons - E-10	2.5	TON	\$3,154.60	\$7,886	\$7,887
		312238	D3050	Deferred Maintenance	Replace Packaged Rooftop A/C With Heat, Under 20 Tons - W-6	2.5	TON	\$3,154.60	\$7,886	\$7,887
		312239	D3050	Deferred Maintenance	Replace Packaged Rooftop A/C With Heat, Under 20 Tons - W-5	2.5	TON	\$3,154.60	\$7,886	\$7,887
		2021	\$129,331	312225	C3020	Capital Renewal	Replace Broadloom Standard without Padding	1111	SY	\$35.65
312229	C3020			Capital Renewal	Replace Vinyl Composite Tile (VCT)	60	SF	\$8.28	\$497	\$497
312230	C3030			Capital Renewal	Replace Acoustic Ceiling System - Standard	14224	SF	\$5.87	\$83,424	\$83,424
312236	D2010			Capital Renewal	Replace Wall Mounted Standard Drinking Fountain (Single)	1	EACH	\$1,682.45	\$1,682	\$1,682
312270	G2020			Routine Maintenance	Crack Repair, Seal Coating and Restriping to Parking Lots	2355	SY	\$1.75	\$4,121	\$4,121

Deficiency Report

Year	\$	ID	CSI	Type Name	Description	Materials			Estimate	\$
						Qty	Units	Cost Assessed Cost		
2022	\$718,313	312218	B2020	Capital Renewal	Replace Aluminum Window Units - Fixed or Single Hung	2560	SF	\$79.17	\$202,665	\$202,665
		312219	B2030	Capital Renewal	Replace Single Aluminum Glazed Doors	28	EACH	\$6,219.06	\$174,134	\$174,134
		312260	D5010	Capital Renewal	Replace Switchboard - 120/208volts, 400 to 2000amp	400	AMP	\$44.16	\$17,664	\$17,664
		312261	D5010	Capital Renewal	Replace Switchboard - 120/208volts, 400 to 2000amp	400	AMP	\$44.16	\$17,664	\$17,664
		312262	D5010	Capital Renewal	Replace Switchboard - 120/208volts, 400 to 2000amp	400	AMP	\$44.16	\$17,664	\$17,664
		312259	D5010	Capital Renewal	Replace Switchboard - 120/208volts, 400 to 2000amp	400	AMP	\$44.16	\$17,664	\$17,664
		312266	D5020	Capital Renewal	Replace Wiring Systems (Inc. Receptacles & Switches)	14664	SF	\$9.06	\$132,885	\$132,885
		312263	D5020	Capital Renewal	Replace Exterior Wall Pack Light Fixtures	5	EACH	\$845.25	\$4,226	\$4,226
		312264	D5020	Capital Renewal	Replace Flood Lights - Metal Halide Fixtures	7	EACH	\$1,472.15	\$10,305	\$10,305
		312265	D5020	Capital Renewal	Replace Interior Light Fixtures - Fluorescent	14664	SF	\$8.42	\$123,442	\$123,442
2023	\$148,040	312232	D2010	Capital Renewal	Replace Countertop Double Bowl Kitchen Sinks	2	EACH	\$1,911.88	\$3,824	\$3,824
		312269	E1090	Capital Renewal	Replace Floor Mounted Base Cabinets - Standard	42	LF	\$1,081.58	\$45,426	\$45,426
		312267	E1090	Capital Renewal	Replace Wall Mounted Cabinets - Standard	25	LF	\$450.66	\$11,266	\$11,266
		312268	E1090	Capital Renewal	Replace Counter Top - Laminated	42	LF	\$90.13	\$3,786	\$3,786
		312272	G2030	Capital Renewal	Replace Concrete 3' - 4' Wide	1200	LF	\$69.78	\$83,738	\$83,738
2024	\$97,100	312224	C3010	Routine Maintenance	Replace Painted Finish - Standard	19420	SF	\$5.00	\$97,100	\$97,100
2025	\$92,227	312222	C1010	Capital Renewal	Replace Toilet Partition	11	EACH	\$2,103.06	\$23,134	\$23,134
		312226	C3020	Capital Renewal	Replace Ceramic Tile	360	SF	\$22.31	\$8,032	\$8,032

Deficiency Report

Year	\$	ID	CSI	Type Name	Description	Materials			Estimate	\$
						Qty	Units	Cost Assessed Cost		
2025	\$92,227	312235	D2010	Capital Renewal	Replace Wall Hung Lavatories	9	EACH	\$2,471.10	\$22,240	\$22,240
		312234	D2010	Capital Renewal	Replace Floor Mounted Water Closets	12	EACH	\$2,415.00	\$28,980	\$28,980
		312231	D2010	Capital Renewal	Replace Service Sink Floor Mounted	2	EACH	\$3,622.50	\$7,245	\$7,245
		312233	D2010	Capital Renewal	Replace Wall Hung Urinals	1	EACH	\$2,597.29	\$2,597	\$2,597
2026	\$30,131	312227	C3020	Capital Renewal	Replace Carpet Tiles - Standard	334	SY	\$77.87	\$26,010	\$26,010
		312271	G2020	Routine Maintenance	Crack Repair, Seal Coating and Restriping to Parking Lots	2355	SY	\$1.75	\$4,121	\$4,121
2027	\$80,758	312223	C1020	Capital Renewal	Replace Interior Single Wood Door(s)	48	EACH	\$1,682.45	\$80,758	\$80,758
2028	\$994	312228	C3020	Capital Renewal	Replace Vinyl Sheet	120	SF	\$8.28	\$994	\$994
Total									Total:	\$1,693,406

APPENDIX B

Photographic Record





View of Wood Joists Supporting Exterior Grade Plywood



B2011 Exterior Wall Construction :-
View of Veneer Brick



View of Aluminum Window Units - Fixed or Single Hung



B2031 Glazed Doors & Entrances :-
View of Single Aluminum Glazed Doors



View of Single HM Doors



B3011 Roof Finishes :-
View of BUR (Built-up Roofing) Covering



View of Clay Roof Tile



B3016 Gutters and Downspouts :-
View of Aluminum Perimeter Gutters



View of Galvanized Steel Hatch



C1014 Site Built Toilet Partitions :-
View of Toilet Partition



View of Interior Single Wood Door(s)



C3012 Wall Finishes to Interior Walls :-
View of Painted Finish - Standard



View of Ceramic Tile



C3024 Flooring :-
View of Vinyl Composite Tile (VCT)



View of Vinyl Sheet



C3025 Carpeting :-
View of Broadloom Standard without Padding



View of Carpet Tiles – Standard



C3031 Ceiling Finishes :-
View of Gypsum Wall Board Ceilings



View of Acoustic Ceiling System – Standard



D2011 Water Closets :-
View of Floor Mounted Water Closets



View of Wall Hung Urinals



D2013 Lavatories :-
View of Wall Hung Lavatories



View of Countertop Double Bowl Kitchen Sinks



D2014 Sinks :-
View of Service Sink Floor Mounted



View of Wall Mounted Standard Drinking Fountain (Single)



D2022 Hot Water Service :-
View of Domestic Hot Water Heater - Electric



View of Packaged Rooftop A/C With Heat, Under 20 Tons - E-1



D3052 Package Units :-
View of Packaged Rooftop A/C With Heat, Under 20 Tons - E-10



View of Packaged Rooftop A/C With Heat, Under 20 Tons - E-11



D3052 Package Units :-
View of Packaged Rooftop A/C With Heat, Under 20 Tons - E-12



View of Packaged Rooftop A/C With Heat, Under 20 Tons - E-2



D3052 Package Units :-
View of Packaged Rooftop A/C With Heat, Under 20 Tons - E-3



View of Packaged Rooftop A/C With Heat, Under 20 Tons - E-4



D3052 Package Units :-
View of Packaged Rooftop A/C With Heat, Under 20 Tons - E-5



View of Packaged Rooftop A/C With Heat, Under 20 Tons - W-8



D3052 Package Units :-
View of Packaged Rooftop A/C With Heat, Under 20 Tons - W-9



View of Switchboard - 120/208volts, 400 to 2000amp



D5012 Low Tension Service & Dist :-
View of Switchboard - 120/208volts, 400 to 2000amp



View of Exterior Wall Pack Light Fixtures



D5022 Lighting Equipment :-
View of Flood Lights - Metal Halide Fixtures



View of Interior Light Fixtures – Fluorescent



E1095 Unit Kitchens :-
View of Floor Mounted Base Cabinets - Standard



View of Wall Mounted Cabinets – Standard



G2021 Bases and Sub-Bases :-
View of Asphalt Parking (Full Depth)



View of Concrete 3' - 4' Wide

APPENDIX C

Document Review and Warranty Information



3/3/2020



The following documents were reviewed as part of the facility condition assessment of the Northgate facility:

- + No documents were reviewed as part of this assessment.

APPENDIX D

Equipment Tables



Deficiency Report

Northgate

GSF: 14,664

Year Built: 1976

Renew Year : 2019

Replacement Cost: \$5,132,400

Fiscal Year	\$	ID	CSI	Type Name	Description	Materials				Estimate	\$
						Qty	Units	Cost	Assessed Cost		
2020	\$396,512	312217	B1020	Functionality	Undertake structural engineering assessment to assess the impact (if any) of water ingress to roof structure. Carry out remedial action based on structural engineer recommendations.	1	EACH	\$5,000.00	\$5,000		\$5,000
		312220	B3010	Deferred Maintenance	Replace BUR (Built-up Roofing) Covering	14644	SF	\$13.22	\$193,583		\$193,583
		312221	B3010	Deferred Maintenance	Replace Aluminum Perimeter Gutters	500	LF	\$17.31	\$8,653		\$8,653
		312245	D3050	Deferred Maintenance	Replace Packaged Rooftop A/C With Heat, Under 20 Tons - W-4	3	TON	\$3,154.60	\$9,464		\$9,464
		312246	D3050	Deferred Maintenance	Replace Packaged Rooftop A/C With Heat, Under 20 Tons - E-8	3.5	TON	\$3,154.60	\$11,041		\$11,041
		312247	D3050	Deferred Maintenance	Replace Packaged Rooftop A/C With Heat, Under 20 Tons - E-6	2.5	TON	\$3,154.60	\$7,886		\$7,887
		312243	D3050	Deferred Maintenance	Replace Packaged Rooftop A/C With Heat, Under 20 Tons - W-3	3	TON	\$3,154.60	\$9,464		\$9,464
		312244	D3050	Deferred Maintenance	Replace Packaged Rooftop A/C With Heat, Under 20 Tons - E-5	2.5	TON	\$3,154.60	\$7,886		\$7,887
		312248	D3050	Deferred Maintenance	Replace Packaged Rooftop A/C With Heat, Under 20 Tons - E-2	3	TON	\$3,154.60	\$9,464		\$9,464
		312253	D3050	Deferred Maintenance	Replace Packaged Rooftop A/C With Heat, Under 20 Tons - W-2	3	TON	\$3,154.60	\$9,464		\$9,464
		312254	D3050	Deferred Maintenance	Replace Packaged Rooftop A/C With Heat, Under 20 Tons - E-11	2.5	TON	\$3,154.60	\$7,886		\$7,887
		312255	D3050	Deferred Maintenance	Replace Packaged Rooftop A/C With Heat, Under 20 Tons - W-9	2.5	TON	\$3,154.60	\$7,886		\$7,887

Deficiency Report

Fiscal Year	\$	ID	CSI	Type Name	Description	Materials			Estimate	\$
						Qty	Units	Cost Assessed Cost		
2020	\$396,512	312256	D3050	Deferred Maintenance	Replace Packaged Rooftop A/C With Heat, Under 20 Tons - E-12	2.5	TON	\$3,154.60	\$7,886	\$7,887
		312252	D3050	Deferred Maintenance	Replace Packaged Rooftop A/C With Heat, Under 20 Tons - E-4	3.5	TON	\$3,154.60	\$11,041	\$11,041
		312257	D3050	Deferred Maintenance	Replace Packaged Rooftop A/C With Heat, Under 20 Tons - W-8	2.5	TON	\$3,154.60	\$7,886	\$7,887
		312258	D3050	Deferred Maintenance	Replace Packaged Rooftop A/C With Heat, Under 20 Tons - W-10	2.5	TON	\$3,154.60	\$7,886	\$7,887
		312240	D3050	Deferred Maintenance	Replace Packaged Rooftop A/C With Heat, Under 20 Tons - E-3	2.5	TON	\$3,154.60	\$7,886	\$7,887
		312241	D3050	Deferred Maintenance	Replace Packaged Rooftop A/C With Heat, Under 20 Tons - W-1	3	TON	\$3,154.60	\$9,464	\$9,464
		312242	D3050	Deferred Maintenance	Replace Packaged Rooftop A/C With Heat, Under 20 Tons - E-7	2.5	TON	\$3,154.60	\$7,886	\$7,887
		312249	D3050	Deferred Maintenance	Replace Packaged Rooftop A/C With Heat, Under 20 Tons - W-7	2.5	TON	\$3,154.60	\$7,886	\$7,887
		312250	D3050	Deferred Maintenance	Replace Packaged Rooftop A/C With Heat, Under 20 Tons - E-1	3	TON	\$3,154.60	\$9,464	\$9,464
		312251	D3050	Deferred Maintenance	Replace Packaged Rooftop A/C With Heat, Under 20 Tons - E-9	2.5	TON	\$3,154.60	\$7,886	\$7,887
		312237	D3050	Deferred Maintenance	Replace Packaged Rooftop A/C With Heat, Under 20 Tons - E-10	2.5	TON	\$3,154.60	\$7,886	\$7,887
		312238	D3050	Deferred Maintenance	Replace Packaged Rooftop A/C With Heat, Under 20 Tons - W-6	2.5	TON	\$3,154.60	\$7,886	\$7,887
		312239	D3050	Deferred Maintenance	Replace Packaged Rooftop A/C With Heat, Under 20 Tons - W-5	2.5	TON	\$3,154.60	\$7,886	\$7,887
		2021	\$129,331	312225	C3020	Capital Renewal	Replace Broadloom Standard without Padding	1111	SY	\$35.65
312229	C3020			Capital Renewal	Replace Vinyl Composite Tile (VCT)	60	SF	\$8.28	\$497	\$497
312230	C3030			Capital Renewal	Replace Acoustic Ceiling System - Standard	14224	SF	\$5.87	\$83,424	\$83,424
312236	D2010			Capital Renewal	Replace Wall Mounted Standard Drinking Fountain (Single)	1	EACH	\$1,682.45	\$1,682	\$1,682
312270	G2020			Routine Maintenance	Crack Repair, Seal Coating and Restriping to Parking Lots	2355	SY	\$1.75	\$4,121	\$4,121

Deficiency Report

Fiscal Year	\$	ID	CSI	Type Name	Description	Materials				Estimate	\$
						Qty	Units	Cost	Assessed Cost		
2022	\$718,313	312218	B2020	Capital Renewal	Replace Aluminum Window Units - Fixed or Single Hung	2560	SF	\$79.17	\$202,665	\$202,665	
		312219	B2030	Capital Renewal	Replace Single Aluminum Glazed Doors	28	EACH	\$6,219.06	\$174,134	\$174,134	
		312260	D5010	Capital Renewal	Replace Switchboard - 120/208volts, 400 to 2000amp	400	AMP	\$44.16	\$17,664	\$17,664	
		312261	D5010	Capital Renewal	Replace Switchboard - 120/208volts, 400 to 2000amp	400	AMP	\$44.16	\$17,664	\$17,664	
		312262	D5010	Capital Renewal	Replace Switchboard - 120/208volts, 400 to 2000amp	400	AMP	\$44.16	\$17,664	\$17,664	
		312259	D5010	Capital Renewal	Replace Switchboard - 120/208volts, 400 to 2000amp	400	AMP	\$44.16	\$17,664	\$17,664	
		312266	D5020	Capital Renewal	Replace Wiring Systems (Inc. Receptacles & Switches)	14664	SF	\$9.06	\$132,885	\$132,885	
		312263	D5020	Capital Renewal	Replace Exterior Wall Pack Light Fixtures	5	EACH	\$845.25	\$4,226	\$4,226	
		312264	D5020	Capital Renewal	Replace Flood Lights - Metal Halide Fixtures	7	EACH	\$1,472.15	\$10,305	\$10,305	
		312265	D5020	Capital Renewal	Replace Interior Light Fixtures - Fluorescent	14664	SF	\$8.42	\$123,442	\$123,442	
2023	\$148,040	312232	D2010	Capital Renewal	Replace Countertop Double Bowl Kitchen Sinks	2	EACH	\$1,911.88	\$3,824	\$3,824	
		312269	E1090	Capital Renewal	Replace Floor Mounted Base Cabinets - Standard	42	LF	\$1,081.58	\$45,426	\$45,426	
		312267	E1090	Capital Renewal	Replace Wall Mounted Cabinets - Standard	25	LF	\$450.66	\$11,266	\$11,266	
		312268	E1090	Capital Renewal	Replace Counter Top - Laminated	42	LF	\$90.13	\$3,786	\$3,786	
		312272	G2030	Capital Renewal	Replace Concrete 3' - 4' Wide	1200	LF	\$69.78	\$83,738	\$83,738	
2024	\$97,100	312224	C3010	Routine Maintenance	Replace Painted Finish - Standard	19420	SF	\$5.00	\$97,100	\$97,100	
2025	\$92,227	312222	C1010	Capital Renewal	Replace Toilet Partition	11	EACH	\$2,103.06	\$23,134	\$23,134	
		312226	C3020	Capital Renewal	Replace Ceramic Tile	360	SF	\$22.31	\$8,032	\$8,032	

Deficiency Report

Fiscal Year	\$	ID	CSI	Type Name	Description	Materials			Estimate	\$
						Qty	Units	Cost Assessed Cost		
2025	\$92,227	312235	D2010	Capital Renewal	Replace Wall Hung Lavatories	9	EACH	\$2,471.10	\$22,240	\$22,240
		312234	D2010	Capital Renewal	Replace Floor Mounted Water Closets	12	EACH	\$2,415.00	\$28,980	\$28,980
		312231	D2010	Capital Renewal	Replace Service Sink Floor Mounted	2	EACH	\$3,622.50	\$7,245	\$7,245
		312233	D2010	Capital Renewal	Replace Wall Hung Urinals	1	EACH	\$2,597.29	\$2,597	\$2,597
2026	\$30,131	312227	C3020	Capital Renewal	Replace Carpet Tiles - Standard	334	SY	\$77.87	\$26,010	\$26,010
		312271	G2020	Routine Maintenance	Crack Repair, Seal Coating and Restriping to Parking Lots	2355	SY	\$1.75	\$4,121	\$4,121
2027	\$80,758	312223	C1020	Capital Renewal	Replace Interior Single Wood Door(s)	48	EACH	\$1,682.45	\$80,758	\$80,758
2028	\$994	312228	C3020	Capital Renewal	Replace Vinyl Sheet	120	SF	\$8.28	\$994	\$994
Total									Total:	\$1,693,406

**Table D20 Summary of Domestic Water Heating Equipment**

Location	Equipment Type	Manufacturer	Model No.	Serial No.	Tag	Capacity/ Rating	Fuel Type	Year
Interior	Domestic Water Heater	Bradford White	RE340T 6- 1NCW W	SC41 17471 5	001079	40 Gallons	Electric	2018

Table D30 Summary of HVAC Equipment

Location	Equipment Type	Manufacturer	Model No.	Serial No.	Tag	Capacity / Rating	Fuel Type	Year
Interior	Packaged Rooftop Unit Heating And Cooling	Trane	YCD037C3 HABC	J4D1009 43D	00110 0	3-Ton	Natural Gas and Electric	1994
Interior	Packaged Rooftop Unit Heating And Cooling	Carrier	48GX- 030060501	1702G20 698	00109 7	2.5-Ton	Natural Gas and Electric	2002
Interior	Packaged Rooftop Unit Heating And Cooling	Carrier	48GX- 036090501	1602G40 941	00109 9	3-Ton	Natural Gas and Electric	2002
Interior	Packaged Rooftop Unit Heating And Cooling	Carrier	48GX- 030060501	1702G20 695	00104 6	2.5-Ton	Natural Gas and Electric	2002
Interior	Packaged Rooftop Unit Heating And Cooling	Carrier	48GX- 030060501	1702G20 701	00109 5	2.5-Ton	Natural Gas and Electric	2002
Interior	Packaged Rooftop Unit Heating And Cooling	Carrier	48GX- 036090501	1702G20 662	00110 2	3-Ton	Natural Gas and Electric	2002
Interior	Packaged Rooftop Unit Heating And Cooling	Carrier	48GX- 030060501	1702G20 704	00108 7	2.5-Ton	Natural Gas and Electric	2002
Interior	Packaged Rooftop Unit Heating And Cooling	Carrier	48GX- 030060501	170	00110 7	2.5-Ton	Natural Gas and Electric	2002



Interior	Packaged Rooftop Unit Heating And Cooling	Carrier	48GX-036090501	1602G40942	001101	3-Ton	Natural Gas and Electric	2002
Interior	Packaged Rooftop Unit Heating And Cooling	Carrier	48GX-030060501	Unknown	001110	2.5-Ton	Natural Gas and Electric	2002
Interior	Packaged Rooftop Unit Heating And Cooling	Carrier	48GX-030060501	1702G20696	001045	2.5-Ton	Natural Gas and Electric	2002
Interior	Packaged Rooftop Unit Heating And Cooling	Carrier	48GX-036090501	1602G40940	001098	3-Ton	Natural Gas and Electric	2002
Interior	Packaged Rooftop Unit Heating And Cooling	Carrier	48GX-030060501	1702G20697	001111	2.5-Ton	Natural Gas and Electric	2002
Interior	Packaged Rooftop Unit Heating And Cooling	Carrier	48GX-030060501	1702G20703	001104	2.5-Ton	Natural Gas and Electric	2002
Interior	Packaged Rooftop Unit Heating And Cooling	Carrier	48GX-042090501	1602G50674	001108	3.5-Ton	Natural Gas and Electric	2002
Interior	Packaged Rooftop Unit Heating And Cooling	Carrier	48GX-030060501	1702G20702	001078	2.5-Ton	Natural Gas and Electric	2002
Interior	Packaged Rooftop Unit Heating And Cooling	Carrier	48GX-030060501	1702G20705	001109	2.5-Ton	Natural Gas and Electric	2002
Interior	Packaged Rooftop Unit Heating And Cooling	Carrier	48GX-030060501	1702G20699	001106	2.5-Ton	Natural Gas and Electric	2002
Interior	Packaged Rooftop Unit Heating And Cooling	Carrier	48GX-030060501	1702G20700	001096	2.5-Ton	Natural Gas and Electric	2002
Interior	Packaged Rooftop Unit Heating And Cooling	Trane	YCD036C3HABE	Unknown	001103	3-Ton	Natural Gas and Electric	1999



Interior	Packaged Rooftop Unit Heating And Cooling	Carrier	48GX-030060501	1702G20694	001080	2.5-Ton	Natural Gas and Electric	2002
Interior	Packaged Rooftop Unit Heating And Cooling	Carrier	48GX-042090501	1602G50673	001105	3.5-Ton	Natural Gas and Electric	2002

APPENDIX E

Glossary of Terms





Acronyms & Glossary of Terms

ABC	Aggregate Base Course
BUR	Built-Up Roof
CIP	Cast-In-Place
CMU	Concrete Masonry Unit
EIFS	Exterior Insulation and Finish System
EPDM	Ethylene Propylene Diene Monomer
HM	Hollow Metal Doors
MH	Man Holes
SC	Solid Core Doors
TPO	Thermoplastic Polyolefin
AHU	Main Air Handling Units
EF	Exhaust Fan
EMC	Electrical Metallic Conduit
EMT	Electrical Metallic Tubing
FACP	Fire Alarm Control Panel
FCC	Fire Command Center
FCU	Fan Coil Unit
FSS	Fuel Supply System
MDP	Main Distribution Panel
NAC	Notification Appliance Circuit
RTU	Roof Top Unit
SES	Service Entrance Switchboards
VAV	Variable Air Volume
VFD	Variable Frequency Drives
CRV	Current Replacement Value
DM	Deferred Maintenance
EOL	End of Life
EUL	Estimated Useful Life
FCI	Facility Condition Index
HVAC	Heating Ventilating and Air Conditioning
RUL	Recommended Useful Life
AMP	Amperage
BTU/HR	British Thermal Units per Hour
FPM	Feet per Minute (Elevator Speed)
GPF	Gallons Per-Flush
HID	High-Intensity Discharge
HP	Horse Power
KVA	Kilovolt-Ampere
kW	Kilowatt
PSF	Pounds-Per-Square-Foot
PSI	Pounds-Per-Square-Inch
RO	Reverse Osmosis
SF	Square Foot
SY	Square Yards
NEMA	National Electrical Manufactures Association
NFPA	National Fire Protection Association



Acronyms & Glossary of Terms

BTU – British Thermal Unit; the energy required to raise the temperature of one pound of water by one degree.

Building Envelope – The enclosure of the building that protects the building's interior from the outside elements, namely the exterior walls, roof, and soffit areas.

Building Systems – Interacting of independent components or assemblies, which from single integrated units, that comprise a building and its site work, such as, pavement and flatwork, structural frame, roofing, exterior walls, plumbing, HVAC, electrical, etc.

Caulking – Soft, putty-like material used to fill joints, seams, and cracks.

Codes – See building codes.

Component – A fully functional portion of a building system, piece of equipment, or building element.

Deferred Maintenance – Physical deficiencies that cannot be remedied with routine maintenance, normal operating maintenance, etc., excluding de minimis conditions that generally do not present a material physical deficiency to the subject property.

Expected Useful Life (EUL) – the average amount of time in years that an item, component of system is estimated to function when installed new and assuming routine maintenance is practiced.

Facility – All of any portion of buildings, structures, site improvements, complexes, equipment, roads, walks, passageways, parking lots, or other real or personal property located on site.

Flashing – A thin, impervious sheet of material placed in construction to prevent water penetration or to direct the flow of water. Flashing is used especially at roof hips and valleys, roof penetrations, joints between a roof and a vertical wall, and in masonry walls to direct the flow of water and moisture.

Remaining Useful Life (RUL) – A subjective estimate based upon observations, or average estimates of similar items, components, or systems, or a combination thereof, of a number of remaining years that an item, component, or system is established to be able to function in accordance with its intended purpose before warranting replacement. Such period of time is affected by the initial quality of an item, component, or system, the quality of the initial installation, the quality and amount of preventative maintenance exercised, climatic conditions, extend of use, etc.

Structural Frame – the components or building systems that support the building's non-variable forces or weights (dead loads) and variable forces or weights (live loads).

Thermal Resistance (R) – A unit used to measure a material's resistance to heat transfer. The formula for thermal resistance is: $R = \text{Thickness (in inches)} / K$.

Warranty – Legally enforceable assurance of quality or performance of a product or work, or of the duration of satisfactory performance. Warranty guarantee and guaranty are substantially identical in meaning; nevertheless, confusion frequently arises from supposed distinctions attributed to guarantee (or guaranty) being exclusively indicative of duration of satisfactory performance or of a legally enforceable assurance furnished by a manufacturer or other third party. The uniform commercial code provisions on sales (effective in all states except Louisiana) use warranty but recognize the continuation of the use of guarantee and guaranty.





TITLE COMMITMENT

for

2621 Northgate Lane
Carson City, NV 89706

Escrow Number:
1321115

Escrow Officer

Branch Location:
Reno Office
5390 Kietzke Ln., Suite 101
Reno, NV 89511

Marketing Representative
House Account - BDO - Kietzke
(555) 555-5555

*If you have further questions regarding the color code, please contact your Marketing Representative.

TRANSACTION QUESTIONNAIRE

****HELP US HELP YOU TO A SMOOTH CLOSING****

IF ANY OF THE BELOW QUESTIONS ARE ANSWERED “YES”, OR IF YOU HAVE ANY QUESTIONS ABOUT THE BELOW INFORMATION, PLEASE CONTACT YOUR ESCROW OFFICER IMMEDIATELY

- Have any of the principals filed bankruptcy?
- Do any of the principals plan to use a Power of Attorney?
- Are any of the principals going through a divorce?
- Is anyone currently vested in title deceased and/or incapacitated?
- Do any of the principals NOT have a valid photo identification?
- Is there construction work in progress, recently completed or is there unfinished construction?
- Is there a manufactured or mobile home on the property?
- Are the sellers a non-resident alien or an out of the country seller?
- Will a new entity be formed? (i.e. Partnership, LLC, Corporation)
- Will any of the principals be participating in a 1031 Exchange?
- Are any of the principals unable to sign at a Stewart Title Company office? If so, an approved notary will be required

THANK YOU FOR CHOOSING STEWART TITLE COMPANY!



ALTA COMMITMENT FOR TITLE INSURANCE

ISSUED BY
STEWART TITLE GUARANTY COMPANY

NOTICE

IMPORTANT - READ CAREFULLY: THIS COMMITMENT IS AN OFFER TO ISSUE ONE OR MORE TITLE INSURANCE POLICIES. ALL CLAIMS OR REMEDIES SOUGHT AGAINST THE COMPANY INVOLVING THE CONTENT OF THIS COMMITMENT OR THE POLICY MUST BE BASED SOLELY IN CONTRACT.

THIS COMMITMENT IS NOT AN ABSTRACT OF TITLE, REPORT OF THE CONDITION OF TITLE, LEGAL OPINION, OPINION OF TITLE, OR OTHER REPRESENTATION OF THE STATUS OF TITLE. THE PROCEDURES USED BY THE COMPANY TO DETERMINE INSURABILITY OF THE TITLE, INCLUDING ANY SEARCH AND EXAMINATION, ARE PROPRIETARY TO THE COMPANY, WERE PERFORMED SOLELY FOR THE BENEFIT OF THE COMPANY, AND CREATE NO EXTRACTIONAL LIABILITY TO ANY PERSON, INCLUDING A PROPOSED INSURED.

THE COMPANY’S OBLIGATION UNDER THIS COMMITMENT IS TO ISSUE A POLICY TO A PROPOSED INSURED IDENTIFIED IN SCHEDULE A IN ACCORDANCE WITH THE TERMS AND PROVISIONS OF THIS COMMITMENT. THE COMPANY HAS NO LIABILITY OR OBLIGATION INVOLVING THE CONTENT OF THIS COMMITMENT TO ANY OTHER PERSON.

COMMITMENT TO ISSUE POLICY

Subject to the Notice; Schedule B, Part I - Requirements; Schedule B, Part II - Exceptions; and the Commitment Conditions, STEWART TITLE GUARANTY COMPANY, a Texas corporation (the “Company”), commits to issue the Policy according to the terms and provisions of this Commitment. This Commitment is effective as of the Commitment Date shown in Schedule A for each Policy described in Schedule A, only when the Company has entered in Schedule A both the specified dollar amount as the Proposed Policy Amount and the name of the Proposed Insured.

If all of the Schedule B, Part I - Requirements have not been met within six months after the Commitment Date, this Commitment terminates and the Company’s liability and obligation end.

Authorized Countersignature
Stewart Title Company
5390 Kietzke Ln., Suite 101
Reno, NV 89511



Frederick H. Eppinger
President and CEO

David Hisey
Secretary

This page is only a part of a 2016 ALTA® Commitment for Title Insurance. This Commitment is not valid without the Notice; the Commitment to Issue Policy; the Commitment Conditions; Schedule A; Schedule B, Part I - Requirements; and Schedule B, Part II - Exceptions; and a countersignature by the Company or its issuing agent that may be in electronic form.

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File No.: 1321115

ALTA Commitment For Title Insurance 8-1-16

Page 1 of 3



COMMITMENT CONDITIONS

1. DEFINITIONS

- (a) "Knowledge" or "Known": Actual or imputed knowledge, but not constructive notice imparted by the Public Records.
- (b) "Land": The land described in Schedule A and affixed improvements that by law constitute real property. The term "Land" does not include any property beyond the lines of the area described in Schedule A, nor any right, title, interest, estate, or easement in abutting streets, roads, avenues, alleys, lanes, ways, or waterways, but this does not modify or limit the extent that a right of access to and from the Land is to be insured by the Policy.
- (c) "Mortgage": A mortgage, deed of trust, or other security instrument, including one evidenced by electronic means authorized by law.
- (d) "Policy": Each contract of title insurance, in a form adopted by the American Land Title Association, issued or to be issued by the Company pursuant to this Commitment.
- (e) "Proposed Insured": Each person identified in Schedule A as the Proposed Insured of each Policy to be issued pursuant to this Commitment.
- (f) "Proposed Policy Amount": Each dollar amount specified in Schedule A as the Proposed Policy Amount of each Policy to be issued pursuant to this Commitment.
- (g) "Public Records": Records established under state statutes at the Commitment Date for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without Knowledge.
- (h) "Title": The estate or interest described in Schedule A.

2. If all of the Schedule B, Part I - Requirements have not been met within the time period specified in the Commitment to Issue Policy, this Commitment terminates and the Company's liability and obligation end.

3. The Company's liability and obligation is limited by and this Commitment is not valid without:

- (a) the Notice;
- (b) the Commitment to Issue Policy;
- (c) the Commitment Conditions;
- (d) Schedule A;
- (e) Schedule B, Part I - Requirements;
- (f) Schedule B, Part II - Exceptions; and
- (g) a countersignature by the Company or its issuing agent that may be in electronic form.

4. COMPANY'S RIGHT TO AMEND

The Company may amend this Commitment at any time. If the Company amends this Commitment to add a defect, lien, encumbrance, adverse claim, or other matter recorded in the Public Records prior to the Commitment Date, any liability of the Company is limited by Commitment Condition 5. The Company shall not be liable for any other amendment to this Commitment.

5. LIMITATIONS OF LIABILITY

- (a) The Company's liability under Commitment Condition 4 is limited to the Proposed Insured's actual expense incurred in the interval between the Company's delivery to the Proposed Insured of the Commitment and the delivery of the amended Commitment, resulting from the Proposed Insured's good faith reliance to:
 - (i) comply with the Schedule B, Part I - Requirements;
 - (ii) eliminate, with the Company's written consent, any Schedule B, Part II - Exceptions; or
 - (iii) acquire the Title or create the Mortgage covered by this Commitment.
- (b) The Company shall not be liable under Commitment Condition 5(a) if the Proposed Insured requested the amendment or had Knowledge of the matter and did not notify the Company about it in writing.
- (c) The Company will only have liability under Commitment Condition 4 if the Proposed Insured would not have incurred the expense had the Commitment included the added matter when the Commitment was first delivered to the Proposed Insured.

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File No.: 1321115

ALTA Commitment For Title Insurance 8-1-16

Page 2 of 3

AMERICAN
LAND TITLE
ASSOCIATION



- (d) The Company's liability shall not exceed the lesser of the Proposed Insured's actual expense incurred in good faith and described in Commitment Conditions 5(a)(i) through 5(a)(iii) or the Proposed Policy Amount.
- (e) The Company shall not be liable for the content of the Transaction Identification Data, if any.
- (f) In no event shall the Company be obligated to issue the Policy referred to in this Commitment unless all of the Schedule B, Part I - Requirements have been met to the satisfaction of the Company.
- (g) In any event, the Company's liability is limited by the terms and provisions of the Policy.

6. LIABILITY OF THE COMPANY MUST BE BASED ON THIS COMMITMENT

- (a) Only a Proposed Insured identified in Schedule A, and no other person, may make a claim under this Commitment.
- (b) Any claim must be based in contract and must be restricted solely to the terms and provisions of this Commitment.
- (c) Until the Policy is issued, this Commitment, as last revised, is the exclusive and entire agreement between the parties with respect to the subject matter of this Commitment and supersedes all prior commitment negotiations, representations, and proposals of any kind, whether written or oral, express or implied, relating to the subject matter of this Commitment.
- (d) The deletion or modification of any Schedule B, Part II - Exception does not constitute an agreement or obligation to provide coverage beyond the terms and provisions of this Commitment or the Policy.
- (e) Any amendment or endorsement to this Commitment must be in writing and authenticated by a person authorized by the Company.
- (f) When the Policy is issued, all liability and obligation under this Commitment will end and the Company's only liability will be under the Policy.

7. IF THIS COMMITMENT HAS BEEN ISSUED BY AN ISSUING AGENT

The issuing agent is the Company's agent only for the limited purpose of issuing title insurance commitments and policies. The issuing agent is not the Company's agent for the purpose of providing closing or settlement services.

8. PRO-FORMA POLICY

The Company may provide, at the request of a Proposed Insured, a pro-forma policy illustrating the coverage that the Company may provide. A pro-forma policy neither reflects the status of Title at the time that the pro-forma policy is delivered to a Proposed Insured, nor is it a commitment to insure.

9. ARBITRATION

The Policy contains an arbitration clause. All arbitrable matters when the Proposed Policy Amount is \$2,000,000 or less shall be arbitrated at the option of either the Company or the Proposed Insured as the exclusive remedy of the parties. A Proposed Insured may review a copy of the arbitration rules at <<http://www.alta.org/arbitration>>.

STEWART TITLE GUARANTY COMPANY

All notices required to be given the Company and any statement in writing required to be furnished the Company shall be addressed to it at P.O. Box 2029, Houston, Texas 77252-2029.

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File No.: 1321115

ALTA Commitment For Title Insurance 8-1-16

Page 3 of 3

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ASSOCIATION



ALTA COMMITMENT FOR TITLE INSURANCE SCHEDULE A

ISSUED BY
STEWART TITLE GUARANTY COMPANY

Transaction Identification Data for reference only:

Issuing Agent: Stewart Title Company
Issuing Office: 5390 Kietzke Ln., Suite 101, Reno, NV 89511
Issuing Office's ALTA® Registry ID:
Loan ID Number:
Commitment Number: 1321115
Issuing Office File Number: 1321115
Property Address: 2621 Northgate Lane, Carson City, NV 89706
Revision Number:

Inquiries Should be Directed to:

, Escrow Officer
Fax:
Email:

1. **Commitment Date:** July 26, 2021 at 7:30AM

2. **Policy to be issued:** **Proposed Policy Amount**

(a) ALTA Owner's Standard
Proposed Insured:

(b) ALTA Loan
Proposed Insured:

3. **The estate or interest in the Land described or referred to in this Commitment is:**

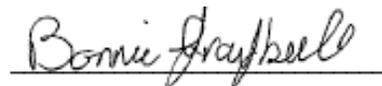
FEE

4. **The Title is, at the Commitment Date, vested in:**

Carson City, Nevada, a consolidated municipality

5. **The Land is described as follows:**

See Exhibit "A" Attached Hereto



Authorized Countersignature
Bonnie Graybill, Title Officer

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File No.: 1321115

ALTA Commitment For Title Insurance 8-1-16 (4-2-18)

Page 1 of 7

Initial Initial Initial Initial



**ALTA COMMITMENT FOR TITLE INSURANCE
EXHIBIT "A"
LEGAL DESCRIPTION**

ISSUED BY
STEWART TITLE GUARANTY COMPANY

File No.: 1321115

All that certain real property situate in Carson City, State of Nevada, described as follows:

That portion of the Northeast 1/4 of the Northwest 1/4 of Section 8, Township 15 North, Range 20 East, M.D.B. & M., in Carson City Nevada, described as follows:

Commencing at the North 1/4 corner of Section 8, Township 15 North, Range 20 East, M.D.B.&M., thence South 55°29'55" West, 1404.87 feet to the Northeast corner of the parcel and the True Point of Beginning; thence South 1°13' East, 287.80 feet; thence South 86°34' West, 173.50 feet; thence along Northgate Street, North 291.22 feet; thence North 87°38' East, 167.22 feet to the Point of Beginning.

Reference is hereby made to that certain Record of Survey Map No. 422 for Roger L. Shaheen, filed in the office of the County Recorder of Carson City, State of Nevada, on May 28, 1974 as File No. 36547, Official Records.

NOTE: The above metes and bounds description appeared previously in that certain Deed recorded in the office of the County Recorder of Carson City County, Nevada on August 30, 1982, Book 326, Page 514 as Document No. 13295 of Official Records.

APN: 002-062-05

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File No.: 1321115

ALTA Commitment For Title Insurance 8-1-16 (4-2-18)

Page 2 of 7

Initial Initial Initial Initial



ALTA COMMITMENT FOR TITLE INSURANCE SCHEDULE B PART I

ISSUED BY
STEWART TITLE GUARANTY COMPANY

File No.: 1321115

Requirements

All of the following Requirements must be met:

1. The Proposed Insured must notify the Company in writing of the name of any party not referred to in this Commitment who will obtain an interest in the Land or who will make a loan on the Land. The Company may then make additional Requirements or Exceptions.
2. Pay the agreed amount for the estate or interest to be insured.
3. Pay the premiums, fees, and charges for the Policy to the Company.
4. Documents satisfactory to the Company that convey the Title or create the Mortgage to be insured, or both, must be properly authorized, executed, delivered, and recorded in the Public Records.
5. Show that restrictions or restrictive covenants have not been violated.
6. Furnish proof of payment of all bills for labor and material furnished or to be furnished in connection with improvements erected or to be erected.
7. Pay all taxes, charges, and assessments affecting the land that are due and payable.
8. After the review of all the required documents, the Company reserves the right to add additional items and/or make additional requirements prior to the issuances of any policy of title insurance.
9. Before issuing its policy of title insurance, this Company will require evidence, satisfactory to the Company that Carson City, Nevada, a consolidated municipality: (a) is validly formed on the date when documents in this transaction are to be signed; (b) is in good standing and authorized to do business in the state or country where the entity was formed; and (c) an original or certified copy of the resolution authorizing the subject transaction.

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File No.: 1321115

ALTA Commitment For Title Insurance 8-1-16 (4-2-18)

Page 3 of 7

Initial Initial Initial Initial



ALTA COMMITMENT FOR TITLE INSURANCE SCHEDULE B PART II

ISSUED BY
STEWART TITLE GUARANTY COMPANY

Exceptions

File No.: 1321115

THIS COMMITMENT DOES NOT REPUBLISH ANY COVENANT, CONDITION, RESTRICTION, OR LIMITATION CONTAINED IN ANY DOCUMENT REFERRED TO IN THIS COMMITMENT TO THE EXTENT THAT THE SPECIFIC COVENANT, CONDITION, RESTRICTION, OR LIMITATION VIOLATES STATE OR FEDERAL LAW BASED ON RACE, COLOR, RELIGION, SEX, SEXUAL ORIENTATION, GENDER IDENTITY, HANDICAP, FAMILIAL STATUS, OR NATIONAL ORIGIN.

The Policy will not insure against loss or damage resulting from the terms and provisions of any lease or easement identified in Schedule A, and will include the following Exceptions unless cleared to the satisfaction of the Company:

1. Any defect, lien, encumbrance, adverse claim, or other matter that appears for the first time in the Public Records or is created, attaches, or is disclosed between the Commitment Date and the date on which all of the Schedule B, Part I - Requirements are met.
2. Any facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. Any lien or right to a lien for services, labor, equipment or material not shown by the Public Records.

Exceptions 2-5 will be omitted on extended coverage policies.

6. Taxes or assessments which are not now payable or which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records, proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
7. (a) unpatented mining claims, (b) reservations or exceptions in patents or in acts authorizing the issuance thereof; (c) water rights, claims or title to water; whether or not the matters excepted under (a), (b) or (c) are shown by the public records, (d) Indian tribal codes or regulations, Indian treaty or aboriginal rights, including easements or equitable servitudes.
8. Minerals of whatsoever kind, subsurface and surface substances, including but not limited to coal, lignite, oil, gas, uranium, clay, rock, sand and gravel in, on, under and that may be produced from the Land, together with all rights, privileges, and immunities relating thereto, whether or not appearing in the Public Records or listed in Schedule B. The Company makes no representation as

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File No.: 1321115

ALTA Commitment For Title Insurance 8-1-16 (4-2-18)

Page 4 of 7

Initial Initial Initial Initial



**ALTA COMMITMENT FOR TITLE INSURANCE
SCHEDULE B PART II**

ISSUED BY
STEWART TITLE GUARANTY COMPANY

to the present ownership of any such interests. There may be leases, grants, exceptions or reservations of interests that are not listed.

- 9. The lien, if any, of supplemental taxes, assessed pursuant to the provision of the Nevada Revised Statutes.
- 10. Any lien which may be levied by the Carson City Utilities Department by reason of said land lying within its boundaries.
- 11. Any liens that may be created for delinquent waste management charges pursuant to NRS 444.520.
- 12. Water rights, claims or title to water, whether or not recorded.
- 13. Rights of way for any existing roads, trails, canals, streams, ditches, drain ditches, pipe, pole or transmission lines traversing said premises.
- 14. Easement, and incidental purposes, granted to Roger L. Shaheen by document, recorded on August 31, 1978, in Book 238, Page 643 as Document No. 82095, Official Records of Carson City County, Nevada.
- 15. Asphalt Overlay Agreement executed by and between the parties named therein, subject to the terms, covenants and conditions therein provided, recorded on July 2, 1993, as Document No. 146203, Official Records of Carson City County, Nevada.
- 16. Ordinance No. 2002-23 executed by and between the parties named therein, subject to the terms, covenants and conditions therein provided, recorded on June 11, 2002, as Document No. 279302, Official Records of Carson City County, Nevada.
- 17. A Lease with certain terms, covenants, conditions and provisions set forth therein by Consolidated Municipality of Carson City, as Lessor; and Capital City Circles Initiative, a non-profit Nevada corporation, as Lessee, recorded on March 7, 2012, as Document No. 420109, Official Records of Carson City County, Nevada.

(MATTERS AFFECTING THE LEASEHOLD ARE NOT REFLECTED HEREIN.)

- 18. A Lease with certain terms, covenants, conditions and provisions set forth therein by Carson City, Nevada, a consolidated municipality and political subdivision of the State of Nevada, as Lessor; and Capital City C.I.R.C.L.E.S. Initiative, a non-profit Nevada corporation, as Lessee, recorded on August 15, 2016, as Document No. 467080, Official Records of Carson City County, Nevada.

An Agreement to amend or modify certain provisions of said lease, as set forth in the document, recorded on January 19, 2018, as Document No. 482151, Official Records of Carson City County, Nevada.

(MATTERS AFFECTING THE LEASEHOLD ARE NOT REFLECTED HEREIN.)

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ALTA Commitment For Title Insurance 8-1-16 (4-2-18)

Page 5 of 7



Initial Initial Initial Initial

**ALTA COMMITMENT FOR TITLE INSURANCE
SCHEDULE B PART II**

ISSUED BY
STEWART TITLE GUARANTY COMPANY

- 19. An unrecorded lease with certain terms, covenants, conditions, and provisions set forth therein, by Carson City, Nevada, a consolidated municipality and political subdivision of the State of Nevada, as Lessor, and Nevada Rural Counties RSVP Program, Inc., a non-profit corporation of the state of Nevada, as Lessee, disclosed by Lease Amendment, recorded on January 19, 2018, as Document No. 482152, Official Records of Carson City County, Nevada.

(MATTERS AFFECTING THE LEASEHOLD ARE NOT REFLECTED HEREIN.)

- 20. An unrecorded lease with certain terms, covenants, conditions, and provisions set forth therein, by Carson City, Nevada, a consolidated municipality and political subdivision of the State of Nevada, as Lessor, and Ron Wood Family Resource Center, a non-profit corporation of the state of Nevada, as Lessee, disclosed by Lease Amendment, recorded on January 19, 2018, as Document No. 482153, Official Records of Carson City County, Nevada.

(MATTERS AFFECTING THE LEASEHOLD ARE NOT REFLECTED HEREIN.)

- 21. Matters as disclosed on Record of Survey filed in the office of the County Recorder of Carson City County, State of Nevada on September 17, 2018, in Book 11, Page 2949 as Document No. 488548.

Survey Map No. 488548.

- 22. Matters as disclosed on Record of Survey filed in the office of the County Recorder of Carson City County, State of Nevada on March 22, 2019, in Book 11, Page 2960 as Document No. 493109.

Survey Map No. 493109.

- 23. Loss or damage arising from the failure to comply with the terms and conditions set forth in above leases.

- 24. Rights of parties in possession.

NOTE: This report is being issued for information purposes only, no liability assumed.

NOTE: Taxes for the fiscal year 2021-2022, are currently exemptl. (APN 002-062-05)

THE FOLLOWING NOTES ARE FOR INFORMATION PURPOSES ONLY:

Stewart Title Company RESERVES THE RIGHT TO AMEND THIS COMMITMENT/REPORT AT ANY TIME.

*****ATTENTION LENDERS*****

THE 100 ENDORSEMENT IS NO LONGER BEING OFFERED. THE REPLACEMENT ALTERNATIVE IS THE ALTA 9.10-06 AND IS NOW REFLECTED IN THE ALTA SUPPLEMENT IN THE COMMITMENT/REPORT.

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ALTA Commitment For Title Insurance 8-1-16 (4-2-18)

Page 6 of 7



Initial Initial Initial Initial

ALTA COMMITMENT FOR TITLE INSURANCE SCHEDULE B PART II

ISSUED BY
STEWART TITLE GUARANTY COMPANY

NOTE: Any notes following the legal description (if any) referencing NRS 111.312 are required for recording purposes only and will not be insured in any policy of title insurance.

ALTA SUPPLEMENT: This commitment/report is preparatory to the issuance of a 2006 ALTA Extended Coverage Lenders Policy of Title Insurance. We have no knowledge of any fact which would preclude the issuance of said ALTA Policy with an ALTA 9.10-06 and a CLTA 116.01-06/ALTA 22-06 attached. The CLTA 116.01-06/ALTA 22-06 Endorsement will read as follows: There is located on said land Commercial Buildings, known as

NOTE: A search of the Official Records for the county referenced in the above order number, for the 24 months immediately preceding the date above discloses the following instruments purporting to convey the title to said land: none

NOTE: If any current work of improvements have been made on the herein described real property (within the last 90 days) and this Commitment/Report is issued in contemplation of a Policy of Title Insurance which affords mechanic lien priority coverage (i.e. ALTA POLICY); the following information must be supplied for review and approval prior to the closing and issuance of said Policy: (a) Copy of Indemnity Agreement; (b) Financial Statements; (c) Construction Loan Agreement; (d) If any current work of improvements have been made on the herein described real property Building Construction Contract between borrower and contractor; (e) Cost breakdown of construction; (f) Appraisal; (g) Copy of Voucher or Disbursement Control Statement (if project is complete).

NOTE: This commitment/report makes no representations as to water, water rights, minerals or mineral rights and no reliance can be made upon this commitment/report or a resulting title policy for such rights or ownership.

NOTE: Notwithstanding anything to the contrary in this commitment/report, if the policy to be issued is other than an ALTA Owner's Policy (6/17/06) or ALTA Loan Policy (6/17/06), the policy may not contain an arbitration clause, or the terms of the arbitration clause may be different from those set forth in this commitment/report. If the policy does contain an arbitration clause, and the Amount of Insurance is less than the amount, if any, set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties.

NOTE: The map, if any, attached hereto is subject to the following disclaimer:

Stewart Title Company does not represent this plat as a survey of the land indicated hereon, although believed to be correct, no liability is assumed as to the accuracy thereof.

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ALTA Commitment For Title Insurance 8-1-16 (4-2-18)

Page 7 of 7



Initial Initial Initial Initial

Stewart Title Guaranty Company Privacy Notice Stewart Title Companies

WHAT DO THE STEWART TITLE COMPANIES DO WITH YOUR PERSONAL INFORMATION?

Federal and applicable state law and regulations give consumers the right to limit some but not all sharing. Federal and applicable state law regulations also require us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand how we use your personal information. This privacy notice is distributed on behalf of the Stewart Title Guaranty Company and its title affiliates (the Stewart Title Companies), pursuant to Title V of the Gramm-Leach-Bliley Act (GLBA).

The types of personal information we collect and share depend on the product or service that you have sought through us. This information can include social security numbers and driver's license number.

All financial companies, such as the Stewart Title Companies, need to share customers' personal information to run their everyday business—to process transactions and maintain customer accounts. In the section below, we list the reasons that we can share customers' personal information; the reasons that we choose to share; and whether you can limit this sharing.

Reasons we can share your personal information.	Do we share	Can you limit this sharing?
For our everyday business purposes — to process your transactions and maintain your account. This may include running the business and managing customer accounts, such as processing transactions, mailing, and auditing services, and responding to court orders and legal investigations.	Yes	No
For our marketing purposes — to offer our products and services to you.	Yes	No
For joint marketing with other financial companies	No	We don't share
For our affiliates' everyday business purposes — information about your transactions and experiences. Affiliates are companies related by common ownership or control. They can be financial and non-financial companies. <i>Our affiliates may include companies with a Stewart name; financial companies, such as Stewart Title Company</i>	Yes	No
For our affiliates' everyday business purposes — information about your creditworthiness.	No	We don't share
For our affiliates to market to you — For your convenience, Stewart has developed a means for you to opt out from its affiliates marketing even though such mechanism is not legally required.	Yes	Yes, send your first and last name, the email address used in your transaction, your Stewart file number and the Stewart office location that is handling your transaction by email to optout@stewart.com or fax to 1-800-335-9591.
For non-affiliates to market to you. Non-affiliates are companies not related by common ownership or control. They can be financial and non-financial companies.	No	We don't share

We may disclose your personal information to our affiliates or to non-affiliates as permitted by law. If you request a transaction with a non-affiliate, such as a third party insurance company, we will disclose your personal information to that non-affiliate. [We do not control their subsequent use of information, and suggest you refer to their privacy notices.]

SHARING PRACTICES

How often do the Stewart Title Companies notify me about their practices?	We must notify you about our sharing practices when you request a transaction.
How do the Stewart Title Companies protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer, file, and building safeguards.
How do the Stewart Title Companies collect my personal information?	We collect your personal information, for example, when you request insurance-related services provide such information to us We also collect your personal information from others, such as the real estate agent or lender involved in your transaction, credit reporting agencies, affiliates or other companies.
What sharing can I limit?	Although federal and state law give you the right to limit sharing (e.g., opt out) in certain instances, we do not share your personal information in those instances.

Contact us: If you have any questions about this privacy notice, please contact us at: Stewart Title Guaranty Company, 1360 Post Oak Blvd., Ste. 100, Privacy Officer, Houston, Texas 77056

Privacy Notice for California Residents

Pursuant to the California Consumer Privacy Act of 2018 (“CCPA”), Stewart Information Services Corporation and its subsidiary companies (collectively, “Stewart”) are providing this **Privacy Notice for California Residents** (“CCPA Notice”). This CCPA Notice supplements the information contained in Stewart’s existing privacy notice and applies solely to all visitors, users and others who reside in the State of California or are considered California Residents (“consumers” or “you”). Terms used but not defined shall have the meaning ascribed to them in the CCPA.

Information Stewart Collects

Stewart collects information that identifies, relates to, describes, references, is capable of being associated with, or could reasonably be linked, directly or indirectly, with a particular consumer, household, or device. Most of the information that Stewart collects in the course of its regular business is already protected pursuant to the Gramm-Leach-Bliley Act (GLBA). Additionally, much of this information comes from government records or other information already in the public domain. Personal information under the CCPA does not include:

- Publicly available information from government records.
- Deidentified or aggregated consumer information.
- Certain personal information protected by other sector-specific federal or California laws, including but not limited to the Fair Credit Reporting Act (FCRA), GLBA and California Financial Information Privacy Act (FIPA).

Specifically, Stewart has collected the following categories of personal information from consumers within the last twelve (12) months:

Category	Examples	Collected?
A. Identifiers.	A real name, alias, postal address, unique personal identifier, online identifier, Internet Protocol address, email address, account name, Social Security number, driver's license number, passport number, or other similar identifiers.	YES
B. Personal information categories listed in the California Customer Records statute (Cal. Civ. Code § 1798.80(e)).	A name, signature, Social Security number, physical characteristics or description, address, telephone number, passport number, driver's license or state identification card number, insurance policy number, education, employment, employment history, bank account number, credit card number, debit card number, or any other financial information, medical information, or health insurance information. Some personal information included in this category may overlap with other categories.	YES
C. Protected classification characteristics under California or federal law.	Age (40 years or older), race, color, ancestry, national origin, citizenship, religion or creed, marital status, medical condition, physical or mental disability, sex (including gender, gender identity, gender expression, pregnancy or childbirth and related medical conditions), sexual orientation, veteran or military status, genetic information (including familial genetic information).	YES
D. Commercial information.	Records of personal property, products or services purchased, obtained, or considered, or other purchasing or consuming histories or tendencies.	YES
E. Biometric information.	Genetic, physiological, behavioral, and biological characteristics, or activity patterns used to extract a template or other identifier or identifying information, such as, fingerprints, faceprints, and voiceprints, iris or retina scans, keystroke, gait, or other physical patterns, and sleep, health, or exercise data.	YES
F. Internet or other similar network activity.	Browsing history, search history, information on a consumer's interaction with a website, application, or advertisement.	YES
G. Geolocation data.	Physical location or movements.	YES
H. Sensory data.	Audio, electronic, visual, thermal, olfactory, or similar information.	YES
I. Professional or employment-related information.	Current or past job history or performance evaluations.	YES
J. Non-public education information (per the Family Educational Rights and Privacy Act (20 U.S.C. Section 1232g, 34 C.F.R. Part 99)).	Education records directly related to a student maintained by an educational institution or party acting on its behalf, such as grades, transcripts, class lists, student schedules, student identification codes, student financial information, or student disciplinary records.	YES
K. Inferences drawn from other personal information.	Profile reflecting a person's preferences, characteristics, psychological trends, predispositions, behavior, attitudes, intelligence, abilities, and aptitudes.	YES

Stewart obtains the categories of personal information listed above from the following categories of sources:

- Directly and indirectly from customers, their designees or their agents (For example, realtors, lenders, attorneys, etc.)
- Directly and indirectly from activity on Stewart's website or other applications.
- From third-parties that interact with Stewart in connection with the services we provide.

Use of Personal Information

Stewart may use or disclose the personal information we collect for one or more of the following purposes:

- To fulfill or meet the reason for which the information is provided.
- To provide, support, personalize, and develop our website, products, and services.
- To create, maintain, customize, and secure your account with Stewart.
- To process your requests, purchases, transactions, and payments and prevent transactional fraud.
- To prevent and/or process claims.
- To assist third party vendors/service providers who complete transactions or perform services on Stewart's behalf.
- As necessary or appropriate to protect the rights, property or safety of Stewart, our customers or others.
- To provide you with support and to respond to your inquiries, including to investigate and address your concerns and monitor and improve our responses.
- To personalize your website experience and to deliver content and product and service offerings relevant to your interests, including targeted offers and ads through our website, third-party sites, and via email or text message (with your consent, where required by law).
- To help maintain the safety, security, and integrity of our website, products and services, databases and other technology assets, and business.
- To respond to law enforcement or regulator requests as required by applicable law, court order, or governmental regulations.
- Auditing for compliance with federal and state laws, rules and regulations.
- Performing services including maintaining or servicing accounts, providing customer service, processing or fulfilling orders and transactions, verifying customer information, processing payments, providing advertising or marketing services or other similar services.
- To evaluate or conduct a merger, divestiture, restructuring, reorganization, dissolution, or other sale or transfer of some or all of our assets, whether as a going concern or as part of bankruptcy, liquidation, or similar proceeding, in which personal information held by us is among the assets transferred.

Stewart will not collect additional categories of personal information or use the personal information we collected for materially different, unrelated, or incompatible purposes without providing you notice.

Disclosure of Personal Information to Affiliated Companies and Nonaffiliated Third Parties

Stewart does not sell your personal information to nonaffiliated third parties. Stewart may share your information with those you have designated as your agent in the course of your transaction (for example, a realtor or a lender). Stewart may disclose your personal information to a third party for a business purpose. Typically, when we disclose personal information for a business purpose, we enter a contract that describes the purpose and requires the recipient to both keep that personal information confidential and not use it for any purpose except performing the contract.

We share your personal information with the following categories of third parties:

- Service providers and vendors (For example, search companies, mobile notaries, and companies providing credit/debit card processing, billing, shipping, repair, customer service, auditing, marketing, etc.)
- Affiliated Companies
- Litigation parties and attorneys, as required by law.
- Financial rating organizations, rating bureaus and trade associations.
- Federal and State Regulators, law enforcement and other government entities

In the preceding twelve (12) months, Stewart has disclosed the following categories of personal information for a business purpose:

- Category A: Identifiers
- Category B: California Customer Records personal information categories
- Category C: Protected classification characteristics under California or federal law
- Category D: Commercial Information
- Category E: Biometric Information
- Category F: Internet or other similar network activity
- Category G: Geolocation data
- Category H: Sensory data
- Category I: Professional or employment-related information
- Category J: Non-public education information
- Category K: Inferences

Consumer Rights and Choices

The CCPA provides consumers (California residents) with specific rights regarding their personal information. This section describes your CCPA rights and explains how to exercise those rights.

Access to Specific Information and Data Portability Rights

You have the right to request that Stewart disclose certain information to you about our collection and use of your personal information over the past 12 months. Once we receive and confirm your verifiable consumer request, Stewart will disclose to you:

- The categories of personal information Stewart collected about you.
- The categories of sources for the personal information Stewart collected about you.
- Stewart's business or commercial purpose for collecting that personal information.
- The categories of third parties with whom Stewart shares that personal information.
- The specific pieces of personal information Stewart collected about you (also called a data portability request).
- If Stewart disclosed your personal data for a business purpose, a listing identifying the personal information categories that each category of recipient obtained.

Deletion Request Rights

You have the right to request that Stewart delete any of your personal information we collected from you and retained, subject to certain exceptions. Once we receive and confirm your verifiable consumer request, Stewart will delete (and direct our service providers to delete) your personal information from our records, unless an exception applies.

Stewart may deny your deletion request if retaining the information is necessary for us or our service providers to:

1. Complete the transaction for which we collected the personal information, provide a good or service that you requested, take actions reasonably anticipated within the context of our ongoing business relationship with you, or otherwise perform our contract with you.
2. Detect security incidents, protect against malicious, deceptive, fraudulent, or illegal activity, or prosecute those responsible for such activities.
3. Debug products to identify and repair errors that impair existing intended functionality.
4. Exercise free speech, ensure the right of another consumer to exercise their free speech rights, or exercise another right provided for by law.
5. Comply with the California Electronic Communications Privacy Act (Cal. Penal Code § 1546 *seq.*).
6. Engage in public or peer-reviewed scientific, historical, or statistical research in the public interest that adheres to all other applicable ethics and privacy laws, when the information's deletion may likely render impossible or seriously impair the research's achievement, if you previously provided informed consent.
7. Enable solely internal uses that are reasonably aligned with consumer expectations based on your relationship with us.
8. Comply with a legal obligation.
9. Make other internal and lawful uses of that information that are compatible with the context in which you provided it.

Exercising Access, Data Portability, and Deletion Rights

To exercise the access, data portability, and deletion rights described above, please submit a verifiable consumer request to us either:

- Calling us Toll Free at 1-866-571-9270
- Emailing us at Privacyrequest@stewart.com
- Visiting <http://stewart.com/ccpa>

Only you, or someone legally authorized to act on your behalf, may make a verifiable consumer request related to your personal information. You may also make a verifiable consumer request on behalf of your minor child.

To designate an authorized agent, please contact Stewart through one of the methods mentioned above.

You may only make a verifiable consumer request for access or data portability twice within a 12-month period. The verifiable consumer request must:

- Provide sufficient information that allows us to reasonably verify you are the person about whom we collected personal information or an authorized representative.
- Describe your request with sufficient detail that allows us to properly understand, evaluate, and respond to it.

Stewart cannot respond to your request or provide you with personal information if we cannot verify your identity or authority to make the request and confirm the personal information relates to you.

Making a verifiable consumer request does not require you to create an account with Stewart.

Response Timing and Format

We endeavor to respond to a verifiable consumer request within forty-five (45) days of its receipt. If we require more time (up to an additional 45 days), we will inform you of the reason and extension period in writing.

A written response will be delivered by mail or electronically, at your option.

Any disclosures we provide will only cover the 12-month period preceding the verifiable consumer request's receipt. The response we provide will also explain the reasons we cannot comply with a request, if applicable. For data portability requests, we will select a format to provide your personal information that is readily useable and should allow you to transmit the information from one entity to another entity without hindrance.

Stewart does not charge a fee to process or respond to your verifiable consumer request unless it is excessive, repetitive, or manifestly unfounded. If we determine that the request warrants a fee, we will tell you why we made that decision and provide you with a cost estimate before completing your request.

Non-Discrimination

Stewart will not discriminate against you for exercising any of your CCPA rights. Unless permitted by the CCPA, we will not:

- Deny you goods or services.
- Charge you a different prices or rates for goods or services, including through granting discounts or other benefits, or imposing penalties.
- Provide you a different level or quality of goods or services.
- Suggest that you may receive a different price or rate for goods or services or a different level or quality of goods or services.

Changes to Our Privacy Notice

Stewart reserves the right to amend this privacy notice at our discretion and at any time. When we make changes to this privacy notice, we will post the updated notice on Stewart's website and update the notice's effective date. **Your continued use of Stewart's website following the posting of changes constitutes your acceptance of such changes.**

Contact Information

If you have questions or comments about this notice, the ways in which Stewart collects and uses your information described here, your choices and rights regarding such use, or wish to exercise your rights under California law, please do not hesitate to contact us at:

Phone: Toll Free at 1-866-571-9270

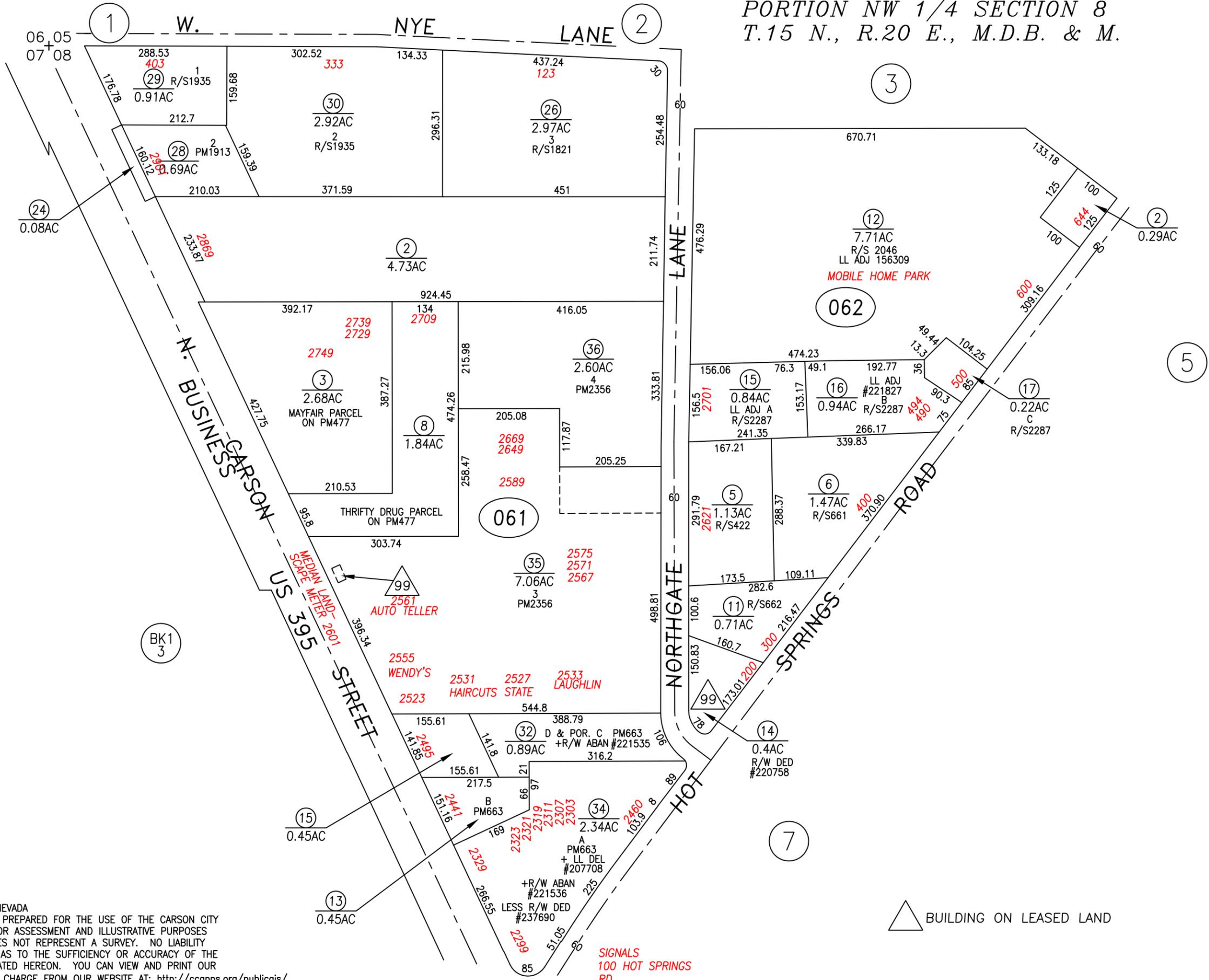
Website: <http://stewart.com/ccpa>

Email: Privacyrequest@stewart.com

Postal Address: Stewart Information Services Corporation

Attn: Mary Thomas, Deputy Chief Compliance Officer
1360 Post Oak Blvd., Ste. 100, MC #14-1
Houston, TX 77056

PORTION NW 1/4 SECTION 8
T.15 N., R.20 E., M.D.B. & M.



UPDATED PARCEL 002-062-05

CARSON CITY, NEVADA
 THIS MAP IS PREPARED FOR THE USE OF THE CARSON CITY ASSESSOR FOR ASSESSMENT AND ILLUSTRATIVE PURPOSES ONLY, IT DOES NOT REPRESENT A SURVEY. NO LIABILITY IS ASSUMED AS TO THE SUFFICIENCY OR ACCURACY OF THE DATA DELINEATED HEREON. YOU CAN VIEW AND PRINT OUR MAPS AT NO CHARGE FROM OUR WEBSITE AT: <http://ccapps.org/publicgis/>

 BUILDING ON LEASED LAND


 SCALE: 1" = 200'
 REVISED: 10/05/2018



AN APPRAISAL
OF

AN OFFICE BUILDING

LOCATED AT

2621 NORTHGATE LANE,
CARSON CITY, NEVADA

OWNED BY

CARSON CITY

PREPARED FOR

CARSON CITY PUBLIC WORKS

FOR THE PURPOSE OF
ESTIMATING THE FOLLOWING VALUE

Valuation Scenario	Interest Appraised	Date Of Value
Market Value	Fee Simple Interest	November 12, 2021



November 17, 2021

Via Email: rnellis@carson.org

Robert C. Nellis, MBA, CPM
 Real Property Manager
 Carson City Public Works
 3505 Butti Way
 Carson City, NV 89701

Re: Appraisal of 2621 Northgate Lane, Carson City, Nevada (APN 002-062-05)

Dear Mr. Nellis:

This is in response to your request for an appraisal of the property located at 2621 Northgate Lane, Carson City, Nevada. The subject property is owned by Carson City and is identified as Carson City Assessor’s Parcel No. 002-062-05. The subject property is summarized below and is more completely described in the following report.

SUMMARY OF SUBJECT PROPERTY

A.P.N. Location	Land Area*	Zoning (Master Plan)	Improvements Gross Building Area Year Built
Owner of Record – Carson City			
002-062-05 2621 Northgate Lane, Carson City, Nevada	1.133± Acres	Public Community (Community/ Regional Commercial)	Office Building 15,841± Square Feet 1976

*The Land Area is based upon Record of Survey Map No. 2960 and is assumed to be correct.

The appraisal report is being prepared for the purpose of estimating the Market Value of the subject property, as of a current date of value. The client in this assignment is the Carson



City Public Works Department. The intended users of the appraisal report include Robert Nellis, Real Property Manager, Carson City Public Works Department, Carson City, and their designated representatives. The intended use of the appraisal report is to assist the client in establishing a potential sale price for the disposition of the subject property.

This is an Appraisal Report which is intended to adhere to 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 comparable properties analyzed, it is our opinion that the fee simple Market Value of the subject property is as follows:

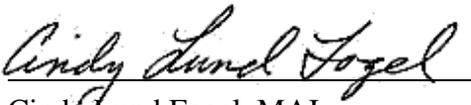
MARKET VALUE CONCLUSION

Subject Property	Property Rights Appraised	Effective Date Of Value	Value Conclusion
2621 Northgate Lane, Carson City, Nevada	Fee Simple Interest	November 12, 2021	\$1,800,000

Respectfully Submitted,



 Stephen R. Johnson, MAI, SREA
 Nevada Certified General Appraiser
 License Number A.0000003-CG



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



TABLE OF CONTENTS

SUMMARY OF SALIENT FACTS AND IMPORTANT CONCLUSIONS	1
MARKET VALUE DEFINED	2
SCOPE OF APPRAISAL	3
CARSON CITY AREA MAP	5
NEIGHBORHOOD MAP	6
CARSON CITY AREA ANALYSIS AND DESCRIPTION	7
SUBJECT AERIAL PHOTOGRAPH	13
SUBJECT PHOTOGRAPHS	14
SUBJECT PLOT MAP	25
SUBJECT RECORD OF SURVEY MAP	26
SUBJECT ZONING MAP	27
SUBJECT MASTER PLAN MAP	28
SUBJECT FLOOD ZONE MAP	29
PROPERTY IDENTIFICATION AND SITE DESCRIPTION	30
SUBJECT BUILDING SKETCH	35
DESCRIPTION OF SUBJECT IMPROVEMENTS	36
HIGHEST AND BEST USE AS IMPROVED	39
INTRODUCTION TO VALUATION ANALYSIS	40
INCOME APPROACH TO VALUE	41
MARKET RENTAL ANALYSIS	42
COMPARABLE OFFICE BUILDING RENTAL CHART	43
COMPARABLE BUILDING RENTAL MAP	44
COMPARABLE BUILDING RENTAL PHOTOGRAPHS	45
COMPARABLE BUILDING RENTAL DISCUSSION AND CORRELATION	48
VACANCY AND CREDIT LOSS ANALYSIS	52
OPERATING EXPENSE ANALYSIS	54
OVERALL CAPITALIZATION RATE ANALYSIS	56
SALES COMPARISON APPROACH TO VALUE	58
COMPARABLE OFFICE BUILDING SALES CHART	59
COMPARABLE BUILDING SALES MAP	60
COMPARABLE BUILDING SALE PHOTO AND DISCUSSION	63
SALES COMPARISON APPROACH SUMMARY AND CONCLUSION	69
VALUE INDICATION BY THE SALES COMPARISON APPROACH	72
FINAL PROPERTY VALUE CONCLUSION	73
FAIR MARKET VALUE CONCLUSION	74
EXPOSURE AND MARKETING TIME	75
APPRAISERS' CERTIFICATION	76
STANDARD ASSUMPTIONS AND LIMITING CONDITIONS	78
QUALIFICATIONS OF APPRAISERS	85
ADDENDA	
PRELIMINARY TITLE REPORT	



SUMMARY OF SALIENT FACTS AND IMPORTANT CONCLUSIONS

SUBJECT PROPERTY SUMMARY	
Property Type	Office Building
Property Address	2621 Northgate Lane, Carson City, Nevada
Property Location	East Side of Northgate Lane, 330± Feet North of Hot Springs Road, Carson City, Nevada
A.P.N.	002-062-05
Owners of Record	Carson City
Carson City Zoning	PC (Public Community)
Carson City Master Plan	C/RC (Community/ Regional Commercial)
Flood Zone	Shaded "X", Areas of Moderate Flood Hazard
Subject Land Area*	1.133± Acres (49,371± Square Feet)

*The Land Area is based upon Record of Survey Map No. 2960 and is assumed to be correct.

GENERAL IMPROVEMENT SUMMARY	
Building Type	Office Building
Year Built	1976
Gross Building Area	15,841± Square Feet
Current Occupancy	Non-Profit Organizations
Quality/Condition	Average /Fair to Average

Highest and Best Use Continued Use as an Office Building

Type of Report Appraisal Report

DATES OF APPRAISAL

Date Description	Date
Dates of Inspection	September 23, 2021 and November 12, 2021
Effective Date of Value	November 12, 2021
Completion Date of Appraisal	November 17, 2021

MARKET VALUE CONCLUSION

Subject Property	Property Rights Appraised	Effective Date Of Value	Value Conclusion
2621 Northgate Lane, Carson City, Nevada	Fee Simple Interest	November 12, 2021	\$1,800,000



PURPOSE OF APPRAISAL

The appraisal report is being prepared for the purpose of estimating the Market Value of the subject property, as of a current date of value.

CLIENT AND INTENDED USER OF APPRAISAL

The client in this assignment is the Carson City Public Works Department. The intended users of the appraisal report include Robert Nellis, Real Property Manager, Carson City Public Works Department, Carson City, and their designated representatives.

INTENDED USE OF APPRAISAL

The intended use of the appraisal report is to assist the client in establishing a potential sale price for the disposition of the subject property.

PROPERTY RIGHTS APPRAISED

The subject property is appraised as held in fee simple ownership. 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.”¹

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.²

¹ Source: The Dictionary of Real Estate Appraisal, Sixth Edition, Appraisal Institute, 2015, page 90

² Rules and Regulations, Federal Register, Vol. 55, No. 165, Page 34696, 12CFR Part 34.42(f)



DATES OF APPRAISAL

Date Description	Date
Dates of Inspection	September 23, 2021 and November 12, 2021
Effective Date of Value	November 12, 2021
Completion Date of Appraisal	November 17, 2021

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 a summary appraisal report. Supporting documentation concerning the data, reasoning and analysis is retained in the appraisers' file. The depth of discussion contained in the report is specific to the needs of the client and for the intended use as stated herein. The appraisers are not responsible for unauthorized use of the report.

SCOPE OF APPRAISAL

The preparation of this appraisal included:

- An inspection of the subject property;
- Identification and analysis of the subject neighborhood;
- Analysis of the subject's physical and legal characteristics;
- Completion of a Highest and Best Use Analysis;
- Research and analysis of rental rates and vacancies in competing buildings;
- Completion of an Income Approach to Value utilizing a Direct Capitalization Analysis;
- Research and analysis of comparable property sales and listings;
- Completion of a Sales Comparison Approach Analysis;
- Correlation of the value indications to arrive at the Fee Simple Market Value of the subject property, as of a current date of value;
- Analysis of an appropriate marketing and exposure time for the subject property;
- Preparation of an appraisal report.



EXTRAORDINARY ASSUMPTION

An Extraordinary assumption is defined as “An assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser’s opinions or conclusions.”³

In the preparation of this appraisal assignment, no extraordinary assumptions were made.

HYPOTHETICAL CONDITION

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 purposes of analysis.”⁴

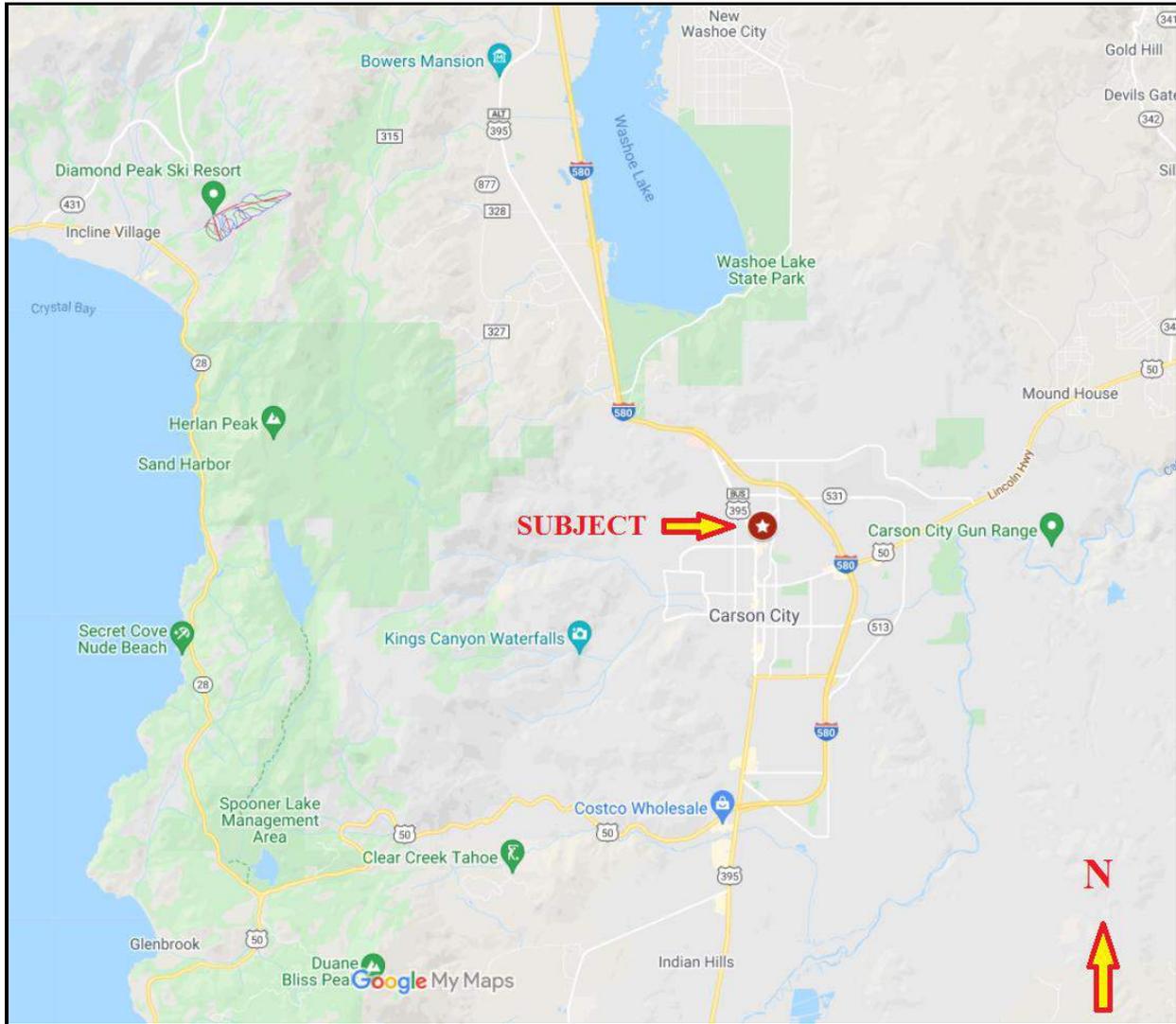
In the preparation of this appraisal assignment, no hypothetical conditions were made.

³ Source: USPAP 2020-2021 Edition, Definitions; The Appraisal Foundation.

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

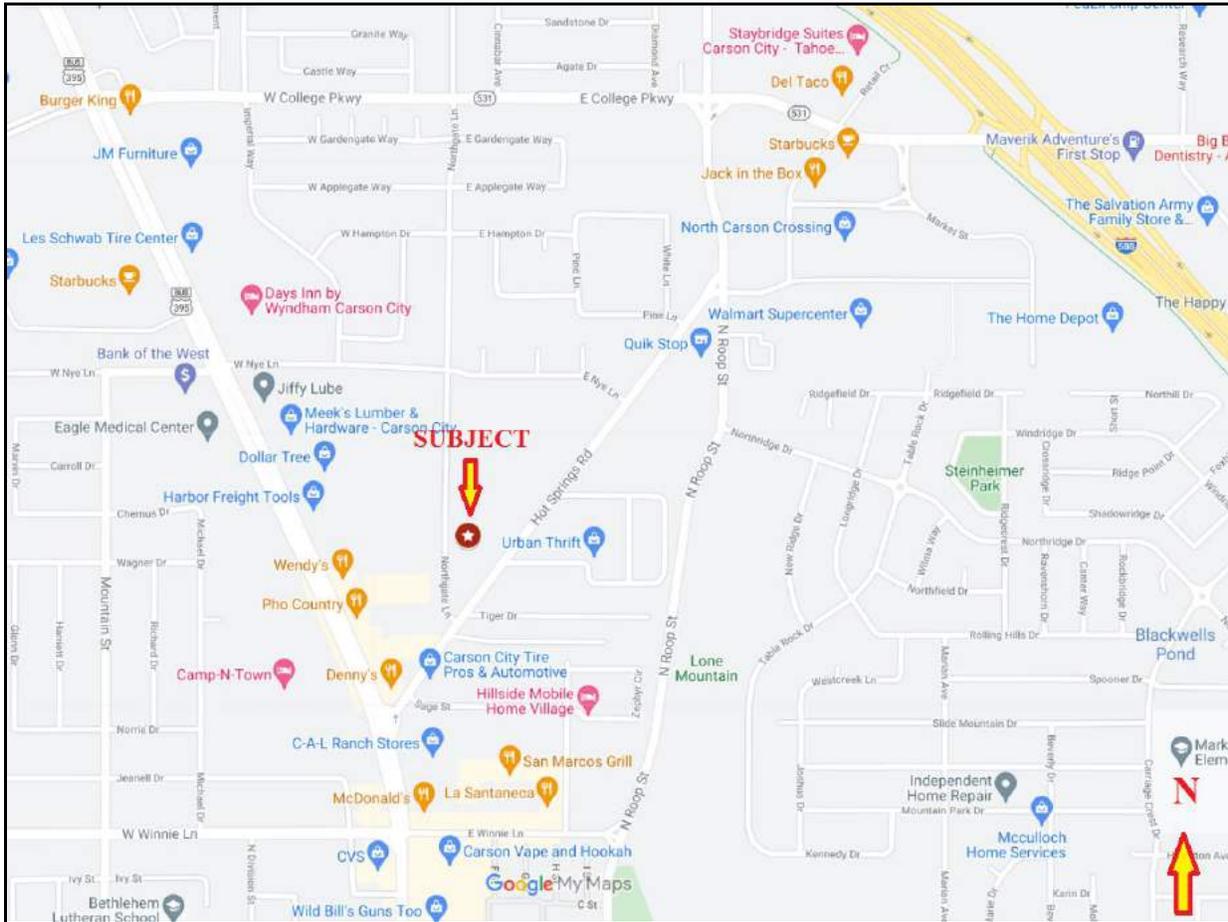


CARSON CITY AREA MAP





NEIGHBORHOOD MAP





CARSON CITY AREA ANALYSIS AND DESCRIPTION

Introduction

The subject property is located in Carson City, Nevada. Carson City is situated approximately 30 miles south of Reno, 14 miles east of Lake Tahoe and 15 miles southwest of Virginia City. Carson City is situated at an elevation of 4,675± feet above sea level and experiences a moderate, high desert climate. Summers are warm and dry with cool evenings; winters are cold and dry with moderate snowfall. The mean annual precipitation is 11.83 inches and the average annual snowfall is 31.6 inches. Carson City averages 266 days of sunshine per year.

Population

The following table sets forth historical population estimates as provided by the Nevada Department of Taxation.

CARSON CITY HISTORICAL POPULATION ESTIMATES		
Year	Population Projection	% Change From Prior Year
2005	57,104	1.71%
2006	57,701	1.05%
2007	57,723	0.04%
2008	57,600	-0.21%
2009	56,506	-1.90%
2010	55,850	-1.16%
2011	56,066	0.39%
2012	55,411	-1.17%
2013	54,668	-1.34%
2014	53,969	-1.28%
2015	54,273	0.56%
2016	55,182	1.67%
2017	55,438	0.46%
2018	56,057	1.12%
2019	56,151	0.17%
2020	56,376	0.40%

Source: Nevada Department of Taxation

As indicated from the table, population began to decrease in Carson City in 2008. This overall decline was linked to the economic downturn. There was a slight increase between 2010 and 2011 and the population estimates have increased since 2015.



Retail Sales

The following table presents annual retail sales data for Carson City, as reported by the Nevada Department of Taxation.

CARSON CITY TAXABLE SALES DATA		
Fiscal Year	Taxable Sales	% Change
2010/11	\$735,161,302	8.33%
2011/12	\$756,078,488	2.85%
2012/13	\$779,297,546	3.07%
2013/14	\$804,368,288	3.22%
2014/15	\$892,529,769	10.96%
2015/16	\$961,716,995	7.75%
2016/17	\$1,055,090,538	9.71%
2017/18	\$1,144,376,853	8.46%
2018/19	\$1,304,889,881	8.37%
2020/2021	\$1,554,371,827	19.1%
Source: Nevada Department of Taxation		

As evidenced from the table, Taxable Sales in Carson City have continued to increase every year between 2011/2012 and 2020/2021.

Employment

“According to the Nevada Department of Employment, Training and Rehabilitation’s (DETR) September 2021 economic report, Nevada added 4,400 jobs over the month as the state continues to recover from the COVID pandemic. Employment remains below typical levels, but is up 84,100 since September 2020, an annual increase of 6.6%. The large increase in employment over the year reflects the rebound in jobs as Covid-19 related restrictions have been lifted and the economy continues to recover. The total employment level in the state is 1,349,300. The state’s unemployment rate in September is 7.5%, down slightly from 7.7% in August and down 5.5% when compared to September 2020. Carson City employment had a decrease of 100 jobs (-0.3%) since August 2021, but still shows an increase of 500 jobs (1.7%) year-over-year, since September 2020.”

Transportation and Access

Carson City is accessible by two major highways. U.S. Highway 395 is a north-south artery through the city. It extends from Southern California, north along the eastern portion of California and into Nevada. U.S. Highway 395 continues north into Oregon. Through Carson City, this highway is referred to as Carson Street. During the peak travel periods of the day,



Carson Street can become heavily congested as the state government buildings, retail centers, and office buildings front along Carson Street. In addition, it is the main thoroughfare between Lake Tahoe and Reno. The U.S. 395 Freeway Bypass is completed to U.S. Highway 50. The Bypass diverts traffic from North Carson Street to the southern end of Carson City.

Carson Street (Business Route 395) is a major commercial corridor through the city. Commercial development along South Carson Street includes a number of freestanding commercial uses as well as neighborhood shopping centers. These utilizations include fast food restaurants, retail-commercial uses and used car sales facilities. The commercial facilities, for the most part, have been well maintained and are currently in average condition. Construction of the South Carson Street Downtown Corridor improvements was recently completed. The project narrowed Carson Street from William Street to 5th Street to one lane in each direction, creating more room for pedestrians and bicyclists. The project replaced outdated utilities under the road and also improved the aesthetics and walkability of Carson Street, with the intent of helping to promote tourism to the area and helping businesses along the corridor.

The downtown core area includes City Hall, the Carson City's Community Development Department and Permit Services Center, the State Capitol campus, the Carson Nugget Casino, a number of restaurants and commercial and office uses. Due to its proximity to the State Capitol campus, the downtown area has a relatively high concentration of professional office, retail and service oriented commercial support uses. These office developments range from multi-story, newer facilities to older homes that have been converted to office uses.

A new development was recently constructed in Carson City's downtown historic district. This complex is situated on Curry Street between Proctor and Telegraph streets and is known as 308 Curry Street. The project replaced the old Citibank building which was built in the 1960s which was structurally unsound. The project features historic architecture and consists of one building with 10,300 square feet of retail space on the street level. There is 11,400 square feet of Class A office space on the second floor, and 8 apartments varying in size from 1,000 square feet to 2,100 square feet on the third floor. The project includes three separate buildings. Two smaller buildings are residential only and contain two apartments with garages, and the remaining 8 garages for the apartments in the main building facing Curry Street.

The second major highway serving Carson City is U.S. Highway 50. This highway extends from Sacramento, California east to Ocean City, Maryland. Through Carson City, this



highway is referred to as William Street, which contains numerous retail strip centers, a neighborhood casino and bowling alley, and office buildings.

East William Street is also known as U.S. Highway 50 East. William Street intersects with North Carson Street just to the north of the downtown core area. This roadway provides access to residential areas in western Carson City. This roadway also extends in an easterly direction from North Carson Street, providing access to commercial, industrial and residential areas located in eastern Carson City. This roadway extends east of the Carson City area and provides access to Mound House, Virginia City, Silver Springs and Fallon. U.S. Highway 50 East links Carson City with eastern Nevada, as well as Utah and other destinations in the intermountain region.

The Carson City Airport is located in the northeast quadrant of the city off of College Parkway and Airport Road. 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.

Tourism

Tourism is a major component of the economy in Carson City. There are approximately 1,500 hotel rooms in Carson City, including the 110-room Ormsby House (currently closed and was listed for sale for several years). According to the Nevada Appeal, “Carson City’s empty living legend, the Ormsby House, which just celebrated its 20-year anniversary of closure, is in escrow with a new buyer they described as well-established and funded with a history of success. However, the owner in question remains a mystery due to a non-disclosure agreement.”

In addition to the hotel and motel rooms in Carson City, there are accommodations for campers and travel trailers. Carson City also offers many fine restaurants, most of which are within walking distance of the motels and hotels. This area is famous for its fine Basque cuisine and also offers many other restaurants. Additionally, Carson City is a shopping hub for a geographical area of approximately 70,000 people. There are several modern shopping malls that feature specialty shops as well as many regional and national chain stores, such as J.C. Penney, Walgreen’s, and Costco. Just south of the Carson City county line is a developing regional hub for major retailers, such as Wal-Mart, Home Depot, Target, Staples, Best Buy, and other well-known national chain stores.



Education

The Carson City School District is governed by an elected board of trustees. The district includes seven elementary schools, two junior high schools and one high school. There are also several private schools. Western Nevada College provides continuing adult education and involves a large facility which is located in northwest Carson City. As indicated in the population section, school enrollment declined slightly in the recent past.

Utilities

Electrical service in the Carson City area is provided by NV Energy. Natural gas service is provided by Southwest Gas Corporation. Water and sewer are provided by the Carson City Sewer and Water Department. Cable television is available from various carriers.

Municipal Services

Police protection is provided by the Carson City Sheriff's Department, while fire protection is provided by the Carson City Fire Department, which includes a main station and several substations.

Real Estate Development

Over the last several years, there has been extensive real estate development in the Carson City area. New developments within the region include retail/commercial, office, industrial and residential projects. Some of the more notable projects are the Quail Business Park at South Carson and Curry Streets in south Carson City, a Starbucks Corporation 100,000± square foot manufacturing plant near the Douglas County Airport, the Carson-Tahoe Regional Medical Center and a 700-acre single-family development called Silver Oak, which also includes an 18-hole championship golf course, commercial retail development, office buildings, and institutional land uses, such as an assisted living complex and a skilled nursing facility.

Summary

In summary, Carson City and surrounding areas have experienced moderate to strong growth over the past several decades. This is evidenced by the development of several retail projects including a newer Wal-Mart, a Costco, Home Depot and Target.

The subject property is located at 2621 Northgate Lane in northeast central Carson City. The immediate neighborhood has been developed with a mix of retail and service-oriented commercial, secondary office and residential uses. Commercial uses primarily include auto



shops, older neighborhood shopping centers, the Meeks Lumber facility, mini-warehouse facilities and fast-food restaurants. Residential uses include older single-family homes and trailer parks; including the Mountain's Edge Community and the Hillside Mobile Home Village. It is noted that the majority of the surrounding improvements are older and are generally in fair to average condition.



SUBJECT AERIAL PHOTOGRAPH



Subject Property Outlined In Yellow



SUBJECT PHOTOGRAPHS



VIEW LOOKING SOUTHERLY ALONG NORTHGATE LANE, ADJACENT TO THE SUBJECT PROPERTY



VIEW LOOKING NORTHERLY ALONG NORTHGATE LANE, ADJACENT TO THE SUBJECT PROPERTY



SUBJECT PHOTOGRAPHS



**VIEW LOOKING NORTHEASTERLY TOWARD THE SUBJECT
FROM NORTHGATE LANE**



**VIEW LOOKING SOUTHEASTERLY TOWARD THE SUBJECT PROPERTY
FROM NORTHGATE LANE**



SUBJECT PHOTOGRAPHS



**VIEW LOOKING SOUTHWESTERLY TOWARD THE SUBJECT PROPERTY
FROM THE SUBJECT'S PARKING LOT**



**VIEW OF THE ATRIUM/COURTYARD CENTRALLY LOCATED IN
THE SUBJECT OFFICE PROJECT**



SUBJECT PHOTOGRAPHS



**VIEW OF A WALKWAY AND THE WEST ENTRYWAY TO THE
SUBJECT OFFICE COMPLEX**



**VIEW OF A WALKWAY AND THE EAST ENTRYWAY TO THE
SUBJECT OFFICE COMPLEX**



SUBJECT PHOTOGRAPHS



**VIEW OF THE SUBJECT'S OFFICE COMPLEX
TAKEN FROM THE ATRIUM/COURTYARD**



**VIEW LOOKING TOWARD THE SUBJECT'S COMMON AREA RESTROOMS
(A SET OF RESTROOMS IS LOCATED AT EACH END OF THE COURTYARD)**



SUBJECT PHOTOGRAPHS



VIEW OF AN RECEPTION COUNTER AND KITCHENETTE IN THE BUILDING



VIEW OF A TYPICAL INDIVIDUAL OFFICE



SUBJECT PHOTOGRAPHS



VIEW OF A TYPICAL INDIVIDUAL OFFICE



VIEW OF A TRAINING/CLASS ROOM IN THE SUBJECT BUILDING



SUBJECT PHOTOGRAPHS



VIEW OF A LOBBY AND OFFICE AREA IN THE SUBJECT BUILDING



VIEW OF A CONFERENCE ROOM IN THE SUBJECT BUILDING



SUBJECT PHOTOGRAPHS



VIEW OF An EXECUTIVE OFFICE IN THE SUBJECT BUILDING



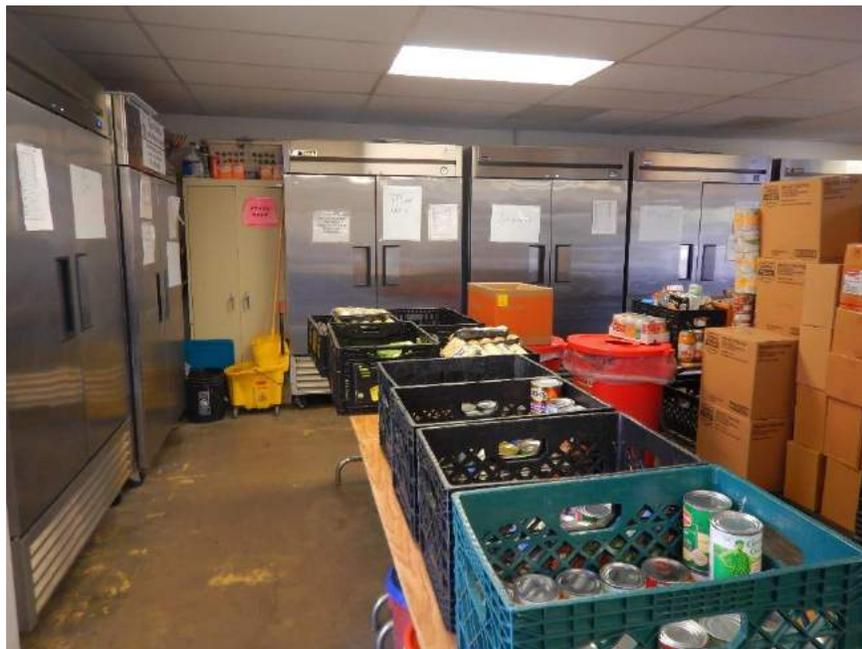
VIEW OF A BREAK ROOM IN THE SUBJECT BUILDING



SUBJECT PHOTOGRAPHS



VIEW OF A WAITING ROOM IN THE WIC CARES UNIT



VIEW OF THE UNIT UTILIZED BY THE FOOD BANK IN THE SUBJECT BUILDING



SUBJECT PHOTOGRAPHS



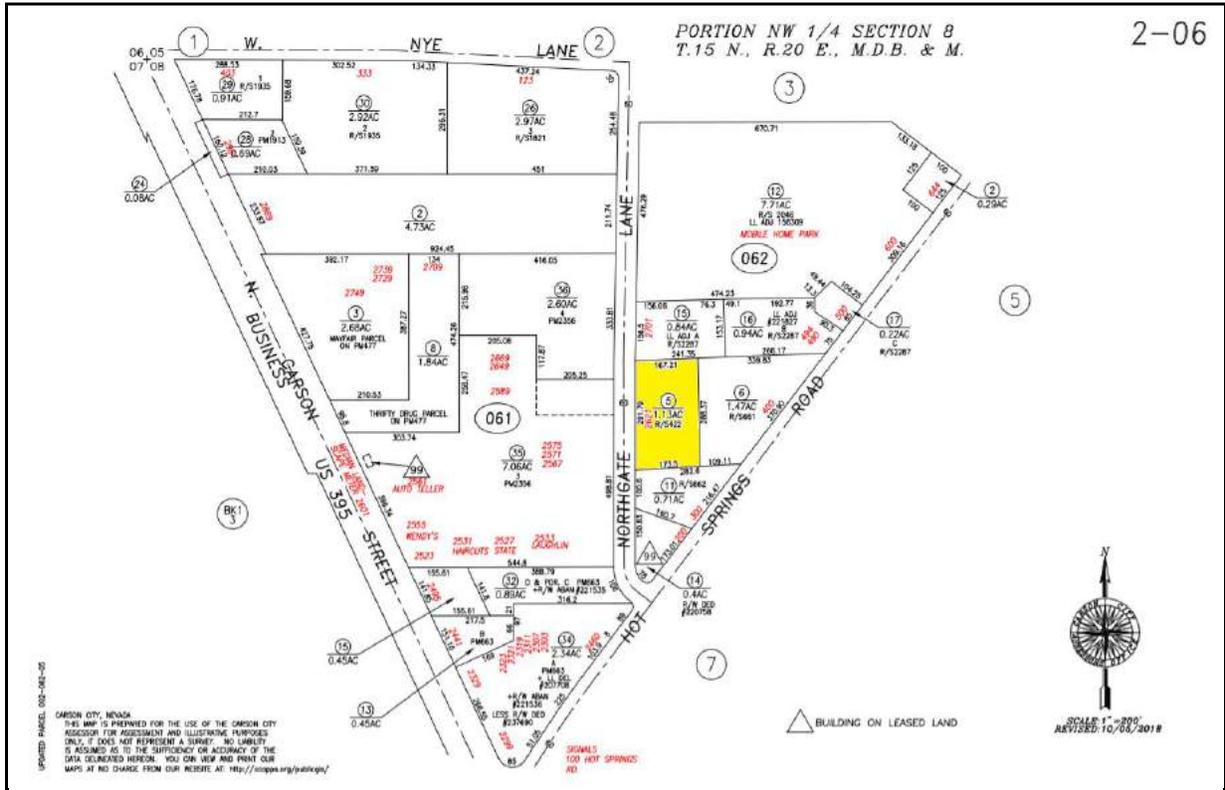
VIEW OF A TYPICAL COMMON AREA RESTROOM



VIEW OF THE HANDICAP EQUIPPED RESTROOM FOR THE SUBJECT COMPLEX

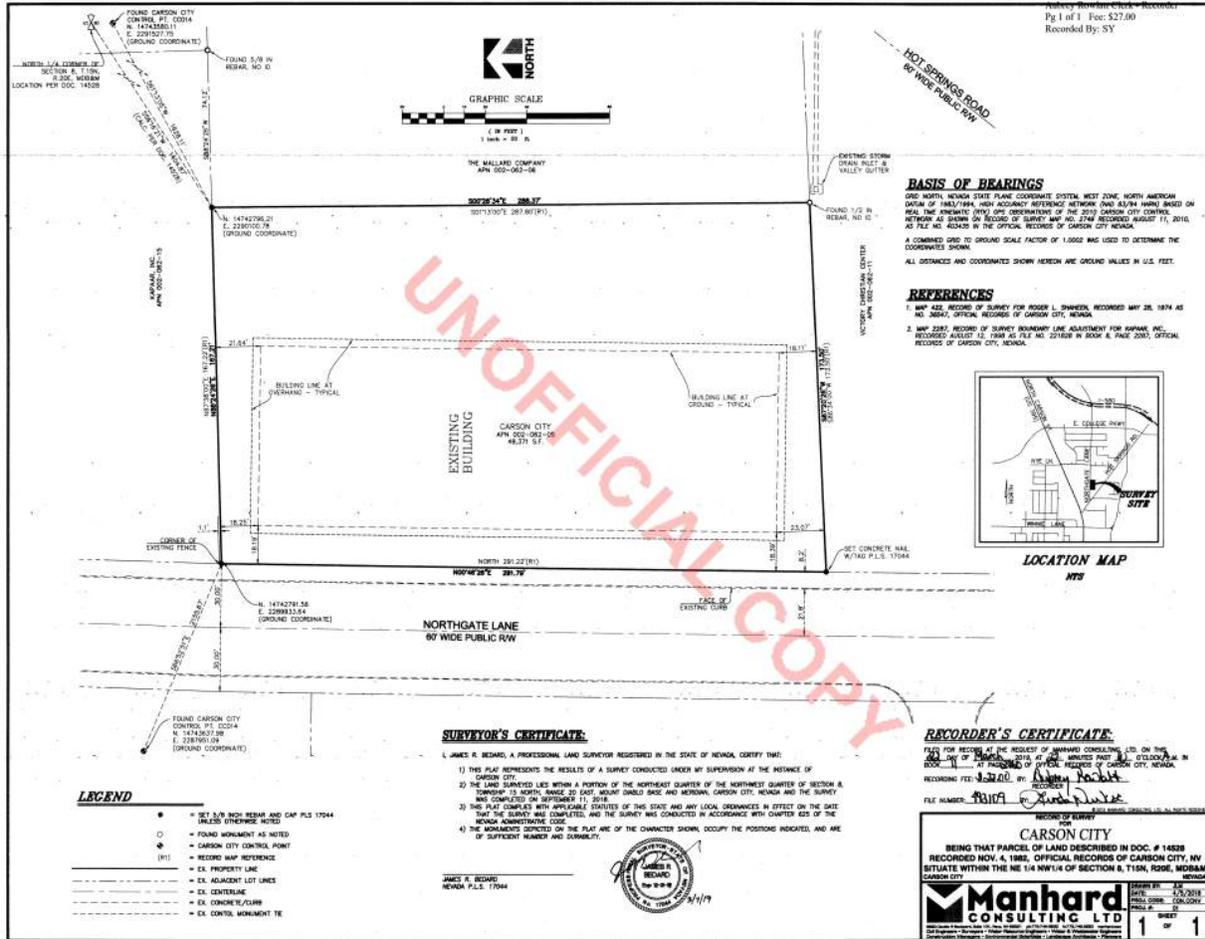


SUBJECT PLOT MAP



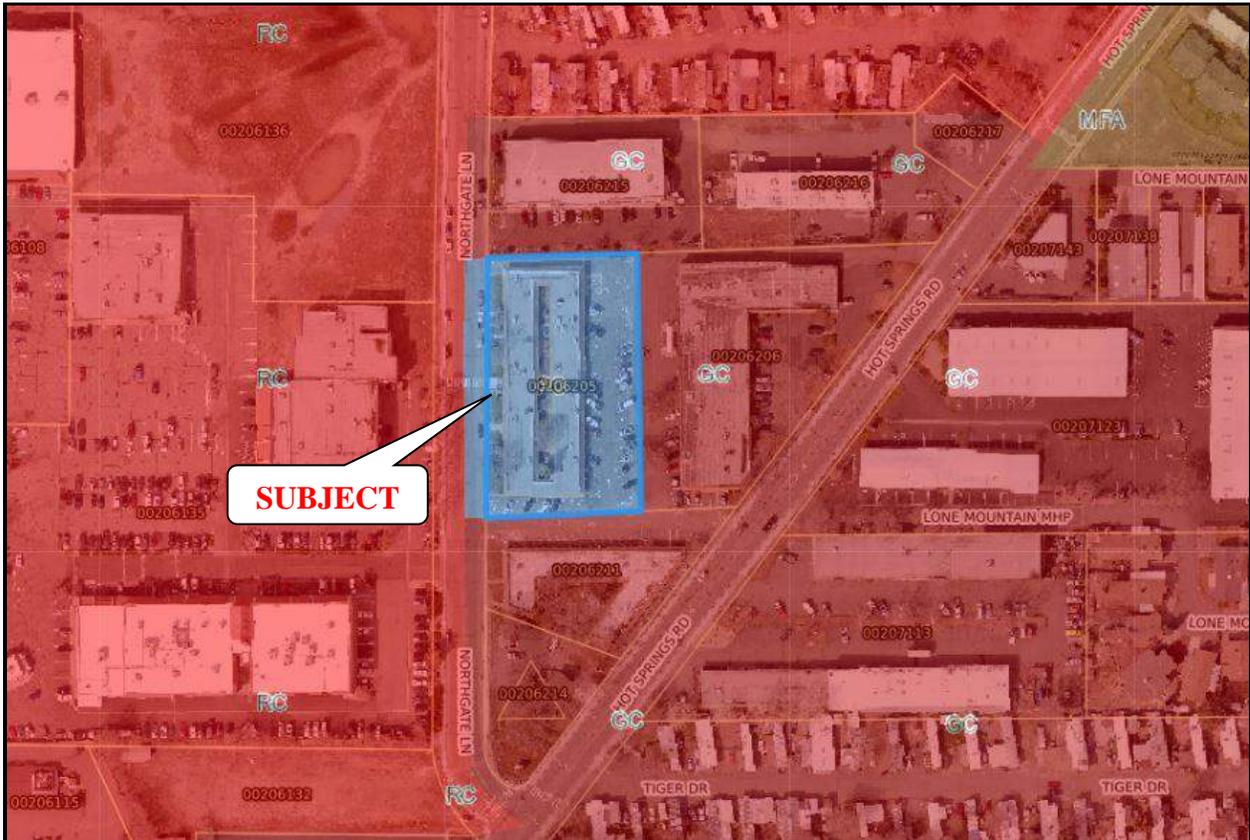


**SUBJECT RECORD OF SURVEY MAP
 (RECORD OF SURVEY MAP NO. 2960)**





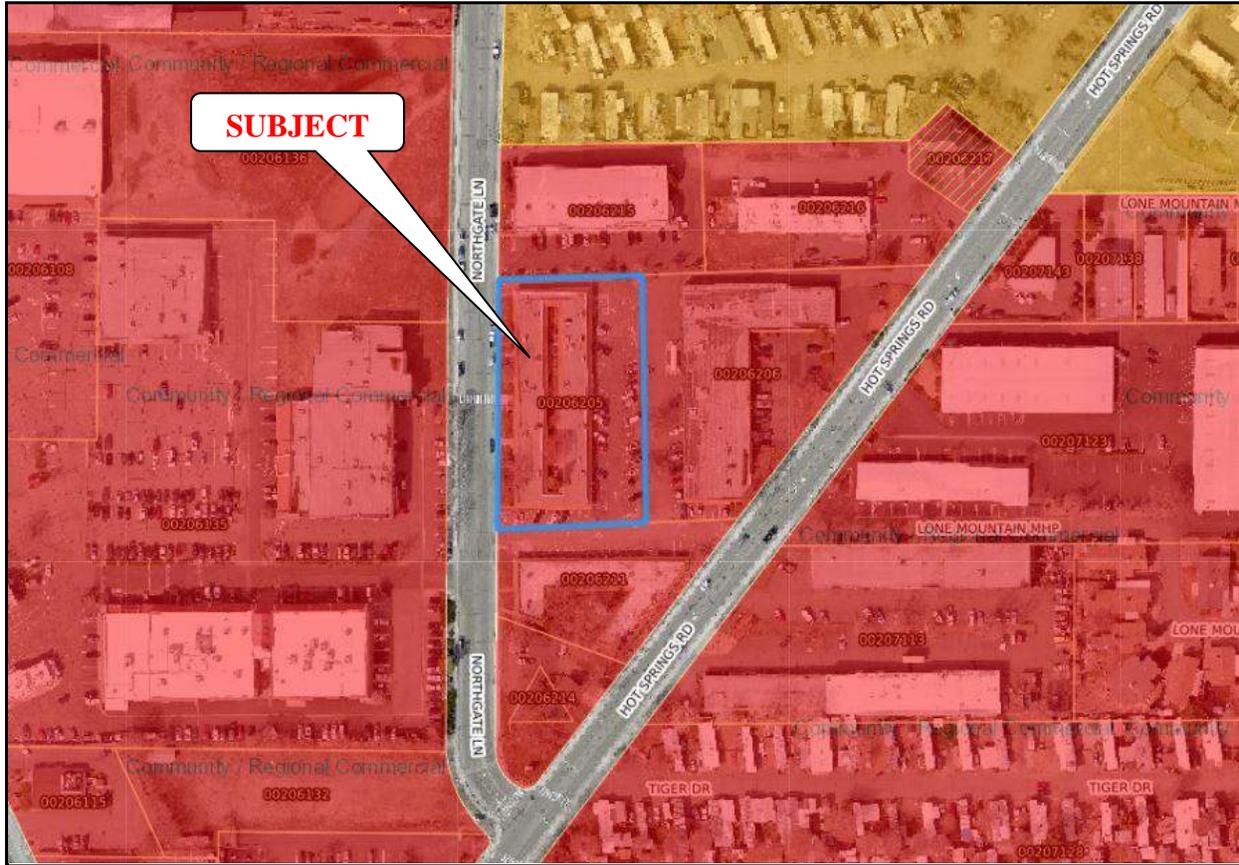
SUBJECT ZONING MAP



Subject Zoning Designation
PC (Public Community)



SUBJECT MASTER PLAN MAP Carson City Land Use Map



Community / Regional Commercial
Neighborhood Commercial
Industrial
Rural Residential (5-20 ac/du)
Low Density Residential (0.2-3 du/ac or 5-0.33 ac/du)
Medium Density Residential (3-8 du/ac)
High Density Residential (8-36 du/ac)
Public / Quasi-Public
Washoe Tribe
Office
Vacant Private Land
Conservation Reserve (Private)
Downtown Mixed-Use
Mixed-Use Commercial
Mixed-Use Residential
Mixed-Use Employment
Public Conservation
Open Space
Parks & Recreation

Subject Master Plan Designation
C/RC (Community/ Regional Commercial)



PROPERTY IDENTIFICATION AND SITE DESCRIPTION

SUBJECT PROPERTY SUMMARY	
Property Type	Office Building
Property Address	2621 Northgate Lane, Carson City, Nevada
Property Location	East Side of Northgate Lane, 330± Feet North of Hot Springs Road, Carson City, Nevada
A.P.N.	002-062-05
Owners of Record	Carson City

LEGAL DESCRIPTION

Source: Preliminary Title Report Prepared by Stewart Title Dated July 26, 2021
All that certain real property situated in Carson City, State of Nevada, described as follows: That portion of the Northeast 1/4 of the Northwest 1/4 of Section 8, Township 15 North, Range 20 East, M.D.B. & M., in Carson City Nevada, described as follows: Commencing at the North 1/4 corner of Section 8, Township 15 North, Range 20 East, M.D.B.&M., thence South 55°29'55" West, 1404.87 feet to the Northeast corner of the parcel and the True Point of Beginning; thence South 1°13' East, 287.80 feet; thence South 86°34' West, 173.50 feet; thence along Northgate Street, North 291.22 feet; thence North 87°38' East, 167.22 feet to the Point of Beginning. APN: 002-062-05

Carson City A.P.N.	Land Area*	
	Acres	Square Feet
002-062-05	1.133± Acres	49,371± Square Feet

*The Land Area set out above is based upon Record of Survey Map No. 2960 for the subject and is assumed to be correct.

SITE DIMENSIONS & FRONTAGES

Parcel Shape	Property Lines			
	West	South	East	North
Rectangular	292± Feet Abuts Northgate Lane	174± Feet	288± Feet	167± Feet

Street Improvements

The subject property is located on the east side of Northgate Lane, 330± feet north of Hot Springs Road, in north-central Carson City. The subject is situated approximately two blocks



east of North Carson Street (Business U.S. 395). Northgate Lane, in the vicinity of the subject, is a two-lane, two-way asphalt paved roadway which is improved with concrete curbs and sidewalks. Overall, the subject property has adequate access and roadway visibility.

Subject Zoning Designations

Carson City Zoning	Carson City Master Plan
PC (Public Community)	Community/Regional Commercial

Zoning PC (Public Community)

Public community (PC) means facilities and uses that serve primarily a large portion of Carson City. The purpose of the public community (PC) district is to achieve the following:

1. 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.
2. To organize the assemblage of specific, nonprofit and profit public facilities into efficient functionally compatible, and attractively planned administrative centers in conformance with the master plan and to establish special use permit approval for all uses thereby ensuring compatibility with adjacent more restrictive districts. All public community (PC) district development standards relative to lot area, setbacks, building height, landscaping, off-street parking and signs shall be based on requirements and conditions of the special use permit.
3. To establish site plan approval for many uses thereby ensuring compatibility with adjacent more restrictive districts and to organize the assemblage of specific, nonprofit and profit public facilities into efficient functionally compatible and attractively planned uses in conformance with the master plan.

Master Plan Description Community/Regional Commercial

C/RC centers provides a mix of retail services in a concentrated setting that serves the local community, but may also include larger retail centers with unique stores or characteristics that provide a regional draw. C/RC centers are typically anchored by large format national retailers, which may provide sales of a variety of general merchandise, grocery, apparel, appliances, hardware, lumber, and other household goods, often under one roof. Complementary uses, such as restaurants, specialty markets, specialty stores (such as books, furniture, computers, audio, office supplies, or clothing stores) are also appropriate. The concentrated, unified design of C/RC centers allows a variety of community needs to be met in a “one-stop shop” setting.



Although some single use highway oriented commercial activities will continue to occur in some areas, this pattern of development is generally not encouraged.

Topography

The subject property has level topography being at grade with the surrounding roadway.

Easements

These appraisers were provided with a copy of a Preliminary Title Report for the subject prepared by Stewart Title Company dated July 26, 2021, Order Number 1321115. A copy of the Preliminary Title Report is set out in the addenda to this report. A review of the Preliminary Title Report for the subject did not reveal the presence of any easements or encumbrances impacting the subject property which would impact its development potential. The Preliminary Title Reports referenced Record of Survey Map 2960, Recorded March 22, 2019 as Document No. 493109, for the subject. A review of Record of Survey Map 2960 did not reveal the presence of any easements encumbering the subject parcel.

Our physical inspection of the subject site did not reveal the presence of any overt easements or encumbrances which might affect the subject property's use potential or market value. For the purposes of this analysis, it is assumed that there are no easements on the subject property, which would limit its utility or development potential.

Flood Zone

According to the Federal Emergency Management Agency's Flood Insurance Rate Map, Community Panel Number 3200010092, with an effective date of December 22, 2016, the subject property is located in a Flood Zone Shaded "X". A Flood Zone "X" designation denotes areas of moderate flooding potential.

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 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.



Utilities & Public Services

Utility & Public Service	Provider
Electricity	NV Energy
Natural Gas	Southwest Gas
Telephone/ Cable/Internet	Various Carriers
Water	Carson City Utilities
Sewer	Carson City Utilities
Waste Disposal	Waste Management
Fire Protection	Carson City Fire Department
Police Protection	Carson City Sheriff's Department
Public Transportation	JAG Ride

All utility and public services are immediately available to the subject property.

Soils Conditions

A soils report was not provided to us, however, based upon the subject's current improvements and surrounding improvements, it is assumed that the subject property has adequate soils for development. This appraisal report assumes that the subject soils are sufficient for the current development on the subject site.

Improvements

The subject property is improved with a slumpstone block office building containing a gross building area of 15,841± square feet. The improvements were constructed in 1976 and are currently in fair to average condition. The subject improvements will be described in detail in the subsequent section of this report.

Subject's Sales History

There have been no arm's length sales of the subject property within the past 5 years.

Surrounding Development

Immediately surrounding development consists of the Victory Christian Center to the south, an office-warehouse complex to the east which is occupied by NeoTech. A multi-tenant office is located to the north of the subject which is occupied by JFG Service Systems and Sky-High Sports. A trailer park is located north of this office building. A shopping center is located



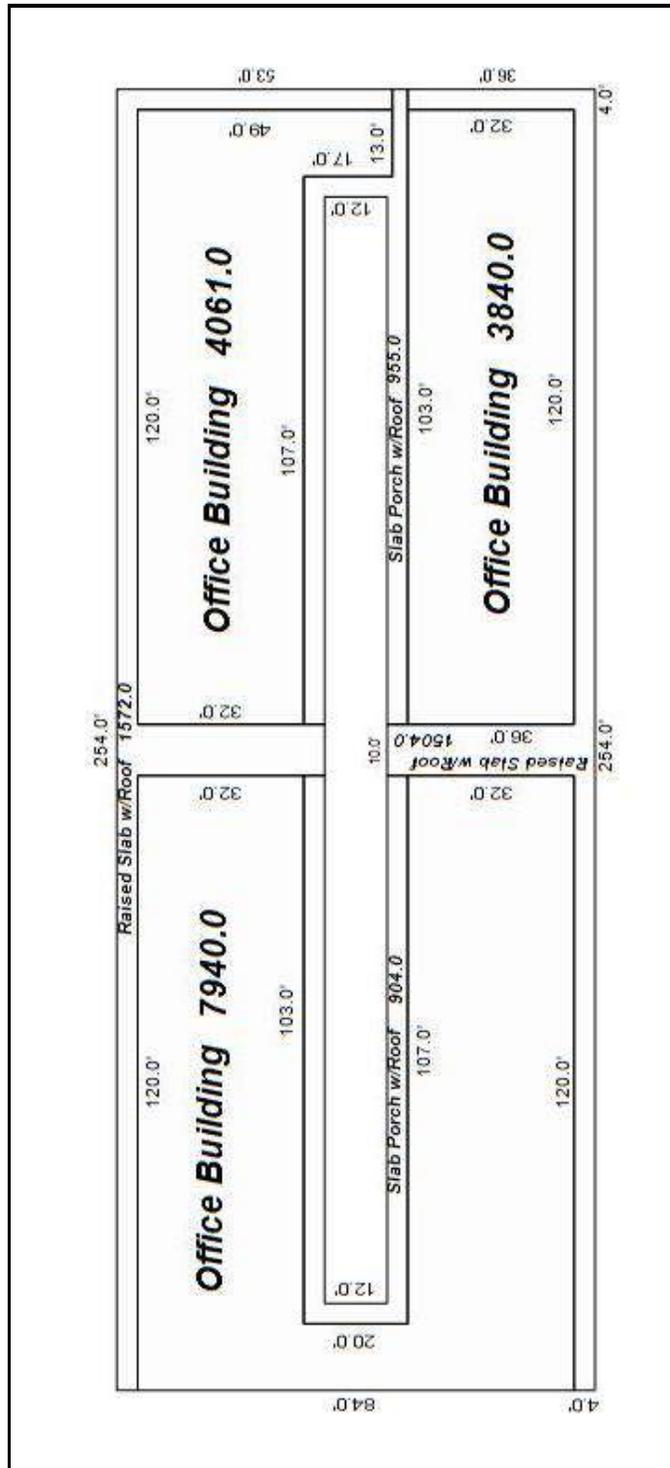
to the west and includes the Carson Stadium Cinemas, Anytime Fitness, a Wendy's and a KFC fast food restaurant. Meeks Lumber is located to the northwest. It is noted that the majority of the surrounding improvements are older and are generally in average condition.

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 Carson City, it is exempt from taxation. It is noted that should the subject property be transferred to a private ownership, it will be reassessed and taxed accordingly.



SUBJECT BUILDING SKETCH



Gross Building Area: 15,841± Square Feet



DESCRIPTION OF SUBJECT IMPROVEMENTS

The subject property is improved with an average quality office building which was constructed in 1976. The building was occupied by Carson City including the planning and engineering departments for many years. Most recently the building has been utilized as office space for a number of nonprofits providing services to the local area. The following description is based upon our physical inspection of the subject property, information provided by the ownership and records of the Carson City Assessor’s office.

Subject Improvement Description	
Building Type	Office Building
Year Built	1976
Number of Floors	Single Story
Gross Building Area	15,841±Square Feet
Current Occupancy	Non-Profit Organizations
Gross Land Area	49,223± Square Feet (1.13± Acres)
Land to Building Ratio	3.11:1 (Building Coverage 32.18%)
Parking	54 On-Site Parking Spaces (Including 3 Handicap Spaces)
Foundation	Poured In-Place Concrete Foundation
Construction/Exterior Finish	Slumpstone Block
Roof	The subject has a flat roof with sloped mansard finishes along the building perimeter finished with clay tile shingles. It is our understanding that the flat roof was replaced in approximately 2013. The roof is reported to be in fair to average condition.
Windows/Doors	Dual Pane in Aluminum Frames/ Entry Doors are glazed and at Street Grade/ Wood Interior Doors
Condition of Exterior	The subject building is 45 years old and the exterior of the building is considered to be in fair to average condition. The subject is considered to offer average curb appeal.
Interior Finishes	Interior wall finish is painted sheetrock. Sprayed acoustic ceiling finish. Flooring is a combination of ceramic tile, sheet vinyl and carpeting. The flooring in the Food Bank unit is concrete.
Condition of Interior	The interior condition of the office spaces varies from fair to average.
Lighting	Ceiling Mounted Florescent Light Fixtures
HVAC	Gas Fired Heating & Air Conditioning Units, it is reported that the HVAC consists of packaged rooftop units which are approximately 19 years old. Although these units have exceeded their normal life expectancy, there are three units



	on the subject roof which are not currently being utilized and can be used to help repair any units which fail. Interviews with local heating, ventilation and air-conditioning contractors indicate that with proper repairs and maintenance, these units can continue to function for a number of additional years. Furthermore, there is refrigerant available which can be used. A purchaser of the subject building could reasonably anticipate having to repair the heating and cooling units over the coming years as individual units fail.
Restrooms	Two sets of common area men's & women's restrooms and one handicap accessible restroom, equipped with standard quality fixtures.
Fire Protection	Smoke Alarms Throughout the Building
Other Improvements	Asphalt Paved Parking Lot, Concrete Walkways, Landscaping. The site improvements are in average Condition
Quality/ Condition	The subject improvements are of average quality construction and in fair to average condition.
Comments: The subject building wraps around a central atrium/courtyard. The atrium is a planter area with a variety of medium grow trees, shrubs, flowering plants and a small vegetable garden. There are also patio areas with picnic tables and benches. To better visualize the layout of the subject office complex, the reader is referred to the subject building sketch set out previously.	



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.”

For improved properties, the highest and best use is considered from two standpoints. The first is the highest and best use of the subject site as if vacant and available for development. The second consideration is the highest and best use of the site as improved.

HIGHEST AND BEST USE AS THOUGH VACANT

Physically Possible

In determining the physically possible uses of the subject site, its location and physical characteristics must be considered. The subject site is located at 2621 Northgate Lane in northeast central Carson City. The subject property is located on the east side of Northgate Lane, 330± feet north of Hot Springs Road. The subject has approximately 292 feet of frontage on Northgate Lane and access is from two curb cuts along its street frontage.

The subject contains 1.133± Acres (49,371± square feet) of land area. The subject is of rectangular shape, has level topography and all utilities are installed to the site. Overall, the subject property has adequate physical features to support a variety of developments.

Legally Permissible

According to the Carson City Community Development Department, the subject property is zoned Public Community and is master planned Community/Regional Commercial. Public community (PC) means facilities and uses that serve primarily a large portion of Carson City. The subject is master planned Community/Regional Commercial. C/RC centers provides a mix of retail services in a concentrated setting that serves the local community, but may also include larger retail centers with unique stores or characteristics that provide a regional draw.

Overall, the subject’s legally permissible uses include a wide variety of public facility and commercial uses.

Financially Feasible and Maximally Productive

The highest and best use of the subject property must also be financially feasible. The



highest and best use of the subject property must also be that use which provides the greatest economic return, or is the maximally productive use.

In analyzing demand for the site, consideration is given to the surrounding improvements within the immediate neighborhood. Immediately surrounding development consists of the Victory Christian Center to the south, an office-warehouse complex to the east which is occupied by NeoTech. A multi-tenant office is located to the north of the subject which is occupied by JFG Service Systems and Sky-High Sports. A trailer park is located north of this office building. A shopping center is located to the west and includes the Carson Stadium Cinemas, Anytime Fitness, a Wendy's and a KFC fast food restaurant. Meeks Lumber is located to the northwest. It is noted that the majority of the surrounding improvements are older and are generally in average condition.

Consideration is given to the subject property's secondary location on Northgate Lane, north of Hot Springs Road. With consideration given to surrounding development, and to the physically possible and legally permissible uses for the subject site, the most likely development of the site, as if vacant, would be with a secondary retail or service-oriented commercial or secondary office use. The subject property, as presently improved is consistent with neighboring properties.

Based upon our analysis of the subject property, it is our opinion that the most financially feasible and maximally productive use of the subject, as vacant, is for commercial or secondary office development.

HIGHEST AND BEST USE AS IMPROVED

The next step in this analysis is to consider the subject property as presently improved. The subject property is improved with an average quality office building which was constructed in 1976. The subject building is of slumpstone construction and is in fair to average condition. The building was occupied by Carson City including the planning and engineering departments for many years. Most recently the building has been utilized as office space for a number of nonprofits providing services to the local area. Based upon the highest and best use analysis set forth above, and with consideration given to the scope of the subject improvements, it is our opinion that the continued use of the subject's office building improvements represents the highest and best use of the subject property.



INTRODUCTION TO VALUATION ANALYSIS

There are three approaches to value an appraiser generally must consider in estimating the value of a property. These approaches include the Cost Approach, the Income Approach and the Sales Comparison Approach.

Due to the age of the subject improvements and the actions of buyers and sellers in the marketplace, the Cost Approach to Value was not utilized in this appraisal report to address the market value of the property. To arrive at the Market Value of the subject property, an Income Approach to Value and the Sales Comparison Approach to Value will be utilized.

The Income Approach to Value is based upon the principal that value is created by the anticipation of future benefits. The Income Approach to Value utilizing a Direct Capitalization Analysis will be prepared.

Another method of analysis available to appraisers is the Sales Comparison Approach to Value. The Sales Comparison Approach is based upon the principal of substitution, which holds that the value of a property tends to be set by the price that would be paid to acquire a substitute property of similar utility and desirability.

In the final property value correlation and conclusion, the indications of value from the various approaches utilized will be correlated to arrive at the final estimate of the Market Value of the fee simple interest in the subject property.



INCOME APPROACH TO VALUE

The Income Approach to Value is based upon the principal that value is created by the anticipation of future benefits. In this appraisal, the Income Approach to Value, utilizing a Direct Capitalization technique will be applied. Direct Capitalization is a method used to convert a single year's net operating income that the subject property is capable of generating into an indication of value.

The first step in the Direct Capitalization Analysis is to project the potential gross annual income that the subject property could reasonably be expected to produce as of the effective date of valuation. The potential gross annual income will be established through an analysis of competing office buildings in the Carson City area.

The next step is to establish a realistic projection of the vacancy and credit loss which the subject property will most likely experience. The effective gross income that the subject can produce will be estimated by subtracting the vacancy and credit loss allowance from the projected gross annual income estimate.

The next step in this analysis is to establish a realistic estimate of the operating expenses that would most likely be incurred in order to generate the effective gross income. The total operating expenses will then be deducted from the total effective gross income in order to arrive at an estimate of the net operating income which the subject property could reasonably be expected to generate as of the effective date of valuation.

An overall capitalization rate will then be applied to the net operating income in order to arrive at an indication of value for the subject property. The overall capitalization rate will be developed through an analysis of sales of competing properties.



MARKET RENTAL ANALYSIS

Tenants within the subject building include Nevada Rural Counties RSVP Program, Inc., Ron Wood Family Resource Center, Capital Cities C.I.C.L.E.S. Initiative and the Agricultural/Extension Department of the University of Nevada System, all of which are nonprofit organizations. Each of the leases are for \$1.00 per year, with the exception of the Agricultural/Extension Department of the University of Nevada System, for which the City receives no rental revenue. However, in discussions with Robert Nellis, Real Property Manager, of Carson City, it was indicated that the Tenants do reimburse the City quarterly for their utilities and other expenses through an internal services fee. The leases involve modified gross lease terms with the tenants responsible for the cost of utilities, janitorial services and interior maintenance. The lease terms range from five to ten years; however, the City may terminate the leases with 30 days' notice in the event of a sale or conveyance of the property. As the purpose of this appraisal is to establish the Market Value of the subject property and as Market Value assumes the sale of the property, the existing leases have not been considered. To establish an estimate of the market rent for the subject property, a number of similar office building rentals in Carson City were surveyed. We have also included the asking rents for a number of similar office properties that are available for lease. The comparable office building rentals set out on the following chart were considered to be indicative of the rental potential for the subject's office building.

Lease terms for the comparables are reported at full service or modified gross lease terms. For the purposes of this analysis, the market rental projection for the subject property will be based upon modified gross lease terms, in which the landlord is responsible for the cost of real property taxes, insurance and maintenance and repairs and management costs. Generally, the following are maintained by the landlord: roof, exterior walls, and structural foundations. The landlord would also be responsible for miscellaneous expenses such as professional fees including legal and accounting services and other miscellaneous items. The tenant would be responsible for the cost of utilities, janitorial services and interior maintenance.

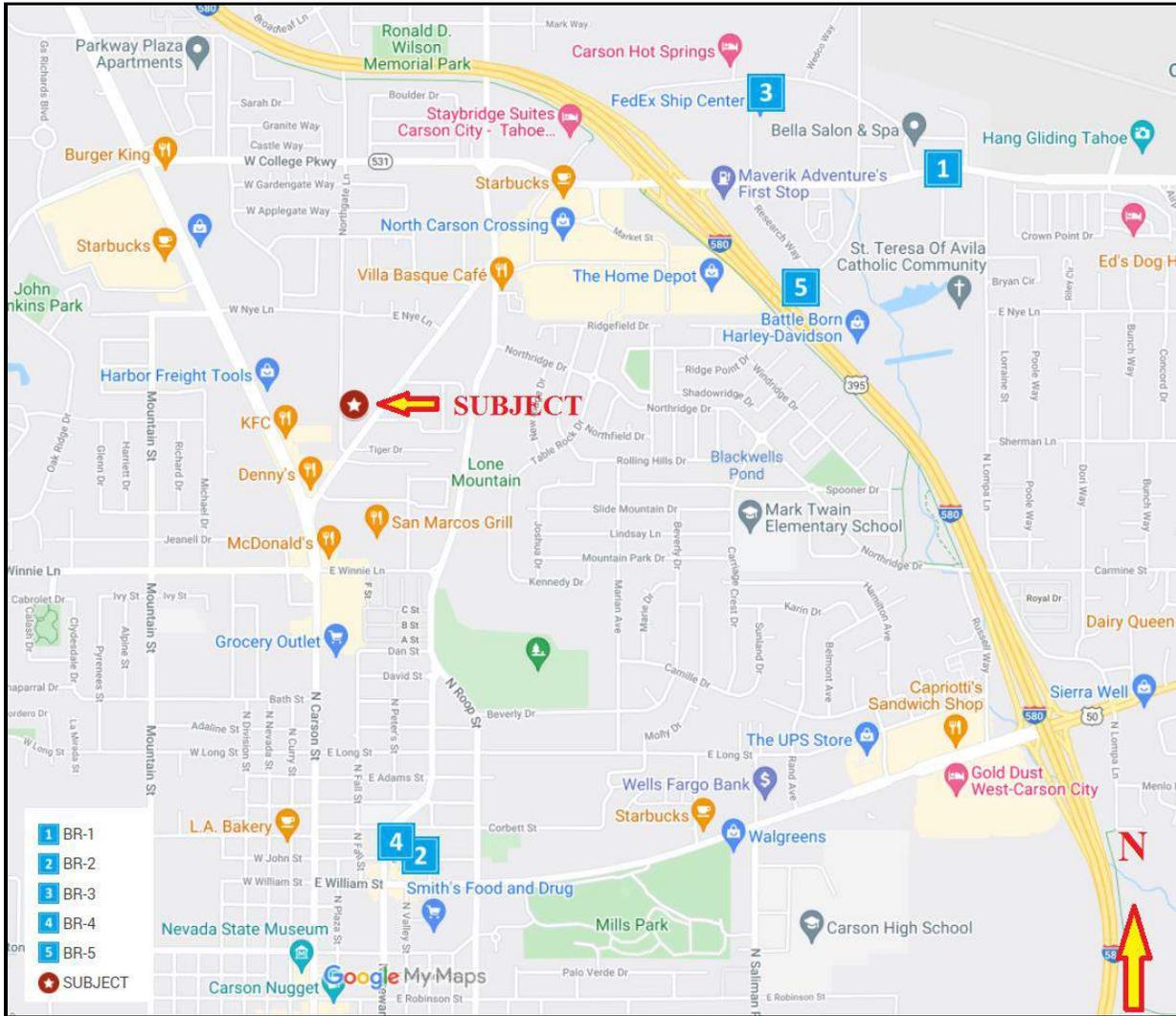


COMPARABLE OFFICE BUILDING RENTAL CHART

Rent Number	APN Address	Year Built Condition Construction	Gross Building Area Suite Sizes	Parking Land-to-Building Ratio	Expenses	Rent SF/Month
BR-1	008-922-16 3476 Executive Pointe Way Carson City, NV	1999 Above Average Masonry	9,778 SF Varies Typical Lease Term 2 to 5 Years	On-Site Parking Corner Site 3.21:1	Modified Gross	Average \$1.32 Asking \$1.45
BR-2	002-142-08 502 E. John Street Carson City, NV	1975 Average Masonry	5,000 SF 665± SF to 1,477± SF	On-Site Parking Frontage on E. John St. & Corbett St. 3.71:1	Full Service	Actual \$1.02 - \$1.12
BR-3	008-124-07 1535 Old Hot Springs Road Carson City, NV	1984 Fair Concrete Block	17,520 SF Available Space 1,667± SF to 6,988± SF	Limited On-Site Parking Corner Site 3.06:1	Full Service	Asking \$1.15
BR-4	002-142-10 & 23 Stewart Plaza 1201 N. Stewart Street Carson City, NV	1973 Average Masonry	8,522 SF Varies	On-Site Parking Corner Site 3.15:1	Full Service	Asking \$1.25
BR-5	008-922-05 3094 Research Way Carson City, NV	1994 Average Concrete Panels	11,536 SF Leased Space 2,100 SF 5 year lease 3% Annual Increases	On-Site Parking Interior Site 2.15:1	Modified Gross	Actual \$0.90
Subject Property	002-062-05 Office Building 2621 Northgate Lane Carson City, NV	1976 Fair to Average Slumpstone Block	15,841 SF (Divisible)	On-Site Surface Parking Interior Site 3.11:1	Modified Gross	- - -



COMPARABLE BUILDING RENTAL MAP





**COMPARABLE BUILDING RENTAL PHOTOGRAPHS
RENTAL BR-1**



3476 Executive Pointe Way, Carson City

RENTAL BR-2



502 East John Street, Carson City



**COMPARABLE BUILDING RENTAL PHOTOGRAPHS
RENTAL BR-3**



1535 Old Hot Springs Road, Carson City

RENTAL BR-4



1201 N. Stewart Street, Carson City



**COMPARABLE BUILDING RENTAL PHOTOGRAPHS
RENTAL BR-5**



3094 Research Way, Carson City



COMPARABLE BUILDING RENTAL DISCUSSION AND CORRELATION

The comparable rentals utilized in this analysis are office buildings located within the Carson City area. The comparables indicate rental rates ranging between \$0.90 per square foot per month and \$1.45 per square foot per month. The comparables involve either full service or modified gross lease terms. For the purposes of this analysis, the market rental projection for the subject property will be based upon modified gross lease terms.

Rental BR-1 is a multi-tenant office building located at 3476 Executive Pointe Way in the Executive Pointe Business Centre. This comparable is situated at the southwest corner of College Parkway and Executive Pointe Way. College Parkway is an arterial roadway. This office building is of masonry construction and was built in 1999. According to the listing broker, Ms. Theresa Preston of Coldwell Banker Select, the building has a new roof and the exterior was repainted in 2020. The improvements are in above average condition. The average rental rate in this office project is \$1.32 per square foot per month. Typical lease terms are two to five years on a modified gross basis. Tenants in this project include Nevada Health Foundation, Manhard Engineering, Arizona Pipeline and Stewart Vacation Ownership. A 1,060± square foot unit is available at an asking rent of \$1.45 per square foot per month on modified gross lease terms.

In comparison to the subject, this comparable is superior in regard to its location. This comparable is newer in age than the subject and in superior condition, requiring downward adjustments. As noted above, this comparable has a new roof and the exterior was repainted in 2020. This comparable is given downward adjustments due to its corner situs and frontage on an arterial roadway. Overall, this comparable, at \$1.32 per square foot per month and an asking rent of \$1.45 per square foot per month is considered to be a very high indicator of an appropriate market rent for the subject.

Rental BR-2 is a multi-tenant office building located at 502 East John Street. This comparable is situated between East John Street and Corbett Street, approximately one block north of East William Street. This office building is of masonry construction and was built in 1975. The improvements are in average condition and offer fair to average curb appeal. Tenants in this building include Trans-Action Realty 500, Dr. Diaz, Psychologist Clinic, and the Carson City Democratic Headquarters. The rental rates are reported at \$1.02 to \$1.12 per square foot per month, on full service lease terms.

In comparison to the subject, this comparable is given a downward adjustment due to its



frontage on two streets. Downward adjustments are made due to this comparable's superior condition and full-service lease terms. On the other hand, this comparable is considered inferior to the subject in regard to curb appeal requiring an upward adjustment. This comparable is similar to the subject in regard to age and is considered to have a competitive location as compared to the subject. Overall, this comparable, at \$1.02 to \$1.12 per square foot per month, is considered to be a slightly low to reasonable indicator of an appropriate market rent for the subject.

Rental BR-3 is located at 1535 Old Hot Springs Road in the airport submarket of Carson City. This comparable is situated at the northeast corner of Old Hot Springs Road, an arterial roadway, and Research Way. This multi-tenant office is of concrete block construction and was built in 1984. The improvements are in average condition and offer fair to average curb appeal. According to the listing broker, Mr. Samuel Douglass of John Uhart Commercial Real Estate, this property offers limited parking and the interior of the office space is in fair condition. There are currently three suites available for lease ranging in size from 1,667 to 6,988 square feet and there are common area restrooms. The asking rent is \$1.15 per square foot per month, on full service lease terms.

In comparison to the subject, this comparable is given downward adjustments due to its corner situs and frontage on an arterial roadway. A downward adjustment is made due to this comparable's full service lease terms. On the other hand, this comparable is considered inferior to the subject in regard to condition, as this office space is reported to be in fair condition, and offers limited parking, requiring upward adjustments. This comparable is similar to the subject in regard to age and is considered to have a competitive location as compared to the subject. Overall, this comparable, at \$1.15 per square foot per month, is considered to be a reasonable indicator of an appropriate market rent for the subject.

Rental BR-4 is the Stewart Plaza located at 1201 North Stewart Street, between East John Street and Corbett Street, with additional frontage on Johnson Street. This property is situated approximately one block north of East William Street. North Stewart Street is an arterial roadway. This comparable is improved with a multi-tenant office which is of masonry construction and was built in 1973. The building offers average curb appeal and is in average condition. There is a 2,307± square foot unit available for lease at an asking rent of \$1.25 per square foot per month on full service lease terms. In discussions with the listing broker, Mr. Michael Keating of Logic Commercial, it was indicated that a 1,040± square foot unit was leased



in February of 2021 at close to the \$1.25 per square foot asking rent.

In comparison to the subject, this comparable is given downward adjustments due to its corner situs and frontage on an arterial roadway. A downward adjustment is made due to this comparable's superior condition. A downward adjustment is made due to this comparable's full service lease terms. This comparable is similar to the subject in regard to age and is considered to have a competitive location as compared to the subject. Overall, this comparable, at \$1.25 per square foot per month, is considered to be a high indicator of an appropriate market rent for the subject.

Rental BR-5 is located at 3094 Research Way. This comparable is situated between Research Way and U.S. Highway 395, at the west terminus of Goni Road. This comparable is a multi-tenant office building which is of concrete construction that was built in 1994. The building is in average condition. According to the listing broker, Mr. Bruce Robertson, of NAI Alliance, this 2,100± suite includes three private offices, two restrooms, a kitchen and warehouse storage with a roll-up door. It was indicated that this unit was leased in June of 2021 for \$0.90 per square foot per month. This lease involves modified gross terms for a five year lease term and includes 3% annual rent increases.

In comparison to the subject, this comparable is superior in regard to its location, newer age and superior condition, requiring downward adjustments. On the other hand, this comparable requires an upward adjustment due its much lower land-to-building ratio. An upward adjustment is made as a portion of the comparable unit involves unfinished warehouse space. Overall, this comparable, at \$0.90 per square foot per month is considered to be a low indicator of an appropriate market rent for the subject.

In summary, the lease rates indicated by comparable Rentals BR-1 and BR-4, at \$1.25 to \$1.45 per square foot are considered to be high to very high indicators of the Market Rent for the subject. Rental BR-2, at \$1.02 to \$1.12 per square foot per month, was considered to be a slightly low to reasonable indicator of an appropriate market rent for the subject. Rental BR-5, at \$0.90 per square foot per month was considered to be a low indicator. Rental BR-5, at \$1.15 per square foot per month, was considered to be a reasonable indicator of an appropriate market rent for the subject.

The analysis as set forth above would indicate an appropriate rental rate for the subject to



be \$1.15 per square foot per month, on modified gross lease terms.

Based upon the comparable rental data, as well as the subject's location, type of construction, older age, fair to average condition, and its other physical characteristics, we have projected a Market Rental rate of \$1.15 per square foot per month on modified gross lease terms.

Projected Potential Gross Rental Income

	Rental Per SF			
	Building Square Feet	Per Month	Monthly Rent	Annual Rent
Rental Income	15,841	\$1.15	\$18,217.15	\$218,606



VACANCY AND CREDIT LOSS ANALYSIS

The gross annual income projected in the preceding section reflects 100% of the income producing capabilities of the subject property. As it is unlikely that the subject property will generate 100% of its scheduled gross income over a typical holding period, a vacancy and credit loss must be forecast. In order to establish an estimate of an appropriate vacancy and credit loss applicable to the subject property, consideration is given our projected rent for the subject, as well as its location, and overall desirability. Consideration is also given to the demand for similar office properties in the Carson City area. We have reviewed the *Carson City Vacancy Study for 2021* as presented by NAI Alliance Carson City. NAI Alliance reports the following vacancy rates for the Carson City office market.





Based upon a review of the available data, and with consideration given to the analysis as set forth above, it is our opinion that an appropriate vacancy and credit loss applicable to the subject's projected gross annual income is 10.00%.

Total Potential Gross Annual Income		\$218,606
Less Vacancy & Credit Loss	-10.00%	(\$21,861)
Projected Effective Gross Annual Income		\$196,745



OPERATING EXPENSE ANALYSIS

The next step in the Income Approach to Value is to estimate the operating expenses required to generate the effective gross income. The market rental rate for the subject building has been projected based upon modified gross terms, in which the landlord is responsible for the cost of real property taxes, insurance and maintenance and repairs, including roof, exterior walls, and structural foundations. The landlord would also be responsible for miscellaneous expenses such as professional fees including legal and accounting services and other miscellaneous items. The tenant would be responsible for the cost of utilities, janitorial services and interior maintenance.

The subject is currently leased to a number of nonprofit organizations at below market levels. Additionally, as the subject is under the ownership of Carson City, it is exempt from real estate taxes. Overall, nominal income and expense data for the subject was available for review. Therefore, we have reviewed operating expenses reported for other office projects in the subject’s market area.

Comparable Commercial Properties Expense Data

Project ID	Office Project 727 Fairview Dr.	Medical Office 1475 Medical Pkwy	Office/Retail Project 1007 S. Carson St.	Office 5605 Riggins Ct.	Office 3479 Executive Pt.	Office Project 1677 Old Hot Springs Rd.
Project Location	Carson City, NV	Carson City, NV	Carson City, NV	Reno, NC	Carson City, NV	Carson City, NV
Project Type	Multi-Tenant Office	Single-Tenant Office	Multi-Tenant Office/Retail	Multi-Tenant Office/Medical	Multi-Tenant Office	Multi-Tenant Office
Expense Year	2015	2016	2016	2020	2020	2021
Total Expenses	\$107,526	\$118,434	\$90,341	\$88,240	\$36,483	\$84,082
Gross Building Area	23,048± SF	19,204± SF	23,350± SF	14,040	9,778± SF	12,502± AF
Expenses/SF/Year (GBA)	\$4.67	\$6.17	\$3.87	\$6.28	\$3.73	\$6.72
Expense %	37.93%	27.78%	28.68%	32.35%	23.50%	38.83%



The operating expenses for office properties similar to the subject are in the range of 23.50% and 38.83% of the effective gross income. Given the older age and fair to average condition of the subject property and the projected modified gross lease terms, for the purposes of this analysis, the subject's operating expenses are estimated to be 35% of the effective gross income. The following summarizes the projected Net Operating Income for the subject.

Net Operating Income Projection

EFFECTIVE GROSS ANNUAL INCOME		\$196,745
TOTAL OPERATING EXPENSES	-35.00%	(\$68,861)
NET OPERATING INCOME		\$127,884



OVERALL CAPITALIZATION RATE ANALYSIS

The next step in the Income Approach is to establish an estimate of an appropriate overall capitalization rate (OAR) for the subject property. Capitalization is the process in the Income Approach that translates an income projection into an indication of value. The connecting link is a rate that reflects the return necessary to attract investment capital. The overall capitalization rates of comparable sale properties within the local regional market are set forth below:

Summary of Overall Capitalization Rates

OFFICE BUILDING SALES CAPITALIZATION RATES					
Address	Property Type	City	State	Sale Date	Cap Rate
1340 Financial Boulevard	Professional Office	Reno	NV	1/30/2020	7.21%
5400 Equity	Professional Office	Reno	NV	2/28/2020	5.60%
3710 Grant Drive	Professional Office	Reno	NV	2/28/2020	6.16%
790 Sandhill Road	Professional Office	Reno	NV	5/15/2020	7.20%
502 E. John Street	Office Property	Carson City	NV	Expired Listing - 2020	7.24%*
3476 Executive Pointe	Professional Office	Carson City	NV	11/5/2020	5.28%
Mill International 3100 Mill Street	Professional Office	Reno	NV	11/18/2020	8.00%
295 Holcomb Avenue	Professional Office	Reno	NV	5/11/2021	5.40%
800 East College Parkway	Office Property	Carson City	NV	Pending Sale - 9/23/2021	5.30%
1677 Old Hot Springs Road	Office Property	Carson City	NV	Pending Sale - 9/23/2021	6.00%

*Per Broker's Proforma

The comparable sales illustrate a range of overall capitalization rates of between 5.28% and 8.00%. It is noted that the highest overall capitalization rate is indicated by the November 2020 sale of the Mill International office building located in Reno. This property was in only fair condition at the time of sale and is considered to be a high indicator of an appropriated overall capitalization rate for the subject. The remaining sales indicate a range of overall capitalization rates of between 5.28% and 7.24%.

Conclusion

In estimating an appropriate overall capitalization rate applicable to the subject property, consideration is given to its location, its older age, average quality, and fair to average condition. Based upon a review of the available data, and with consideration given to the analysis as set forth above, we have projected an overall capitalization rate of 7.00%.

OVERALL CAPITALIZATION RATE (OAR) CONCLUSION

7.00%



DIRECT CAPITALIZATION SUMMARY & VALUE INDICATION

	Building Square Feet	Rental Per SF Per Month	Monthly Rent	Annualized Rent
Rental Income	15,841	\$1.15	\$18,217.15	\$218,606
Projected Potential Gross Annual Income				\$218,606
Less Vacancy & Credit Loss		-10.00%		(\$21,861)
Projected Effective Gross Annual Income				\$196,745
Less Operating Expenses		-35.00%		(\$68,861)
Net Operating Income				\$127,884
Overall Capitalization Rate				7.00%
Indicated Value - Prior to Rounding				\$1,826,914

INDICATED VALUE BY THE INCOME APPROACH (RD)

\$1,825,000



SALES COMPARISON APPROACH TO VALUE

To arrive at an indication of the Market Value of the subject by the Sales Comparison Approach, the Official Records of Carson City were searched for recent sales of similar properties. Due to limited comparable sales within the Carson City area we expanded our search to the Reno area, which is located approximately 30 miles north of Carson City. Additionally, properties listed for sale that are comparable to the subject have been analyzed. Set out on the following page are the building sales considered to be most indicative of the market value of the subject property. The comparable sales will be compared to the subject on a sale price per square foot of gross building area basis.

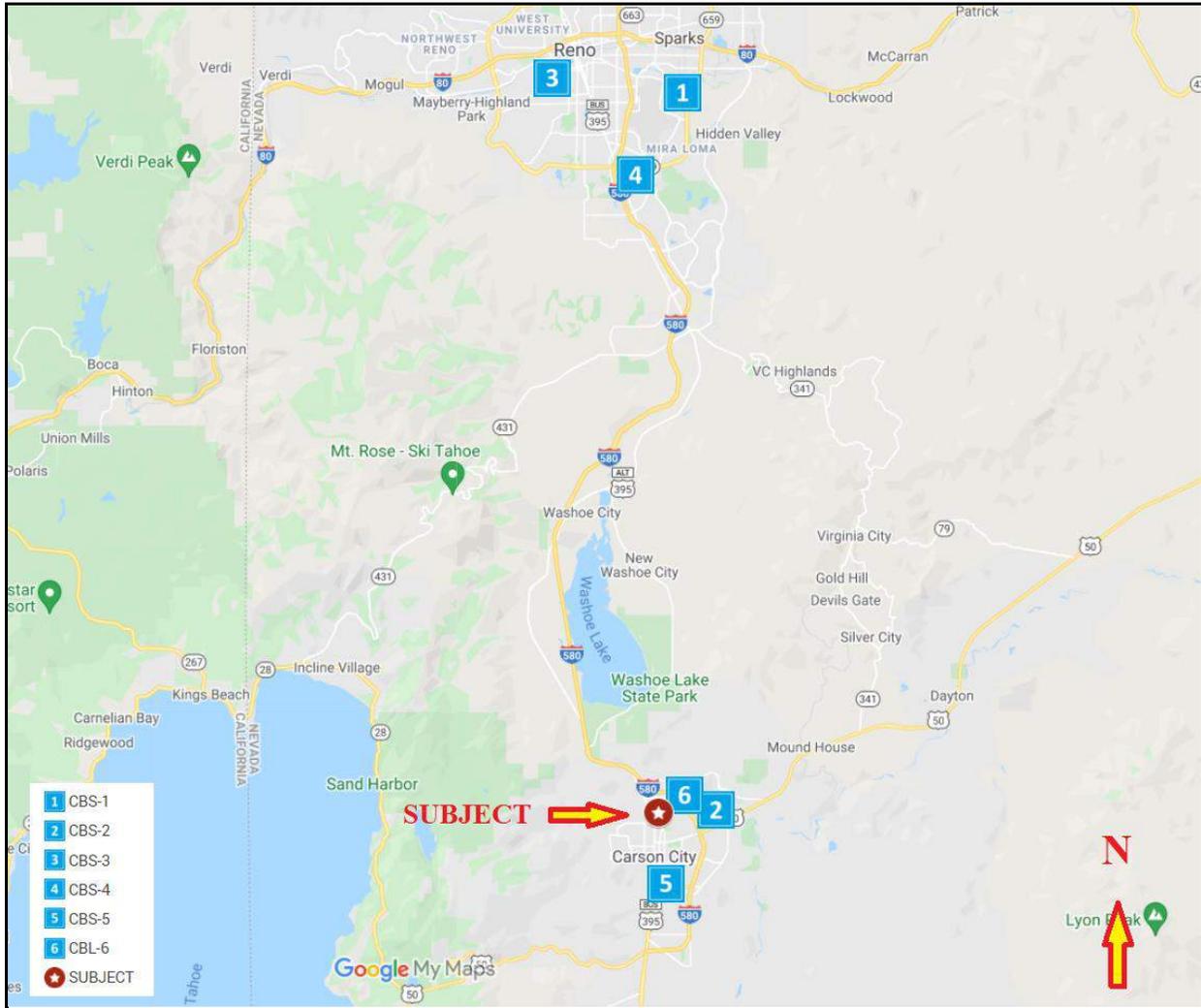


COMPARABLE OFFICE BUILDING SALES CHART

Sale Number	A.P.N. Project Name Location	Recording Date Sale Price	Age Condition Construction	Gross Building Area Building Type	Land Area Land-to-Building Ratio	Sale Price/SF
CBS-1	012-401-34 Dermody Business Park 1201 Corporate Blvd. Reno, Washoe County, NV	12/31/2019 \$2,100,000	1984 Average Concrete Block	20,000 SF Professional Office (Former Call Center)	94,525 SF 4.73:1	\$105.00
CBS-2	008-922-16 3476 Executive Pointe Way SWC Executive Pointe & College Pkwy Carson City, NV	11/5/2020 \$1,598,562	1999 Above Average Masonry	9,778 SF Office Building	31,363 SF 3.21:1 (Corner Parcel)	\$163.49
CBS-3	011-081-24 85 Keystone Avenue SWC Keystone Ave. & W. 1st St. Reno, Washoe County, NV	8/2/2021 \$1,270,000	1979 Renovated 2017 Average Wood/Concrete Block Stucco	10,058 SF Professional Office (2-Story Building) Parking Garage	20,300 SF 2.02:1 (Corner Parcel)	\$126.27
CBS-4	025-553-04 1610 Meadow Wood Lane SEC Meadow Wood Ln. & Riggins Ct. Reno, Washoe County, NV	Pending Sale 9/23/2021 \$1,300,000	1984 Fair Concrete/Glass	14,016 SF Professional Office (2-Story Building)	43,560 SF 4.73:1 (Corner Parcel)	\$92.75
CBS-5	009-551-31 Silver State Charter School 788 Fairview Lane Carson City, NV	Pending Sale 9/23/2021 \$2,250,000	1982 Renovated 2012 Average Concrete Block/Metal	27,940 SF Total Gross Building Area Office Building 24,940 SF Metal Warehouse Building 3,000 SF	102,105 SF 3.65:1	\$80.53
CBL-6	008-124-09 State of Nevada Office Building 1677 Old Hot Springs Road Carson City, NV	Listing 9/23/2021 \$2,200,000	1990 Remodeled 2020/2021 Average to Good Masonry	12,502 SF Office Building	42,689 SF 3.41:1	\$175.97 Asking Price
Subject Property	002-062-05 2621 Northgate Lane Carson City, NV	Date of Value 11/12/2021 - - -	1976 Fair to Average Slumpstone Block	15,841 SF Office Building	49,223 SF 3.11:1	- - -

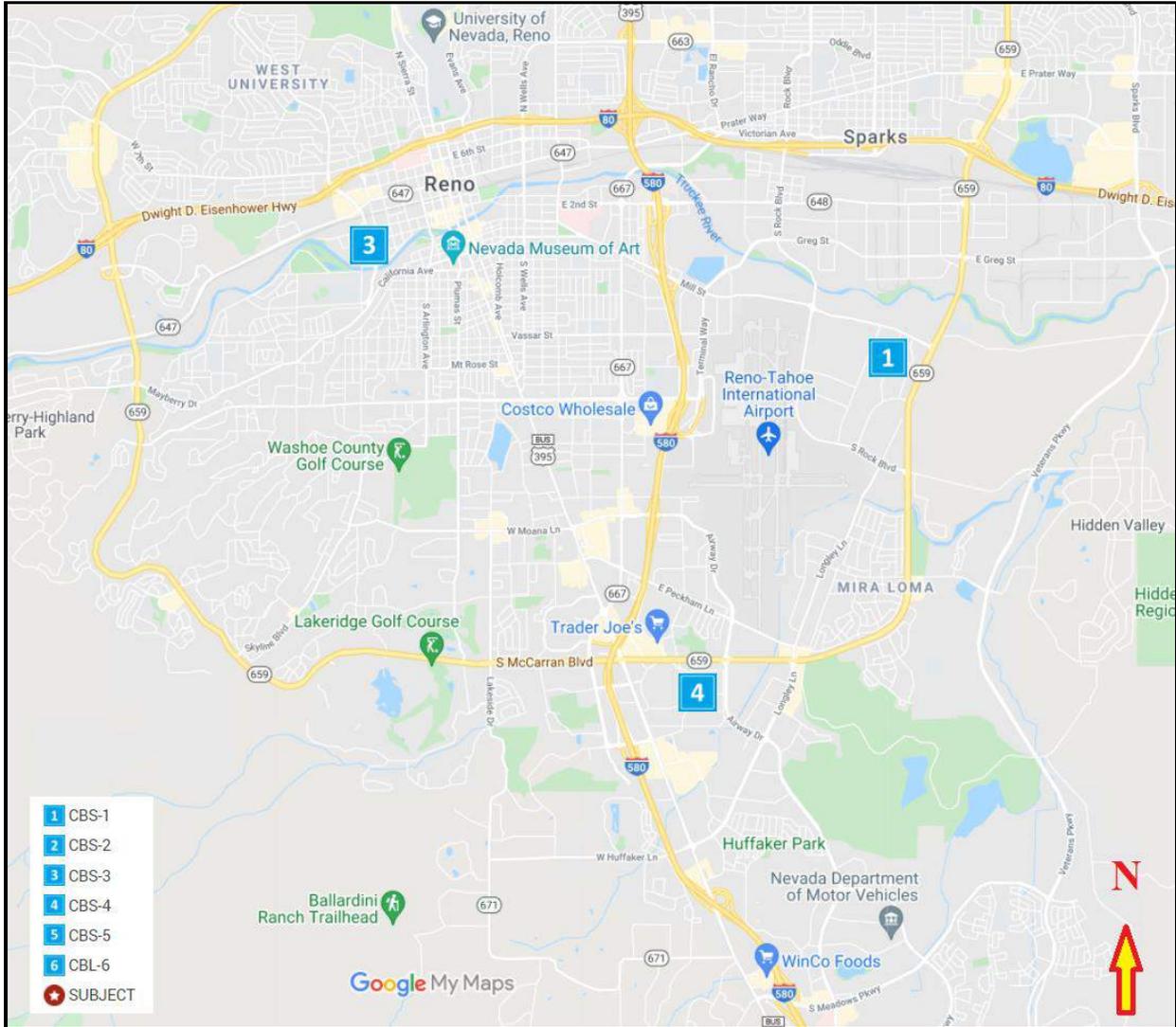


COMPARABLE BUILDING SALES MAP





COMPARABLE OFFICE BUILDING SALES MAP RENO AREA





**COMPARABLE BUILDING SALE PHOTO AND DISCUSSION
 SALE CBS-1**



Address	Recording Date	Sale Price	Building Area	Sale Price/SF
1201 Corporate Blvd. Reno, Nevada	12/31/2019	\$2,100,000	20,000 SF	\$105.00

Document No.	Grantor	Grantee	Terms of Sale
4987440	1802 North Carson Street, LLC	Ranch View, LLC	Cash to Seller

Sale CBS-1 is located in the Dermody Business Park at 1201 Corporate Boulevard in southeast Reno. This comparable is a 20,000± square foot multi-tenant office building. At the time of sale, tenants included Eden Health, Quality Health Care Corporation and a VA Outpatient Clinic. The improvements were constructed in 1984. The building is of concrete block construction and was in average condition at the time of sale. The sale property is situated on a 94,525± square foot parcel of land indicating a land-to-building ratio of 4.73:1.

Verification: Public Records, CoStar



**COMPARABLE BUILDING SALE PHOTO AND DISCUSSION
 SALE CBS-2**



Address	Recording Date	Sale Price	Building Area	Sale Price/SF
3476 Executive Pointe Way Carson City, Nevada	11/05/2020	\$1,598,562	9,778 SF	\$163.49

Document No.	Grantor	Grantee	Terms of Sale
512685	Bart Investments, LLC	Cathay Mortuary-(Wah Sang)	Cash

Sale CBS-2 is a multi-tenant office building located at 3476 Executive Pointe Way in the Executive Pointe Business Centre. This comparable is situated at the southwest corner of College Parkway and Executive Pointe Way. College Parkway is an arterial roadway. This office building is of masonry construction and was built in 1999. According to the listing broker, Ms. Theresa Preston of Coldwell Banker Select, the building had a new roof and reconditioned HVAC and the exterior was repainted in 2020, prior to the sale. The improvements were in above average condition. The sale property is situated on a 31,363± square foot parcel of land indicating a land-to-building ratio of 3.21:1.

Verification: MLS, Theresa Preston of Coldwell Banker Select and Public Records



**COMPARABLE BUILDING SALE PHOTO AND DISCUSSION
 SALE CBS-3**



Address	Recording Date	Sale Price	Building Area	Sale Price/SF
85 Keystone Avenue Reno, Nevada	8/02/2021	\$1,270,000	10,058 SF	\$126.27

Document No.	Grantor	Grantee	Terms of Sale
5210833	Silverhorn Properties, LLC	85 Keystone, LLC	Cash to Seller

Sale CBS-3 is a multi-tenant office building located at 85 Keystone Avenue in Reno. This comparable is situated at the southwest corner of Keystone Avenue and West 1st Street, which are arterial roadways. Additional access is provided to this property from a public alley along the west side of the site. This office building is of wood and concrete construction with stucco exterior finish. The building was built in 1999 and was reported to have been renovated in 2017. Parking to this property is provided by a parking garage as well as a parking lot on the west side of the building. The improvements were in average condition. The sale property is situated on a 20,300± square foot parcel of land indicating a land-to-building ratio of 2.02:1.

Verification: Adam Carlsen, Stark Accelerators Commercial Real Estate and Public Records



**COMPARABLE BUILDING SALE PHOTO AND DISCUSSION
 SALE CBS-4**



Address	Recording Date	Sale Price	Building Area	Sale Price/SF
1610 Meadow Wood Lane Reno, Nevada	Pending Sale 9/23/2021	\$1,300,000	14,016 SF	\$92.75

Document No.	Grantor	Grantee	Terms of Sale
N/A	Martin & Lameres, LLC	Confidential	Cash to Seller

Sale CBS-4 is a two-story professional office building located at 1610 Meadow Wood Lane in southeast Reno. This comparable is situated at the southeast corner of Meadow Wood Lane and Riggins Court. This office building is of concrete and glass construction. The building was built in 1984. According to the listing broker, Mr. Frank Gallagher of Gallagher Commercial, the building was in fair condition and was suffering from deferred maintenance. It was also indicated that the building was owner-occupied. The sale property is situated on a 43,560± square foot parcel of land indicating a land-to-building ratio of 4.73:1.

Verification: Mr. Frank Gallagher of Gallagher Commercial, Listing Brochure and Public Records



**COMPARABLE BUILDING SALE PHOTO AND DISCUSSION
 SALE CBS-5**



Address	Recording Date	Sale Price	Building Area	Sale Price/SF
788 Fairview Drive Carson City, NV	Pending Sale 9/23/2021	\$2,250,000	27,940 SF (89% Finished Space)	\$80.53

Document No.	Grantor	Grantee	Terms of Sale
N/A	Silver State Charter Schools	Confidential	Confidential

Sale CBS-5 is the Silver State Charter School property located at 788 Fairview Drive in southeast Carson City. This comparable includes a 24,940± square foot concrete block office/classroom building and a 3,000± square feet of metal warehouse building. The total gross building area is 27,940± square feet of which 89% is finished office space. The building improvements were built in 1982. According to the listing broker, Mr. Matt Grimes of CBRE, the office building was renovated in 2012 including earthquake retrofit. He further indicated that the property has a landscaped courtyard and roof mounted solar panels. The sale property is situated on a 102,105± square foot parcel of land indicating a land-to-building ratio of 3.65:1.

Verification: Mr. Matt Grimes of CBRE, Listing Brochure, and Public Records



COMPARABLE BUILDING LISTING PHOTO AND DISCUSSION LISTING CBL-6



Address	Sale Date	Asking Price	Building Area	Asking Price/SF
1677 Old Hot Springs Rd Carson City, NV	Current Listing 9/23/2021	\$2,200,000	12,502 SF	\$175.97

Document No.	Grantor	Grantee	Terms of Sale
N/A	C. R. & B. R. McGrath Trust	N/A	N/A

Listing CBL-6 is the office property located at 1677 Old Hot Springs Road in Carson City. This comparable is a 12,502± square foot masonry office building which is currently leased to the State of Nevada. The building improvements were built in 1990. According to the listing broker with Coldwell Banker Select, the interior of the building was renovated in 2020 and a new roof installed in 2021. The improvements are in average to good condition. The sale property is situated on a 42,689± square foot parcel of land indicating a land-to-building ratio of 3.41:1. The overall capitalization for this property is reported at 6.00%.

Verification: Coldwell Banker Select Listing Brochure and Public Records



SALES COMPARISON APPROACH SUMMARY AND CONCLUSION

In the Sales Comparison Approach, each of the sales will be compared to the subject property based upon a sale price per square foot of building area.

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 and physical characteristics.

Financing-Terms of Sale (Cash Equivalency)

All of the sales involved cash to seller terms, and therefore do not require adjustment for cash equivalency.

Conditions of Sale

Based upon a review of public records and/or interviews with the persons involved with the sales utilized in this report, no adjustments are necessary for special conditions of sale are required.

Market Conditions (Date of Sale)

We are estimating the market value of the subject property, as of a November 12, 2021 date of value. The sales range in date of recording between December 2019 and August 2021. We have also utilized two pending sales and a current listing. General market conditions in the Carson City market have improved over the past year, as a result, we have adjusted the 2019 and 2020 sales upward for date of sale. Sale CBS-3 occurred in August of 2021 and CBS-4 and CBS-5 are pending sales and no adjustment is required for market conditions. Comparable CBL-6 is given a downward adjustment for its listing status.

Condition of Building Improvements

The subject building was constructed in 1976 is considered to be in fair to average condition. The comparables range from fair to good condition. Downward adjustment will be made to those comparables that are superior to the subject in regard to condition, conversely, upward adjustments will be made to those comparables that are considered to be inferior to the subject in regard to condition.



Sales Adjustment Analysis

Sale CBS-1 is located in the Dermody Business Park at 1201 Corporate Boulevard in southeast Reno. In comparison to the subject, this comparable requires upward adjustment due to its older date of sale of December 2019. An upward adjustment is required due to the subject's much smaller building size. On the other hand, this comparable requires a downward adjustment due to its superior location in the Reno metropolitan area. A downward adjustment is made due to this comparable's higher land-to-building ratio. A higher land-to-building ratio indicates that the property includes more land for parking or landscape features. A minor downward adjustment is made due to this comparable's average condition. This comparable is considered to be similar to the subject in regard to age and type of construction.

Overall, this comparable, at \$105.00 per square foot, is considered to be a low indicator of value for the subject.

Sale CBS-2 is located at 3476 Executive Pointe Way in the Executive Pointe Business Centre. This comparable is situated at the southwest corner of College Parkway and Executive Pointe Way. According to the listing broker, the building had a new roof and the exterior was repainted in 2020, prior to the sale. The improvements were in above average condition. In comparison to the subject, this comparable requires upward adjustment due to its older date of sale. On the other hand, in comparison to the subject, this comparable is superior in regard to its location, newer age and superior condition, requiring downward adjustments. This comparable is given downward adjustments due to its smaller size, corner situs and frontage on an arterial roadway.

Overall, this comparable, at \$163.49 per square foot, is considered to be a very high indicator of an appropriate per unit value for the subject.

Sale CBS-3 is located at Keystone Avenue in Reno. This comparable is situated at the southwest corner of Keystone Avenue and West 1st Street, which are arterial roadways. In comparison to the subject, this comparable requires upward adjustment due to its much lower land-to-building ratio. A minor upward adjustment is made as this comparable is of a combination wood and concrete block construction whereas the subject is of slumpstone construction. On the other hand, this comparable requires downward adjustments due to its superior location and due to its corner situs on arterial roads. A downward adjustment is made for condition, as this comparable was renovated in 2017. Downward adjustments are made due



to this comparable's smaller size and as it includes a parking garage.

Overall, this comparable, at \$126.27 per square foot, is considered to be a high indicator of an appropriate per unit value for the subject.

Sale CBS-4 is located at 1610 Meadow Wood Lane in southeast Reno. This comparable is situated at the southeast corner of Meadow Wood Lane and Riggins Court. In comparison to the subject, this comparable requires upward adjustment due to its inferior curb appeal. According to the listing broker the building was in only fair condition and was suffering from deferred maintenance. Therefore, this comparable is given an upward adjustment for its inferior condition. On the other hand, this comparable requires downward adjustments due to its superior location and corner situs. This comparable is considered to be similar to the subject in regard to age, size and date of sale.

Overall, this comparable, at \$92.75 per square foot, is considered to be a low indicator of an appropriate per unit value for the subject.

Sale CBS-5 is the Silver State Charter School property located at 788 Fairview Lane in southeast Carson City. The total gross building area is 27,940± square feet of which 89% is finished office space. In comparison to the subject, this comparable requires a large upward adjustment due to its much larger size. An upward adjustment is made due to this comparable lower percentage of finished office space at 89%. As previously noted, this comparable includes a 24,940± square foot concrete block office/classroom building and a 3,000± square foot metal warehouse building. On the other hand, this comparable requires downward adjustments due to its superior location on Fairview Drive, an arterial roadway. A downward adjustment is made for condition, as this comparable was renovated in 2012 including earthquake retrofit. This comparable is considered to be similar to the subject in regard to land-to-building ratio and date of sale.

Overall, this comparable, at \$80.53 per square foot, is considered to be a very low indicator of an appropriate per unit value for the subject.

Listing CBL-6 is located at 1677 Old Hot Springs Road in Carson City. In comparison to the subject this comparable is superior in regard to its newer age and superior condition, requiring downward adjustments. As previously noted, this comparable was renovated in



2020/2021 and the improvements are in average to good condition. A downward adjustment is made due to this comparable's listing status. This comparable is similar to the subject in regards to location, type of construction and land-to-building ratio.

Overall, this comparable, at an asking price of \$175.97 per square foot, is considered to be an extremely high indicator of an appropriate per unit value for the subject.

In arriving at an indication of the per unit value applicable to the subject property, consideration is given to the subject's location on Northgate Lane in northeast Carson City, its older age, fair to average condition, type of construction and other physical characteristics. Consideration is also given to current market conditions and the comparable building sales and listing data.

Based upon a review of the available data, and with consideration given to the analysis as set forth above, it is our opinion that a square foot value range of \$110.00 to \$115.00 is applicable to the subject's gross building area. Applying the indicated per unit value to the subject's 15,841± square feet of gross building area results in an indicated value, as of November 12, 2021, of \$1,742,510 to \$1,821,715, which is correlated to \$1,785,000.

VALUE INDICATION BY THE SALES COMPARISON APPROACH

Value Addressed	Property Rights Appraised	Effective Date Of Value	Value Indication
Market Value	Fee Simple Interest	November 12, 2021	\$1,785,000



FINAL PROPERTY VALUE CONCLUSION

In this portion of the appraisal, the appraiser weighs the relative significance, applicability and defensibility of the indications of value derived from each of the approaches to value. The appraiser then places the most weight and reliance upon the method which, in his/her professional judgment, best approximates the value being sought in the appraisal.

In this appraisal, the value being addressed is the Market Value of the subject's fee simple interest. Market value is that value which most nearly represents what a typical, informed, rational purchaser would pay for the subject property, if it were available for sale on the open market, as of the date of appraisal, given all data analyzed in this report. In the preceding sections of this appraisal report, we utilized the Direct Capitalization Approach, and the Sales Comparison Approach to arrive at the Market Value of the subject property as of a current date of value. The following chart summarizes the indicated values.

MARKET VALUE SUMMARY

Market Value Addressed	Fee Simple Market Value
Effective Date of Value	November 12, 2021
Cost Approach to Value	Not Utilized
Income Approach to Value-Direct Capitalization	\$1,825,000
Sales Comparison Approach to Value	\$1,785,000

In the Income Approach to Value, the subject's potential gross annual income estimate was based upon an analysis and comparison of rental rates currently being generated by similar or competing properties. Furthermore, there were recent comparable building sales from which to derive overall capitalization rates. The indication of value by the Income Approach is considered to be a reliable indicator of the Market Value of the subject.

In the Sales Comparison Approach, a number of recent comparable building sales were analyzed utilizing a Price per Square Foot method of comparison. Overall, the Sales Comparison Approach analysis is considered to have resulted in a reasonable indication of value for the subject property. Typically, the Sales Comparison Approach to Value is one of the better indicators of value as it does reflect the actions of the buyers and sellers in the marketplace.

In the final analysis equal consideration is given to the Income Approach and the Sales



Comparison Approach. Based upon a careful review of all information available, it is our opinion that the Market Value of the subject property's fee simple interest, as of November 12, 2021, is:

FAIR MARKET VALUE CONCLUSION

Property Rights Appraised	Effective Date Of Value	Value Conclusion
Fee Simple Interest	November 12, 2021	\$1,800,000



EXPOSURE AND MARKETING TIME

Exposure time is defined as the length of time that would have been necessary to expose the property on the open market, in order to have consummated the sale at the effective date of valuation. This analysis assumes the property was marketed at the value conclusion contained in this report.

Marketing time, on the other hand, is the time necessary to consummate a sale of the subject property assuming that a marketing effort is begun as of the effective date of valuation and that the property is marketed at the final property value conclusion contained in this report.

In arriving at an estimate of an appropriate exposure and marketing time for the subject property, consideration is given the subject property's location as well as its physical characteristics.

In addition, consideration is given to the exposure and marketing times of comparable office buildings in the local market area, as well as with interviews with brokers and property managers familiar with similar properties. Based upon a review of the available data, it is our opinion that an appropriate exposure and marketing time for the subject property, assuming it is marketed at its final property value conclusion, would be approximately one year.

EXPOSURE & MARKETING TIME CONCLUSION

One Year



APPRAISERS' CERTIFICATION

Each of the undersigned does hereby certify that, unless otherwise noted in this appraisal report, that they do certify to the best of their belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- We have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- We have not performed services, as an appraiser regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.
- We have made a personal inspection of the property that is the subject of this report.
- Stephen Johnson did inspect the subject property and provided real property appraisal assistance to the person signing this certification.
- 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.

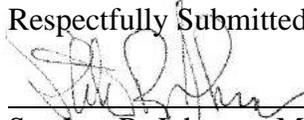


After careful consideration of all data available, and upon thorough personal investigation of the subject property and comparable properties analyzed, it is our opinion that the Market Value of the subject property's fee simple estate is as set out below:

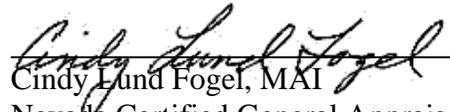
MARKET VALUE CONCLUSION

Property Description	Property Rights Appraised	Effective Date Of Value	Value Conclusion
2621 Northgate Lane, Carson City, Nevada	Fee Simple Interest	November 12, 2021	\$1,800,000

Respectfully Submitted,



Stephen R. Johnson, MAI, SREA
Nevada Certified General Appraiser
License Number A.0000003-CG



Cindy Lund Fogel, MAI
Nevada Certified General Appraiser
License Number A.0002312-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 & Associates, as employees, not as individuals. The liability of Johnson Perkins Griffin, LLC and its employees and associates is limited to the client only and to the fee actually received by the appraisal firm. There is no accountability, obligation, or liability to any third party. If the appraisal report is disseminated to anyone other than the client, the client shall make such party or parties aware of all limiting conditions and assumptions affecting the appraisal assignment. Neither the appraisers nor the appraisal firm is in any way to be responsible for any costs incurred to discover or correct any physical, financial and/or legal deficiencies of any type present in the subject property. In the case of limited partnerships or syndication offerings or stock offerings in real estate, the client agrees that in the event of a lawsuit brought by a lender, a partner or part owner in any form of ownership, a tenant or any other party, the client will hold the appraiser(s) and the appraisal firm completely harmless in such action with respect to any and all awards or settlements of any type in such lawsuits.

COPIES, PUBLICATION, DISTRIBUTION AND USE OF REPORT

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

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

CONFIDENTIALITY

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



INFORMATION SUPPLIED BY OTHERS

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

TESTIMONY, CONSULTATION, COMPLETION OF CONTRACT FOR APPRAISAL SERVICE

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

EXHIBITS AND PHYSICAL DESCRIPTIONS

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

TITLE, LEGAL DESCRIPTIONS, AND OTHER LEGAL MATTERS

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



ENGINEERING, STRUCTURAL, MECHANICAL, ARCHITECTURAL CONDITIONS

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

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

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

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

TOXIC MATERIALS AND HAZARDS

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



SOILS, SUB-SOILS, AND POTENTIAL HAZARDS

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

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

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

ARCHEOLOGICAL SIGNIFICANCE

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

LEGALITY OF USE

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

COMPONENT VALUES

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

COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT

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

AUXILIARY AND RELATED STUDIES

No environmental or impact studies, special market studies or analyses, special highest and best use



studies or feasibility studies have been requested or made by the appraiser(s) unless otherwise specified in an agreement for services and so stated in the appraisal report.

DOLLAR VALUES AND PURCHASING POWER

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

ROUNDING

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

QUANTITATIVE ANALYSIS

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

VALUE CHANGE, DYNAMIC MARKET, ALTERATION OF ESTIMATE BY APPRAISER

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

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

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



ECONOMIC AND SOCIAL TRENDS

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

EXCLUSIONS

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

SUBSURFACE RIGHTS

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

PROPOSED IMPROVEMENTS, CONDITIONED VALUE

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

MANAGEMENT OF PROPERTY

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

FEE

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

LEGAL EXPENSES

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



CHANGES AND MODIFICATIONS

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

DISSEMINATION OF MATERIAL

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

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



**QUALIFICATIONS OF APPRAISER
 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

Real Estate Broker – State of Nevada License #B.000312.LLC (Certified through 04/30/2022)	1971
Certified General Appraiser-State of Nevada License #A.0000003-CG (Certified through 04/30/2023)	1991
Certified General Appraiser-State of California License #AG007038 (Certified through 06/18/2023)	1992

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 - (Appointed by Governor Richard Bryan, January 1984 & 1988)	1984-1991
(Appointed by Governor Kenny C. Guinn, March 2000 & 2004)	2000-2008
Member Nevada Commission of Appraisers of Real Estate - (Appointed by Governor Bob Miller, August 7, 1989)	1989-1994
Commissioner, Nevada Commission of Appraisers of Real Estate (Appointed by Governor Jim Gibbons, 2009)	2009-2015
(Appointed by Governor Sandoval, 2012)	
President, Nevada Commission of Appraisers of Real Estate	2012-2015

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 -1	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
President, Johnson - Perkins & Associates	1994-2015
President, Johnson - Wright & Associates	1992-1994
President, Stephen R. Johnson & Associates	1976-1992
Alves Appraisal Associates	1972-1976
Alves-Kent Appraisal Associates	1970-1972

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
Majoring in Real Estate, from the University of
Nevada, Reno 1972

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 2019

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
CARSON CITY
DOUGLAS COUNTY
LINCOLN COUNTY
LYON COUNTY
MINERAL COUNTY
WASHOE 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. FISH AND WILDLIFE
U.S. FOREST SERVICE
FNMA – REGIONAL OFFICE
INTERNAL REVENUE SERVICE
FEDERAL TRADE COMMISSION
WASHOE COUNTY REGIONAL TRANSPORTATION
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 HWY AND TRANS. DEPART. COMMISSION
IDAHO TRANSPORTATION
COLONIAL BANK
PLUMAS BANK
SECURITY BANK OF NEVADA
LIBERTY BANK
FIRST INDEPENDENT BANK OF NEVADA
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 WESTERLY SAVINGS & LOAN
RJB DEVELOPMENT COMPANY
AMERICAN SAVINGS & LOAN
NEVADA SAVINGS & LOAN
DILORETO CONSTRUCTION & DEVELOPMENT
DERMODY PROPERTIES
TRAMMELL CROW COMPANY
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 DISTRICT
TAHOE DOUGLAS SEWER DISTRICT
GLENBROOK WATER COMPANY
TAHOE PARK WATER COMPANY
NORTH FOOTHILL APARTMENTS
MEADOWOOD APARTMENTS
WOODSIDE APARTMENTS
SIERRA WOODS APARTMENTS
AMESBURY PLACE APARTMENTS
SUNDANCE APARTMENTS
KEYSTONE SQUARE SHOPPING CENTER
FALLON FORD
JONES WEST FORD
RENO TOYOTA
RENO DODGE
POZZI MOTORS
CARSON CITY DATSUN-ACE-JEEP
LEMMON VALLEY LAND COMPANY
CONSOLIDATED FREIGHTWAYS
RIGSBY UNITED
SYSTEMS 99
EASTMAN KODAK
HALLMARK CARDS
OSCAR MEYER AND COMPANY
GENERAL ELECTRIC
CHEMETRO
CITY SERVICES MINERAL COMPANY
SUPERIOR OIL COMPANY
TRAVELERS INSURANCE
FARMERS INSURANCE COMPANY
FIRST AMERICAN TITLE COMPANY OF NEVADA
FIDELITY TITLE INSURANCE COMPANY
MERRILL LYNCH RELOCATION
YOUNG ELECTRIC SIGN COMPANY
THE TRUST FOR PUBLIC LANDS
SIERRA COUNTY 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
MGM 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 5/31/22) 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
 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
 Johnson - Wright & Associates 1992 - 1994
 Real Estate Appraiser
 Stephen R. Johnson & Associates 1990 - 1992
 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
 Advanced Applications 1993
 Report Writing and Valuation Analysis 1995
 Case Studies in Law and Ethics 1998
 Standards of Professional Practice, Part C 1998



**QUALIFICATIONS OF APPRAISER
CINDY LUND FOGEL**

Appraisal Education & Technical Training (Continued)

Advanced Income Capitalization	1999
Standards of Professional Practice, Part C	2000 & 2002
Appraisal Consulting: A Solutions Approach for Professionals	2002
Scope of Work Seminar	2003
The Road Less Traveled: Special Purpose Properties	2004
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
7-Hour National USPAP Update Course	2016
Eminent Domain & Condemnation	2016
Business Practices & Ethics	2016
7-Hour National USPAP Update Course	2018
Solving Land Valuation Puzzles	2018
2019 Northern Nevada Real Estate Overview	2019
7-Hour National USPAP Update Course	2020
Laws for Nevada Appraisers	2020
The Basics of Expert Witness for Commercial Appraisers	2020
Appraisal of Land Subject to Ground Leases	2020
Appraising Small Apartment Properties	2021

Appraisal Seminars

Appraising Airports and Airplane Hangars	2014
Online Data Verification Methods	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



**QUALIFICATIONS OF APPRAISER
CINDY LUND FOGEL**

Appraisal Seminars (Continued)

The Essentials, Current Issues & Misconceptions in Appraising	2007
Attacking & Defending an Appraisal in Litigation	2007
Analyzing Distressed Properties	2005
Appraisal Valuation Modeling	2004
Subdivision Valuation	2004

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

Types of Property Appraised

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

Representative Client List

Regional Transportation Commission
Truckee Meadows Water Authority
Reno-Tahoe Airport Authority
Carson City Airport Authority
Minden-Tahoe Airport Authority
University of Nevada, Reno
Washoe County School District
NV Energy
Carson City
Churchill County
State of Nevada Division of State Lands
V & T Railroad Commission
Washoe County Community Services
Alliance Trust Company
Thomas Hall, Attorney
Mark Wray, Attorney
Robison Sharp Sullivan Brust, Attorneys
City of Fallon, Nevada
Town of Truckee, California
Greater Nevada Credit Union
Nevada State Bank
Extensia Financial/Operating Engineers Federal Credit Union

ADDENDA



TITLE COMMITMENT

for

2621 Northgate Lane
Carson City, NV 89706

Escrow Number:
1321115

Escrow Officer

Branch Location:
Reno Office
5390 Kietzke Ln., Suite 101
Reno, NV 89511

Marketing Representative
House Account - BDO - Kietzke
(555) 555-5555

*If you have further questions regarding the color code, please contact your Marketing Representative.

TRANSACTION QUESTIONNAIRE

****HELP US HELP YOU TO A SMOOTH CLOSING****

IF ANY OF THE BELOW QUESTIONS ARE ANSWERED “YES”, OR IF YOU HAVE ANY QUESTIONS ABOUT THE BELOW INFORMATION, PLEASE CONTACT YOUR ESCROW OFFICER IMMEDIATELY

- Have any of the principals filed bankruptcy?
- Do any of the principals plan to use a Power of Attorney?
- Are any of the principals going through a divorce?
- Is anyone currently vested in title deceased and/or incapacitated?
- Do any of the principals NOT have a valid photo identification?
- Is there construction work in progress, recently completed or is there unfinished construction?
- Is there a manufactured or mobile home on the property?
- Are the sellers a non-resident alien or an out of the country seller?
- Will a new entity be formed? (i.e. Partnership, LLC, Corporation)
- Will any of the principals be participating in a 1031 Exchange?
- Are any of the principals unable to sign at a Stewart Title Company office? If so, an approved notary will be required

THANK YOU FOR CHOOSING STEWART TITLE COMPANY!



ALTA COMMITMENT FOR TITLE INSURANCE

ISSUED BY
STEWART TITLE GUARANTY COMPANY

NOTICE

IMPORTANT - READ CAREFULLY: THIS COMMITMENT IS AN OFFER TO ISSUE ONE OR MORE TITLE INSURANCE POLICIES. ALL CLAIMS OR REMEDIES SOUGHT AGAINST THE COMPANY INVOLVING THE CONTENT OF THIS COMMITMENT OR THE POLICY MUST BE BASED SOLELY IN CONTRACT.

THIS COMMITMENT IS NOT AN ABSTRACT OF TITLE, REPORT OF THE CONDITION OF TITLE, LEGAL OPINION, OPINION OF TITLE, OR OTHER REPRESENTATION OF THE STATUS OF TITLE. THE PROCEDURES USED BY THE COMPANY TO DETERMINE INSURABILITY OF THE TITLE, INCLUDING ANY SEARCH AND EXAMINATION, ARE PROPRIETARY TO THE COMPANY, WERE PERFORMED SOLELY FOR THE BENEFIT OF THE COMPANY, AND CREATE NO EXTRACTIONAL LIABILITY TO ANY PERSON, INCLUDING A PROPOSED INSURED.

THE COMPANY’S OBLIGATION UNDER THIS COMMITMENT IS TO ISSUE A POLICY TO A PROPOSED INSURED IDENTIFIED IN SCHEDULE A IN ACCORDANCE WITH THE TERMS AND PROVISIONS OF THIS COMMITMENT. THE COMPANY HAS NO LIABILITY OR OBLIGATION INVOLVING THE CONTENT OF THIS COMMITMENT TO ANY OTHER PERSON.

COMMITMENT TO ISSUE POLICY

Subject to the Notice; Schedule B, Part I - Requirements; Schedule B, Part II - Exceptions; and the Commitment Conditions, STEWART TITLE GUARANTY COMPANY, a Texas corporation (the “Company”), commits to issue the Policy according to the terms and provisions of this Commitment. This Commitment is effective as of the Commitment Date shown in Schedule A for each Policy described in Schedule A, only when the Company has entered in Schedule A both the specified dollar amount as the Proposed Policy Amount and the name of the Proposed Insured.

If all of the Schedule B, Part I - Requirements have not been met within six months after the Commitment Date, this Commitment terminates and the Company’s liability and obligation end.

Authorized Countersignature
Stewart Title Company
5390 Kietzke Ln., Suite 101
Reno, NV 89511



Frederick H. Eppinger
President and CEO

David Hisey
Secretary

This page is only a part of a 2016 ALTA® Commitment for Title Insurance. This Commitment is not valid without the Notice; the Commitment to Issue Policy; the Commitment Conditions; Schedule A; Schedule B, Part I - Requirements; and Schedule B, Part II - Exceptions; and a countersignature by the Company or its issuing agent that may be in electronic form.

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File No.: 1321115

ALTA Commitment For Title Insurance 8-1-16

Page 1 of 3



COMMITMENT CONDITIONS

1. DEFINITIONS

- (a) "Knowledge" or "Known": Actual or imputed knowledge, but not constructive notice imparted by the Public Records.
- (b) "Land": The land described in Schedule A and affixed improvements that by law constitute real property. The term "Land" does not include any property beyond the lines of the area described in Schedule A, nor any right, title, interest, estate, or easement in abutting streets, roads, avenues, alleys, lanes, ways, or waterways, but this does not modify or limit the extent that a right of access to and from the Land is to be insured by the Policy.
- (c) "Mortgage": A mortgage, deed of trust, or other security instrument, including one evidenced by electronic means authorized by law.
- (d) "Policy": Each contract of title insurance, in a form adopted by the American Land Title Association, issued or to be issued by the Company pursuant to this Commitment.
- (e) "Proposed Insured": Each person identified in Schedule A as the Proposed Insured of each Policy to be issued pursuant to this Commitment.
- (f) "Proposed Policy Amount": Each dollar amount specified in Schedule A as the Proposed Policy Amount of each Policy to be issued pursuant to this Commitment.
- (g) "Public Records": Records established under state statutes at the Commitment Date for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without Knowledge.
- (h) "Title": The estate or interest described in Schedule A.

2. If all of the Schedule B, Part I - Requirements have not been met within the time period specified in the Commitment to Issue Policy, this Commitment terminates and the Company's liability and obligation end.

3. The Company's liability and obligation is limited by and this Commitment is not valid without:

- (a) the Notice;
- (b) the Commitment to Issue Policy;
- (c) the Commitment Conditions;
- (d) Schedule A;
- (e) Schedule B, Part I - Requirements;
- (f) Schedule B, Part II - Exceptions; and
- (g) a countersignature by the Company or its issuing agent that may be in electronic form.

4. COMPANY'S RIGHT TO AMEND

The Company may amend this Commitment at any time. If the Company amends this Commitment to add a defect, lien, encumbrance, adverse claim, or other matter recorded in the Public Records prior to the Commitment Date, any liability of the Company is limited by Commitment Condition 5. The Company shall not be liable for any other amendment to this Commitment.

5. LIMITATIONS OF LIABILITY

- (a) The Company's liability under Commitment Condition 4 is limited to the Proposed Insured's actual expense incurred in the interval between the Company's delivery to the Proposed Insured of the Commitment and the delivery of the amended Commitment, resulting from the Proposed Insured's good faith reliance to:
 - (i) comply with the Schedule B, Part I - Requirements;
 - (ii) eliminate, with the Company's written consent, any Schedule B, Part II - Exceptions; or
 - (iii) acquire the Title or create the Mortgage covered by this Commitment.
- (b) The Company shall not be liable under Commitment Condition 5(a) if the Proposed Insured requested the amendment or had Knowledge of the matter and did not notify the Company about it in writing.
- (c) The Company will only have liability under Commitment Condition 4 if the Proposed Insured would not have incurred the expense had the Commitment included the added matter when the Commitment was first delivered to the Proposed Insured.

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File No.: 1321115

ALTA Commitment For Title Insurance 8-1-16

Page 2 of 3

AMERICAN
LAND TITLE
ASSOCIATION



- (d) The Company's liability shall not exceed the lesser of the Proposed Insured's actual expense incurred in good faith and described in Commitment Conditions 5(a)(i) through 5(a)(iii) or the Proposed Policy Amount.
- (e) The Company shall not be liable for the content of the Transaction Identification Data, if any.
- (f) In no event shall the Company be obligated to issue the Policy referred to in this Commitment unless all of the Schedule B, Part I - Requirements have been met to the satisfaction of the Company.
- (g) In any event, the Company's liability is limited by the terms and provisions of the Policy.

6. LIABILITY OF THE COMPANY MUST BE BASED ON THIS COMMITMENT

- (a) Only a Proposed Insured identified in Schedule A, and no other person, may make a claim under this Commitment.
- (b) Any claim must be based in contract and must be restricted solely to the terms and provisions of this Commitment.
- (c) Until the Policy is issued, this Commitment, as last revised, is the exclusive and entire agreement between the parties with respect to the subject matter of this Commitment and supersedes all prior commitment negotiations, representations, and proposals of any kind, whether written or oral, express or implied, relating to the subject matter of this Commitment.
- (d) The deletion or modification of any Schedule B, Part II - Exception does not constitute an agreement or obligation to provide coverage beyond the terms and provisions of this Commitment or the Policy.
- (e) Any amendment or endorsement to this Commitment must be in writing and authenticated by a person authorized by the Company.
- (f) When the Policy is issued, all liability and obligation under this Commitment will end and the Company's only liability will be under the Policy.

7. IF THIS COMMITMENT HAS BEEN ISSUED BY AN ISSUING AGENT

The issuing agent is the Company's agent only for the limited purpose of issuing title insurance commitments and policies. The issuing agent is not the Company's agent for the purpose of providing closing or settlement services.

8. PRO-FORMA POLICY

The Company may provide, at the request of a Proposed Insured, a pro-forma policy illustrating the coverage that the Company may provide. A pro-forma policy neither reflects the status of Title at the time that the pro-forma policy is delivered to a Proposed Insured, nor is it a commitment to insure.

9. ARBITRATION

The Policy contains an arbitration clause. All arbitrable matters when the Proposed Policy Amount is \$2,000,000 or less shall be arbitrated at the option of either the Company or the Proposed Insured as the exclusive remedy of the parties. A Proposed Insured may review a copy of the arbitration rules at <<http://www.alta.org/arbitration>>.

STEWART TITLE GUARANTY COMPANY

All notices required to be given the Company and any statement in writing required to be furnished the Company shall be addressed to it at P.O. Box 2029, Houston, Texas 77252-2029.

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ALTA Commitment For Title Insurance 8-1-16

Page 3 of 3

AMERICAN
LAND TITLE
ASSOCIATION



182

ALTA COMMITMENT FOR TITLE INSURANCE SCHEDULE A

ISSUED BY
STEWART TITLE GUARANTY COMPANY

Transaction Identification Data for reference only:

Issuing Agent: Stewart Title Company
Issuing Office: 5390 Kietzke Ln., Suite 101, Reno, NV 89511
Issuing Office's ALTA® Registry ID:
Loan ID Number:
Commitment Number: 1321115
Issuing Office File Number: 1321115
Property Address: 2621 Northgate Lane, Carson City, NV 89706
Revision Number:

Inquiries Should be Directed to:

, Escrow Officer
Fax:
Email:

1. **Commitment Date:** July 26, 2021 at 7:30AM

2. **Policy to be issued:** **Proposed Policy Amount**

(a) ALTA Owner's Standard
Proposed Insured:

(b) ALTA Loan
Proposed Insured:

3. **The estate or interest in the Land described or referred to in this Commitment is:**

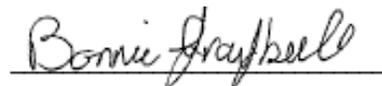
FEE

4. **The Title is, at the Commitment Date, vested in:**

Carson City, Nevada, a consolidated municipality

5. **The Land is described as follows:**

See Exhibit "A" Attached Hereto



Authorized Countersignature
Bonnie Graybill, Title Officer

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File No.: 1321115

ALTA Commitment For Title Insurance 8-1-16 (4-2-18)

Page 1 of 7

Initial Initial Initial Initial



**ALTA COMMITMENT FOR TITLE INSURANCE
EXHIBIT "A"
LEGAL DESCRIPTION**

ISSUED BY
STEWART TITLE GUARANTY COMPANY

File No.: 1321115

All that certain real property situate in Carson City, State of Nevada, described as follows:

That portion of the Northeast 1/4 of the Northwest 1/4 of Section 8, Township 15 North, Range 20 East, M.D.B. & M., in Carson City Nevada, described as follows:

Commencing at the North 1/4 corner of Section 8, Township 15 North, Range 20 East, M.D.B.&M., thence South 55°29'55" West, 1404.87 feet to the Northeast corner of the parcel and the True Point of Beginning; thence South 1°13' East, 287.80 feet; thence South 86°34' West, 173.50 feet; thence along Northgate Street, North 291.22 feet; thence North 87°38' East, 167.22 feet to the Point of Beginning.

Reference is hereby made to that certain Record of Survey Map No. 422 for Roger L. Shaheen, filed in the office of the County Recorder of Carson City, State of Nevada, on May 28, 1974 as File No. 36547, Official Records.

NOTE: The above metes and bounds description appeared previously in that certain Deed recorded in the office of the County Recorder of Carson City County, Nevada on August 30, 1982, Book 326, Page 514 as Document No. 13295 of Official Records.

APN: 002-062-05

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File No.: 1321115

ALTA Commitment For Title Insurance 8-1-16 (4-2-18)

Page 2 of 7

Initial Initial Initial Initial



ALTA COMMITMENT FOR TITLE INSURANCE SCHEDULE B PART I

ISSUED BY
STEWART TITLE GUARANTY COMPANY

File No.: 1321115

Requirements

All of the following Requirements must be met:

1. The Proposed Insured must notify the Company in writing of the name of any party not referred to in this Commitment who will obtain an interest in the Land or who will make a loan on the Land. The Company may then make additional Requirements or Exceptions.
2. Pay the agreed amount for the estate or interest to be insured.
3. Pay the premiums, fees, and charges for the Policy to the Company.
4. Documents satisfactory to the Company that convey the Title or create the Mortgage to be insured, or both, must be properly authorized, executed, delivered, and recorded in the Public Records.
5. Show that restrictions or restrictive covenants have not been violated.
6. Furnish proof of payment of all bills for labor and material furnished or to be furnished in connection with improvements erected or to be erected.
7. Pay all taxes, charges, and assessments affecting the land that are due and payable.
8. After the review of all the required documents, the Company reserves the right to add additional items and/or make additional requirements prior to the issuances of any policy of title insurance.
9. Before issuing its policy of title insurance, this Company will require evidence, satisfactory to the Company that Carson City, Nevada, a consolidated municipality: (a) is validly formed on the date when documents in this transaction are to be signed; (b) is in good standing and authorized to do business in the state or country where the entity was formed; and (c) an original or certified copy of the resolution authorizing the subject transaction.

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ALTA Commitment For Title Insurance 8-1-16 (4-2-18)

Page 3 of 7

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ALTA COMMITMENT FOR TITLE INSURANCE SCHEDULE B PART II

ISSUED BY
STEWART TITLE GUARANTY COMPANY

Exceptions

File No.: 1321115

THIS COMMITMENT DOES NOT REPUBLISH ANY COVENANT, CONDITION, RESTRICTION, OR LIMITATION CONTAINED IN ANY DOCUMENT REFERRED TO IN THIS COMMITMENT TO THE EXTENT THAT THE SPECIFIC COVENANT, CONDITION, RESTRICTION, OR LIMITATION VIOLATES STATE OR FEDERAL LAW BASED ON RACE, COLOR, RELIGION, SEX, SEXUAL ORIENTATION, GENDER IDENTITY, HANDICAP, FAMILIAL STATUS, OR NATIONAL ORIGIN.

The Policy will not insure against loss or damage resulting from the terms and provisions of any lease or easement identified in Schedule A, and will include the following Exceptions unless cleared to the satisfaction of the Company:

1. Any defect, lien, encumbrance, adverse claim, or other matter that appears for the first time in the Public Records or is created, attaches, or is disclosed between the Commitment Date and the date on which all of the Schedule B, Part I - Requirements are met.
2. Any facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. Any lien or right to a lien for services, labor, equipment or material not shown by the Public Records.

Exceptions 2-5 will be omitted on extended coverage policies.

6. Taxes or assessments which are not now payable or which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records, proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
7. (a) unpatented mining claims, (b) reservations or exceptions in patents or in acts authorizing the issuance thereof; (c) water rights, claims or title to water; whether or not the matters excepted under (a), (b) or (c) are shown by the public records, (d) Indian tribal codes or regulations, Indian treaty or aboriginal rights, including easements or equitable servitudes.
8. Minerals of whatsoever kind, subsurface and surface substances, including but not limited to coal, lignite, oil, gas, uranium, clay, rock, sand and gravel in, on, under and that may be produced from the Land, together with all rights, privileges, and immunities relating thereto, whether or not appearing in the Public Records or listed in Schedule B. The Company makes no representation as

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File No.: 1321115

ALTA Commitment For Title Insurance 8-1-16 (4-2-18)

Page 4 of 7

Initial Initial Initial Initial



**ALTA COMMITMENT FOR TITLE INSURANCE
SCHEDULE B PART II**

ISSUED BY
STEWART TITLE GUARANTY COMPANY

to the present ownership of any such interests. There may be leases, grants, exceptions or reservations of interests that are not listed.

- 9. The lien, if any, of supplemental taxes, assessed pursuant to the provision of the Nevada Revised Statutes.
- 10. Any lien which may be levied by the Carson City Utilities Department by reason of said land lying within its boundaries.
- 11. Any liens that may be created for delinquent waste management charges pursuant to NRS 444.520.
- 12. Water rights, claims or title to water, whether or not recorded.
- 13. Rights of way for any existing roads, trails, canals, streams, ditches, drain ditches, pipe, pole or transmission lines traversing said premises.
- 14. Easement, and incidental purposes, granted to Roger L. Shaheen by document, recorded on August 31, 1978, in Book 238, Page 643 as Document No. 82095, Official Records of Carson City County, Nevada.
- 15. Asphalt Overlay Agreement executed by and between the parties named therein, subject to the terms, covenants and conditions therein provided, recorded on July 2, 1993, as Document No. 146203, Official Records of Carson City County, Nevada.
- 16. Ordinance No. 2002-23 executed by and between the parties named therein, subject to the terms, covenants and conditions therein provided, recorded on June 11, 2002, as Document No. 279302, Official Records of Carson City County, Nevada.
- 17. A Lease with certain terms, covenants, conditions and provisions set forth therein by Consolidated Municipality of Carson City, as Lessor; and Capital City Circles Initiative, a non-profit Nevada corporation, as Lessee, recorded on March 7, 2012, as Document No. 420109, Official Records of Carson City County, Nevada.

(MATTERS AFFECTING THE LEASEHOLD ARE NOT REFLECTED HEREIN.)

- 18. A Lease with certain terms, covenants, conditions and provisions set forth therein by Carson City, Nevada, a consolidated municipality and political subdivision of the State of Nevada, as Lessor; and Capital City C.I.R.C.L.E.S. Initiative, a non-profit Nevada corporation, as Lessee, recorded on August 15, 2016, as Document No. 467080, Official Records of Carson City County, Nevada.

An Agreement to amend or modify certain provisions of said lease, as set forth in the document, recorded on January 19, 2018, as Document No. 482151, Official Records of Carson City County, Nevada.

(MATTERS AFFECTING THE LEASEHOLD ARE NOT REFLECTED HEREIN.)

This page is only a part of a 2016 ALTA® Commitment for Title Insurance. This Commitment is not valid without the Notice; the Commitment to Issue Policy; the Commitment Conditions; Schedule A; Schedule B, Part I - Requirements; and Schedule B, Part II - Exceptions; and a countersignature by the Company or its issuing agent that may be in electronic form.

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ALTA Commitment For Title Insurance 8-1-16 (4-2-18)

Page 5 of 7



Initial Initial Initial Initial

**ALTA COMMITMENT FOR TITLE INSURANCE
SCHEDULE B PART II**

ISSUED BY
STEWART TITLE GUARANTY COMPANY

- 19. An unrecorded lease with certain terms, covenants, conditions, and provisions set forth therein, by Carson City, Nevada, a consolidated municipality and political subdivision of the State of Nevada, as Lessor, and Nevada Rural Counties RSVP Program, Inc., a non-profit corporation of the state of Nevada, as Lessee, disclosed by Lease Amendment, recorded on January 19, 2018, as Document No. 482152, Official Records of Carson City County, Nevada.

(MATTERS AFFECTING THE LEASEHOLD ARE NOT REFLECTED HEREIN.)

- 20. An unrecorded lease with certain terms, covenants, conditions, and provisions set forth therein, by Carson City, Nevada, a consolidated municipality and political subdivision of the State of Nevada, as Lessor, and Ron Wood Family Resource Center, a non-profit corporation of the state of Nevada, as Lessee, disclosed by Lease Amendment, recorded on January 19, 2018, as Document No. 482153, Official Records of Carson City County, Nevada.

(MATTERS AFFECTING THE LEASEHOLD ARE NOT REFLECTED HEREIN.)

- 21. Matters as disclosed on Record of Survey filed in the office of the County Recorder of Carson City County, State of Nevada on September 17, 2018, in Book 11, Page 2949 as Document No. 488548.

Survey Map No. 488548.

- 22. Matters as disclosed on Record of Survey filed in the office of the County Recorder of Carson City County, State of Nevada on March 22, 2019, in Book 11, Page 2960 as Document No. 493109.

Survey Map No. 493109.

- 23. Loss or damage arising from the failure to comply with the terms and conditions set forth in above leases.

- 24. Rights of parties in possession.

NOTE: This report is being issued for information purposes only, no liability assumed.

NOTE: Taxes for the fiscal year 2021-2022, are currently exemptl. (APN 002-062-05)

THE FOLLOWING NOTES ARE FOR INFORMATION PURPOSES ONLY:

Stewart Title Company RESERVES THE RIGHT TO AMEND THIS COMMITMENT/REPORT AT ANY TIME.

*****ATTENTION LENDERS*****

THE 100 ENDORSEMENT IS NO LONGER BEING OFFERED. THE REPLACEMENT ALTERNATIVE IS THE ALTA 9.10-06 AND IS NOW REFLECTED IN THE ALTA SUPPLEMENT IN THE COMMITMENT/REPORT.

This page is only a part of a 2016 ALTA® Commitment for Title Insurance. This Commitment is not valid without the Notice; the Commitment to Issue Policy; the Commitment Conditions; Schedule A; Schedule B, Part I - Requirements; and Schedule B, Part II - Exceptions; and a countersignature by the Company or its issuing agent that may be in electronic form.

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ALTA Commitment For Title Insurance 8-1-16 (4-2-18)

Page 6 of 7



Initial Initial Initial Initial

**ALTA COMMITMENT FOR TITLE INSURANCE
SCHEDULE B PART II**

ISSUED BY
STEWART TITLE GUARANTY COMPANY

NOTE: Any notes following the legal description (if any) referencing NRS 111.312 are required for recording purposes only and will not be insured in any policy of title insurance.

ALTA SUPPLEMENT: This commitment/report is preparatory to the issuance of a 2006 ALTA Extended Coverage Lenders Policy of Title Insurance. We have no knowledge of any fact which would preclude the issuance of said ALTA Policy with an ALTA 9.10-06 and a CLTA 116.01-06/ALTA 22-06 attached. The CLTA 116.01-06/ALTA 22-06 Endorsement will read as follows: There is located on said land Commercial Buildings, known as

NOTE: A search of the Official Records for the county referenced in the above order number, for the 24 months immediately preceding the date above discloses the following instruments purporting to convey the title to said land: none

NOTE: If any current work of improvements have been made on the herein described real property (within the last 90 days) and this Commitment/Report is issued in contemplation of a Policy of Title Insurance which affords mechanic lien priority coverage (i.e. ALTA POLICY); the following information must be supplied for review and approval prior to the closing and issuance of said Policy: (a) Copy of Indemnity Agreement; (b) Financial Statements; (c) Construction Loan Agreement; (d) If any current work of improvements have been made on the herein described real property Building Construction Contract between borrower and contractor; (e) Cost breakdown of construction; (f) Appraisal; (g) Copy of Voucher or Disbursement Control Statement (if project is complete).

NOTE: This commitment/report makes no representations as to water, water rights, minerals or mineral rights and no reliance can be made upon this commitment/report or a resulting title policy for such rights or ownership.

NOTE: Notwithstanding anything to the contrary in this commitment/report, if the policy to be issued is other than an ALTA Owner's Policy (6/17/06) or ALTA Loan Policy (6/17/06), the policy may not contain an arbitration clause, or the terms of the arbitration clause may be different from those set forth in this commitment/report. If the policy does contain an arbitration clause, and the Amount of Insurance is less than the amount, if any, set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties.

NOTE: The map, if any, attached hereto is subject to the following disclaimer:

Stewart Title Company does not represent this plat as a survey of the land indicated hereon, although believed to be correct, no liability is assumed as to the accuracy thereof.

This page is only a part of a 2016 ALTA® Commitment for Title Insurance. This Commitment is not valid without the Notice; the Commitment to Issue Policy; the Commitment Conditions; Schedule A; Schedule B, Part I - Requirements; and Schedule B, Part II - Exceptions; and a countersignature by the Company or its issuing agent that may be in electronic form.

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ALTA Commitment For Title Insurance 8-1-16 (4-2-18)

Page 7 of 7



Initial Initial Initial Initial

Stewart Title Guaranty Company Privacy Notice Stewart Title Companies

WHAT DO THE STEWART TITLE COMPANIES DO WITH YOUR PERSONAL INFORMATION?

Federal and applicable state law and regulations give consumers the right to limit some but not all sharing. Federal and applicable state law regulations also require us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand how we use your personal information. This privacy notice is distributed on behalf of the Stewart Title Guaranty Company and its title affiliates (the Stewart Title Companies), pursuant to Title V of the Gramm-Leach-Bliley Act (GLBA).

The types of personal information we collect and share depend on the product or service that you have sought through us. This information can include social security numbers and driver's license number.

All financial companies, such as the Stewart Title Companies, need to share customers' personal information to run their everyday business—to process transactions and maintain customer accounts. In the section below, we list the reasons that we can share customers' personal information; the reasons that we choose to share; and whether you can limit this sharing.

Reasons we can share your personal information.	Do we share	Can you limit this sharing?
For our everyday business purposes — to process your transactions and maintain your account. This may include running the business and managing customer accounts, such as processing transactions, mailing, and auditing services, and responding to court orders and legal investigations.	Yes	No
For our marketing purposes — to offer our products and services to you.	Yes	No
For joint marketing with other financial companies	No	We don't share
For our affiliates' everyday business purposes — information about your transactions and experiences. Affiliates are companies related by common ownership or control. They can be financial and non-financial companies. <i>Our affiliates may include companies with a Stewart name; financial companies, such as Stewart Title Company</i>	Yes	No
For our affiliates' everyday business purposes — information about your creditworthiness.	No	We don't share
For our affiliates to market to you — For your convenience, Stewart has developed a means for you to opt out from its affiliates marketing even though such mechanism is not legally required.	Yes	Yes, send your first and last name, the email address used in your transaction, your Stewart file number and the Stewart office location that is handling your transaction by email to optout@stewart.com or fax to 1-800-335-9591.
For non-affiliates to market to you. Non-affiliates are companies not related by common ownership or control. They can be financial and non-financial companies.	No	We don't share

We may disclose your personal information to our affiliates or to non-affiliates as permitted by law. If you request a transaction with a non-affiliate, such as a third party insurance company, we will disclose your personal information to that non-affiliate. [We do not control their subsequent use of information, and suggest you refer to their privacy notices.]

SHARING PRACTICES

How often do the Stewart Title Companies notify me about their practices?	We must notify you about our sharing practices when you request a transaction.
How do the Stewart Title Companies protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer, file, and building safeguards.
How do the Stewart Title Companies collect my personal information?	We collect your personal information, for example, when you request insurance-related services provide such information to us We also collect your personal information from others, such as the real estate agent or lender involved in your transaction, credit reporting agencies, affiliates or other companies.
What sharing can I limit?	Although federal and state law give you the right to limit sharing (e.g., opt out) in certain instances, we do not share your personal information in those instances.

Contact us: If you have any questions about this privacy notice, please contact us at: Stewart Title Guaranty Company, 1360 Post Oak Blvd., Ste. 100, Privacy Officer, Houston, Texas 77056

Privacy Notice for California Residents

Pursuant to the California Consumer Privacy Act of 2018 (“CCPA”), Stewart Information Services Corporation and its subsidiary companies (collectively, “Stewart”) are providing this **Privacy Notice for California Residents** (“CCPA Notice”). This CCPA Notice supplements the information contained in Stewart’s existing privacy notice and applies solely to all visitors, users and others who reside in the State of California or are considered California Residents (“consumers” or “you”). Terms used but not defined shall have the meaning ascribed to them in the CCPA.

Information Stewart Collects

Stewart collects information that identifies, relates to, describes, references, is capable of being associated with, or could reasonably be linked, directly or indirectly, with a particular consumer, household, or device. Most of the information that Stewart collects in the course of its regular business is already protected pursuant to the Gramm-Leach-Bliley Act (GLBA). Additionally, much of this information comes from government records or other information already in the public domain. Personal information under the CCPA does not include:

- Publicly available information from government records.
- Deidentified or aggregated consumer information.
- Certain personal information protected by other sector-specific federal or California laws, including but not limited to the Fair Credit Reporting Act (FCRA), GLBA and California Financial Information Privacy Act (FIPA).

Specifically, Stewart has collected the following categories of personal information from consumers within the last twelve (12) months:

Category	Examples	Collected?
A. Identifiers.	A real name, alias, postal address, unique personal identifier, online identifier, Internet Protocol address, email address, account name, Social Security number, driver's license number, passport number, or other similar identifiers.	YES
B. Personal information categories listed in the California Customer Records statute (Cal. Civ. Code § 1798.80(e)).	A name, signature, Social Security number, physical characteristics or description, address, telephone number, passport number, driver's license or state identification card number, insurance policy number, education, employment, employment history, bank account number, credit card number, debit card number, or any other financial information, medical information, or health insurance information. Some personal information included in this category may overlap with other categories.	YES
C. Protected classification characteristics under California or federal law.	Age (40 years or older), race, color, ancestry, national origin, citizenship, religion or creed, marital status, medical condition, physical or mental disability, sex (including gender, gender identity, gender expression, pregnancy or childbirth and related medical conditions), sexual orientation, veteran or military status, genetic information (including familial genetic information).	YES
D. Commercial information.	Records of personal property, products or services purchased, obtained, or considered, or other purchasing or consuming histories or tendencies.	YES
E. Biometric information.	Genetic, physiological, behavioral, and biological characteristics, or activity patterns used to extract a template or other identifier or identifying information, such as, fingerprints, faceprints, and voiceprints, iris or retina scans, keystroke, gait, or other physical patterns, and sleep, health, or exercise data.	YES
F. Internet or other similar network activity.	Browsing history, search history, information on a consumer's interaction with a website, application, or advertisement.	YES
G. Geolocation data.	Physical location or movements.	YES
H. Sensory data.	Audio, electronic, visual, thermal, olfactory, or similar information.	YES
I. Professional or employment-related information.	Current or past job history or performance evaluations.	YES
J. Non-public education information (per the Family Educational Rights and Privacy Act (20 U.S.C. Section 1232g, 34 C.F.R. Part 99)).	Education records directly related to a student maintained by an educational institution or party acting on its behalf, such as grades, transcripts, class lists, student schedules, student identification codes, student financial information, or student disciplinary records.	YES
K. Inferences drawn from other personal information.	Profile reflecting a person's preferences, characteristics, psychological trends, predispositions, behavior, attitudes, intelligence, abilities, and aptitudes.	YES

Stewart obtains the categories of personal information listed above from the following categories of sources:

- Directly and indirectly from customers, their designees or their agents (For example, realtors, lenders, attorneys, etc.)
- Directly and indirectly from activity on Stewart's website or other applications.
- From third-parties that interact with Stewart in connection with the services we provide.

Use of Personal Information

Stewart may use or disclose the personal information we collect for one or more of the following purposes:

- To fulfill or meet the reason for which the information is provided.
- To provide, support, personalize, and develop our website, products, and services.
- To create, maintain, customize, and secure your account with Stewart.
- To process your requests, purchases, transactions, and payments and prevent transactional fraud.
- To prevent and/or process claims.
- To assist third party vendors/service providers who complete transactions or perform services on Stewart's behalf.
- As necessary or appropriate to protect the rights, property or safety of Stewart, our customers or others.
- To provide you with support and to respond to your inquiries, including to investigate and address your concerns and monitor and improve our responses.
- To personalize your website experience and to deliver content and product and service offerings relevant to your interests, including targeted offers and ads through our website, third-party sites, and via email or text message (with your consent, where required by law).
- To help maintain the safety, security, and integrity of our website, products and services, databases and other technology assets, and business.
- To respond to law enforcement or regulator requests as required by applicable law, court order, or governmental regulations.
- Auditing for compliance with federal and state laws, rules and regulations.
- Performing services including maintaining or servicing accounts, providing customer service, processing or fulfilling orders and transactions, verifying customer information, processing payments, providing advertising or marketing services or other similar services.
- To evaluate or conduct a merger, divestiture, restructuring, reorganization, dissolution, or other sale or transfer of some or all of our assets, whether as a going concern or as part of bankruptcy, liquidation, or similar proceeding, in which personal information held by us is among the assets transferred.

Stewart will not collect additional categories of personal information or use the personal information we collected for materially different, unrelated, or incompatible purposes without providing you notice.

Disclosure of Personal Information to Affiliated Companies and Nonaffiliated Third Parties

Stewart does not sell your personal information to nonaffiliated third parties. Stewart may share your information with those you have designated as your agent in the course of your transaction (for example, a realtor or a lender). Stewart may disclose your personal information to a third party for a business purpose. Typically, when we disclose personal information for a business purpose, we enter a contract that describes the purpose and requires the recipient to both keep that personal information confidential and not use it for any purpose except performing the contract.

We share your personal information with the following categories of third parties:

- Service providers and vendors (For example, search companies, mobile notaries, and companies providing credit/debit card processing, billing, shipping, repair, customer service, auditing, marketing, etc.)
- Affiliated Companies
- Litigation parties and attorneys, as required by law.
- Financial rating organizations, rating bureaus and trade associations.
- Federal and State Regulators, law enforcement and other government entities

In the preceding twelve (12) months, Stewart has disclosed the following categories of personal information for a business purpose:

- Category A: Identifiers
- Category B: California Customer Records personal information categories
- Category C: Protected classification characteristics under California or federal law
- Category D: Commercial Information
- Category E: Biometric Information
- Category F: Internet or other similar network activity
- Category G: Geolocation data
- Category H: Sensory data
- Category I: Professional or employment-related information
- Category J: Non-public education information
- Category K: Inferences

Consumer Rights and Choices

The CCPA provides consumers (California residents) with specific rights regarding their personal information. This section describes your CCPA rights and explains how to exercise those rights.

Access to Specific Information and Data Portability Rights

You have the right to request that Stewart disclose certain information to you about our collection and use of your personal information over the past 12 months. Once we receive and confirm your verifiable consumer request, Stewart will disclose to you:

- The categories of personal information Stewart collected about you.
- The categories of sources for the personal information Stewart collected about you.
- Stewart's business or commercial purpose for collecting that personal information.
- The categories of third parties with whom Stewart shares that personal information.
- The specific pieces of personal information Stewart collected about you (also called a data portability request).
- If Stewart disclosed your personal data for a business purpose, a listing identifying the personal information categories that each category of recipient obtained.

Deletion Request Rights

You have the right to request that Stewart delete any of your personal information we collected from you and retained, subject to certain exceptions. Once we receive and confirm your verifiable consumer request, Stewart will delete (and direct our service providers to delete) your personal information from our records, unless an exception applies.

Stewart may deny your deletion request if retaining the information is necessary for us or our service providers to:

1. Complete the transaction for which we collected the personal information, provide a good or service that you requested, take actions reasonably anticipated within the context of our ongoing business relationship with you, or otherwise perform our contract with you.
2. Detect security incidents, protect against malicious, deceptive, fraudulent, or illegal activity, or prosecute those responsible for such activities.
3. Debug products to identify and repair errors that impair existing intended functionality.
4. Exercise free speech, ensure the right of another consumer to exercise their free speech rights, or exercise another right provided for by law.
5. Comply with the California Electronic Communications Privacy Act (Cal. Penal Code § 1546 *seq.*).
6. Engage in public or peer-reviewed scientific, historical, or statistical research in the public interest that adheres to all other applicable ethics and privacy laws, when the information's deletion may likely render impossible or seriously impair the research's achievement, if you previously provided informed consent.
7. Enable solely internal uses that are reasonably aligned with consumer expectations based on your relationship with us.
8. Comply with a legal obligation.
9. Make other internal and lawful uses of that information that are compatible with the context in which you provided it.

Exercising Access, Data Portability, and Deletion Rights

To exercise the access, data portability, and deletion rights described above, please submit a verifiable consumer request to us either:

- Calling us Toll Free at 1-866-571-9270
- Emailing us at Privacyrequest@stewart.com
- Visiting <http://stewart.com/ccpa>

Only you, or someone legally authorized to act on your behalf, may make a verifiable consumer request related to your personal information. You may also make a verifiable consumer request on behalf of your minor child.

To designate an authorized agent, please contact Stewart through one of the methods mentioned above.

You may only make a verifiable consumer request for access or data portability twice within a 12-month period. The verifiable consumer request must:

- Provide sufficient information that allows us to reasonably verify you are the person about whom we collected personal information or an authorized representative.
- Describe your request with sufficient detail that allows us to properly understand, evaluate, and respond to it.

Stewart cannot respond to your request or provide you with personal information if we cannot verify your identity or authority to make the request and confirm the personal information relates to you.

Making a verifiable consumer request does not require you to create an account with Stewart.

Response Timing and Format

We endeavor to respond to a verifiable consumer request within forty-five (45) days of its receipt. If we require more time (up to an additional 45 days), we will inform you of the reason and extension period in writing.

A written response will be delivered by mail or electronically, at your option.

Any disclosures we provide will only cover the 12-month period preceding the verifiable consumer request's receipt. The response we provide will also explain the reasons we cannot comply with a request, if applicable. For data portability requests, we will select a format to provide your personal information that is readily useable and should allow you to transmit the information from one entity to another entity without hindrance.

Stewart does not charge a fee to process or respond to your verifiable consumer request unless it is excessive, repetitive, or manifestly unfounded. If we determine that the request warrants a fee, we will tell you why we made that decision and provide you with a cost estimate before completing your request.

Non-Discrimination

Stewart will not discriminate against you for exercising any of your CCPA rights. Unless permitted by the CCPA, we will not:

- Deny you goods or services.
- Charge you a different prices or rates for goods or services, including through granting discounts or other benefits, or imposing penalties.
- Provide you a different level or quality of goods or services.
- Suggest that you may receive a different price or rate for goods or services or a different level or quality of goods or services.

Changes to Our Privacy Notice

Stewart reserves the right to amend this privacy notice at our discretion and at any time. When we make changes to this privacy notice, we will post the updated notice on Stewart's website and update the notice's effective date. **Your continued use of Stewart's website following the posting of changes constitutes your acceptance of such changes.**

Contact Information

If you have questions or comments about this notice, the ways in which Stewart collects and uses your information described here, your choices and rights regarding such use, or wish to exercise your rights under California law, please do not hesitate to contact us at:

Phone: Toll Free at 1-866-571-9270

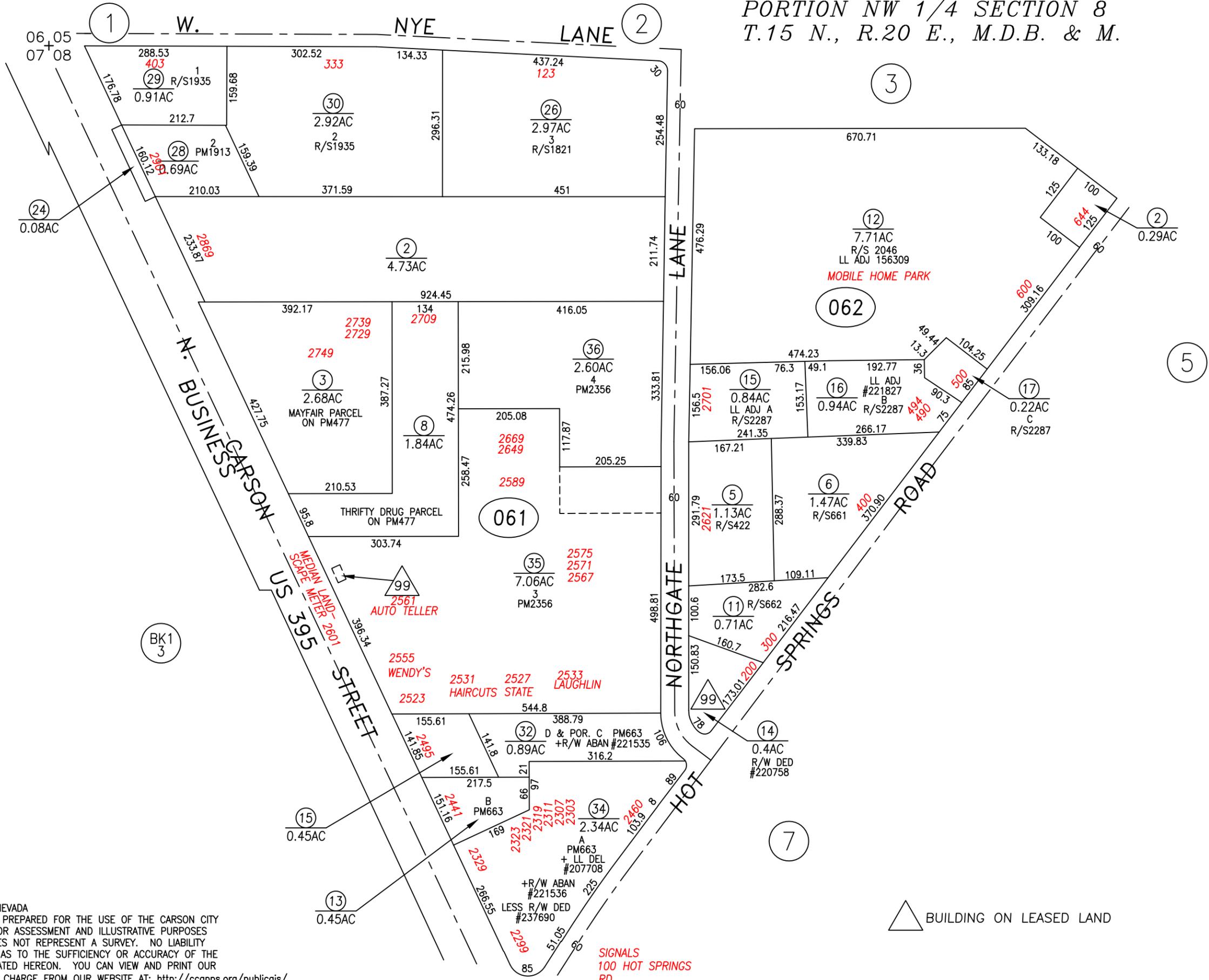
Website: <http://stewart.com/ccpa>

Email: Privacyrequest@stewart.com

Postal Address: Stewart Information Services Corporation

Attn: Mary Thomas, Deputy Chief Compliance Officer
1360 Post Oak Blvd., Ste. 100, MC #14-1
Houston, TX 77056

PORTION NW 1/4 SECTION 8
T.15 N., R.20 E., M.D.B. & M.



UPDATED PARCEL 002-062-05

CARSON CITY, NEVADA
 THIS MAP IS PREPARED FOR THE USE OF THE CARSON CITY ASSESSOR FOR ASSESSMENT AND ILLUSTRATIVE PURPOSES ONLY, IT DOES NOT REPRESENT A SURVEY. NO LIABILITY IS ASSUMED AS TO THE SUFFICIENCY OR ACCURACY OF THE DATA DELINEATED HEREON. YOU CAN VIEW AND PRINT OUR MAPS AT NO CHARGE FROM OUR WEBSITE AT: <http://ccapps.org/publicgis/>

 BUILDING ON LEASED LAND


 SCALE: 1" = 200'
 REVISED: 10/05/2018



AN APPRAISAL OF THE
NORTHGATE COMPLEX

Owned By
Carson City

Located at
2621 Northgate Lane
Carson City, Nevada 89706

Prepared for
Carson City Property Management
c/o Mr. Robert C. Nellis
Real Property Manager
3505 Butti Way
Carson City, NV 89701

Serving Northern Nevada

Mailing Address:
135 Isidor Court, Suite B
Sparks, Nevada 89441

Phone: 775-626-3993
Fax: 775-384-9274



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Carson City, NV 89701

For the Purposes of Supporting the Following Opinions of Value:

Current Market Value –Deferred Maintenance Not Cured, as of September 29, 2021
Current Market Value – Deferred Maintenance Cured, as of September 29, 2021



JOHN S. WRIGHT & ASSOCIATES, LLC.

REAL ESTATE APPRAISALS AND CONSULTING
135 Isidor Court, Suite B, Sparks, NV 89441

Phone: 775-626-3993
Fax: 775-384-9274

November 17, 2021

Carson City Property Management
c/o Mr. Robert C. Nellis
Real Property Manager
3505 Butti Way
Carson City, NV 89701

RE: Property: Northgate Complex
Multi-Tenant Office Building
2621 Northgate Lane
Carson City, NV 89706

Dear Mr. Nellis:

This is in response to your request for an appraisal report addressing the Market Value of the fee simple interest in a multi-tenant office building known as the Northgate Complex under two scenarios. The valuation scenarios are: 1) to value the subject in the condition observed on the effective date of value, considering any and all deferred maintenance that was identified by Faithful+Gould in their March 3, 2020 Facility Condition Assessment (FCA) on the subject as well as; 2) to value the subject as of the effective date of value but under the hypothetical condition that all deferred maintenance that was identified in the Faithful+Gould FCA has already been cured.

The subject property involves a rectangular site located on the east side of Northgate Lane, 290.43±' north of Hot Springs Road in northern Carson City, Nevada. The western portion of the subject property involves a 15,841± square foot, 1-story, 45-year-old multi-tenant office building, with an address of 2621 Northgate Lane. The eastern portion of the subject property involves an asphalt paved parking lot. The subject property is owned by Carson City.

The subject property is of basically rectangular shape, containing 1.133± acres (49,354± square feet) and having 291.79±' of frontage on Northgate Lane along its entire western property line. The site involves near level topography and all utilities are available to the property. Northgate Lane in front of the subject is a 2-lane, 1-way asphalt paved street that is improved with concrete curbs, gutters and sidewalks along both sides. There do not appear to be any earthquake hazards, environmental contamination, floodplains, wetlands or other factors adversely impacting the development potential of the subject site.

The subject building has four tenants and is 100.00% occupied. The tenants in this building are Agricultural/Extension Department of the University of Nevada System of Higher Education; Nevada Rural Counties RSVP Program, Inc.; Ron Wood Family Resource Center; and Capital City C.I.R.C.L.E.S. Initiative. However, as will be discussed further in this report, none of these tenants are paying market rent and the subject owner, Carson City, is covering a majority of the building expenses.

The subject property is located in northern Carson City. The primary development in this sub-market involves older office, industrial and retail buildings. As noted elsewhere in this report, the office market appears to be oversupplied with rising vacancies and decreasing rents. There is little vacant land in the sub-market area. The sub-market offers good access to all portions of the Carson City area. The subject's sub-market, the Carson City area and the subject property are more completely discussed in subsequent sections of this report.

The following Appraisal Report was prepared in conformance with Standards Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice. The attached report presents and summarizes the data, reasoning and analyses that were used in the appraisal process to develop the opinions of value. The depth of discussion contained in the report is specific to the needs of the client, Carson City, and for the intended use of the report. As we have completed appraisals on a number of commercial properties in the Northern Nevada area, including properties such as the subject in Carson City, we attest to having adequate geographic and technical competence to complete a competent appraisal of the subject.

This appraisal is not based upon any extraordinary assumptions or any contingencies. However, this appraisal is based on the following Hypothetical Condition.

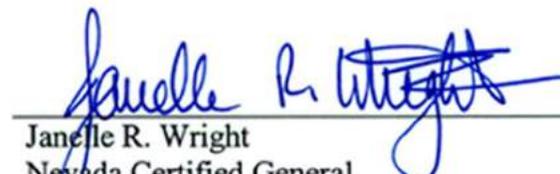
1. The analysis of the Current Market Value – Deferred Maintenance Cured is based on the Hypothetical Condition that the Deferred Maintenance identified in the Faithful+Gould FCA has already been cured. Although the money to make the repairs was allocated in the 2021-2022 budget, the work has not been completed. Therefore, valuing the subject as though it has been completed is a Hypothetical Condition. As this Hypothetical Condition is deemed reasonable for analysis purposes it is permitted under USPAP. The use of this Hypothetical Condition may have affected the assignment results.

Based upon a careful analysis of the available data, and upon thorough personal investigation of the subject property and the comparable properties analyzed, the following value conclusions were derived for the subject property:

Valuation Scenario	Date of Value	Interest Valued	Value Conclusion
Market Value - Deferred Maintenance Cured	September 29, 2021	Fee Simple	\$770,000
Market Value - Deferred Maintenance Not Cured	September 29, 2021	Fee Simple	\$270,000

Respectfully submitted,


 John S. Wright, MAI
 Nevada Certified General
 License Number A.0000191-CG


 Janelle R. Wright
 Nevada Certified General
 License Number A.0006967-CG

As of the date of the “As-Is” analysis, the nation and most of the world were in the grips of the COVID-19 pandemic. In an effort to control the spread of the virus, the Federal Government issued social distancing guidelines, and a majority of states issued stay at home directives as well as mandatory closures of non-essential businesses, schools and universities. This included closure of casinos in the state between late march and early June 2020. As a result, there was a significant decrease in business activity at the end of the 1st Quarter 2020 and into the 2nd Quarter. Because of this over 38.6 million workers applied for unemployment. Because of this the national unemployment rate is in the range of 14.7%. In the State of Nevada, the unemployment rate was higher at 28.2%. Beginning in May, the states began to slowly re-open businesses. With re-opening, the unemployment rate has dropped to 7.9% on a nation-wide basis and to 13.2% in Nevada. The unemployment rate in Carson City is only 5.5% as the primary driver of employment in Carson City is governmental and industrial, both of which have weathered the pandemic better than other sectors of the economy.

At the same time that the economy began to re-open, the government began ramping up testing. In some areas of the country, including Nevada, this has resulted in an increase in identified case of the virus. This has led certain states to slow the reopening or in some cases, to backtrack on reopening businesses. It is uncertain how much longer it will continue. This is due to the unique nature of this virus as well as the fact that closures or opening of businesses is a political decision and not a decision based on market forces. As of the date of preparation of this appraisal assignment the long-term impact of the COVID-19 pandemic on the real estate market is unknown. Certain segments of the real estate market, such as office, retail and tourist commercial uses are anticipated to be hard hit by the pandemic and the effects may last for years, but other segments, such as industrial and residential will probably not be significantly impacted on a long-term basis by the pandemic. Additionally, it appears that the self-storage market in northern Nevada has not been impacted by the pandemic. It also appears that certain areas of the state, such as Las Vegas, which relies on tourism will be harder hit than Elko, whose economy is based on mining, Reno-Sparks, which is heavily influenced by industrial, or Carson City, which has a large population of retirees, significant industrial, as well as state governmental employees. Although the data to date has not indicated a significant impact on residential sales or values due to the pandemic. There is growing concern that the national economy may go into recession as the full fall-out from the pandemic is felt. Additionally, as it is uncertain how long the economic shutdown due to the pandemic will continue, there is currently insufficient evidence to accurately measure assess the ultimate impact that the pandemic will have on the real estate market. This appraisal is based on the best information available as of the writing of this report, but is the case with all projections, the ultimate outcome may be significantly different than was is currently anticipated. Because we are currently in a unique environment of very high uncertainty, the value conclusions derived in this report are felt to have less reliability than they would have in a more stable market.

TABLE OF CONTENTS

COVER PAGE

LETTER OF TRANSMITTAL

TABLE OF CONTENTS

SUMMARY OF SALIENT FACTS AND IMPORTANT CONCLUSIONS 1

INTRODUCTION 3

SCOPE OF WORK..... 3

REGIONAL MAP 8

CARSON CITY AREA MAP 9

CARSON CITY AREA ANALYSIS 10

COVID-19 IMPACT ANALYSIS..... 21

SUB-MARKET MAP..... 29

SUB-MARKET DESCRIPTION 30

SUBJECT PHOTOGRAPHS 35

OVERVIEW AERIAL PHOTO 43

CLOSE-UP AERIAL PHOTO 44

RECORD OF SURVEY MAP 422..... 45

SUBJECT PROPERTY PLOT PLAN..... 46

PROPERTY IDENTIFICATION AND SITE DESCRIPTION 47

FLOODPLAIN MAP..... 51

DESCRIPTION OF SUBJECT IMPROVEMENTS 52

SUBJECT RENT ROLL..... 56

FLOORPLAN..... 57

HIGHEST AND BEST USE ANALYSIS..... 58

COMPARABLE LAND SALES CHART 65

COMPARABLE LAND SALES MAP 66

INTRODUCTION TO VALUATION ANALYSIS 70

MARKET VALUE “AS THOUGH STABILIZED AT MARKET RENT” 73

INCOME APPROACH 73

COMPARABLE BUILDING RENTAL CHART..... 75

COMPARABLE AS-IS OFFICE BUILDING RENTAL MAP 76

COMPARABLE OFFICE RENTAL PHOTOGRAPHS..... 77

COMPARABLE OFFICE RENTAL PHOTOGRAPHS..... 78

COMPARABLE OFFICE RENTAL PHOTOGRAPHS..... 79

COMPARABLE OFFICE RENTAL COMPARISON, CORRELATION AND CONCLUSION..... 80

OFFICE BUILDING RENTAL ADJUSTMENT GRID..... 83

VACANCY AND COLLECTION LOSSES..... 85

OPERATING EXPENSES 85



CAPITALIZATION RATE ANALYSIS 86

INCOME APPROACH SUMMARY 90

SALES COMPARISON APPROACH..... 91

COMPARABLE OFFICE BUILDING SALES CHART..... 92

COMPARABLE OFFICE BUILDING SALES MAP 93

COMPARABLE OFFICE BUILDING SALE PROFILES 94

OFFICE BUILDING SALES COMPARISON, CORRELATION & CONCLUSION..... 101

OFFICE BUILDING SALES ADJUSTMENT GRID 105

CORRELATION AND VALUE CONCLUSIONS 107

CURRENT MARKET VALUE CONCLUSIONS..... 109

LEASE-UP COST SUMMARY 110

EXPOSURE TIME ANALYSIS 112

APPRAISER’S CERTIFICATION 113

ASSUMPTIONS AND LIMITING CONDITIONS..... 114

QUALIFICATIONS OF APPRAISER..... 119



SUMMARY OF SALIENT FACTS AND IMPORTANT CONCLUSIONS

Property Name	Northgate Complex		
Address	2621 Northgate Lane, Carson City, NV 89706		
Legal Description	N/A		
Owner of Record	Carson City		
Assessor's Parcel Number	002-062-05		
Land Area	1.133± acres	49,354± square feet	
Improvements	A 45-year-old, 15,841± square foot, single-story, average quality multi-tenant office building. The building is 100% occupied		
Building Areas	Gross Building Area	Net Rentable Building Area	Net Usable Building Area
	15,841± sf	14,664± sf	14,256± sf
Land to Building Ratio	3.12:1		
Quality/Condition	Average/Average		
Effective Age	30		
Economic/Remaining Life	50/20		
Zoning	PC (Public Community)		
Flood Zone	Unshaded Zone X (Panel 3200010092G effective 12/22/2016)		
Topography	Level		
Easements/Encumbrances	The property would not appear to be negatively impacted by any easements or encumbrances.		
Unusual Seismic Hazards	None noted		
Soils	Typical for the area.		
Vegetation	The subject has perimeter landscaping along the majority of its west property line which includes grass and some trees. There are also some trees in the courtyard area of the subject building.		
Environmental Concerns	None noted		
Access	The subject has access from its 291.79' frontage on Northgate Lane along its entire west property line. In the vicinity of the subject Northgate Lane is an asphalt paved, 2-lane/2-way roadway that is improved with concrete curbs, gutters and sidewalks. The subject is felt to have good access.		
Utilities	The subject improvements are serviced by all public utilities.		
Site Improvements	The western portion of the site that fronts along Northgate Lane is landscaped and the north, south and east sides are asphalt paved with parking located along the south and east sides of the building.		
Public Services	Typical for the area.		

Surrounding Utilizations		Commercial utilizations
Appraisal Premises		Market Value
Type of Report		Appraisal Report
Property Rights Appraised		Fee Simple Interest
Effective Date of Value		September 29, 2021
Date of Report		November 17, 2021
Highest and Best Use		Continued utilization of the subject improvements as a multi-tenant office building.

Notes on the subjects:

- The subject site is felt to have adequate physical features to support development.

This appraisal is not based upon any extraordinary assumptions or contingencies., but it is based on the following Hypothetical Condition:

1. The analysis of the Current Market Value – Deferred Maintenance Cured is based on the Hypothetical Condition that the Deferred Maintenance identified in the Faithful+Gould FCA has already been cured. Although the money to make the repairs was allocated in the 2021-2022 budget, the work has not been completed. Therefore, valuing the subject as though it has been completed is a Hypothetical Condition. As this Hypothetical Condition is deemed reasonable for analysis purposes it is permitted under USPAP. The use of this Hypothetical Condition may have affected the assignment results.

Valuation Summary

Market Value “As Though Stabilized”	\$1,340,000
Less Costs of Stabilization	<u>-\$ 570,000</u>
Current Market Value – Deferred Maintenance Cured	\$ 770,000
Less Deduction to Cure the Deferred Maintenance	<u>-\$ 500,000</u>
Current Market Value – Deferred Maintenance Not Cured	\$ 270,000

Exposure Time Conclusion

6 – 12 Months

INTRODUCTION

Purpose of Appraisal	Current Market Value
Client	Carson City
Intended Users	Carson City as well as its subsidiaries, heirs and assigns.
Intended Use of Report	This appraisal was prepared to assist the client establishing the market value of the subject for possible sale of the property. Any other use of this report without the prior written consent of the undersigned is prohibited.

Scope of Work

The following appraisal report has been prepared in conformance with the Uniform Standards of Professional Appraisal Practice (USPAP), and Nevada State Law. The following appraisal complies with Standards Rule 1 of USPAP, while the report complies with the reporting requirements set forth under Standards Rule 2-2(a) of USPAP for an Appraisal Report. This appraisal report presents and summarizes the data, reasoning and analyses that were used in the appraisal process to develop the opinions of value. This report was prepared for the subject owner and cannot be used by a federally regulated bank for lending purposes because it does not comply with FIRREA. The depth of discussion contained in this report is specific to the needs of the client and for the intended use stated above.

Completion of the appraisal involved the following scope of work:

- 1) Review of information provided by the client to determine parameters and scope of the assignment.
- 2) Inspection of the subject property and the sub-market.
- 3) Review of background information and historical information on the subject property that was gathered from public records, as well as from previous appraisals completed in the sub-market.
- 4) Regional and sub-market data was collected to assess supply and demand factors impacting the subject.
- 5) Through analysis of social, economic, governmental and environmental factors, the Highest and Best use of the subject property was analyzed.
- 6) Based upon the highest and best use conclusion for the subject property and based on the requested scope of work, the following valuation analyses were conducted for the valuations required in this report.

Valuation Scenario	Cost	Income	Sales
Market Value	N/A	X	X

- 7) To value the subject property, market data was researched. Based on that research, it was concluded that there was adequate data available to value the subject property by the Income Approach and by the Sales Comparison Approach. Due to the older age of the subject and as properties are selling for below replacement cost, the Cost Approach is not being used by buyers and sellers in the market. As a result, the Cost Approach was not analyzed.
- 8) In the Income Approach, comparable rentals were surveyed to derive an appropriate economic rent for the subject. Then, an appropriate vacancy and credit loss, as well as appropriate operating expenses were analyzed and deducted. The resulting net operating income was capitalized at an appropriate rate. Then the future cost of re-leasing the subject at market rents was analyzed. This item was subtracted from the capitalized income stream to derive a value indication by the Income Approach.
- 9) In the Sales Comparison Approach, sales of similar buildings were analyzed and compared with the subject. They were compared with the subject property on a sale price per square foot of building area basis to derive a value indication by the Sales Comparison Approach.
- 10) The value indications for the subject property by the Income Approach and the Sales Comparison Approach were then correlated to derive an opinion of the Market Value of the subject property.
- 11) The appraisal report was written.

All of the sales data utilized in this report was verified with either the buyer, the seller, or the seller's agent involved in the transaction, or through county records, if no other verification could be obtained. The sales data was gathered from the Carson City and Washoe County Assessor's Offices records and from CoStar and Loopnet. The rental data was verified with one of the tenants, the property manager or one of the leasing agents involved in the transaction.

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, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition are 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.¹

Fee Simple Market Value Defined

The Market Value of property affected by typical encumbrances such as easements and zoning ordinances. The subject property is valued assuming it to be free and clear of any mortgages and/or special assessments.

Fee Simple Estate Defined

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

Leased Fee Market Value Defined

The Leased Fee Market Value is defined as the value of an ownership interest held by a landlord with the rights of use and occupancy conveyed by lease to others. The rights of the lessor are specified by contract terms and typically consist of the right to receive contract rent over the term of the lease plus the right to the reversion of the property at the termination of the lease. In an office building, the Lease Fee Market Value identifies the property rights retained by the property owner, which are the rights that could be encumbered by a loan on the property or which could be sold on the open market.

Leased Fee Interest Defined

The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires.³

¹ Dictionary of Real Estate Appraisal, 6th Edition, Page 142, Appraisal Institute

² Dictionary of Real Estate Appraisal, 6th Edition, Page 90

³ Dictionary of Real Estate Appraisal, 6th Edition, Page 128

Gross Building Area Defined

1. Total floor area of a building, excluding unenclosed areas, measured from the exterior of the walls of the above grade area. This includes mezzanines and basements if and when typically included in the market area of the type of property involved.
2. Gross leasable area plus all common areas.
3. For residential space, the total area of all floor levels measured from the exterior of the walls and including the superstructure and substructure basement; typically does not include garage space.⁴

Rentable Area Defined (aka Net Rentable Area or net Rentable Building Area)

For office or retail buildings, the tenant's pro rata portion of the entire office floor, excluding elements of the building that penetrate through the floor to the areas below. The rentable area of a floor is computed by measuring to the inside finished surface of the dominant portion of the permanent building walls, excluding any major vertical penetrations of the floor. Alternatively, the amount of space on which the rent is based; calculated according to local practice.⁵

Usable Area Defined (aka Net Usable Area or Net Usable Building Area)

1. For office buildings, the actual occupiable area of a floor or an office space; computed by measuring from the finished surface of the office side of corridor and other permanent walls, to the center of partitions that separate the office from adjoining usable areas, and to the inside finished surface of the dominant portion of the permanent outer building walls. Sometimes called net building area or net floor area. See also floor area.
2. The area that is actually used by the tenants measured from the inside of the exterior walls to the inside of walls separating the space from hallways and common areas. usable site area. The area of a site that can be developed.⁶

Effective Date of Valuation

September 29, 2021

Date of Report

November 17, 2021

⁴ Dictionary of Real Estate Appraisal, 6th Edition, Page 104.

⁵ Dictionary of Real Estate Appraisal, 6th Edition, Page 196.

⁶ Dictionary of Real Estate Appraisal, 6th Edition, Page 241.

Property Rights Appraised

The Market Value addresses the fee simple interest in the subject property as well as by typical encumbrances such as easements and zoning ordinances. In all of the analyses contained in this report, the subject is being valued assuming it to be free and clear of any mortgages and/or special assessments.

Appraiser's Competency

As I have appraised commercial properties in the northern Nevada Area for over 37 years, including vacant land properties in the immediate sub-market, I attest to having adequate competency to complete a credible appraisal of the subject. As Janelle R. Wright has been appraising commercial properties in the northern Nevada area for over 18 years, including vacant land properties in the immediate sub-market, she attests to having adequate competency to complete a credible appraisal of the subject.

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."⁷ In addition to the general assumptions and limiting conditions contained at the end of this report, this appraisal has been prepared subject to the following extraordinary assumptions:

1. None

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."⁸ This appraisal has been based upon the following hypothetical condition:

1. The analysis of the Current Market Value – Deferred Maintenance Cured is based on the Hypothetical Condition that the Deferred Maintenance identified in the Faithful+Gould FCA has already been cured. Although the money to make the repairs was allocated in the 2021-2022 budget, the work has not been completed. Therefore, valuing the subject as though it has been completed is a Hypothetical Condition. As this Hypothetical Condition is deemed reasonable for analysis purposes it is permitted under USPAP. The use of this Hypothetical Condition may have affected the assignment results.

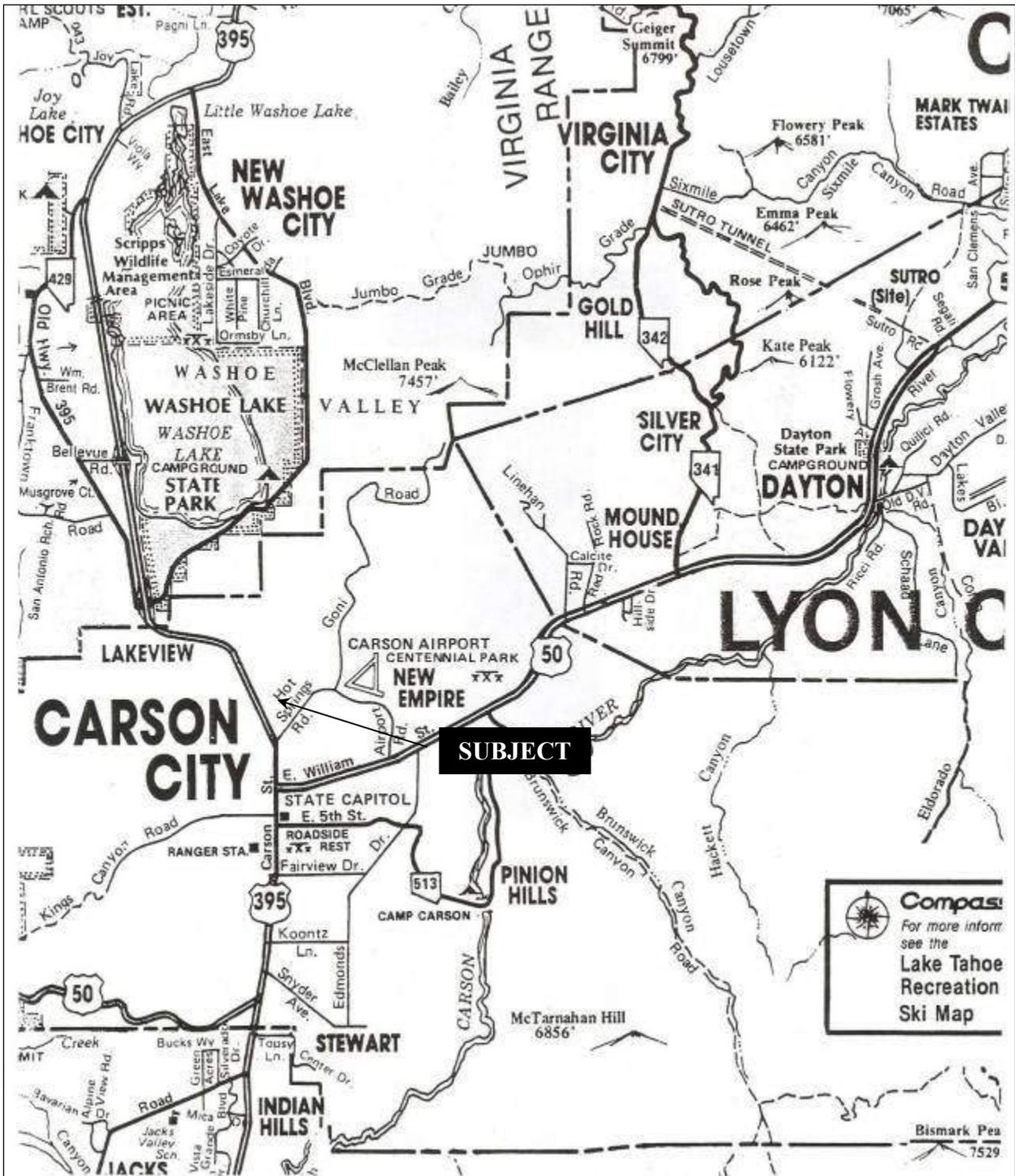
Contingencies

None

⁷ USPAP 2020-2021 Edition (c), Definitions; The Appraisal Foundation, page U-3.

⁸ USPAP 2020-2021 Edition (c), Definitions; The Appraisal Foundation, page U-3.

CARSON CITY AREA MAP



CARSON CITY AREA ANALYSIS

The subject property is located in Carson City, Nevada, a consolidated city/county municipal entity and the capital of Nevada. The State's senior executive, legislative, and judicial offices are clustered around the city core.

Carson City and its suburbs occupy Eagle Valley, a basin at the east foot of the Carson Range in western Nevada. The valley floor is approximately 4,500 feet in elevation. The climate is continental and semi-arid, with less than 10" annual precipitation and low prevailing relative humidity.

Population

Prior to 1960, Carson City (then Ormsby County) was a small county with an economy dominated by state government. The statewide population boom that began in the early 1960s and continues to the present has yielded significant regional population increase, as depicted below.

Regional Population, 1960 – 2019

Year	Carson City		Washoe County (Includes Reno & Sparks)		Regional	
	Population	% Increase	Population	% Increase	Population	% Increase
1960	8,063	N/A	84,743	N/A	92,806	N/A
1970	15,468	92%	121,068	43%	136,536	47%
1980	32,022	107%	193,623	60%	225,645	65%
1990	40,950	26%	257,120	33%	298,070	32%
2000	53,095	30%	333,566	30%	386,774	30%
2010	55,850	5%	417,379	25%	473,229	22%
2011	55,488	-0.65%	409,680	-1.84%	465,168	-1.70%
2012	55,441	-0.85%	427,704	4.40%	483,145	3.86%
2013	54,668	-1.39%	432,324	1.08%	486,992	0.80%
2014	53,969	-1.28%	436,797	1.03%	490,766	0.77%
2015	54,697	1.35%	444,008	1.65%	498,705	1.62%
2016	55,182	0.89%	448,316	0.97%	503,498	0.96%
2017	55,438	0.46%	451,923	0.80%	507,361	0.77%
2018	56,057	1.12%	460,237	1.84%	516,294	1.76%
2019	56,151	0.17%	469,801	2.08%	525,952	1.87%
2020	58,639	4.43%	486,492	3.55%	545,131	3.65%

Source: US Census Bureau and State of Nevada Demographer

Carson City's growth has been driven by a number of factors. The population of Nevada increased from roughly 500,000 in 1960 to just over 3.1 million in 2020. The corresponding growth in state government has increased Carson City's employment base.

Transportation

U.S. Highway 395 (I-580) is the major transportation corridor in Carson City. It links all three of northern Nevada's main population centers of Reno/Sparks, Carson City, and Minden/ Gardnerville. It is also the main commercial thoroughfare in Carson City. US Highway 395 (also known as Business Route 395) is the surface component of this roadway through Reno (aka Virginia Street) and through Carson City (aka Carson Street). The I-580 Freeway portion is a controlled access freeway that bypasses both city's downtowns, but has a number of interchanges in each city. The I-580 Freeway has been extended from the Nevada/California state line, north of Reno, southerly through Carson City to the intersection of US Highway 50 and South Carson Street (US Highway 395). West of this intersection US Highway 50 continues westerly to Spooner Summit and Lake Tahoe. South of this intersection US Highway 395 continues south through Carson Valley and on to southern California. US Highway 395 and I-580 is the major roadway linking portions of Washington, Oregon, California and Nevada that are on the east side of the Sierra Nevada Mountains.

U.S. Highway 50 connects Carson City to Fernley and Fallon and points east. Its junction with U.S. 395 for eastbound traffic is in the center of town. It connects Carson City to Lake Tahoe, Sacramento, and the San Francisco Bay area to the west. Its westbound intersection with U.S. 395 is at the south end of town. Highway 50 is not a controlled-access freeway.

There is neither rail service nor commercial air service in Carson City. The nearest rail service is in Sparks, some 30 miles to the north. Reno-Tahoe International Airport in Reno provides scheduled airline service and airfreight.

Employment

Unlike Nevada in general, Carson City's employment is not dominated by tourism, or more precisely, hotel-casinos. Comparative Employment by Sector statistics are detailed in the following chart.

Occupation	Number of Employed
Management Occupations	1,670
Business and Financial Operations Occupations	1,990
Computer and Mathematical Occupations	910
Architecture and Engineering Occupations	680
Life, Physical, and Social Science Occupations	470
Community and Social Service Occupations	480
Legal Occupations	480
Education, Training, and Library Occupations	1,290
Arts, Design, Entertainment, Sports, and Media	200
Healthcare Practitioners and Technical Occupations	2,140
Healthcare Support Occupations	800
Protective Service Occupations	970
Food Preparation and Serving Related Occupations	2,670
Building and Grounds Cleaning and Maintenance Occu	710
Personal Care and Service Occupations	1,000
Sales and Related Occupations	2,650
Office and Administrative Support Occupations	5,080
Construction and Extraction Occupations	1,120
Installation, Maintenance, and Repair Occupations	1,200
Production Occupations	1,700
Transportation and Material Moving Occupations	880
TOTALS	29,080

As is evident, Carson City's employment is diversified, but is very dependent on state government for employment.

According to the State of Nevada Department of Employment, Training, and Rehabilitation, the total state unemployment as of June 2021 was 7.8%. Las Vegas' unemployment was 9.6%, while in Reno-Sparks the unemployment rate in May 2021 was 4.5%. This compares with Carson City, which is reporting an unemployment rate as of June 2021 of 5.0%. The nationwide unemployment rate is estimated at 5.9%, while California's unemployment rate is estimated at 7.7%.

Income

Carson City ranks fifth in per capita personal income among Nevada's seventeen counties. According to the United States Census Bureau, as of the 2020 Census, the reported figure for Carson City is \$31,549. In comparison, Washoe County reports a per capita personal income of \$36,071, and Clark County is \$30,704. The state average is \$31,557.

Trade

This sector is active and growing. Recent additions to the retail sector include the new Super Wal-Mart, two Save Mart anchored retail centers, a Home Depot, a Target, and numerous smaller stores, restaurants, and fast-food outlets. However, in 2002, the Super K Mart in North Carson closed as part of K Mart's bankruptcy reorganization. Walgreens, a national drugstore chain, chose a site on Highway 50 for a 13,905-square foot, free-standing retail store, and Rite Aid recently built a store downtown. A 100,000+ square foot Costco was completed in 2000 at the south end of Carson City at the southwest corner of U.S. Highway 50 and U.S. 395. The impact of this store is reflected in a noticeable increase in retail sales. Carson City is already a retail trade center for a large area of rural Nevada and eastern California. Growth in retail sales has been steady:

Carson City Retail Sales, 1995-2021

Year	Taxable Sales	Increase from Previous
1995	\$585,034,181	11.7%
1996	\$612,432,120	4.7%
1997	\$638,138,117	4.2%
1998	\$673,920,609	5.6%
1999	\$740,960,594	9.9%
2000	\$788,163,431	6.4%
2001	\$866,484,703	9.9%
2002	\$873,743,770	0.8%
2003	\$863,676,767	-1.2%
2004	\$925,500,050	7.2%
2005	\$979,049,456	5.8%
2006	\$1,021,210,529	4.3%
2007	\$991,893,429	-2.9%
2008	\$919,266,455	-7.32%
2009	\$761,379,338	-17.2%
2010	\$678,625,833	-10.9%
2011	\$735,161,302	8.3%
2012	\$756,078,488	2.9%
2013	\$779,297,546	3.1%
2014	\$804,368,288	3.2%
2015	\$892,529,769	10.96%
2016	\$961,716,995	7.75%
2017	\$1,055,090,538	9.71%
2018	\$1,144,376,853	8.46%
2019	\$1,240,116,234	8.37%
2020	\$1,304,889,881	5.22%
2021	\$1,554,371,827	19.03%

The reduction in taxable sales in Carson City for 2003 is felt to reflect the opening of the Super Wal-Mart, Home Depot and Target in the Indian Hills area south of Carson City. The decline since 2006 is felt to be the result of changing economic climate. Although there have been increases since 2011, which was a legislative year, the total taxable sales only increased above 2006 levels in 2017.

Retail

According to a current market survey of the Carson City retail market, completed by CoStar Group, the market-wide vacancy rate is 10.3%. This represents a major improvement from the 4th Quarter of 2013 when the vacancy rate was 19.5%, but it is stable since the 1Q 2020, when it was 10.3%. Over the last 12 months, the absorption of retail space in the market has been 32,100± square feet. The Carson City market has 4,300,000± square feet of commercial floor space. The average advertised asking rent as of 3Q 2021 was \$1.21/sf/month. Even though vacancies increased to 12.00% in the 4th Quarter of 2020, due to the pandemic, they have fallen back to pre-pandemic levels. The retail market is expected to continue its pre-pandemic pattern of declining vacancies for the foreseeable future.

Office

The Carson City office submarket contains a total rentable building area of 2,800,000± square feet that were surveyed by Costar. The 3Q 2021 vacancy rate, as reported by CoStar Group, is 13.2%, which represents a significant increase since 3Q 2019 when it was 8.11%. Prior to 3Q 2019, the vacancy rate had been declining from a high of 22.2% reported in the Q1 of 2010. Since the 3Q 2019, Carson City has only reported 1 quarter with a positive net absorption and that was 4Q2020 with 13,465± square feet. Over the last 12 months the net absorption in Carson City has been -88,000± square feet.

According to the office survey, the average asking rental rate for 3Q 2021 is \$1.59/sf/mo., which is up \$1.56/sf/month in 4Q 2020 and \$1.14/sf/month in 2Q 2018. Because vacancy rates are increasing, I expect that rents will remain stable or decline until the market stabilizes. Overall, the available data indicates that there is an oversupply of office space in the Carson City area. Because of changes in business models as a result of the pandemic and with the anticipation that companies will continue to allow employees to work remotely, I anticipate that the office market will be over-supplied for the foreseeable future.

Industry

Although the state of a Nevada as a whole is still heavily dependent upon gaming income, industrial development has played an increasingly prominent role in the economy of several northern Nevada counties. Large industrial projects first came to Reno/Sparks in the 1960s. Both cities today house extensive industrial sectors, most devoted to bulk distribution warehouses.

As industrial development has proceeded in Reno/Sparks, it has also brought attention to competing areas with lower land values. Carson City, Dayton, Fernley, and Douglas County have all seen modest to strong industrial growth in the last ten years. With the national slowdown in the industrial market in 2001, absorption rates in Carson City also declined.

Carson City's industrial district is in the northeast part of town, centered on the municipal airport. Unlike Reno/Sparks, which is largely oriented to warehouse/distribution centers, Carson's limited freeway access as well as its lack of air cargo and rail access make it better suited for light manufacturing than distribution. Small to mid-sized assembly plants and similar facilities dominate. Carson City also receives some benefit from nearby industrial centers in Lyon County, notably Mound House and Dayton. The former houses small start-up facilities in low-cost buildings; its main appeal is low cost. Dayton houses larger facilities from national or large regional industries.

Incubator office-warehouse units are concentrated both in the airport industrial area and in New Empire, a mixed industrial area at the east edge of Carson on Highway 50. The Shaheen Company of Carson City is the most prominent developer in this area, with the Shaheen North and Shaheen South Business Parks of East College Parkway south of the airport. These projects are typically tilt-up office warehouses with suites in increments of 2,500 feet. They have above average architectural amenities, good landscaping, and are well maintained.

Other incubator centers are scattered through the industrial district north of the airport as well. These include the Conestoga and Convair Commerce Centers, which are metal frame buildings with storefronts and roll-up doors.

The New Empire incubator district includes both tilt-up and metal buildings. Quality and rent levels are typical for the area, depending on building quality and condition.

According to the 3Q 2021 market report prepared by CoStar Group, the Carson City Industrial Market contains a combined total rentable area of 4,300,000± square feet. The market wide vacancy rate as of 3Q 2021 is 2.7%, which is down from 7.4% in the 2Q 2018 and 14.8% in 4Q 2013. The current vacancy rate represents a significant decrease from the market high of 21.6% in 4Q 2011. Even with the pandemic, Costar reports net absorption of industrial space of 44,000± square feet over the last 12 months. The current average asking rent is \$0.63/sf/mo. on an NNN basis. The average rent has been steadily rising from \$0.55/sf/mo. on an NNN basis since 2Q 2018.

The current vacancy rate indicates that the Carson City industrial market has finally stabilized after the crash of the late 2000's. The Carson City market still has approximately 600 acres of vacant land that is available for future industrial development.

The biggest economic news of 2014 was that northern Nevada beat out 5 other states in attracting Tesla Motors new lithium battery factory. The three-story factory is planned to have 15 million square feet of manufacturing space and at full production in 2018 is expected to employ 6,500± workers at an average wage of \$25.00 per hour. In total, the project is expected to create 22,000 direct and indirect jobs. Twenty-two thousand new jobs equate to approximately 10% of the region's workforce. Construction will involve approximately 3,000 people. Tesla's investment in the area is expected to have an economic impact to the region of \$100 billion over the next 20 years. The Tesla project is being constructed on a 100± acre site in the Tahoe-Reno Industrial Park, approximately 15 miles east of Reno and approximately 30 miles northeast of Carson Valley. Although this project is located a significant distance from Carson Valley, it is expected to impact the entire region. Not only will Tesla have a major impact on the region, but a number of satellite companies are also expected to need facilities to service Tesla.

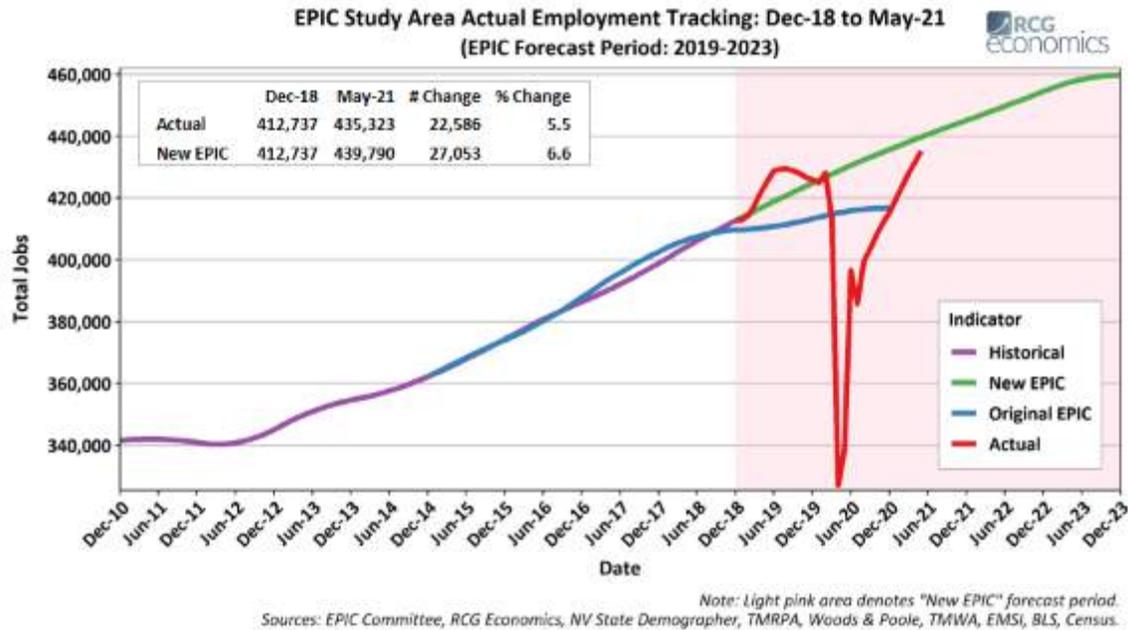
The news of Tesla was followed in January 15, 2015 announcement by Switch that they would be constructing a 3 million square foot SUPERNAP data center campus on approximately 1,000 acres of land in TRIC. The anchor tenant for this facility will be eBay. Switch's business model is to provide

rack storage space in highly secure data storage campuses. The tenants provide their own personnel to maintain their servers, so Switch provides the facility, including office space. A key component of Switch's expansion into Reno is the "Superloop", a fiber network that will kick off with a 500-mile route between Las Vegas and Reno. The Network will also extend from Las Vegas to Los Angeles and the Bay Area. According to Switch, this will place 50 million people within 14 milliseconds of data hosted at the SUPERNAPs in Reno and Las Vegas.

This conclusion was further bolstered by Google's April 17, 2017 announcement that they had acquired 1,210± acres of land in TRIC for a future campus. According to Google's Patrick Lenihan "Yes, we acquired the 1,210-acre property in Nevada last week with the intention of eventually turning the site into a data center, although we do not have immediate plans to develop the land at this time. And, no, I can confirm it has nothing to do with Tesla or autonomous vehicles."

On April 21, 2017, Mr. Lance Gilman, the sales agent for land in TRIC spoke at a luncheon for the Nevada Chapter of the Appraisal Institute. At that luncheon, Mr. Gilman indicated that since the Google announcement he has received calls from more than 20 international companies, not requesting information on TRIC, but wanting to schedule a site visit to TRIC. He indicated that the Google announcement has generated far more interest in TRIC than was generated by the Tesla announcement or the Switch announcement.

Because of Tesla and the other companies looking to move to or expand in the area, employment is expected to increase in the region. According to the Economic Development Authority of Western Nevada, employment is expected to pass the peak pre-recession employment of 223,900 persons in 2016 and is expected to increase to 250,000 by 2019. Additionally, there once again are retirees moving from the Bay Area of California to the Reno-Sparks area due to the lack of a state income tax, the lack of an estate tax and the relatively low cost of housing. The 2019 EPIC (Economic Planning Indicators Committee) Report from EDAWN (Economic Development Authority of Western Nevada) projected more than 51,585 jobs and 54,470 new people in the five-county region (Washoe, Storey, Lyon, Carson City and Douglas counties) over the next 5 years. Of this population increase, Carson City was expected to add 1,789 people and 795 households. With the pandemic, the projections have been revised as follows:



As can be seen by this chart, employment has rebounded to near the projection levels from 2019, which was pre-pandemic. Population growth has exceeded projections with the Census reporting a 2020 population of 58,639 persons as compared with the EPIC forecast for 2020 of 57,497 persons.

The vast majority of the industrial space in Carson City is owner-occupied and so lease data is scarce. The available data suggests that there will be demand for new industrial development in Carson City and that there will be upward pressure on rents. In completing this report, I spoke with a number of Realtors active in the industrial market and they expect increased demand in the short term, because one of the lessons learned from the current pandemic is that the United States has to return to having a sufficient manufacturing base in this country to produce adequate quantities of critical supplies such as antibiotics, medical equipment and other similar products. Because northern Nevada is an industrial hub for the western United States it is expected that it will benefit from this renaissance.

County Administration and Planning

Carson City has a growth control ordinance, intended to limit population growth. Its main mechanism is the limitation of new residential building permits. Permit allotments are set each year based on 2% to 3% annual population growth, using 2.4 persons per household for planning purposes. However, restraints on Carson City’s growth have been market-related rather than regulatory. The ordinance was



enacted in 1978, and since that time, the actual number of permits issued has been less than the total number available. Allotments include all dwelling units, whether single family or multi-family; the ordinance does not allocate permits by type. In 1989, the ordinance was amended to require payment of sewer and water hook-up fees *before* permits were issued; this eliminated the earlier practice by some developers of hoarding permits for future use.

Carson City Residential Building Permit History, 1989 to 2020

Year	Allotments Available	Allotments Used	Percent Used
1989	514	280	54%
1990	702	316	45%
1991	868	324	37%
1992	597	408	68%
1993	636	424	67%
1994	553	385	70%
1995	569	394	69%
1996	586	553	94%
1997	607	449	74%
1998	622	282	45%
1999	640	340	53%
2000	660	243	37%
2001	679	288	42%
2002	699	283	40%
2003	642	179	28%
2004	743	269	36%
2005	765	163	21%
2006	708	274	39%
2007	715	44	6%
2008	718	63	9%
2009	N/A	18	N/A
2010	N/A	31	N/A
2011	N/A	56	N/A
2012	N/A	48	N/A
2013	N/A	35	N/A
2014	N/A	37	N/A
2015	N/A	29	N/A
2016	640	197	30.78%
2017	640	170	26.56%
2018	659	180	27.31%
2019	659	210	31.87%
2020	679	N/A	N/A

Although the allotment system was intended to constrain growth, the only time in the past 20 years that the allotments consumed approached the allotments available was in 1996. The size of the community and the economy appear to have kept growth below the regulatory limits. Additionally, a lack of developable land in Carson City with access to necessary infrastructure has also restricted development.

As a result, development has moved to outlying areas, including Indian Hills/Johnson Lane in northern Carson Valley to the south, and Dayton to the east. It is anticipated that limited land availability will continue to be a primary constraint on new residential development for the foreseeable future.

Additionally, as the unused allotments each year carry over to the following year, there is such a large pool of unused allotments that all of the projects approved for Carson City would not use even a quarter of the banked allotments and so the growth management ordinance does not place a real constraint on development.

According to the 2020 Census, there are 23,534 housing units in Carson City. Of these, 21,427, or 91.0% were occupied. Of the 2,107 units that were vacant, 1,216 were available for rent, while 329 were listed for sale. According to the census, 59.4% (21,427) of the housing units in Carson City were owner occupied and the average household size was 2.40 people per household. The average household size in the renter-occupied units was slightly larger at 2.42 people per household. According to Costar, in 3Q 2021, data involving 3,506 units, the average multifamily vacancy rate is 1.8% and the average rent is \$1,181 per month. This compares with Reno-Sparks, where the average rent is \$1,607 per month, or \$426 per month higher. Overall, the Carson market appears to be under-supplied with regard to multi-family residential units.

Conclusion

Carson City's fundamental economic characteristics are favorable for continued growth, but this growth will probably be relatively slow due to limited land available for development and the city's growth management ordinance.

COVID-19 IMPACT ANALYSIS

As noted previously, as of the effective date of value, the nation and most of the world were in the grips of the COVID-19 pandemic. In the State of Nevada, this is manifesting itself through the March 13, 2020 Emergency Declaration (EM-3443) for the entire State of Nevada by FEMA. This was followed on April 4, 2020 by a FEMA Major Emergency Declaration (DR-4523). The Incident Type is biological and the title is COVID-19 Pandemic. In an effort to control the spread of the virus, in March 2020, the Federal Government has issued social distancing guidelines, and a majority of states issued stay at home directives as well as mandatory closures of non-essential businesses, schools and universities. This resulted in a significant decrease in business activity and a dramatic increase in the unemployment rate as a result of the pandemic. Over the 12 months prior to the issuance of this report, on a national basis the number of first-time jobless claims surged by approximately 38.6 million. The unemployment rate in Nevada reached an all-time recorded high of 28.2%. Since these highs, the state and nation have slowly begun to re-open. However, many businesses are required to operate at 50% of pre-COVID levels or less. Even without a total re-opening, the unemployment rate has dropped to 6.0% on a nationwide basis and to 8.3% in Nevada. The unemployment rate in Carson City is only 5.5% as the pandemic has not had any significant impact on the primary market drivers in Carson City, which are governmental and industrial.

All of this has occurred in approximately 18 months and it is uncertain how much longer it will continue. As of the date of preparation of this appraisal assignment the long-term impact of the COVID-19 pandemic on the real estate market is unknown. The sales data available for use in this appraisal occurred prior to the onset of the pandemic as well as during the pandemic. These sales indicate that to date, residential lot sale values have not been impacted by the pandemic. However, as we have moved into the fall, COVID cases have increased, resulting in a tightening of restrictions. Although the first vaccines should be approved for use in the next week, it is uncertain how long it will take to vaccinate a sufficient percentage of the population to allow the reopening of society. Therefore, there is currently insufficient evidence to assess the long-term impact that the pandemic will have on the real estate market. Anecdotal information has been gathered from the following list of Realtors:

- Ted Stoeber, Colliers International
- John Pinjuv, Avison Young
- Mike Casey – Tim Lewis Communities

- Kelly Bland – NAI Alliance
- Ken Stark - Stark and Associates
- Floyd Rowley – Rowley Real Estate Advisors
- Tim Garey – Cushman & Wakefield
- Mike Casey, Community Sales Manager – Whispering Canyon Subdivision
- Mr. Tom Evancie – Silverado Homes
- Mr. Dan Gearhart, Community Sales Manager – Shadow Ridge Subdivision

Furthermore, I interviewed several people employed by financial institutions who did not wish to be identified by name. The results of these interviews are summarized as follows:

- Buyers who were too far into a transaction were completing the transaction.
- Buyers who could back out were generally placing purchases on hold until the economy restarts and then they will determine if they will proceed or cancel.
- A number of tenants, including tenants in recent sale, lease-back transactions have stopped paying rent. To Statista.com, in 2019, there were approximately 43 million renter households in the United States and this number has held steady since 2017. According to a July 28, 2020 article from USA Today. A survey from the US Census Bureau indicates that 24 million Americans indicate that that they “have little to no chance of being able to pay next month’s rent.” As a result, the federal government may be forced to extend the unemployment supplements for several more months.
- In March 2020, the Northern Nevada Regional MLS reported 41 closed sales of site-built single-family residences in Carson City, with an average price of \$404,455 and a median price of 375,000. This compares with March 2019, where there were 50 sales with an average price of \$364,953 and a median price of \$330,000. So, through March sales activity and values were strong. Since then, the following has been noted.

Month	No. of Sales	Average Price	Median Price	Change over Prior Month		
				No. of Sales	Average Price	Median Price
Mar-20	41	\$404,455	\$375,000			
Apr-20	49	\$367,295	\$325,000	19.51%	-9.19%	-13.33%
May-20	35	\$424,197	\$370,000	-28.57%	15.49%	13.85%
Jun-20	60	\$406,718	\$364,250	71.43%	-4.12%	-1.55%
Jul-20	71	\$446,850	\$385,000	18.33%	9.87%	5.70%
Aug-20	61	\$424,812	\$371,600	-14.08%	-4.93%	-3.48%
Sep-20	64	\$456,085	\$443,500	4.92%	7.36%	19.35%
Oct-20	74	\$460,414	\$404,250	15.63%	0.95%	-8.85%
Nov-20	51	\$428,630	\$366,000	-31.08%	-6.90%	-9.46%
Dec-20	64	\$474,733	\$386,250	25.49%	10.76%	5.53%
Jan-21	53	\$508,783	\$429,000	-17.19%	7.17%	11.07%
Feb-21	57	\$494,424	\$435,000	7.55%	-2.82%	1.40%
Mar-21	44	\$486,705	\$413,750	-22.81%	-1.56%	-4.89%
Apr-21	73	\$504,699	\$419,777	65.91%	3.70%	1.46%
May-21	62	\$510,766	\$462,500	-15.07%	1.20%	10.18%
Jun-21	77	\$523,269	\$453,000	24.19%	2.45%	-2.05%
Jul-21	74	\$551,126	\$493,750	-3.90%	5.32%	9.00%
Aug-21	69	\$544,663	\$485,000	-6.76%	-1.17%	-1.77%
Sep-21	65	\$507,010	\$445,000	-5.80%	-6.91%	-8.25%

- As of the date of this report, the local MLS reports 180 listings in the Carson area, which is less than a 3-month supply, which is less than the 6-month supply that is considered to be typical for a market in equilibrium.
- In September 2020, 7.1% of homeowners missed their mortgage payments and based on current trends, an estimated 2 million mortgage loans could become seriously delinquent in 2021.
- Some small businesses such as restaurants and bars probably will not reopen.
- Bankers are seeing a dramatic increase in requests for loan restructuring and/or modification.
- The longer the economy is shut down due to mandatory government actions, the longer the recovery will be. Many of the people I spoke to felt that if the economy is restarted before or around June 1, 2020, that by the 4th Quarter 2020, the economy will be back to or will be at near pre-COVID levels. However, there has been a significant bounce-back of the virus this fall and government has again shuttered the economy, even as vaccines begin to roll-out.



- One of the market participants that I spoke to is both a Realtor and a landlord. He indicated that he is working with tenants to pay reduced rents through the COVID-19 shutdown. However, because other fixed costs continue to mount, even when the economy can reopen, there is anticipated to be lingering impact.
- Some industries will probably ultimately benefit from this pandemic including industrial and e-commerce. Other industries, such as restaurants, hotels/motels, movie theaters, airlines, cruise lines and the tourism industry as a whole will probably take years to recover. Some industries, such as self-storage does not appear to be impacted.
- Because of COVID-19, some industrial tenants are reporting increased payroll expenses as employees are pushing for “hazard pay” during the pandemic. However, in most instances, it is possible to “social distance” in an industrial setting and so these increased costs are not widespread.
- The post economic shutdown’s impact on single-family residential housing depends on how many workers currently furloughed will be hired back or can find new employment. This is unknown at the present time.
- All of the sales agents interviewed indicated that buyers are not requesting a reduction in pricing or a return of deposits.

The U.S. Congress recently passed legislation providing substantial aid to most businesses and individuals as a result of the pandemic. Although this legislation is intended to minimize the economic impact, it is unknown which segments of the market may be adversely affected and to what extent. If the pandemic continues and the government is forced to provide additional relief packages, the drag of additional debt might result in inflation and other bad impacts on the national economy.

The over-arching opinion of the people interviewed was that it is too early to tell what the impact is on real estate, because:

- The transactions that are still occurring are pipeline transactions that were negotiated before the Impact of COVID-19 was felt in the economy.
- Not enough time has passed that sellers who want to sell, but who are not distressed, are lowering prices so the market can determine the discount necessary, if any.

- As one respondent told me, it is impossible to assess the impact on value, because the equation is not complete. In other words, if we don't know how long the economy's spigot is going to be artificially shut-off, it is impossible to tell what the impact will be. For example:
 - Once the economy opens again will there be social distancing requirements. If I own a movie theater, will I only be able to sell every third row of seats with two empty seats between groups, which would reduce the number of seats I can sell by almost 60%. Also, how long will it be until Hollywood is able to get new films into the theaters. The release of Disney's *Mulan*, has been moved back until June, but could easily be moved back further.
 - In the case of restaurants, they may be forced to move tables further apart to reflect social distancing requirements. This would probably mean a decrease in the meals that they can sell. Although they can reduce staff, the utility costs, janitorial costs, maintenance costs, etc. will remain constant. This would cut not only profit as a gross dollar figure, but also as a percentage of income. This would probably require the tenant to go to the landlord for rent relief. Decreases in rent would result in a decline in real estate values.
 - Medical experts project at least one episode of the virus bouncing back. Depending on the extent of the bounce-back and the number of episodes, these could also have a long-term impact on the real estate markets.

With the current SBA relief loans, businesses can borrow up to 2.5 months of payroll expenses and 25% of the money borrowed can be used to pay rent, utilities, etc. On average, only approximately 40% of a retail business's operating expenses are payroll expenses. If a business cannot cover the remaining 60% of the overhead expenses with 25% of the loan fees and cash reserves, the loan will not benefit a business. Although landlords may not be evicting tenants for non-payment of rent, an answered question is how long will vendors and landlords give businesses to pay back past due rent and other charges.

During the last economic downturn, which began in 2008, many commercial buildings lost approximately 50% of their value and the median house price in the Reno-Sparks area declined by

approximately 60%. The people interviewed do not anticipate that the impact of the COVID-19 virus will be as dramatic as this melt-down because the 2008 real estate crash was based on over-building, while in the Reno-Sparks area, that had not occurred prior to the COVID-19 pandemic. Set out following is what is known for the various real estate markets:

- In the 2nd Quarter 2021, the Reno-Sparks area net absorption of industrial floor space was 1,265,951± square feet, for a first half total of 2,557,887± square feet. This is after a net absorption in all of 2020 of 4,250,925± square feet, which is the highest since 2016. With this, the direct vacancy rate decreased from 3.3% in the 1st quarter of 2021 to 2.7% in the 2nd quarter of 2021. Furthermore, including sublease space, the vacancy rate decreased from 4.3% to 3.6%. Moving forward the industrial market is expected to remain strong as there is political will to return vital supply chains to the United States, which will increase demand for industrial space.
- In the 1st Quarter 2021, the Reno-Sparks area net absorption of office floor space was 21,230± square feet, which was a significant increase from 2020, where the year ended with -74,360± square feet of net office space absorption. However, the 2nd Quarter of 2021, saw -17,555± square feet of net absorption, resulting in a vacancy rate of 10.1% and the vacancy rate, including sublease space of 13.8%. Moving forward, it is anticipated that demand for office space will be slow, as companies have learned to have employees work remotely. As a result, it is expected that as leases come up for renewal, that tenants will seek to downsize their office footprint.
- In the 4th Quarter 2020, the Reno-Sparks area net absorption of retail floor space was, 25,500± square feet, which was an increase from -70,149± square feet in the 3rd Quarter. However, the net absorption for the year was -77,330± square feet. At the same time, the vacancy rate increased from 5.5% to 6.8% and including sub-lease space from 7.0% to 7.5%. In the 1st Quarter 2021, the market built on the 4th Quarter absorption, with an additional 111,845± square feet of net absorption, which decreased the vacancy rate 5.7% and the vacancy rate with sub-lease space to 6.4%. In the 2nd Quarter, the market slowed somewhat, but net absorption was still healthy at 56,656± square feet, reducing vacancies to 5.6% and the vacancy rate with sub-lease space to 6.2%. Moving forward, the retail vacancy rate may increase if and when the moratorium on evictions is lifted, as off-set by absorption as the economy is opened up.

- With regard to the apartment market, the Johnson Perkins Griffin quarterly apartment survey indicates that between the 4th Quarter 2020 and the 1st Quarter 2021, vacancies declined from 2.82% to 1.95% and rents increased by 3.16% from \$1,424 per month to \$1,469 per month. It should be noted that historically, vacancies increase in the 4th Quarter increase over those of the 3rd Quarter. Over the last 12 years, this increase has averaged 0.79%, which in 2020 it was 0.58%. The vacancy rate in the 3rd Quarter 2020 was 2.24%. The survey reports that of the complexes that responded to a request for comment on delinquencies, that the average delinquency was 2.56%, down from 6.96% in the 4th Quarter 2020. This compares with 4.1% nationally, as of the end of March 2021 per NMHC Rent Payment Tracker. Moving forward, it is expected that the vacancy rate will remain low for the foreseeable future.

The Reno-Sparks market is being fueled by immigration from California. In September, I visited numerous cities in Nevada, Idaho, Wyoming and Utah. In each place that I visited, the locals indicated that they were being inundated with new residents from California, Portland and Seattle. The out-migration from California is well documented and it is being reflected by declining house prices in the Bay Area.

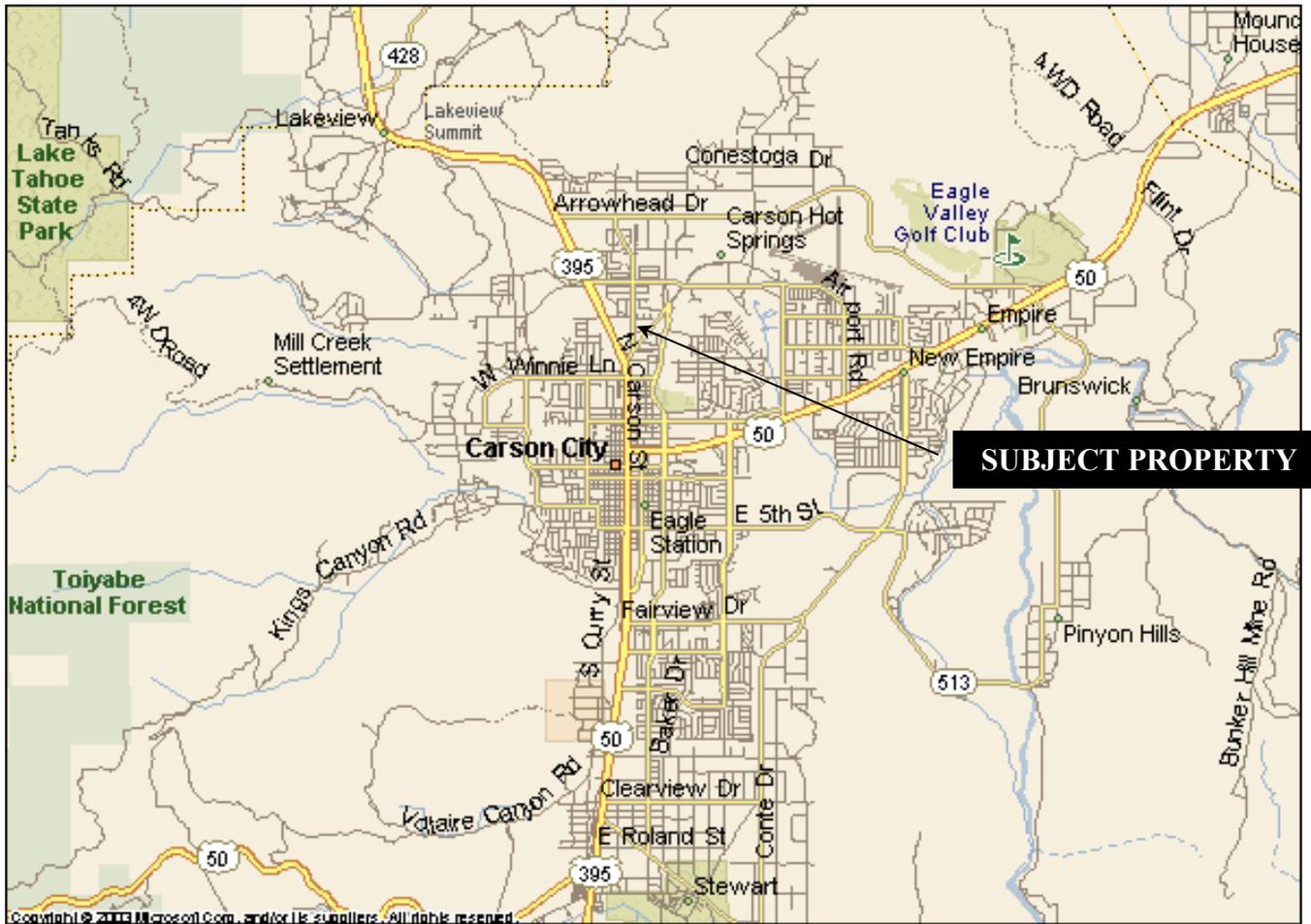
Over the last couple of months, COVID infection rates and hospitalizations have been increasing and as a result, in the state of Nevada, the governor rolled back some of the reopening guidelines. This has occurred as the roll-out of vaccines have begun. At the same time, new strains of the virus have surfaced and it is uncertain how effective the vaccines will be on these new strains. The major difficulty in determining the long-term impact on real estate markets is that shut-downs and openings are at least partly a political decision, not solely an economic decision, and so it cannot be determined by data analysis. The decision appears to hinge on one of risk/reward (risk of increasing spread of the illness versus the economic and social damage which will continue to accrue the longer the economy is shut down).

I recently spoke with the owner of a manufacturing company in Reno, his company manufactures fertilizer that is sold to consumers in lawn and garden stores. He indicated that in January-February 2020, which was pre-COVID, his sales were up 24% over the same time-period in 2019. Then COVID hit and sales stopped for about a month. Since that time, sales have been increasing and as of the date of

my conversation, which was just after the date of valuation of this report, his sales, year to date were up 6% over the same timeframe in 2019.

This appraisal is based on the best information available as of the writing of this report, but as is the case with all projections, the ultimate outcome may be different than what is currently anticipated. Because we are currently in a unique environment of very high uncertainty, the value conclusions derived in this report are felt to have less reliability than they would have in a more stable market.

SUB-MARKET MAP



SUB-MARKET DESCRIPTION

The subject property is located in north Carson City area. The neighborhood is bounded on the west by the Carson Range of the Sierra Nevada Mountains, on the north by the foothills which form the northern boundary of Eagle Valley, on the east by Hot Springs Road and Roop Street, as well as on the south by U. S. Highway 50. The subject neighborhood involves a mixture of retail and residential utilizations.

The major roadways servicing the subject neighborhood include Business Route 395, Winnie Lane, Roop Street, Hot Springs Road and U. S. Highway 50 West. Business Route 395, which is also known as Carson Street, is a divided four-lane, two-way roadway that is a main north-south artery through Carson City. This roadway connects Carson City with the Reno-Sparks area to the north as well as the Minden-Gardnerville area to the south. Development along Carson Street in the center of town includes the State Capitol Building, the Legislative Building, other governmental buildings, tourist related businesses as well as retail-commercial outlets. Development in the southern portion of the neighborhood involves a mixture of utilizations including restaurants, motels and various commercial outlets. Construction ranges from metal buildings, concrete block to wood framed buildings. The age of the improvements ranges from almost new to 30+ years old.

Winnie Lane provides access to several residential developments located west of Carson Street in western Carson City. Development on both sides of Winnie Lane include a mixture of neighborhood shopping centers, a mobile home park and several residential developments. Throughout most of the subject neighborhood, Winnie Lane is an east-west roadway. However, Winnie Lane curves to the south and terminates at its intersection with Ash Canyon Road in the southern portion of the neighborhood.

The eastern boundary of the subject neighborhood is formed by Hot Spring Road and Roop Street. Roop Street is a 2-way, 2-lane asphalt paved north-south surface roadway that provides access between the northern and southern portions of Carson City. This road is utilized as a local bypass for traffic on Highway U. S. Highway 395. The primary development on Roop Street involves secondary commercial and office uses.

Hot Springs Road is a northeasterly-southwesterly trending 2-lane, 2-way asphalt paved roadway that extends in a northeasterly direction from North Carson Street. Historically, Hot Spring Road was one of

the primary east-west roadways in north Carson. However, with the construction of the US Highway 395/Interstate 580 bypass around downtown Carson, Hot Spring Road was severed just northeast of its intersection with College Parkway. College Parkway has become the new east-west arterial roadway servicing the north Carson area. East College Parkway is a wide 4-lane, 2-way arterial road that was recently constructed as an extension of Graves Lane. This roadway provides good access to the emerging office, light industrial and commercial developments of north-central Carson City.

The southern boundary of the subject neighborhood is marked by U. S. Highway 50 West. This roadway involves a 4-lane, 2-way asphalt paved roadway providing access to the south and eastern shore of the Lake Tahoe Basin. U. S. Highway 50 West extends in an east-west direction as it travels over the Carson Range into the Lake Tahoe Basin. The intersection of U. S. Highway 50 and U. S. 395 South is fully signalized.

Development in the subject neighborhood is varied. The development consists primarily of commercial utilizations along North Carson Street, with residential and secondary commercial uses east and west of North Carson Street. The sub-market also boasts northern Nevada's newest regional medical center. Carson-Tahoe Hospital is located on Medical Parkway just west of North Carson Street in north Carson City. The new 352,000 square foot facility opened in early 2006 and employs over 240 board-certified physicians that represent more than 35 medical specialties. The Carson-Tahoe Hospital Master Plan encompasses 80 acres and a total of 29 buildings, including the hospital. To date some 12 medical buildings have been constructed adjacent to the hospital.

The areas surrounding this North Carson Street corridor involve mainly single-family residences. The single-family residences located north of Hot Springs Road involve older residences on larger lots. These homes were generally constructed between 1987 and 1997 and range in size from 960 to 1,575± square feet. At the present time they are in average condition. The best quality residential area in the sub-market is the Silver Oaks development located north of West College Parkway. This 685.90± acre site involves approvals for 718 single-family residences and 463 cluster units. This development includes an 18-hole golf course as well as commercial, park and school sites. This development began in the early 1990's and remained a catalyst of growth for the north Carson City region through 2005. The homes in this development were generally constructed between 1995 to present day and range in

size from just under 2,000± square feet to over 3,500± square feet. The lots in this development range in size from 0.19± acres to one acre.

Since the start of the national and regional market decline in 2006, and in conjunction with the U.S. Highway 395 Bypass extensions, several businesses have re-located off of North Carson Street. Some of these businesses include Big 5, Aaron's Sales & Lease Ownership as well as Michael Hohl's Carson Honda, Subaru and Chevrolet. In addition to these businesses, there is another large retail user that is in the process of relocating off of North Carson Street. All of these businesses relocated to the southern portion of Carson City. However, in 2013, a new Taco Bell was constructed on the north end of Carson Street, just south of the I-580 interchange.

East and west of North Carson Street, the majority of the development involves residential subdivisions. These include University Heights 1 and 2, Westwood, Timberline, Lakeview and Timberwest Estates. University Heights 1 and 2 involves good quality tract homes typically ranging in size from approximately 1,500± square feet to 2,200± square feet. These homes are generally 12 to 25 years old. The Westwood and Timberline Subdivisions generally involve one-third acre to one-half acre lots. Timberwest Estates involves one-half acre to 2.7± acre homesites with larger single-family residences selling for more than \$300,000.

Development in the west-central portion of the subject neighborhood involves good to excellent quality single family residences located on 10,000± square foot or larger lots. The subdivisions in this portion of the subject neighborhood include Kensington Park, Longview Estates, Carriage Square, Winters Meadows, Monte Vista Estates and Wellington Crescent. These subdivisions generally involve 10 to 20-year old homes ranging in size from 1,500± square feet to over 3,000± square feet. The larger, better quality single family residences in this portion of the subject neighborhood typically sell for in excess of \$300,000 and the pride of ownership is good to excellent.

The west-central portion of the subject neighborhood involves an older portion of downtown Carson City. Generally, this area involves a mixture of residential and professional office utilizations. Additional development includes the Carson Junior High School, the Grace Bordewich and Mildred Gray Elementary Schools and the Carson City School District offices. This area of the subject

neighborhood is serviced by a number of secondary residential roadways as well as Kings Canyon Road and King Street. Single family residences in this area generally involve 1,200± square feet to 1,600± square foot homes on smaller lots.

The eastern portion of the subject neighborhood also involves a variety of residential development. This typically involves average quality single family residences ranging in size from 1,200± square feet to 2,000± square feet. These homes generally range in age from 10 to 40 years and typically sell for below \$200,000. Most of these residences are of wood frame construction and are located on typically sized city view lots. The exception to this in the extreme northeastern portion of the subject neighborhood in the Bonanza and Arrowhead Drive areas where homesites are generally larger than one acre.

The subject neighborhood is considered to have good access to all utilities. In addition, the subject neighborhood enjoys good access to parks, shopping centers, schools and medical facilities. The Western Nevada Community College, located in the northwestern portion of the subject neighborhood, was completed in 1984 and has an enrollment of approximately 5,500 students.

The northern and western portions of the subject neighborhood involve the Carson range. Typically, this mountain range involves large canyons, steep topography and various drainages. A number of single lane dirt roadways extend through this portion of the subject neighborhood. These roadways are not maintained and generally involve steep grades and rough surfaces. The lower slopes of the Carson Range involve slopes ranging from 7% to 20% with the upper slopes involving 25% to 60% slopes. Vegetation consists of various types of sagebrush, native grasses and several species of conifer trees. As a result, the overall topography of the subject neighborhood is moderately sloping down to the east and south along the north perimeter, being gently sloping to level in the central and southern portions of the neighborhood. Along the edge of the mountain ranges, there are several earthquake fault lines. However, these are located some distance from most development and therefore do not negatively impact development in the neighborhood. There do not appear to be any environmental hazards or other negative impacts on properties within the neighborhood.

In summary, the subject neighborhood involves the northern portion of Carson City and is bounded on the west by the Carson Range of the Sierra Nevada Mountains. The neighborhood is bounded on the

north by the foothills which form the northern boundary of Eagle Valley and on the south by the extension of U. S. 50, heading east from its intersection with Business Route 395. Much of the subject neighborhood is in residential development. However, the majority of the development along North Carson Street which bisects the subject neighborhood and on U. S. Highway 50 in the southern portion of the neighborhood is commercial in nature. Other pockets of commercial development occur on both sides of Roop Street in the eastern portion of the neighborhood and around the former Carson Tahoe Hospital in the western portion of the neighborhood. The western portion of the neighborhood involves a number of exclusive residential developments, offering some of the highest priced homes in all of Carson City, while the residential development in the eastern portion of the neighborhood generally involves smaller homes on smaller lots that are typical of moderately priced homes in the Carson City area. The overall character of the subject neighborhood is stable. And the neighborhood is over 90% built-out. With continued growth in the Carson City area and giving the subject's good location as well as to the quality of the improvements being installed, it is the undersigned's anticipation that demand for all properties in the neighborhood will increase and as a result, it is expected that properties in the area will enjoy normal levels of appreciation into the future.

Client:	File No.: 2621 Northgate Lane
Property Address:	Case No.:
City:	State: Zip:



VIEW OF THE SOUTHERN DRIVEWAY ONTO THE SUBJECT FROM NORTHGATE LANE



VIEW OF THE NORTHERN DRIVEWAY FROM THE SUBJECT ONTO NORTHGATE LANE



REAR PARKING LOT OF THE SUBJECT



TYPICAL SUITE ENTRANCE AT THE SOUTHEAST CORNER OF THE SUBJECT BUILDING



TYPICAL ENTRANCE AREA IN THE SUBJECT BUILDING



BREAKROOM IN ONE OF THE SUBJECT SUITES

Prepared in PACS by NetScout, LLC 20480227 www.netscout.com

PAGE

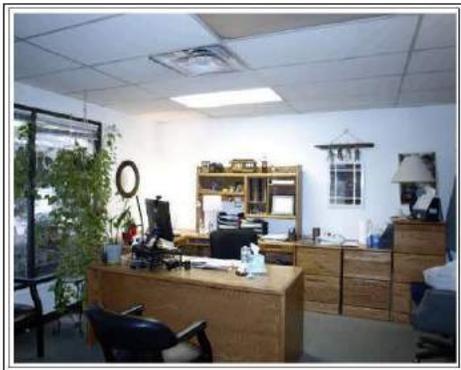
Client:	File No.: 2621 Northgate Lane
Property Address:	Case No.:
City:	State: Zip:



TYPICAL OFFICE IN THE SUBJECT BUILDING



TYPICAL OFFICE IN THE SUBJECT BUILDING



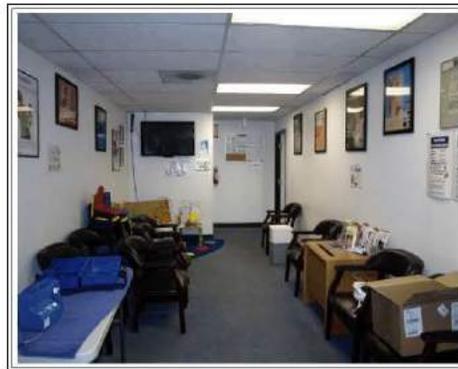
TYPICAL OFFICE IN THE SUBJECT BUILDING



TYPICAL STORAGE CLOSET/ROOM IN THE SUBJECT BUILDING



PRIVATE OFFICE WITH OUTSIDE ENTRANCE



TYPICAL OFFICE AREA IN THE SUBJECT BUILDING

Prepared by: JAC Services, Inc. 2048227 www.jacweb.com

PITS

Client:	File No.: 2621 Northgate Lane
Property Address:	Case No.:
City:	State: Zip:



FREEZERS IN THE FOOD BANK AREA OF THE SUBJECT BUILDING



FOOD BANK STORAGE ROOM



WOMENS RESTROOM LOCATED AT THE NORTHERN PORTION OF THE SUBJECT BUILDING



WOMENS RESTROOM LOCATED AT THE NORTHERN PORTION OF THE SUBJECT BUILDING



WOMENS RESTROOM LOCATED AT THE NORTHERN PORTION OF THE SUBJECT BUILDING



MENS RESTROOM LOCATED AT THE NORTHERN PORTION OF THE SUBJECT BUILDING

Printed on 03/11/2016, 10:29:02Z www.ace.com

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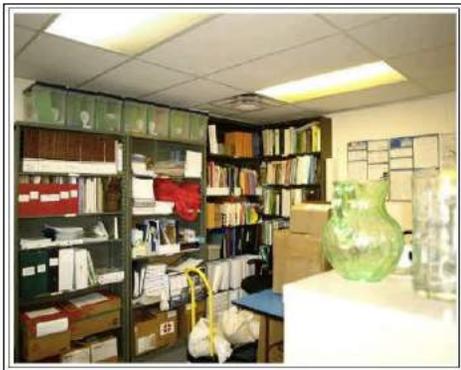
Client:	File No.: 2621 Northgate Lane
Property Address:	Case No.:
City:	State: Zip:



MENS RESTROOM LOCATED AT THE NORTHERN PORTION OF THE SUBJECT BUILDING



RECEPTION AREA IN ONE OFFICE IN THE SUBJECT



FILE STORAGE ROOM IN ONE OFFICE IN THE SUBJECT



CONFERENCE ROOM IN ONE OF THE OFFICE AREAS IN THE SUBJECT



FILE STORAGE ROOM IN ONE OFFICE IN THE SUBJECT



COURTYARD AREA IN THE MIDDLE OF THE SUBJECT BUILDING

Photoed in: PACS v1.0.0, 100.2348227, www.pacs.com

PHOTO

Client:	File No.: 2621 Northgate Lane
Property Address:	Case No.:
City:	State: Zip:



WOMENS RESTROOM LOCATED AT THE SOUTH END OF THE SUBJECT BUILDING



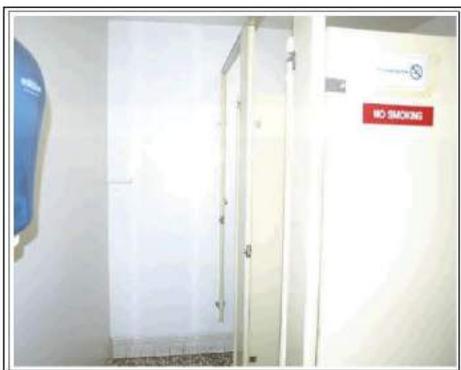
WOMENS RESTROOM LOCATED AT THE SOUTH END OF THE SUBJECT BUILDING



WOMENS RESTROOM LOCATED AT THE SOUTH END OF THE SUBJECT BUILDING



MENS RESTROOM LOCATED AT THE SOUTH END OF THE SUBJECT BUILDING



MENS RESTROOM LOCATED AT THE SOUTH END OF THE SUBJECT BUILDING



MENS RESTROOM LOCATED AT THE SOUTH END OF THE SUBJECT BUILDING

Printed on 03/13/2012, 10:29:22Z www.26web.com

PITS

Client:	File No.: 2621 Northgate Lane
Property Address:	Case No.:
City:	State: Zip:



WOMENS RESTROOM LOCATED AT THE SOUTH END OF THE SUBJECT BUILDING



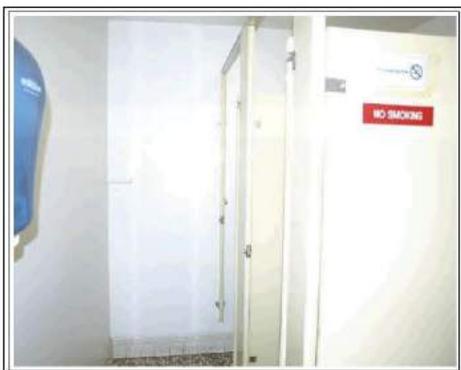
WOMENS RESTROOM LOCATED AT THE SOUTH END OF THE SUBJECT BUILDING



WOMENS RESTROOM LOCATED AT THE SOUTH END OF THE SUBJECT BUILDING



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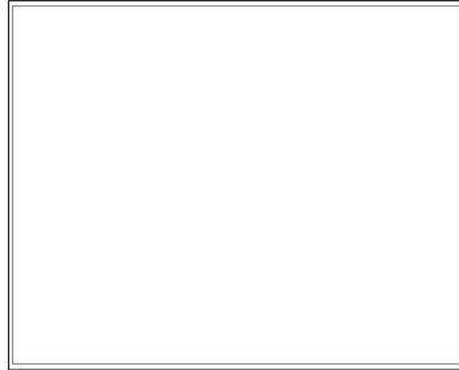


MENS RESTROOM LOCATED AT THE SOUTH END OF THE SUBJECT BUILDING

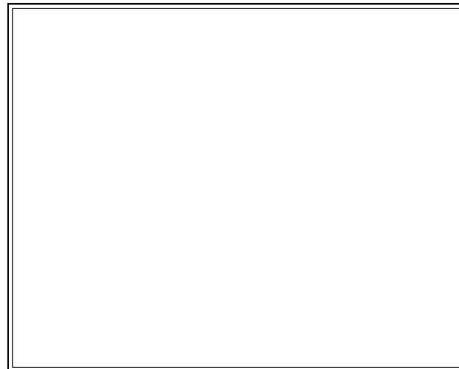
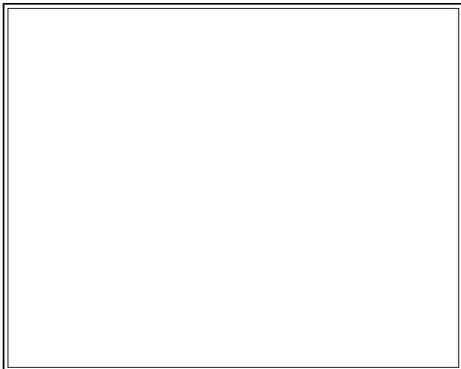
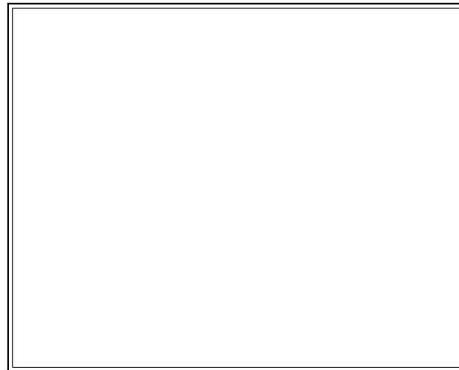
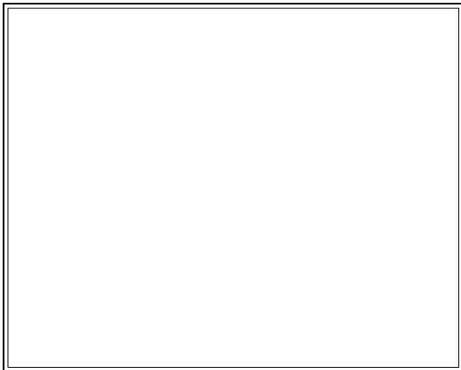
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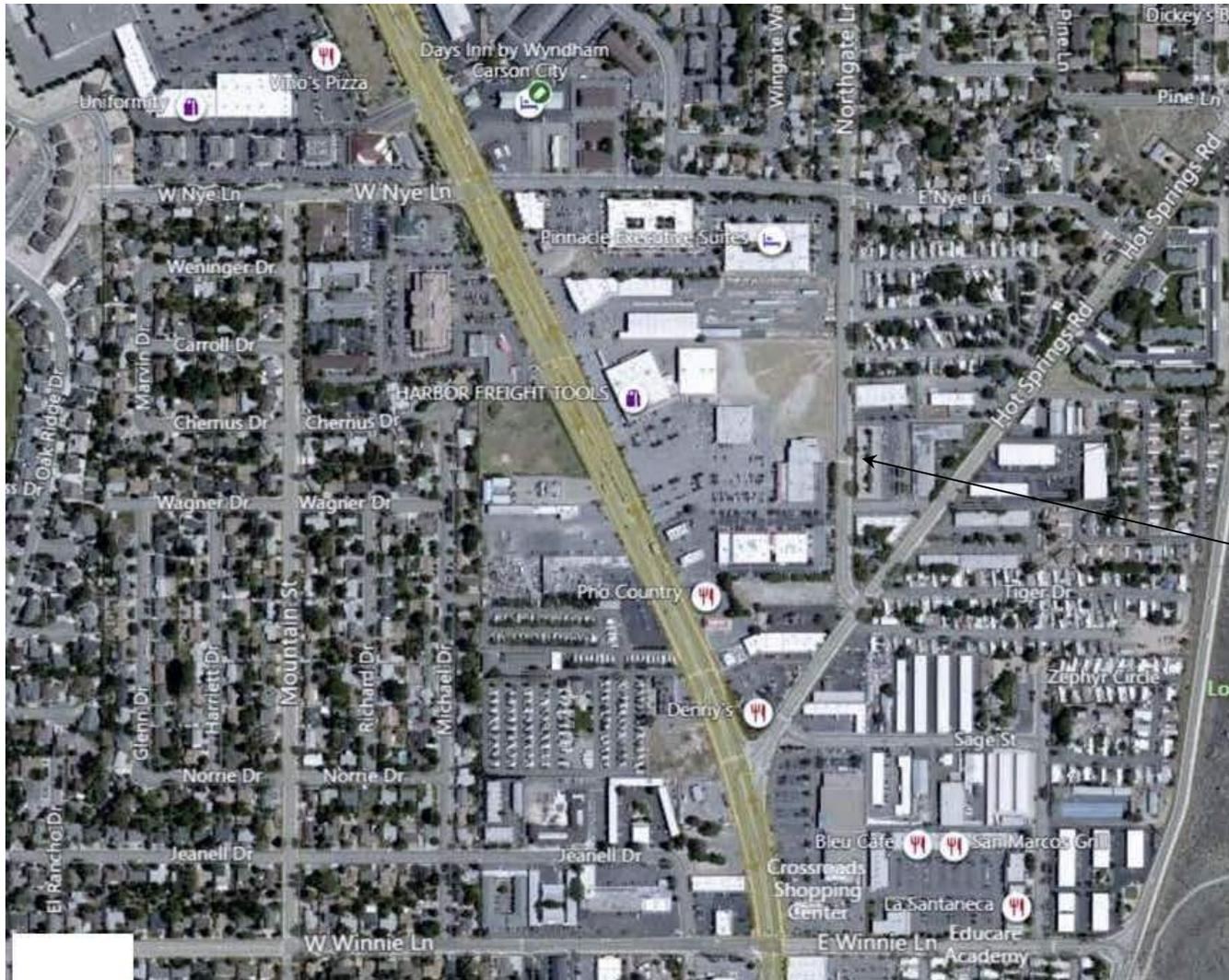
Client:	File No.: 2621 Northgate Lane
Property Address:	Case No.:
City:	State: Zip:



ENTRANCE TO THE SUBJECT COURTYARD FROM THE FRONT OF THE SUBJECT



OVERVIEW AERIAL PHOTO



SUBJECT

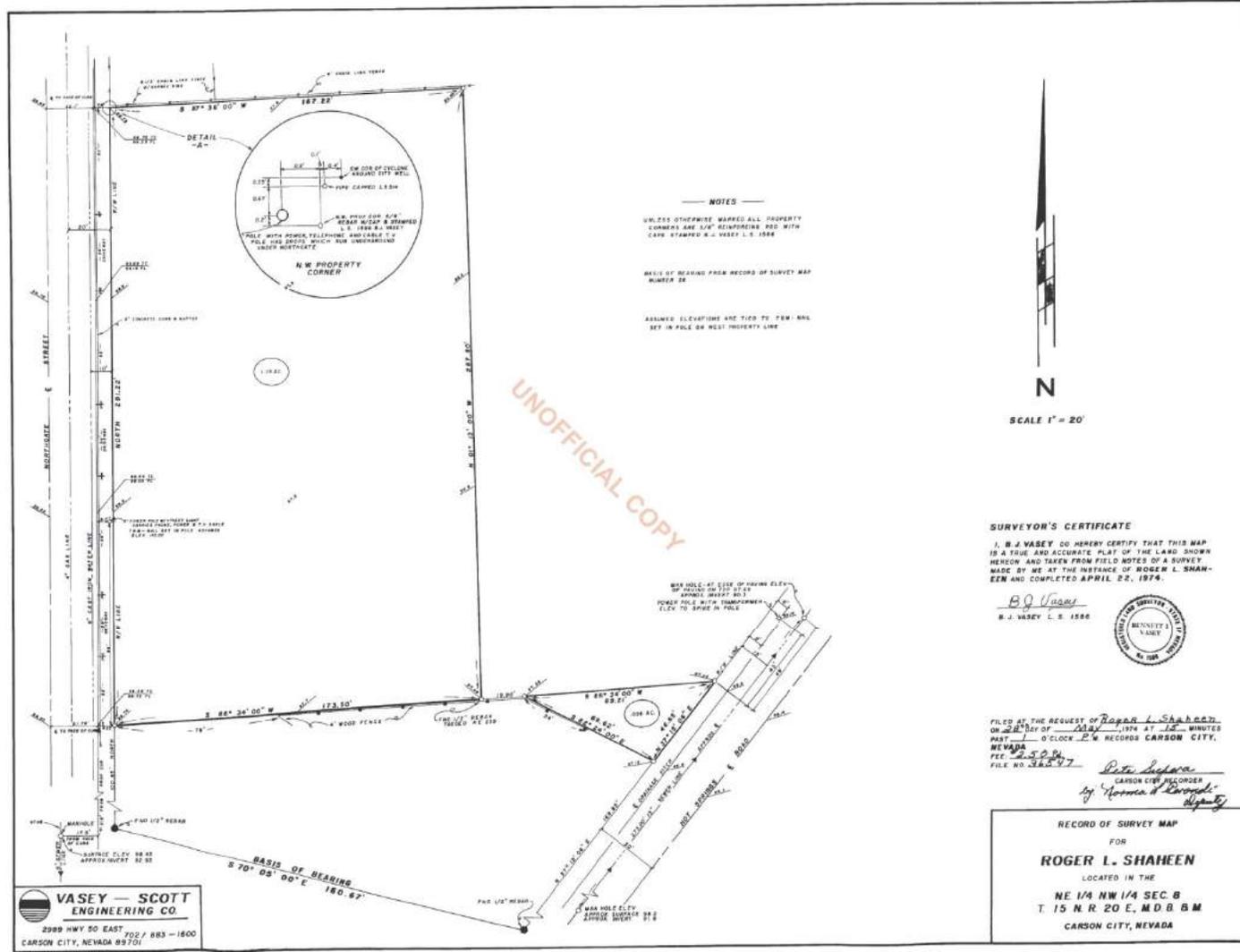


CLOSE-UP AERIAL PHOTO



RECORD OF SURVEY MAP 422

RECORD OF SURVEY
DRAWING NUMBER
2621 NORTHGATE LANE
SECTION 8, T15N, R20E



422

422

PLAN HOLD

VASEY - SCOTT
ENGINEERING CO.
2989 HWY. 50 EAST
702 / 883 - 1800
CARSON CITY, NEVADA 89701

JSWA

SUBJECT PROPERTY PLOT PLAN

A.P.N. 002-062-05

PORTION NW 1/4 SECTION 8
T.15 N., R.20 E., M.D.B. & M.

2-06



TOTAL LAND AREA: 49,354± SQUARE FEET (1.133± ACRES)



PROPERTY IDENTIFICATION AND SITE DESCRIPTION

Property Name	Northgate Complex		
Address	2621 Northgate Lane, Carson City, NV 89706		
Legal Description	N/A		
Owner of Record	Carson City		
Assessor's Parcel Number	002-062-05		
Land Area	1.133± acres	49,354± square feet	
Improvements	A 45-year-old, 15,841± square foot, single-story, average quality multi-tenant office building. The building is 100% occupied		
Building Areas	Gross Building Area	Net Rentable Building Area	Net Usable Building Area
	15,841± sf	14,664± sf	15,841± sf
Land to Building Ratio	3.12:1		
Quality/Condition	Average/Average		
Effective Age	30		
Economic/Remaining Life	50/20		
Zoning	PC (Public Community)		
Flood Zone	Shaded Zone X (Panel 3200010092G effective 12/22/2016) which designates areas with a 0.2% chance of annual flooding. Federal Flood Insurance is not required in a Shaded Zone X.		
Topography	Level		
Easements/Encumbrances	See comments below		
Unusual Seismic Hazards	None noted		
Soils	Typical for the area.		
Vegetation	The subject has perimeter landscaping along the majority of its west property line which includes grass and some trees. There are also some trees in the courtyard area of the subject building.		
Access	The subject has access from its 291.79' frontage on Northgate Lane along its entire west property line. In the vicinity of the subject Northgate Lane is an asphalt paved, 2-lane/2-way roadway that is improved with concrete curbs, gutters and sidewalks. The subject is felt to have good access.		
Utilities	The subject improvements are serviced by all public utilities.		
Environmental Concerns	None noted		
Site Improvements	The western portion of the site that fronts along Northgate Lane is landscaped and the north, south and east sides are asphalt paved with parking located along the south and east sides of the building.		

Public Services		Typical for the area.
Surrounding Utilizations		Commercial utilizations and vacant land
Sales History		There have been no sales or transfers of the subject in the three years preceding the effective date of value. In fact, the Carson City Assessor’s Office does not indicate any prior sales of the subject. To the best knowledge of the undersigned, the subject is currently not actively listed for sale on the open market.
Property Taxes 2021-2022		None as the subject is owned by a governmental agency.
Special Assessments		None

Zoning

The subject is zoned PC (Public Community). The purpose of this zoning is to:

1. 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.
2. To organize the assemblage of specific, nonprofit and profit public facilities into efficient functionally compatible, and attractively planned administrative centers in conformance with the master plan and to establish special use permit approval for all uses thereby ensuring compatibility with adjacent more restrictive districts. All public neighborhood (PN and PC) district development standards relative to lot area, setbacks, building height, landscaping, off-street parking and signs shall be based on requirements and conditions of the special use permit.
3. To establish site plan approval for many uses thereby ensuring compatibility with adjacent more restrictive districts and to organize the assemblage of specific, nonprofit and profit public facilities into efficient functionally compatible and attractively planned uses in conformance with the master plan.

The current utilization of the subject as an office complex housing four nonprofit community service providers is in conformance with the PC zoning. The PC zoning anticipates civic ownership and uses. If the subject were sold to a non-governmental buyer, rezoning of the subject would be anticipated. In discussions with representatives of the Carson City Planning staff, it was indicated that rezoning the subject to allow commercial uses on the site would be consistent with the master plan.

Easements, Encumbrances and Other Restrictions

In completing this appraisal, we reviewed an ALTA Commitment for Title Insurance issued by Stewart Title on the subject. This Commitment for Title Insurance has a Commitment Date of July 26, 2021 and it lists 24 exceptions in Section B. Items 1 through 13 as well as Item 24 are general in nature and are exclusions seen on a typical title report. In the case of the subject, none of these items are felt to materially impact the value of the subject.

Item 14 involves an easement 15' in width that created access between Northgate Lane and Hot Springs Road. While this easement encumbers the subject, it also benefits the subject. The subject is being valued considering the existing access, which includes the encumbrance and benefit from Item 14.

Item 15 involves an agreement between the owners of the subject and the adjoining building to the south and allows for overlaying the parking lots of these two buildings together. Overall, Item 15 is not felt to adversely impact the value of the subject and so in the following analyses, no additional consideration will be given to Item 15.

Item 16 involves Ordinance 2002-23, which changed the zoning on Carson City owned properties from their then current zoning to PN-PUD or PC-PUD in accordance with the Carson City municipal code. In this report, the subject is being valued based on its Highest and Best Use, which is to rezone the subject to GC and so Item 16 is not felt to materially impact the value of the subject. Therefore, in the following analyses no additional consideration will be given to Item 16.

Items 17 through 20 address the leases in the subject building. Each of the tenants is paying \$1.00 per year plus reimbursements for utilities and some maintenance/repairs. The leases are cancellable with a 30-day notice. Therefore, the subject has been valued in this analysis excluding the current leases. Therefore, no additional consideration will be given to Items 17 through 20.

Items 21 and 22 address items set forth on Survey Map No. 488548 and Survey Map No. 493109. A review of these maps does not indicate any items that would adversely impact the value or development of the subject. Nor do these items provide any atypical benefit to the subject. Therefore, in the following analyses, no additional consideration will be given to Items 21 or 22.

Item 23 excludes any “loss or damages arising from failure to comply with the terms and conditions set forth in above leases.” Because the subject is being valued under the assumption that the typical purchaser of the subject would exercise the 30-day cancellation clauses in the leases, Item 23 is not felt to adversely impact the value or development potential of the subject.

Our inspection of the subject property did not reveal any overt signs of any other easements encumbering the subject. Additionally, no encroachments were noted. The exclusions set forth on the Commitment for Title Insurance do not indicate any encumbrances that are concluded to materially impact the value or development of the subject. Therefore, based on the available data, in the following analysis, the subject has been valued as though it is not adversely impacted by any easements, encroachments or other encumbrances.

Additional Notes

The subject property comprises a rectangular shaped parcel located on the east side of Northgate Lane, just north of Hot Springs Road in north-central Carson City. The subject is located in an area of office and other commercial uses. There do not appear to be any soils conditions, environmental contamination, archeological resources, floodplains, earthquake hazards or other similar factors which would adversely impact the value or development potential of the subject to a greater degree than is typical for the area. Additionally, there do not appear to be any adverse easements encumbering the subject.

For a clearer depiction of the subject property, the reader is referred to the photographs and other exhibits contained elsewhere in this report.

FLOODPLAIN MAP

National Flood Hazard Layer FIRMette



Legend

SEE FIS REPORT FOR DETAILED LEGEND AND INDEX MAP FOR FIRM PANEL LAYOUT

SPECIAL FLOOD HAZARD AREAS

- Without Base Flood Elevation (BFE) Zone A, V, AEZ
- With BFE and Depth Zone A, AO, AE, VE, AH
- Regulatory Floodway

OTHER AREAS OF FLOOD HAZARD

- 0.2% Annual Chance Flood Hazard, Areas of 1% Annual Chance Flood with average depth less than one foot or with drainage areas of less than one square mile. Zone C
- Future Conditions 1% Annual Chance Flood Hazard. Zone E
- Area with Reduced Flood Risk due to Levee. See Mapset. Zone F
- Area with Flood Risk due to Levee. Zone G

OTHER AREAS

- Area of Minimal Road Hazard. Zone H
- Effective ID MRs
- Area of Unimproved Road Hazard. Zone I

GENERAL STRUCTURES

- Channel, Culvert, or Storm Sewer
- Levee, Dam, or Roadwall

OTHER FEATURES

- Cross Sections with 1% Annual Chance
- Water Surface Elevation
- Casual Traverses
- Base Flood Elevation (BFE)
- Limit of Study
- Jurisdiction Boundary
- Casual Traverses, Baseline
- Profile Baseline
- Hydrographic Feature

MAP PANELS

- Digital Data Available
- No Digital Data Available
- Unmapped

The pin displayed on the map is an approximate point selected by the user and does not represent an authoritative property location.

This map complies with FEMA's standards for the use of digital flood maps if it is the version described below. The basemap shown complies with FEMA's basemap accuracy standards.

The flood hazard information is derived directly from the authoritative NFHL web services provided by FEMA. This map was updated on 10/12/2021 at 8:01 P.M. and does not reflect changes or amendments subsequent to this date and time. The NFHL and effective information may change or become superseded by new data over time.

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



DESCRIPTION OF SUBJECT IMPROVEMENTS

The following description of the subject improvements was taken from physical inspections of the subject buildings completed on September 29, 2021, as well as through discussions with representatives of the subject property.

Building Type One-story multi-tenant office building.

Building Dimensions The building is of rectangular shape being 84’ x 254’ with a 10’ x 220’ inner courtyard.

Building Areas

	Gross Bldg. Areas	Net Rentable Building Area	Net Useable Building Area
2621 Northgate Lane	15,841± sf	14,664± sf	14,256± sf

Year Constructed 1976

Actual Age 45 years

Effective Age 20 years

Economic Life 50 years

Remaining Economic Life 30 years

Construction

Foundation Concrete foundation

Floor
First Floor Concrete slab on grade

Walls
Exterior Wood frame, with a brick exterior and a textured and painted interior
Interior Partitions Sheetrock that is taped, textured and painted.

Roof Built-up with a metal mansard

Windows Dual glazed metal storefront set in aluminum frames.

Doors
Office Exterior Glass set in aluminum frames.
Office Interior Solid core wood in metal frames.

Interior Finish Detail & Building Layout

The building has a central courtyard that is oriented in a north-south direction. There are public entry doors on the west and east sides of the building. They lead into a central corridor (10' wide and 32' in length on the east and west sides of the building) that has a concrete flooring with the same brick exterior as the remainder of the building. These east and west entrances lead into the central courtyard which is uncovered and has concrete sidewalks along both the west and east sides of the courtyard with the central portion being dirt and having some bushes and trees. At the north and south end of the courtyard are restrooms. The restrooms have tiled floors and tiled mop boards to a height of approximately 6 inches. The balance of the walls and ceilings are textures and painted sheetrock. The men's rooms have a two-sink vanity, one wall mounted urinals and a water closet in a separate room. The women's restrooms have three water closets and two wall mounted sinks. There is also a single user bathroom in the western public corridor entrance. This restroom has one wall mounted sink with a single toilet.

There are a total of 64 doors that could each be made into their own suite. However, the subject is currently divided amongst four tenants: the Agricultural/Extension Department of the University of Nevada System of Higher Education; Nevada Rural Counties RSVP Program, Inc.; Ron Wood Family Resource Center; and Capital City C.I.R.C.L.E.S. Initiative. The existing tenant suites were created by cutting doors in demising walls or removing the demising walls completely. It appears that with the exception of the exterior walls that the interior partition walls are not structural. The various office areas have a mixture of vinyl tile, sheet vinyl and carpeted floorings with the walls being textured and painted sheetrock. The ceilings are laid-in acoustic tile with recessed fluorescent or LED lighting.

HVAC The subject building has full heating and air-conditioning.

Sprinklers Portions of the subject building are sprinklered.

Security Features None noted.

ADA Compliance The subject appears to be handicapped accessible. The building is at grade with both the west and east entrances. The restrooms located at the north and south ends of the building do not appear to be handicapped accessible but the single-user restroom does appear to be handicapped accessible.



Insulation

The walls and roof of the subject building are assumed to be insulated with what would be typical for buildings of the subject's vintage.

Site Improvements

The subject building is located on the western portion of the site. The southern portion of the subject site is a one-way driveway coming off of Northgate Lane and heading east to the subject's southern parking area long the building and the rear parking lot. The northern portion of the subject site is formed by one-way driveway that exits the subject's rear parking lot onto Northgate Lane. The subject has a large rear parking lot, and between that and street parking and parking along the southern portion of the subject building, the subject is felt to have adequate parking. There is a grass lawn with some trees along the western edge of the subject site, between the building and sidewalk on Northgate Lane. For a clearer depiction of the site improvements, the reader is referred to the photographs contained earlier in this report.

Quality/Condition

The subject is an average quality professional office building, which appears to be in average condition.

Deferred Maintenance/Needed Repairs

In completing this appraisal, I was provided with a Facility Condition Assessment prepared by Faithful+Gould, which is dated March 3, 2020, or approximately 18 months prior to the effective date of value of this appraisal. In this report, Faithful+Gould indicated three items of Deferred Maintenance that need to be addressed immediately. They are:

1. The roof cover is leaking and needs to be replaced
2. The HVAC units need to be replaced because as of January 2020 R-22 refrigerant is no longer available in the United States
3. The Aluminum Perimeter Gutters need to be replaced as they have failed.

Faithful+Gould estimated the cost to address these items would be \$396,512, which I have rounded to \$400,000. In a phone interview with Mr. Ron Reed, Facilities Maintenance Manager for Carson City, it was indicated that monies to replace Items 1 through 3 above was allocated in the Carson City 2021-2022 budget and it was his opinion that the costs projected by Faithful and Gould would be adequate to

accomplish the work. As a result, in the following analysis I have made a \$400,000 allowance to cure deferred maintenance.

Land to Building Ratio 3.12:1

Building Coverage 32.10%

Summary and Conclusion

The subject property is improved with a 45-year-old single-story average quality office building that is 100% occupied. For a clearer depiction of the subject improvements, the reader is referred to the photographs and floor plans contained elsewhere in this report.

SUBJECT RENT ROLL

2621 Northgate

The City has been leasing the building to four nonprofits for several years at \$1.00 per year. Below is a quick summary of each lease:

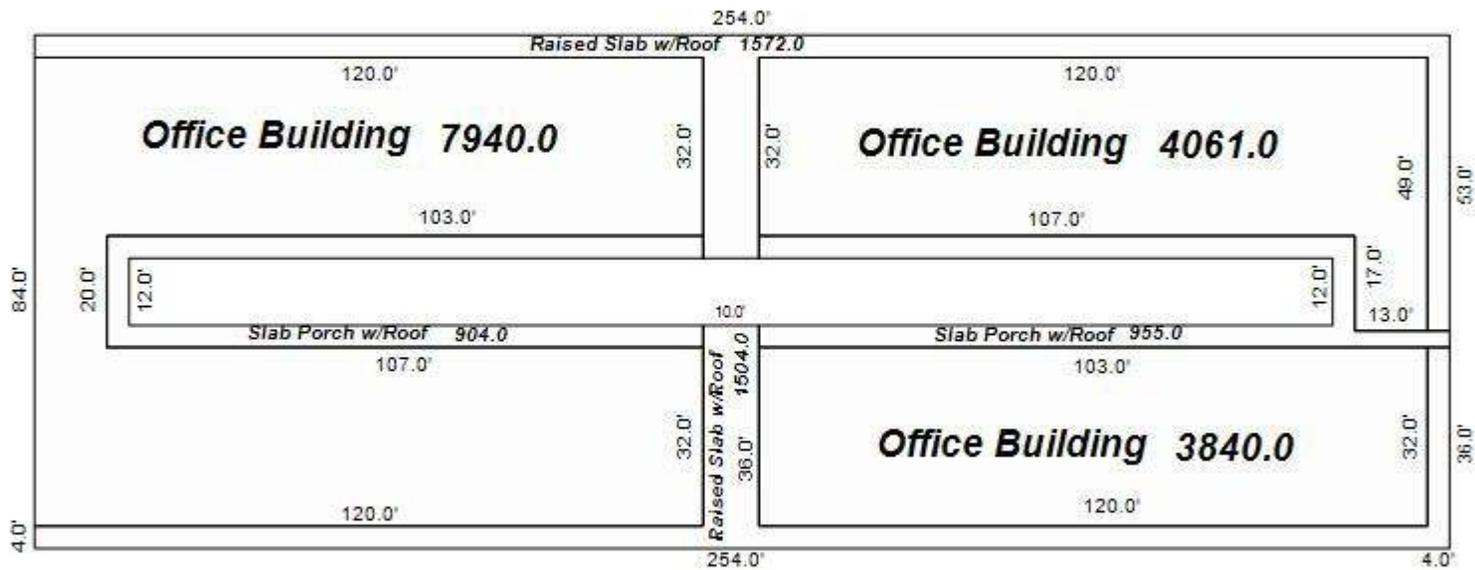
- June 1987 - Board approved an agreement for the support and conduct of cooperative extension work between the Agricultural/Extension Department of the University of Nevada System of Higher Education and Carson City. The City receives no revenue from this agreement.
- September 17, 2009 - Board approved a lease for \$1.00 per year to Nevada Rural Counties RSVP Program, Inc. for an initial 10-year term expiring on September 17, 2019, with one 10-year option to renew. The lease may be terminated with 30 days' notice in the event the City conveys the office building on the Property.
- March 18, 2010 - Board approved lease for \$1.00 per year to Ron Wood Family Resource Center beginning on the August 1, 2010 and terminating on July 30, 2020 with one 10-year option to renew. The lease may be terminated with 30 days' notice in the event the City conveys the office building on the Property.
- July 21, 2016 - Board approved lease for \$1.00 per year to Capital Cities C.I.R.C.L.E.S. Initiative for a new 5-year term through August 31, 2021 with one 5-year option to renew. The lease may be terminated with 30 days' notice in the event the City conveys the office building on the Property.
- July 20, 2017 - Board reviewed and approved amended lease language regarding maintenance responsibilities for tenants leasing office space on the Property and directed staff to amend the leases with the nonprofits.
- December 21, 2017 - Board approved, and the City subsequently entered into, lease amendments clarifying maintenance responsibilities between the City and the Property's tenants, Nevada Rural Counties RSVP Program, Inc.; Ron Wood Family Resource Center; and Capital City C.I.R.C.L.E.S. Initiative.

Operating Expenses: Ron estimated that the City spends approximately \$19,000 annually on maintenance that is not covered by the tenants. Ron estimated the City was spending approximately \$25,500 annually before the leases were amended so the tenants would cover certain maintenance costs.

Utilities: The Tenants reimburse the City quarterly for their utility expenses. Below is the most recent annual amounts each Tenant paid.

- Ron Wood: \$11,550.04
- RSVP: \$7,820.03
- Capital Cities Circles: \$2,120.77
- UNR Cooperative Extension: \$5,699.27

FLOORPLAN



HIGHEST AND BEST USE ANALYSIS

Highest and best use is defined as that reasonable and probable use that will support the highest present value as of the effective date of valuation. Implicit in this definition is that the highest and best use must be physically possible, legally permissible, financially feasible and maximally productive.

In analyzing the highest and best use of the subject property, the highest and best use if vacant will be addressed first. Then the highest and best use of the subject as presently improved will be analyzed.

Highest and Best Use – If Vacant

Legally Permissible

In order for any utilization of a property to represent its highest and best use, it must be legally permissible. Areas of legal permissibility that must be addressed include zoning or master plan designation, easements, deed restrictions or other similar encumbrances.

As noted previously, the subject property is zoned PC (Public Community). The subject is currently zoned for public community uses, which only allows for a permitted as primary use of a wireless communications facility. The remaining wide variety of uses such as: Buildings and facilities owned, leased or operated by Carson City, State of Nevada or US government; Child care facility; Clinic; Hospital; Museum; Outside storage; Park; School; Sheriff's office and jail; Utility substation and Water storage facility are only allowed with a Special Use Permit. The subject zoning is not similar to the zoning of the surrounding utilizations because the properties surrounding the subject are zoned GC (General Commercial) which allows for a wide variety of commercial uses without the approval of a special use permit. The subject's zoning allows for a much narrower development potential, especially if it not for a public entity/ownership and public purpose. However, according to representatives from the Carson City Planning Department, the subject's master plan designation would support a zone change to commercial. As a result, it is anticipated that the subject would be developed with one of the uses allowed under the PC or GC (General Commercial) zoning guidelines.

The requirements of the PC zoning were set forth previously in this report. Set forth following is a summary of the GC zoning.

The purpose of the GC District is to preserve a commercial district limited primarily to retail and wholesale sales of new and used material, repair and service facilities, and offices. The Primary Permitted Uses in the GC District are retail and wholesale uses, and other uses of a similar nature. Except for any use described in subsection 3 of CCMC [18.04.135](#) that is a general commercial conditional use which requires a Special Use Permit, retail commercial uses as described in CCMC [18.04.130](#) are allowed in addition to the following:

- Animal hospital;
- Appliance repair shop;
- Archery range;
- Assayer;
- Assembly (of product incidental to sales use and limited to thirty percent (30%) of the primary uses floor area);
- Auction sales;
- Automobile repair;
- Ballroom;
- Billiard or pool hall;
- Bookbindery;
- Diaper service;
- Display designer;
- Express office;
- Facial cosmetic shading, permanent;
- Lithographer, screen printer;
- Nightclub;
- Parcel delivery service, branch (off-street loading only);
- Pawn shop;
- Personal storage within an enclosed building (no storage of paints or chemicals);
- Plumbing and heating equipment and supplies;
- Second hand business;
- Sign painting and lettering;
- Sport playing field;
- Sports arena;
- Taxidermist;
- Thrift store;
- Tire sales, repair and mounting;
- Upholstery (wholesale, retail, installation and incidental manufacturing);
- Warehouse.

The accessory permitted uses incidental to primary permitted uses in the GC District are:

- Automobile pawn (accessory to automobile sales);
- Home occupation;
- Outside storage (subject to [Division 1](#) and [1.12](#) Outside Storage of the Development Standards);
- Temporary outdoor sales subject to Title 18.02.115.8 (Outdoor Sales and Activities).

The Conditional uses in the GC District which require approval of a Special Use Permit are:

- Ambulance service and garage;
- Armored car service and garage;

- Automobile body repair, painting, towing service and garage (vehicles must be stored within enclosed sight-obscured area). The following conditions shall apply to auto body repair in addition to all other requirements in this chapter.
 - Required minimum land area in the GC District for auto body repair shall be twelve thousand (12,000) square feet.
 - All outside storage containers or other similar enclosures shall be screened to public rights-of-way by a maintained one hundred percent (100%) sight obscuring fence or wall permanently installed and maintained at a minimum height of six (6) feet.
- Automobile pawn (not accessory to automobile sales);
- Bus line office, service and storage garage;
- Cabinet shop (manufacturing);
- Cemetery, mausoleum, sarcophagus, crypt;
- Child care facility;
- Community/regional commercial or office center;
- Congregate care housing/senior citizen home;
- Crematorium;
- Equipment rental (outside storage);
- Farmers market;
- Flea market (indoor);
- Golf course and driving range;
- Hospital;
- Hotel, residence;
- Medical Marijuana Dispensary or Marijuana Retail Store (subject to the provisions of Title 18 Appendix (Carson City Development Standards), [Division 1.20](#) (Medical Marijuana Establishments and Marijuana Establishments), limited to those areas zoned General Commercial within Sections 29 through 32 of Township 15 N., Range 20 E., south of Moses Street (South Carson Street vicinity) and within Sections 1, 2, 9, 10, 11 and 12 of Township 15 N., Range 20 E., and Section 36 of Township 16 N., Range 20 E., east of the I-580 freeway (Highway 50 East vicinity).
- Mobile home park;
- Municipal well facility;
- Permanent outdoor sales subject to Title 18.02.115.8 (Outdoor Sales and Activities);
- Recreational vehicle park;
- Recycling collection center;
- Schools, K—12, college or university;
- Single-family two-family and multi-family dwelling;
- Utility substation;
- Welding supplies and gases (retail and wholesale sales) (no filling or repair of cylinders);
- Youth recreation facility.

The GC zoning requires a 6,000± square foot minimum parcel size and a 60' minimum lot width. All development under this zoning is restricted to 45' in height. This zoning does not have any building setbacks except when abutting residential uses, when a 30' minimum setback is required. Also, if the property abuts an arterial roadway, then a 10' setback from the arterial roadway is required.

The subject would meet the size and width requirements under the zoning. Additionally, an office use on the subject would be allowed by right or with a conditional use permit.



As there do not appear to be any easements that would adversely impact the subject, based on the available data, it is the undersigned's opinion that the only legal constraint on development of the subject would be the zoning or probable rezoning.

Physically Possible

In order for any utilization to represent the highest and best use of a property, it must be physically possible. In other words, the property must have physical features to support the development as proposed.

As noted previously, the subject property involves 1.133± acres (49,354± square feet) of land with level topography conducive to development. There do not appear to be any soils conditions, environmental contamination, archeological resources, floodplains, earthquake hazards or other similar factors which would adversely impact the value or development potential of the subject to a greater degree than is typical for the area. Overall, the site is felt to have adequate physical features to support a variety of development. Therefore, there are no physical features of the subject that would limit its development potential other than its size of 1.133± acres of land area, which is too small for many larger retail uses. Overall, it is the undersigned's opinion that most of the uses permitted by special use permit under the current "PC" zoning or reasonably probable "GC" re-zoning would be physically possible on the subject property.

Financially Feasible

In order for any utilization to represent the highest and best use of a property, it must be financially feasible. In other words, there must be adequate demand at appropriate prices to support the proposed utilizations.

To ascertain the financially feasible utilization of the subject, I have considered the uses permitted on the subject site. These potential uses are analyzed below:

Retail Commercial

According to a current market survey of the Carson City retail market, completed by CoStar Group, the market-wide vacancy rate is 10.3%. This represents a major improvement from the 4th Quarter of 2013

when the vacancy rate was 19.5%, but it is stable since the 1Q 2020, when it was 10.3%. Over the last 12 months, the absorption of retail space in the market has been 32,100± square feet. The Carson City market has 4,300,000± square feet of commercial floor space. The average advertised asking rent as of 3Q 2021 was \$1.21/sf/month. Even though vacancies increased to 12.00% in the 4th Quarter of 2020, due to the pandemic, they have fallen back to pre-pandemic levels. The retail market is expected to continue its pre-pandemic pattern of declining vacancies for the foreseeable future.

However, because of the subject's location on a local street in an industrial area, it is the undersigned's opinion that with the possible exception of a destination retail use, there would be limited demand for retail uses on the subject site.

Office

One of the land uses permitted under the zoning is an office use. The Carson City office submarket contains a total rentable building area of 2,800,000± square feet that were surveyed by Costar. The 3Q 2021 vacancy rate, as reported by CoStar Group, is 13.2%, which represents a significant increase since 3Q 2019 when it was 8.11%. Prior to 3Q 2019, the vacancy rate had been declining from a high of 22.2% reported in the Q1 of 2010. Since the 3Q 2019, Carson City has only reported 1 quarter with a positive net absorption and that was 4Q2020 with 13,465± square feet. Over the last 12 months the net absorption in Carson City has been -88,000± square feet. According to the office survey, the average asking rental rate for 3Q 2021 is \$1.59/sf/mo., which is up from \$1.56/sf/month in 4Q 2020 and \$1.14/sf/month in 2Q 2018. Because vacancy rates are increasing, I expect that rents will remain stable or decline until the market stabilizes. Overall, the available data indicates that there is an oversupply of office space in the Carson City area. Because of changes in business models as a result of the pandemic and with the anticipation that companies will continue to allow employees to work remotely, I anticipate that the office market will be over-supplied for the foreseeable future.

Based on the current market, it is the undersigned's opinion that if the subject were vacant, there would be little to no demand for office uses on the subject.

Industrial

According to the 3Q 2021 market report prepared by CoStar Group, the Carson City Industrial Market contains a combined total rentable area of 4,300,000± square feet. The market wide vacancy rate as of 3Q 2021 is 2.7%, which is down from 7.4% in the 2Q 2018 and 14.8% in 4Q 2013. The current vacancy rate represents a significant decrease from the market high of 21.6% in 4Q 2011. Even with the pandemic, Costar reports net absorption of industrial space of 44,000± square feet over the last 12 months. The current average asking rent is \$0.63/sf/mo. on an NNN basis. The average rent has been steadily rising from \$0.55/sf/mo. on an NNN basis since 2Q 2018.

The current vacancy rate indicates that the Carson City industrial market is currently under-supplied. At 1.124± acres, the subject site would be ideal for development with a smaller industrial facility. The majority of the vacant industrial land in Carson City is controlled by John Serpa, who is very picky with regard to whom he sells land to and for what purpose. The subject has the advantage of not being controlled by Mr. Serpa. The Carson City market still has approximately 600 acres of vacant land that is available for future industrial development. I would expect strong demand for an industrial utilization on the subject site.

Most Probable Purchaser

The most probable purchaser of the subject if vacant would be a buyer who would develop the subject for their own occupancy.

Highest and Best Use as Presently Improved

At the present time, the subject property is improved with a 15,841± square foot, one-story multi-tenant office building. The office building is 100% occupied. The current utilization of the subject is felt to reflect one of the potential uses of the site if vacant. The subject building is of average quality construction and at the time of inspection, the subject building appeared to be in average condition. However, the subject is suffering from approximately \$400,000 in deferred maintenance, the majority of which is the result of the roof finish needed to be replaced and all of the HVAC units needing to be replaced.

To ascertain if it is economically feasible to make these repairs, I have considered the analyses contained subsequently in this report. If the subject's deferred maintenance was cured and the subject

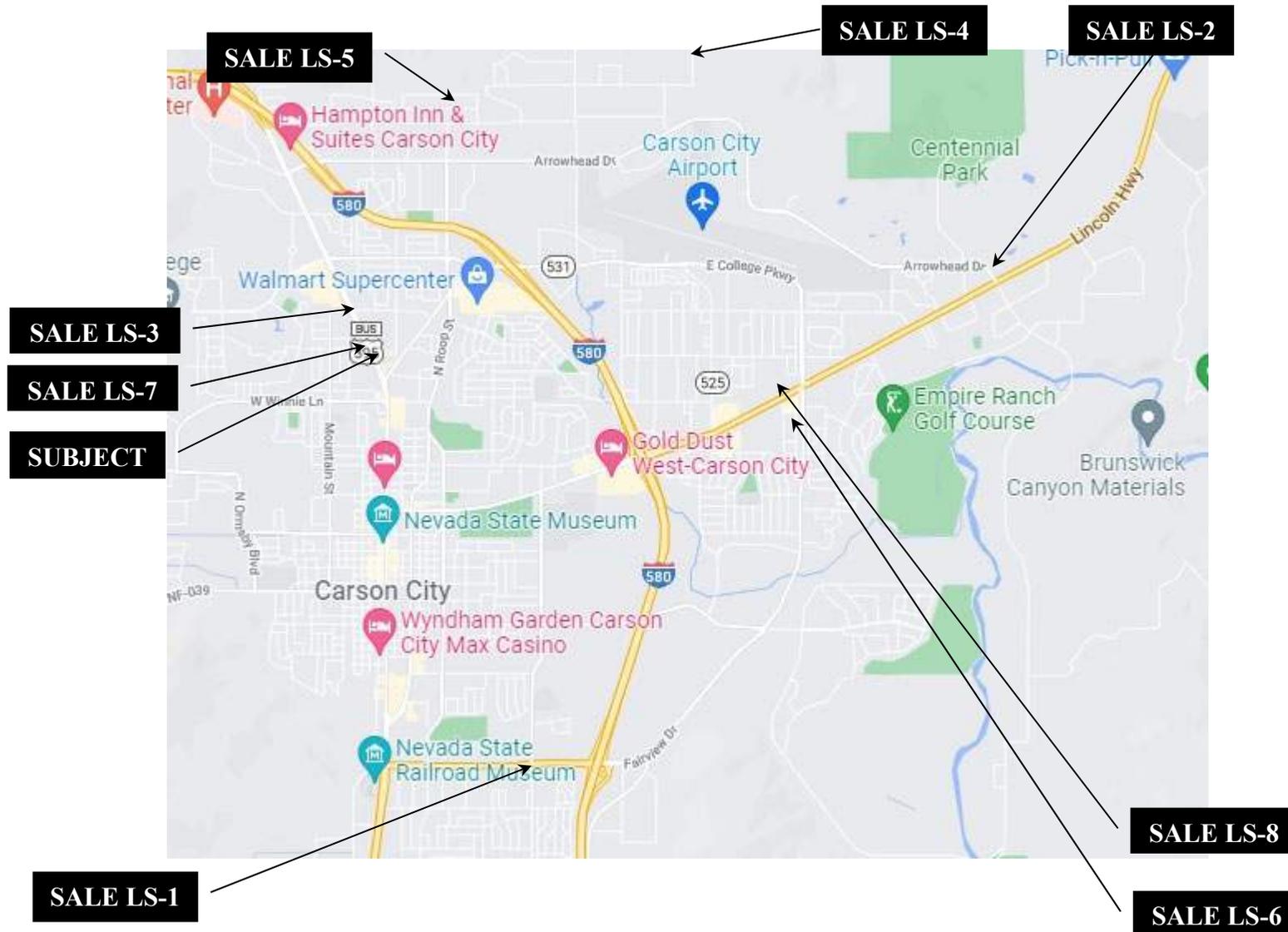
were stabilized at market rent, it is the undersigned's opinion that the subject would have a value of \$1,340,000. Subtracting allowances for lease-up and stabilization, as well as the cost to cure the deferred maintenance, the value of the subject was concluded to be \$240,000, which equates to \$4.86 per square foot of land area.

To ascertain if the Highest and Best Use of the subject of the subject would be to demolish the building and redevelop the site, I have considered the value of the subject site if vacant.

COMPARABLE LAND SALES CHART

Sale No.	A.P.N. Location	Sale Date Doc. #	Zoning Topography	Sale Price	Land Area	Sale Price Per SF
LS-1	009-552-06 Southwest corner of Fairview Drive and Saliman Road	01-20-2020 502737	LI Level	\$800,000	3.49± ac. 152,024± sf	\$5.26
LS-2	008-391-14 Northeast corner of US Highway 50 and Arrowhead Drive	04-03-2020 504983	GI Level	\$375,000	1.09± ac. 47,480± sf	\$7.90
LS-3	001-032-31 2172 N. Carson Street	01-08-2021 515013	GC Level	\$293,000	1.10± ac. 47,916± sf	\$6.11
LS-4	008-816-37 5150 Sigstrom Drive	05-19-2021 520591	LI Level	\$322,000	1.83± ac. 79,715± sf	\$4.04
LS-5	005-073-06 & 07 1800 Boeing Way	06-17-2021 52158	GI Level	\$1,195,000	3.99± ac. 173,804± sf	\$6.88
LS-6	008-307-16 3769 Gordon Street	06-30-2021 522107	GC Level	\$500,000	1.29± sf 56,192± sf	\$8.90
LS-7	008-381-03 4847 E. Nye Lane	08-06-2021 52485	GI Level	\$375,375	1.02± ac 44,431± sf	\$8.45
LS-8	008-271-12 3500 Highway 50 East	08-25-2021 524114	GC Level	\$160,000	0.59± ac. 25,700± sf	\$6.23

COMPARABLE LAND SALES MAP



Based on these sales, I have concluded that the maximum value of the subject site if vacant would be \$7.00 per square foot of land area. This would result in an indicated value for the subject site, if vacant of \$345,478, which I have rounded to \$345,000.

In order to have a vacant site, it would be necessary to demolish the subject improvements. To ascertain an appropriate cost for demolition, I have considered demolition costs for older buildings in the northern Nevada area. I have several recent examples including the following:

	Comparable 1	Comparable 2	Comparable 3
Property Type	Residential	C-store	Single Family
Demolition Year	2016	2017	2016
# of Structures	2	1	2
Construction Type	Wood Frame	Concrete Block	Wood/Brick
Bldg. SF (Includes basement)	4,597	2,734	2,558
Cost of Demo & Removal	\$36,000	\$38,255	\$35,000
Demo Cost per SF	\$7.83	\$13.99	\$13.68

Additionally, I have considered the following:

1. The former Luce and Sons warehouse building and associated site improvements at 2399 Valley Road in north Reno were purchased for redevelopment with a student housing project in 2012. The building contained 129,600± square feet. The site improvements included asphalt paving, concrete, fencing, and some limited landscaping. The low bidder for the demolition of the improvements was \$365,000, or \$2.82 per square foot.
2. The 0.755± acre site located at 1551 North Virginia Street was improved with a 1,427± square foot single family residence and a 2,400± square foot 4-unit apartment building, along with some site improvements, when it sold in 2016. According to the purchaser, demolition costs equated to \$35,000, or \$9.15 per square foot of gross building area.
3. In 2017, a family was proposing to build a restaurant at 350 Front Street in Battle Mountain. The site was improved with a 3,182± square foot one-story wood frame and concrete block building on a concrete foundation. The best bid cost for the demolition, which according to state law must be performed by a licensed contractor was \$90,000 or \$28.28 per square foot of building area.

4. In early 2018, the City of Carlin demolished the old Overland Café & Hotel at 617 Main Street in old downtown Carlin. This building was very similar to the subject with regard to age but it was a stone and mortar building. Unlike the subject, it had a basement. However, the building was smaller than the subject, containing 11,200± square feet and a 5,000± square foot basement. The cost of the demolition was \$163,020 plus \$11,500 for the dirt to fill the basement. This equates to \$14.55 per square foot for the above-ground demolition and \$2.30 per square foot for the basement fill. According to the City of Carlin Public Works Department, the cost to fill the basement was lower than it should have been, but the city was able to get the dirt donated and they only had to pay the cost of transport and placement. Additionally, it does not appear as though the dirt was compacted and so it would not support new development. A party was considering buying the site from the city and they were hoping to construct on the new foundation.

Based on this data, I have projected the demolition costs for these buildings at \$10.00 per square foot of building area, or \$158,410. Adding 10% for soft costs and 15% for profit, I have derived a value for the demolition of \$217,813, which I have rounded to \$220,000.

Subtracting \$220,000 for demolition from the \$345,000 indicated value of the subject site, if vacant, of \$125,000. In the valuation analyses contained later in this report, I concluded to a value for the subject in its current condition, with the deferred maintenance not cured, of \$270,000. As the value of the subject, as improved exceeds the value of the subject site if vacant, the Highest and Best Use of the subject would be to cure the deferred maintenance and then for continued use of the existing improvements as a multi-tenant office building.

Most Probable Purchaser

To ascertain the most probable purchaser of the subject, I have considered the nature of the subject building. Originally, the subject was built as a multi-tenant structure and it has always been used for this purpose. The layout of the building lends itself to multi-tenant occupancy, as opposed to single tenant or owner occupancy. Therefore, it is the undersigned's opinion that the most probable purchaser of the

subject would be an investor seeking to obtain an economic return from the income which the subject generates.

INTRODUCTION TO VALUATION ANALYSIS

In completing this appraisal, I was asked to provide the following valuations for the subject property.

- Current Market Value – Deferred Maintenance Cured
- Current Market Value – Deferred Maintenance Not Cured

The assignment conditions require me to address the fee simple interest in the subject. The appraisal does include an Income Approach, which is technically a leased fee analysis. However, the leased fee interest of a property leased at market rent and under market terms is equivalent to the fee simple interest.

There are three approaches to value which an appraiser will typically consider in estimating the value of a property. These approaches are the Cost, the Income and the Sales Comparison Approaches to Value. The Cost Approach to Value is based upon the principle of substitution which states that an investor will pay no more for a property than the cost of developing a comparable property, assuming there is no undue time delay. The first step in the Cost Approach to Value is to estimate the value of the site if vacant. Then, the replacement cost new of the improvements is estimated. Accrued depreciation is then estimated and deducted to arrive at an indication of the depreciated value of the improvements. Adding the value of the site to the depreciated value of the improvements results in an indication of value by the Cost Approach.

In the Income Approach, two primary methods of analysis can be utilized: Direct Capitalization or a Discounted Cash Flow Analysis. In the early to mid-1980s, a Discounted Cash Flow Analysis was a preferred method of analysis for many investors. However, in the late 1980s and into the 1990s, developers became disenchanted with this form of analysis when the projections on income and expense growth made in the early to mid-1980s were not realized. As a result, at the present time, most investors are utilizing Direct Capitalization as opposed to a Discounted Cash Flow Analysis. Therefore, in this analysis, a Direct Capitalization as opposed to a Discounted Cash Flow Analysis will be completed.

In Direct Capitalization, the potential gross income at stabilization which the subject property is capable of generating during the first year of the holding period is estimated. Then, appropriate vacancy and credit losses are deducted to arrive at an indication of the total projected effective gross annual income which the subject property is capable of generating. The next step in the analysis is to subtract operating

expenses. Subtracting the expenses results in a projection of the net operating income which the subject property is capable of generating. This net operating income is then converted into an indication of value utilizing an overall capitalization rate. This capitalization rate can be extracted from the market or can be developed utilizing a variety of techniques including a mortgage-equity band of investment technique.

The third approach to value typically utilized in the appraisal of real estate is the Sales Comparison Approach. In the Sales Comparison Approach, recent sales of similar properties are compared to the subject utilizing appropriate measures of comparison. This method of analysis best reflects the motivations of buyers and sellers in the market since it is entire market derived.

The subject is currently leased to four nonprofit organizations, one of which pays no rent and three of which each pay \$1.00 per year in rent, as well as a prorated share of utility expenses and some of the maintenance and repair expenses. The data in the market indicates that a rental rate of \$1.00 per year is not market rent. The leases allow for cancellation with a 30-day notice if Carson City sells the building.

Because the current leases in the subject are not at Market Rent and because a buyer of the subject could force the tenants to vacate with a 30-day notice, the subject will first be valued “As If Stabilized at Market Rent with the Deferred Maintenance Cured”. To derive an option of the Market Value “As If Stabilized at Market Rent with the Deferred Maintenance Cured” of the subject property, consideration was given to the Cost, the Income and the Sales Comparison approaches to value.

Due to the age of the subject improvements, the limited land available in the subject submarket and the difficulty in accurately assessing accrued depreciation, application of the Cost Approach would be highly subjective. Additionally, as it is concluded that a typical purchaser of the subject property would not compare a purchase of the subject with the cost of acquiring a site and building improvements of similar utility, it is the undersigned’s opinion that a Cost Approach analysis would not reflect the motivations of buyers and sellers in the market. Therefore, a Cost Approach analysis has not been completed. As a Cost Approach would not result in a credible value indication for the subject, its exclusion is permitted under USPAP.

In discussions with buyers and sellers in the market, it was indicated that for properties such as the subject, buyers generally rely upon Income and Sales Comparison Approach analyses. As a result, to value the subject, Income and Sales Comparison Approaches have been completed. In completing this appraisal, a comprehensive scope of work was performed that involved all analyses and procedures that would typically be utilized by an appraiser of a property such as the subject.

The Income and Sales Comparison Approach analysis developed for the subject property as though operating at a stabilized level of occupancy and income production and assuming that the deferred maintenance has been cured are set forth in the subsequent sections of this report.

MARKET VALUE “AS THOUGH STABILIZED AT MARKET RENT”

To derive an opinion of the Market Value “As Though Stabilized at Market Rent with the Deferred Maintenance Cured” of the subject property, as of the September 29, 2021 date of inspection, Income and Sales Comparison Approach Analyses will be utilized. The Income and Sales Comparison Approach analyses will be based on the valuation methodologies set forth in the Introduction to Valuation Analysis section of this report.

INCOME APPROACH

To establish the first indication of the Market Value “As Though Stabilized at Market Rent with the Deferred Maintenance Cured” of the subject property, an Income Approach analysis was prepared. As was discussed in the *Introduction to Valuation Analysis* section of this report, a Direct Capitalization Income Approach as opposed to a Discounted Cash Flow Analysis will be utilized. The Income Approach is predicated on the assumption that value is typically viewed and measured as the present worth of the anticipated future income to be generated from the possession of ownership and operational rights and realty.

The first step in the Income Approach is to estimate the economic rent which the subject property could generate assuming it was leased on the open market. Appropriate vacancy and credit loss allowances will then be estimated, as will an appropriate operating expense allowance. These will be subtracted to derive an indication of the net operating income which the subject property is capable of generating. This net operating income will then be converted into a value indication utilizing an overall capitalization rate. This rate will be developed through extraction of capitalization rates from building sales in the Carson City and Reno-Sparks areas and using national surveys. The Income Approach analysis, as described above will be set forth in the subsequent sections of this report.

Economic Rental Analysis

To establish an indication of an appropriate economic rental rate for the subject, a survey was made of similar commercial buildings in the Carson City area. The rental survey indicated that buildings such as the subject are generally leased on a rent per square foot per month basis. As a result, a rent per square foot per month will be used as the method of comparison.

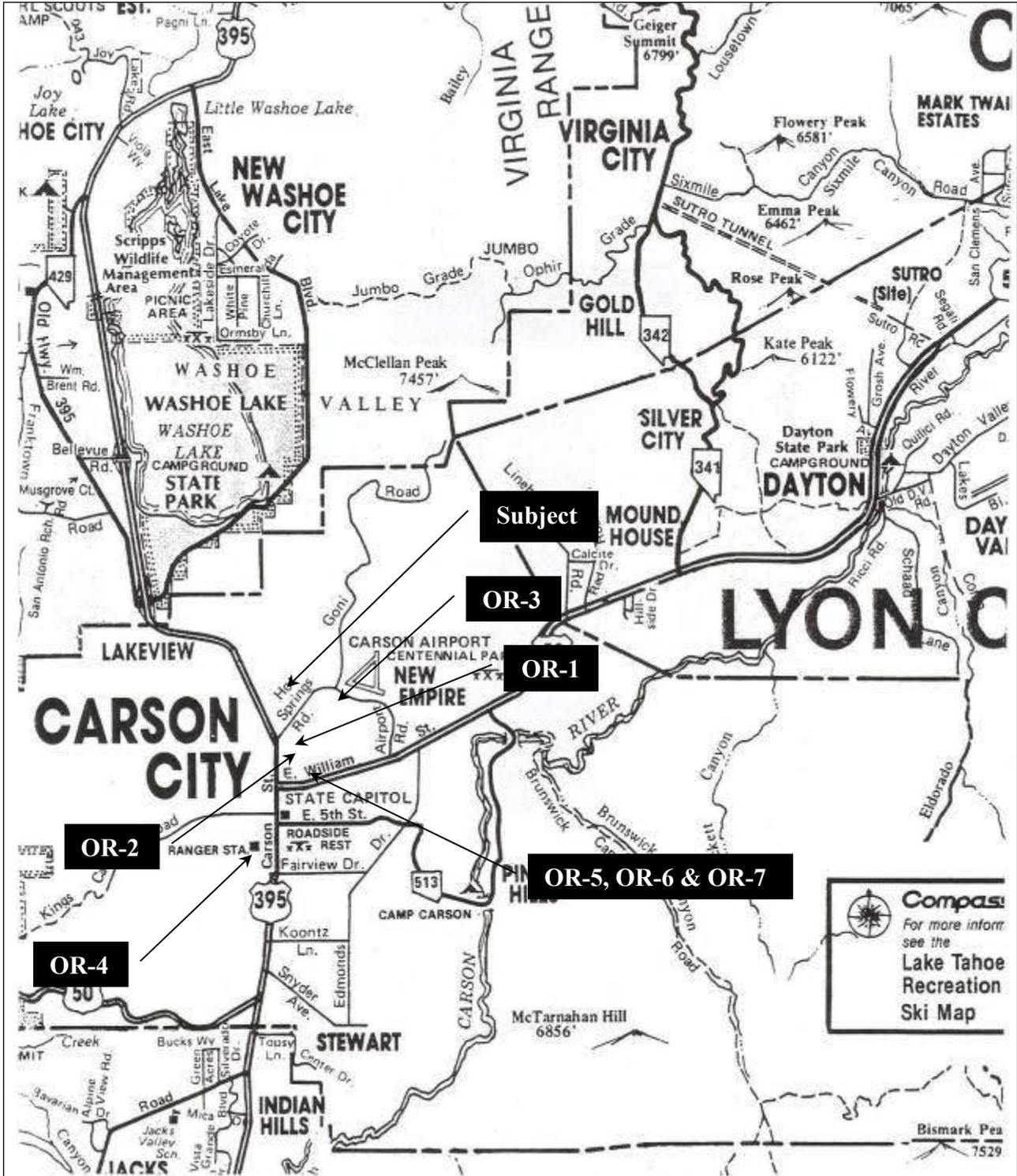
All rentals found were investigated, analyzed and compared to the subject. The comparables set out on the following chart were considered to be most indicative of the data analyzed and of an appropriate economic rental rate for the subject building in its current condition. Following the chart will be a map locating the rental properties. This will be followed by profiles with photographs and brief discussions of the rental comparables. The profiles will be followed by an adjustment grid and an economic rental conclusion for the subject.

COMPARABLE BUILDING RENTAL CHART

Rental No.	APN Name Address	GBA Lease	Year Built Quality Condition	Expenses TI Allowance	Mo. Rent/SF
OR-1	002-081-01 1923 North Carson Street, Suites 102 & 103 Carson City	137,134± sf 5,830± sf	1970 Average Average	NNN None	\$0.60
OR-2	002-131-11 117-119 E Long Street Carson City	5,643± sf 5,643± sf	1990 Average Average	NNN None	\$0.91
OR-3	008-922-12 3427 Goni Road Carson City	26,940± sf 12,672± sf	1998 Good Good	MG None	\$1.35
OR-4	003-064-09 1370 S Curry Street Carson City	44,800± sf 26,500± sf	1983 Average Average	FS None	\$1.60
OR-5	002-145-01 600 E William Street, Suites 200-210 Carson City	30,402± sf 2,918± sf	1981 Good Good	FS None	\$1.53
OR-6	002-145-01 600 E William Street, Suite 300 Carson City	30,402± sf 4,635± sf	1981 Good Good	FS None	\$1.50
OR-7	002-145-01 600 E William Street, Suite 306 Carson City	30,402± sf 777± sf	1981 Good Good	FS None	\$1.37
Subject	002-062-05 2621 Northgate Lane Carson City	15,841± sf	1976 Average Average	---	----



COMPARABLE AS-IS OFFICE BUILDING RENTAL MAP



COMPARABLE OFFICE RENTAL PHOTOGRAPHS



RENTAL OR-1: 1923 NORTH CARSON STREET



RENTAL OR-2: 117-119 E LONG STREET

COMPARABLE OFFICE RENTAL PHOTOGRAPHS



RENTAL OR-3: 3427 GONI ROAD



RENTAL OR-4: 1370 S CURRY STREET

COMPARABLE OFFICE RENTAL PHOTOGRAPHS



RENTALS OR-5, OR-6 & OR-7: 600 E WILLIAM STREET

COMPARABLE OFFICE RENTAL COMPARISON, CORRELATION AND CONCLUSION

The seven comparables set forth on the preceding chart involve office rents that would compete with the subject. Four of the eight comparables are leased on a full-service basis, where the landlord pays all building operating expenses. Two of the comparables are leased on a NNN basis, where the tenant pays a prorata share of all building operating expenses. One of the comparables is leased on a Modified Gross basis, where the tenant pays for utilities, janitorial and interior maintenance, while the landlord pays the other building expenses. Because of the subject's design, with the flexibility of having between 1 and 64 tenants in the property, full-service leases are felt to be more appropriate for the subject. The comparables were constructed between 1970 and 1998, as compared with the subject, which has a construction year of 1976. The comparables are of average to good quality construction and illustrate rental rates prior to any adjustment ranging from \$0.60 per square foot per month to \$1.60 per square foot per month.

In analyzing the comparables, it is apparent that they differ from the subject in a variety of areas. Based on the available data, it was possible to quantify adjustments to the comparables for services provided in the rent. However, no other adjustments could be quantified. The adjustments for services included in the rent are discussed below.

Quantitative Adjustments

The rent being projected for the subject is on a Full-Service basis, where the landlord pays all building operating expenses. In the case of the comparables that are leased on a NNN basis, since I do not have actual CAM fees for these comparables, I have adjusted these comparables based on the per square foot expenses projected for the subject. Subsequently in this Income Approach analysis the expenses projected for the subject, less management fees equate to \$0.50 per square foot per month of gross building area. Based on this data, I have adjusted the NNN leased rental comparables upward by \$0.05 per square foot per month.

In the case of Rental OR-3, which is leased on a Modified Gross basis, I have adjusted the comparables rent upward by \$0.30 per square foot per month based on the projected expenses for the subject for janitorial, utilities and Maintenance/Repairs that are the tenant's responsibility.

Qualitative Adjustments

In addition to the items, which could be quantified, the subject differs from the comparables in other ways. The size of the adjustments cannot be quantified from the market. As a result, subjective quantitative adjustments have been made. The results of that analysis are set forth as follows:

Market Conditions

All of the comparables are recent leases and market conditions have been relatively constant. Therefore, no adjustments for market conditions are warranted to any of the comparable rents for this factor.

Location

The subject property is located in northern Carson City as are Rentals OR-1, OR-2, OR-5, OR-6, OR-7 and OR-8. Rental OR-3 is located in northeastern Carson City which is felt to be inferior to the subject's location and Rental OR-4 is located in southern Carson City which is felt to be superior to the subject's location. Although Rental OR-1 is located in northern Carson City, it is the corner suite in an "L-shaped" building and so it has very poor exposure. As a result, this comparable is considered to have an inferior location in comparison with the subject.

Suite Size

The comparables also differ with regard to building size. Generally, smaller properties will rent for a higher rent per square foot than larger buildings. However, there is insufficient data from which to quantify the adjustment. Rentals OR-1, OR-2, OR-3, OR-4 or OR-6 do not require any adjustment for this factor. In the case of Rentals OR-5 and OR-7, they both require upward adjustments for their smaller suite size and so these comparables are considered to be inferior to the subject in this regard.

Quality

The subject building is of average quality construction. In that regard, Rentals OR-1, OR-2 and OR-4 are of average quality and so they are considered to be equal the subject in this regard. However, Rentals OR-3 and OR-5 though OR-7 are of good quality and so they are felt to superior to the subject for this factor.

Condition

With a new roof and new HVAC units, and also assuming the renovations contemplated in the lease-up analysis contained later in this report, the subject building would be considered to be in above-average condition. Rentals OR-1, OR-2 and OR-4 were felt to be in inferior condition. Rentals OR-3 and OR-5 though OR-7 are considered to be in good condition and so they are considered to be superior to the subject for this factor.

Building Design

The subject and the comparables are felt to be of similar design, requiring no adjustment for this factor.

Building Age

The subject building has a construction year of 1976. All of the rentals are felt to have a similar age as the subject with the exception of Rentals OR-2 and OR-3 which are much newer than the subject. Due to their newer age, they are considered to be superior to the subject in this regard.

Construction Type

The subject is a professional office building. All of the comparables involve similar type properties. As a result, I have not made any adjustments to the comparables for this factor.

Other

No other adjustments are warranted to the comparables.

OFFICE BUILDING RENTAL ADJUSTMENT GRID

	Rental OR-1	Rental OR-2	Rental OR-3	Rental OR-4	Rental OR-5	Rental OR-6	Rental OR-7
Property	1923 N. Carson St.	117-119 E Long St.	3427 Goni Road	1370 S Curry St.	600 E William Suites 200-210	600 E William Suite 300	600 E William Suite 306
Lease Date	2Q 2021	1Q 2021	2Q 2020	2Q 2020	3Q 2020	1Q 2021	1Q 2020
Rent/SF	\$0.60	\$0.91	\$1.35	\$1.60	\$1.53	\$1.50	\$1.37
Quantitative Adjustments							
Expenses in Rent	\$0.50	\$0.50	\$0.30	\$0.00	\$0.00	\$0.00	\$0.00
Interim Adjusted Rent/SF	\$1.10	\$1.41	\$1.65	\$1.60	\$1.53	\$1.50	\$1.37
Qualitative Adjustments							
Market Conditions	Equal	Equal	Equal	Equal	Equal	Equal	Equal
Location	Inferior	Equal	Inferior	Superior	Equal	Equal	Equal
Suite Size	Equal	Equal	Equal	Equal	Inferior	Equal	Inferior
Quality	Equal	Equal	Superior	Equal	Superior	Superior	Superior
Condition	Inferior	Inferior	Superior	Inferior	Superior	Superior	Superior
Design	Equal	Equal	Equal	Equal	Equal	Equal	Equal
Building Age	Equal	Superior	Superior	Equal	Equal	Equal	Equal
Construction Type	Equal	Equal	Equal	Equal	Equal	Equal	Equal
Other	Equal	Equal	Equal	Equal	Equal	Equal	Equal
Overall Adjustment	Inferior	Superior	Superior	Superior	Superior	Superior	Superior



The comparables indicate quantitatively adjusted rental rates between \$1.10 per square foot per month and \$1.65 per square foot per month. When the Qualitative Adjustments are considered, Rental OR-1, with an adjusted rental rate of \$1.10 per square foot per month was considered to be inferior to the subject, while Rentals OR-2 through OR-7 with Quantitatively adjusted rents between \$1.37 per square foot per month and \$1.65 per square foot per month were all considered to be superior to the subject in this regard. Therefore, the comparables would support a Market Rent for the subject of between \$1.10 per square foot per month and \$1.37 per square foot per month. Because the subject would have a new roof and new HVAC units as well as renovated interiors, we have concluded to a rental rate toward the upper end of the range.

Overall, based on the available data, we have concluded an appropriate economic rent for the subject of \$1.35 per square foot per month. Applying an \$1.35 per square foot per month rental rate to the subject's 14,256± square feet of net usable building area results in a potential rental income for the subject of \$19,246 per month or \$230,947 per year.

Potential Gross Rental Income (14,256± SF @ \$1.35 X 12 Mos.)

\$230,947

VACANCY AND COLLECTION LOSSES

As noted previously the current average vacancy in the Carson City Office Market is 13.2%, which represents a significant increase from the 3Q of 2019 when it was 8.11%. In assessing an appropriate vacancy rate for the subject, consideration must be given to the fact that the vacancy rate projected for the subject must be a stabilized average vacancy over a typical holding period. In interviews with realtors active in the market, it was indicated that investors typically make a 0% to 10% vacancy and credit loss allowance when analyzing an investment. Generally, a 0% vacancy would be for a property with a long-term lease to a credit tenant, while a 10% vacancy rate would be in an overbuilt market or a for property with a number of small tenant spaces. The subject falls in the latter category and so based on the available data, it is the undersigned's opinion that a stabilized vacancy rate for the market would be 10%. Applying a 10% vacancy and credit loss to the \$230,947 potential gross income, results in a vacancy and credit loss of \$23,095 and a projected effective gross income for the subject of \$207,852.

LESS VACANCY AND CREDIT LOSSES	\$23,095
PROJECTED EFFECTIVE GROSS INCOME	\$207,852

OPERATING EXPENSES

The economic rents projected for the subject assumed full-service lease terms. Under these terms, the landlord is responsible for all building operating expenses. As the subject is owned by Carson City, it experiences atypical expenses. In valuing the subject, I have projected the following expenses:

- Real Estate Taxes are based on the actual assessed value for the subject of \$295,763 and the current tax rate of \$3.5700/\$100 Assessed Value, which equates to \$10,558.74, which I have rounded to \$10,600.
- In reviewing insurance expenses for other office buildings in the Northern Nevada area, I have concluded that a typical expense for a newer office building is approximately \$0.25 per square foot per month, which would result in a projected Insurance Expense of \$3,960.25 per year, which I have rounded to \$4,000 per year.
- Under full-service lease terms, the landlord would be responsible for janitorial services. Typical janitorial expenses range between \$0.11 per square foot per month and \$0.15 per square foot per month depending on the frequency of service. Considering that the subject has limited internal common areas and also considering the older, average quality of the improvements, I would anticipate an expense toward the lower end of the range. Based on the available data, I have concluded to a janitorial expense of \$0.12 per square foot per month on a gross building area basis. This equates to \$22,811 per year, which I have rounded to \$22,800 per year.

- The subject is owner managed. In discussions with property managers and Realtors in the area, I have projected management expenses at 5% of the effective gross income.
- The historic maintenance and repairs were approximately \$25,500 per year or \$1.61 per square foot per year. Typical maintenance and repair expenses for office buildings in northwestern Nevada range between \$1.00 per square foot per year and \$1.75 per square foot per year depending on the extent of common areas, whether the building has an elevator and other factors. The subject’s expenses are with the range, but they are more toward the upper end of the range. Overall, based on the available data, I have made an allowance for the subject’s maintenance and repairs of \$25,500 per year.
- According to information provided the undersigned by Carson City, the tenants are billed back for utilities and this expense is \$27,190 per year, which equates to \$0.159 per square foot per year of net building area. Expanding this expense to the entire building equates to \$30,213, which I have rounded to \$30,200. This allowance appears to be reasonable and so it will be used in this analysis.
- General expenses generally range between 1% and 2% of the effective gross income. Because the subject is a multi-tenant building, I have projected General expenses at 2% of the effective gross income.

The total expenses of \$107,650 equate to \$6.80 per square foot per year or 51.79% of the Effective Gross Income. Overall, while the subject’s projected expenses are near the upper end of the range, when compared with buildings from the Reno-Sparks area, they are felt to be reasonable and will be used in this analysis.

<u>PROJECTED OPERATING EXPENSES</u>	<u>\$107,650</u>
<u>PROJECTED NET OPERATING INCOME</u>	<u>\$100,204</u>

CAPITALIZATION RATE ANALYSIS

To ascertain an appropriate overall cap rate for the subject, I attempted to derive capitalization rates for office buildings in Carson City. However, only one cap rate from recent building sales in Carson City were available. This was from the recent sale of 1000-1050 William Street, which illustrated a reported cap rate of 7.54%. Because this property is larger, a lower cap rate would be indicated for the subject. However, this comparable enjoys arterial frontage, while the subject does not. Overall, this comparable is considered to be a reasonable indicator of an appropriate cap rate for the subject.



In addition to the one sale in Carson City, we also considered cap rates from Reno- Sparks, which are summarized on the following chart. The lack of cap rates in 2019/2020 was due to a lack of product and not a lack of demand.

Reno-Sparks Office Capitalization Rates

Address	Sale Date	Bldg. Size	Cap rate
245 Vine Street	August 2019	10,880± sf	6.62%
85 Continental Drive	October 2019	3,858± sf	5.65%
9120 Double Diamond Parkway	October 2019	4,836± sf	7.14%
1855 Sullivan Lane	November 2019	14,432± sf	8.92%
1155 W. 4 th Street	November 2019	64,236± sf	6.50%
160 W. Huffaker Lane	December 2019	5,676± sf	5.66%
835 Maestro Drive	December 2019	6,111± sf	5.50%
1340 Financial Boulevard	January 2020	57,042± sf	7.21%
3710 Grant Drive	February 2020	11,353± sf	6.16%
5400 Equity Boulevard	February 2020	8,560±sf	5.60%
675 Sierra Rose Drive	March 2020	7,398± sf	6.00%
5365 Reno Corporate Drive	March 2020	3,200± sf	6.25%
421 W. Plumb	April 2020	4,440± sf	5.50%
790 Sandhill Road	May 2020	18,254± sf	7.20%
9585 Gateway Drive	May 2020	3,054± sf	6.20%
5575 Kietzke Lane	May 2020	8,750± sf	6.50%
10595 Double R Boulevard	June 2020	3,506± sf	6.02%
5555 Kietzke Lane	July 2020	10,794± sf	6.17%
3100 Mill Street	November 2020	30,000± sf	8.00%
5070 Ion Drive	December 2020	21,781± sf	6.00%
5605 Riggins Court	January 2021	14,078± sf	6.86%
3773 Baker Lane	June 2021	10,056± sf	7.40%
1000-1050 William Street	July 2021	113,808± sf	7.54%
85 Keystone Avenue	August 2021	10,000± sf	7.02%

The 24 comparables indicate cap rates ranging from 5.02% to 8.92%. The average cap rate was 6.57%. The median cap rate was 6.38%. Although the office market in the Reno-Sparks area is depressed, due to low rental rates and high vacancy rates, investors are optimistic that market conditions will improve and so they perceive an investment in an office building in the Reno-Sparks area to be relatively safe investment. The sales appear to support some adjustment for building size, as the smaller buildings have the lower cap rates, while larger buildings have higher cap rates. Additionally, older buildings tend to have higher cap rates, which is reasonable as an older building generally has a shorter remaining economic life and so the return “on investment” needs to be greater. The sale of 1000-1050 William Street is the only recent sale from Carson City that I was able to garner a cap rate from. This cap rate was 7.54%. Because this property is larger, a lower cap rate would be indicated for the subject. However, this comparable enjoys arterial frontage, while the subject does not. Overall, this comparable is considered to be a reasonable indicator of an appropriate cap rate for the subject.

In addition to consummated sales, I have also considered cap rates for office buildings as reported by RealtyRates.com. These are summarized as follows:

RealtyRates.com INVESTOR SURVEY - 3rd Quarter 2021*						
OFFICE - SUBURBAN						
Item	Input					OAR
Minimum						
Spread Over 10-Year Treasury	1.30%	DCR Technique	1.15	0.042407	0.80	3.90
Debt Coverage Ratio	1.15	Band of Investment Technique				
Interest Rate	2.92%	Mortgage	80%	0.042407	0.033925	
Amortization	40	Equity	20%	0.075007	0.015001	
Mortgage Constant	0.042407	OAR				4.89
Loan-to-Value Ratio	80%	Surveyed Rates				4.65
Equity Dividend Rate	7.50%					
Maximum						
Spread Over 10-Year Treasury	4.57%	DCR Technique	1.90	0.102499	0.60	11.68
Debt Coverage Ratio	1.90	Band of Investment Technique				
Interest Rate	6.19%	Mortgage	60%	0.102499	0.061499	
Amortization	15	Equity	40%	0.149022	0.059609	
Mortgage Constant	0.102499	OAR				12.11
Loan-to-Value Ratio	60%	Surveyed Rates				11.51
Equity Dividend Rate	14.90%					
Average						
Spread Over 10-Year Treasury	2.94%	DCR Technique	1.53	0.063834	0.70	6.81
Debt Coverage Ratio	1.53	Band of Investment Technique				
Interest Rate	4.56%	Mortgage	70%	0.063834	0.044684	
Amortization	28	Equity	30%	0.108314	0.032494	
Mortgage Constant	0.063834	OAR				7.72
Loan-to-Value Ratio	70%	Surveyed Rates				8.49
Equity Dividend Rate	10.83%					

*2nd Quarter 2021 Data

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The investor survey indicates cap rates ranging from 4.65% to 11.51%, with an average of 8.49%. In assessing an appropriate cap rate for the subject, I have considered the fact that the subject is a moderately sized property for the Elko market. However, in the larger market, the subject is of small to medium size. Generally smaller properties will sell for lower cap rates than larger properties. There are more potential buyers for smaller properties than larger properties. Increased competition tends to elevate prices and lower cap rates. Additionally, properties with a stable income stream also generally sell for a lower cap rate. Finally, the survey is a national survey. Northern Nevada is heavily influenced by California, which historically has had low cap rates. As a result, if the subject were in Reno, I would expect the appropriate cap rate to be in the upper half of the lower half of the range, or between 6.57% and 8.49%. The middle of this range is 7.53%.



Giving the most weight to the local sales, and also considering the size of the subject building as well as its age and design quality, it is the undersigned's opinion that the comparables would support a cap rate for the subject of 7.50%.

Based upon these parameters, the following summary and value indication was derived for improved portions of the subject property.

INCOME APPROACH SUMMARY

Total Potential Gross Income		\$230,947
Less Vacancy and Credit Losses (10.00%)		\$23,095
Projected Effective Gross Income		\$207,852
Less Operating Expenses		
Real Estate Taxes	\$10,600	
Building Insurance	\$4,000	
Janitorial	\$22,800	
Management Fees (5.00%)	\$10,393	
Maintenance and Repairs	\$25,500	
Utilities	\$30,200	
General Expenses	\$4,157	
Total Projected Operating Expenses		-\$107,650
Projected Net Operating Income		\$100,204
Capitalization Rate		7.50%
Indicated Value of Improved portion of the Subject		\$1,336,049
<u>INDICATED MARKET VALUE - INCOME APPROACH</u>		<u>\$1,340,000</u>

SALES COMPARISON APPROACH

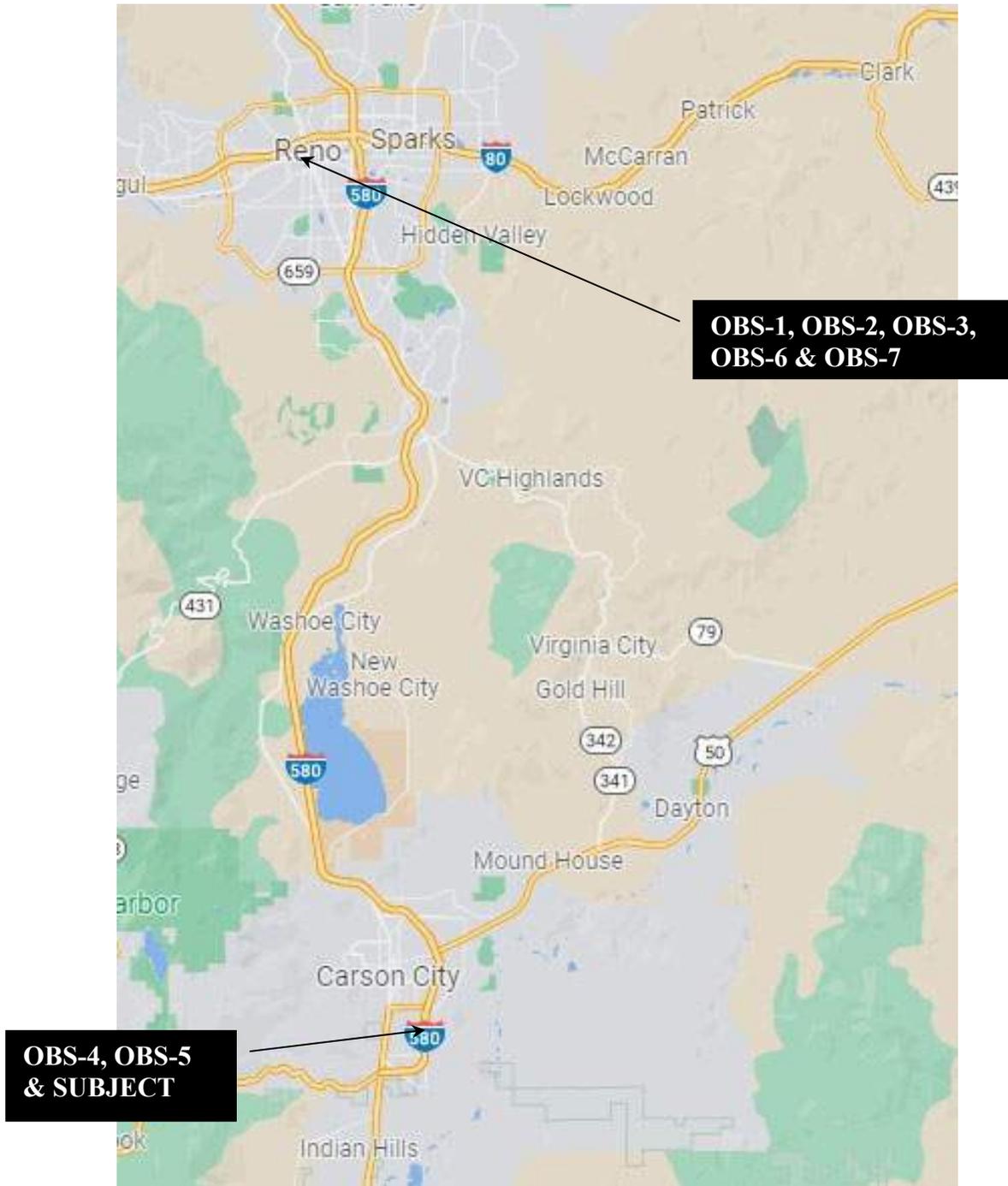
To derive a second indication of the Market Value “As Though Stabilized with the Deferred Maintenance Cured” of the subject, a Sales Comparison Approach analysis has been completed. In the Sales Comparison Approach the appraiser arrives at indications of value by comparing the relative utility and desirability of the subject property with similar properties that have recently sold. The Sales Comparison Approach is based upon the principle of substitution which is predicated on the assumption that a prudent purchaser will pay no more for the subject property than the cost of acquiring a comparable substitute property.

To establish an estimate of the Market Value of the subject property by the Sales Comparison Approach, the Official Records of Carson City County were searched for sales of similar office buildings. Due to the few sales discovered in Carson City. In addition to consummated sales, discussions were held with real estate brokers active in the market to ascertain properties available for sale or that were in escrow. All sales, escrows and listings found were investigated, analyzed and compared to the subject. Due to a limited number of sales in Carson City, the search was expanded to include sales from the Reno-Sparks area of Washoe County. The comparables set out on the following chart were considered to be most indicative of the data analyzed and of an appropriate value for the subject. The comparables will be compared with the subject on a sale price per square foot of building area basis. Following the chart will be a map locating the sale properties. This will be followed by profiles of the individual sales and a discussion of the adjustments made to the sales. Through this analysis an appropriate per square foot value will be derived for the subject. Multiplying the per square foot value by the building square footage will result in an indicated Market Value for the subject in its current condition.

COMPARABLE OFFICE BUILDING SALES CHART

Sale No.	A.P.N. Project Name Location	Sale Date Doc No.	Land Area Zoning	Year Built Use Quality/Condition	Sale Price	Finished Building Area	Price per SF
OBS-1	012-401-30 1285 Financial Blvd Reno	09-20-2021 5227824	3.488± ac. ME	1990 Office Average/Average	\$3,900,000	39,345± sf	\$99.12
OBS-2	019-352-03 255 W Moana Lane Reno	07-09-2021 5202521	43,560± sf MU	1979 Office Average/Average	\$1,700,000	22,536± sf	\$75.43
OBS-3	011-176-09 245 E Liberty Street Reno	04-14-2021 5166008	28,750± sf MD-RD	1981 Office Average/Average	\$6,400,000	72,864± sf	\$87.83
OBS-4	005-051-21 3850 Arrowhead Drive Carson City	01-07-2021 514979	10.00± ac. LI	2005 Office Good/Good	\$3,800,000	96,000± sf	\$39.58
OBS-5	001-091-08 1802 N. Carson Street Carson City	12-03-2020 513677	2.36± ac. RC	1980 Office Average/Average	\$2,550,000	52,272± sf	\$48.78
OBS-6	013-323-16 3100 Mill Street Reno	11-18-2020 5105787	1.07± ac. IC	1973 Office Average/Average	\$1,715,000	30,000± sf	\$57.17
OBS-7	012-401-34 1201 Corporate Boulevard Reno	12-31-2019 4987440	2.17± ac. ME	1984 Office Average/Average	\$2,100,000	20,000± sf	\$105.00
Subject	002-062-05 2621 Northgate Lane Carson City	Appraisal Date 09-29-2021	1.133± ac. PC	1976 Office Average/Average	-----	15,841± sf	-----

COMPARABLE OFFICE BUILDING SALES MAP



COMPARABLE OFFICE BUILDING SALE PROFILES
SALE OBS-1



A.P.N.	012-401-30	Address	1285 Financial Blvd, Reno
Grantor	Renown Health, Inc.	Grantee	Ivy Properties LLC
Sale Date	September 20, 2021	Sale Price	\$3,900,000
Document No.	5227824	RPTT	\$15,990
Terms of Sale	Cash to the Seller	Zoning	ME
Use Type	Office	Year Built	1990
Quality	Average	Condition	Average
G.B.A.	39,345± sf	Sale Price/SF	\$99.12
No. of Buildings	1	No. of Stories	1
Land Area	3.488± ac.	Land:Bldg Ratio	3.86:1
Construction	Concrete tilt-up, Stucco exterior	Flood Zone	Shaded Zone X
EGI	N/A	EGIM	N/A
NOI	N/A	OAR	N/A
Sale Verification	Costar & County Records	Verified By	John S. Wright, MAI

**COMPARABLE OFFICE BUILDING SALE PROFILE
SALE OBS-2**



A.P.N.	019-352-03	Address	255 W Moana Lane, Reno
Grantor	Xiang Tian, LLC	Grantee	255 W. Moana Ln., LLC
Sale Date	July 9, 2021	Sale Price	\$1,700,000
Document No.	5202521	RPTT	\$6,970
Terms of Sale	Cash to the seller	Zoning	MU
Use Type	Office	Year Built	1979
Quality	Average	Condition	Average
G.B.A.	22,536± sf	Sale Price/SF	\$75.43
No. of Buildings	1	No. of Stories	1
Land Area	1.00± ac. (43,560± sf)	Land:Bldg Ratio	1.93:1
Construction	Wood frame, Stucco Exterior	Flood Zone	Unshaded Zone X
EGI	N/A	EGIM	N/A
NOI	N/A	OAR	N/A
Sale Verification	Costar & County Records	Verified By	John S. Wright, MAI

**COMPARABLE OFFICE BUILDING SALE PROFILE
SALE OBS-3**



A.P.N.	011-176-09	Address	245 E Liberty Street, Reno
Grantor	Willow Tree Properties, LLC	Grantee	245 Liberty Owner, LLC
Sale Date	April 14, 2021	Sale Price	\$6,400,000
Document No.	5166008	RPTT	\$26,240
Terms of Sale	Cash to the Seller	Zoning	MD-RD
Use Type	Office	Year Built	1981
Quality	Average	Condition	Average
G.B.A.	72,864± sf	Sale Price/SF	\$87.83
No. of Buildings	1	No. of Stories	5
Land Area	28,750± sf	Land:Bldg Ratio	0.39:1
Construction	Steel frame and glass	Flood Zone	Shaded Zone X
EGI	N/A	EGIM	N/A
NOI	N/A	OAR	N/A
Sale Verification	Costar & County Records	Verified By	John S. Wright, MAI

**COMPARABLE OFFICE BUILDING SALE PROFILE
SALE OBS-4**



A.P.N.	005-051-21	Address	3850 Arrowhead Drive, Carson City
Grantor	Harley-Davidson Credit Corp	Grantee	Nevada Capital Bldg LLC
Sale Date	January 7, 2021	Sale Price	\$3,800,000
Document No.	514979	RPTT	\$14,820
Terms of Sale	Cash to the seller	Zoning	LI
Use Type	Office	Year Built	2005
Quality	Good	Condition	Good
G.B.A.	96,000± sf	Sale Price/SF	\$39.58
No. of Buildings	1	No. of Stories	3
Land Area	10.00± ac.	Land:Bldg Ratio	4.54:1
Construction	Metal	Flood Zone	Unshaded Zone X
EGI	N/A	EGIM	N/A
NOI	N/A	OAR	N/A
Sale Verification	Costar & County Records	Verified By	John S. Wright, MAI

COMPARABLE OFFICE BUILDING SALE PROFILE SALE OBS-5



A.P.N.	001-091-08	Address	1802 N Carson Street, Carson City
Grantor	1802 North Carson Street, LLC	Grantee	Canyon Falls Business Center, LLC
Sale Date	December 3, 2020	Sale Price	\$2,550,000
Document No.	513677	RPTT	\$9,945
Terms of Sale	Cash to the Seller	Zoning	RC
Use Type	Office	Year Built	1980
Quality	Average	Condition	Average
G.B.A.	52,272± sf	Sale Price/SF	\$48.78
No. of Buildings	1	No. of Stories	2
Land Area	2.36± ac. (102,802± sf)	Land:Bldg Ratio	1.97:1
Construction	Wood frame with masonry exterior	Flood Zone	Shaded Zone X
EGI	N/A	EGIM	N/A
NOI	N/A	OAR	N/A
Sale Verification	County Records	Verified By	John S. Wright, MAI

**COMPARABLE OFFICE BUILDING SALE PROFILE
SALE OBS-6**



A.P.N.	013-323-16	Address	3100 Mill Street, Reno
Grantor	Orban Family Revocable Trust	Grantee	Haley and Amy Bogart
Sale Date	November 18, 2020	Sale Price	\$1,715,000
Document No.	5105787	RPTT	\$7,031.50
Terms of Sale	Cash to the Seller	Zoning	IC
Use Type	Office	Year Built	1973
Quality	Average	Condition	Average
G.B.A.	30,000± sf	Sale Price/SF	\$57.17
No. of Buildings	1	No. of Stories	2
Land Area	1.07± ac. (46,609± sf)	Land:Bldg Ratio	1.55:1
Construction	Wood frame with stucco exterior	Flood Zone	Unshaded Zone X
EGI	N/A	EGIM	N/A
NOI	N/A	OAR	N/A
Sale Verification	Costar & County Records	Verified By	John S. Wright, MAI

**COMPARABLE OFFICE BUILDING SALE PROFILE
SALE OBS-7**



A.P.N.	012-401-34	Address	1201 Corporate Blvd, Reno
Grantor	1802 North Carson Street, LLC	Grantee	Ranch View, LLC
Sale Date	December 31, 2019	Sale Price	\$2,100,000
Document No.	4987440	RPTT	\$8,610
Terms of Sale	Cash to the Seller	Zoning	ME
Use Type	Office	Year Built	1984
Quality	Average	Condition	Average
G.B.A.	20,000± sf	Sale Price/SF	\$105.00
No. of Buildings	1	No. of Stories	1
Land Area	2.17± ac. (94,525± sf)	Land:Bldg Ratio	4.73:1
Construction	Concrete tilt-up with stucco exterior	Flood Zone	Shaded Zone X
EGI	N/A	EGIM	N/A
NOI	N/A	OAR	N/A
Sale Verification	Costar & County Records	Verified By	John S. Wright, MAI

OFFICE BUILDING SALES COMPARISON, CORRELATION & CONCLUSION

The seven comparables set forth on the preceding chart all involve consummated sales. The sales occurred between December 2019 and September 2021, as compared with the September 29, 2021 effective date of valuation. The comparables range in size from 20,000± square feet to 96,000± square feet of gross building area. The comparables illustrate selling prices prior to any adjustment ranging from \$39.58 per square foot to \$105 per square foot.

In analyzing the sales, consideration was given to qualitative as well as quantitative analyses. In analyzing the comparables, there was sufficient data to consider quantitative adjustments for property rights conveyed, conditions of sale, financing terms and market conditions. As a result, quantitative adjustments have been made for these items. For other areas of comparison, qualitative adjustments have been made. Set out following is a discussion of the adjustments made to each of the sales.

Quantitative Adjustments

Property Rights Conveyed

All of the comparables involve the sale of leased fee or fee simple interests. As a result, no adjustments for property rights conveyed will be made in this analysis.

Financing

All of the comparables involved cash equivalent transactions. As a result, no adjustment for financing is warranted.

Conditions of Sale

All of the comparable sales appear to have involved arms-length transactions between willing buyers and willing sellers. As a result, no adjustments for this factor are felt to be warranted to any of the sales.

Market Conditions

There is insufficient data to support any market adjustment. However, if anything it appears that values are declining based on declining rental rates. However, no adjustments will be made to any of the comparables for this factor.

Qualitative Adjustments

In addition to the adjustment set out above, other adjustments are warranted to the comparables. The size of the adjustments cannot be quantified from the market. As a result, subjective quantitative adjustments have been made. The results of that analysis are set forth as follows:

Location

Sales OBS-1, OBS-2, OBS-3, OBS-6 and OBS-7 are taken from Reno which is considered to be a superior location to Carson City. As a result, these comps all require a downward adjustment for their superior location. Sales OBS-4 and OBS-5 were located in Carson City and require no adjustment for this factor.

Quality

From a quality standpoint all of the comparables, except Sale OBS-4 are felt to be equal to the subject, requiring no adjustment for this factor. On the other hand, Sale OBS-4 which involves a good quality corporate campus style office building (which includes such features as a café, a fitness center, multiple conference rooms and double back-up power) and so this comparable requires a downward adjustment for its superior quality.

Condition

With a new roof and new HVAC units, as well as the interior renovations anticipated in the lease-up analysis, the subject is considered to be in above average condition. Sales OBS-1 through OBS-3 and Sales OBS-5 through OBS-7 were considered to be in average condition at time of sale and so they are inferior to the subject in this regard. Sale OBS-4 which was in good condition at time of sale is considered to be superior to the subject in this regard.

Design

The subject comprises a one-story building. Even though several of the comparables are two-story and taller, no adjustments for this factor are felt to be warranted to any of the comparables except Sale OBS-5 which is two-story but has no elevator. Consequently, this comparable requires an upward adjustment for its interior design.

Building Age

Newer buildings generally sell for a higher price than older buildings, due to physical deterioration. The subject's actual age is 45 years. Sales OBS-2, OBS-3 and OBS-5 through OBS-7, with construction years between 1973 and 1984 are considered to be similar to the subject in this regard. On the other hand, Sales OBS-1 and OBS-4 with construction years of 1990 and 2005, respectively, are measurably newer than the subject and so they are considered to be superior to the subject in this regard.

Construction Type

The comparables involve different types of construction, Sales OBS-2, OBS-5 and OBS-6 are all typical office buildings that have brick or stucco exteriors. Overall, these comparables are considered to be similar to the subject in this regard and so they require no adjustments for this factor. On the other hand, Sales OBS-1 and OBS-7 are of concrete tilt-up construction and Sales OBS-3 and OBS-4 are of metal construction. As a result, these sales are considered to be inferior to the subject in this regard. This adjustment could have been made in the quality adjustment analysis, but within the class of construction, the comparables were all concluded to be of average quality. Therefore, we have made the adjustment here.

Building Type

Sale OBS-4 involves a corporate campus building with such amenities as a café, a fitness center, multiple conference rooms and double back-up power. These are considered to be superior to the subject and require a downward adjustment. All of the rest of the comparables and the subject involve similar types of buildings. As a result, no adjustments for building type are necessary to the other comparables.

Building Size

Generally smaller buildings sell for higher prices per square foot than larger buildings. Conversely, larger buildings will generally sell for a lower price than smaller buildings. However, these differences are generally not significant unless the size differential is great. In this instance, Sales OBS-1, OBS-3, OBS-4, OBS-5 and OBS-6 are all measurably larger than the subject and so they are considered to be inferior to the subject on a price per square foot basis. Sales OBS-2 and OBS-7 are considered similar to the subject in this regard that no adjustment for this factor is felt to be required.

Land-to-Building Ratio

Generally, properties with a lower land-to-building ratio are considered inferior to properties with higher land-to-building ratios, as the properties with the lower ratios generally have inferior parking and less landscaping. Sales OBS -4 and OBS-7 are felt to be superior to the subject in this regard, because they have higher land to building ratios and they require a downward adjustment. Sales OBS-2, OBS-3, OBS-5 and OBS-6 have smaller land-to-building ratios than the subject and require upward adjustments. Sale OBS-1 is felt to have a similar land-to-building ratio as the subject and so no adjustment is warranted for this comparable.

Other

Sale OBS-4 involved a Class-A corporate office campus. It was reportedly sold by the owner-user (Harley Davidson Financial Services) to consolidate their operations. Considering the other comparable sales, this would appear to have sold for a below market value. As a result, a significant upward adjustment is felt to be required for this factor. No other adjustments are felt to be necessary to any of the other comparables.

The chart set out on the following chart summarizes the adjustments made to the sales.

OFFICE BUILDING SALES ADJUSTMENT GRID

	Sale OBS-1	Sale OBS-2	Sale OBS-3	Sale OBS-4	Sale OBS-5	Sale OBS-6	Sale OBS-7
Address	1285 Financial	255 W Moana	245 E Liberty	3850 Arrowhead	1802 N Carson	3100 Mill	1201 Corporate
Sale Date	Sep-21	Jul-21	Apr-21	Jan-21	Dec-20	Nov-20	Dec-19
Sale Price/SF	\$99.12	\$75.43	\$87.83	\$39.58	\$48.78	\$57.17	\$105.00
Quantitative Adjustments							
Property Rights Conveyed	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Terms of Sale	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Conditions of Sale	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Market Conditions	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Interim Adjustments	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Interim Adjusted Price/SF	\$99.12	\$75.43	\$87.83	\$39.58	\$48.78	\$57.17	\$105.00
Qualitative Adjustments							
Location	Superior	Superior	Superior	Equal	Equal	Superior	Superior
Quality	Equal	Equal	Equal	Superior	Equal	Equal	Equal
Condition	Inferior	Inferior	Inferior	Superior	Inferior	Inferior	Inferior
Design	Equal	Equal	Equal	Equal	Inferior	Equal	Equal
Building Age	Superior	Equal	Equal	Superior	Equal	Equal	Equal
Construction Type	Inferior	Equal	Inferior	Inferior	Equal	Equal	Inferior
Building Type	Equal	Equal	Equal	Superior	Equal	Equal	Equal
Building Size	Inferior	Equal	Inferior	Inferior	Inferior	Inferior	Equal
Land to Building ratio	Equal	Inferior	Inferior	Superior	Inferior	Inferior	Superior
Other	Equal	Equal	Equal	Inferior	Equal	Equal	Equal
Overall Adjustment	Superior	Inferior	Equal	Inferior	Inferior	Inferior	Superior



After adjustment, Sales OBS-1 and OBS-7, with quantitatively adjusted unit values of \$99.12 per square foot and \$105.00 per square foot respectively were both considered to be superior to the subject, suggesting a unit value for the subject below \$99.00 per square foot. On the other hand, Sales OBS-2 and OBS-4 though OBS-6 with quantitatively adjusted unit values between \$39.58 per square foot and \$75.43 per square foot were all considered to be inferior to the subject, suggesting a unit value above \$75.00 per square foot for the subject. Essentially, the sales data would appear to support a value for the subject between \$75.00 per square foot and \$99.00 per square foot. Sale OBS-3 with a quantitatively adjusted unit value of 87.83 per square foot was considered to be a reasonable indicator of value for the subject and this comparable is bracketed by the superior comparables on the high side as well as inferior sales on the low side.

Overall, based on the available data, I have concluded a stabilized value for the subject of \$85.00 per square foot. Applying the indicated per square foot value to the subject's 15,841± square feet of gross building area results in an indicated value for the subject "As Though Stabilized at Market Rent with Deferred Maintenance Cured" for the subject, as of September 29, 2021, of \$1,346,485, which will be rounded to \$1,350,000.

Sales Comparison Approach – Stabilized and Deferred Maintenance Cured

\$1,350,000

CORRELATION AND VALUE CONCLUSIONS

In the preceding sections of this report, Income and Sales Comparison Approach analyses were completed to derive indications of the Market Value “As Though Stabilized at Market Rent with Deferred Maintenance Cured” of the subject, as of September 29, 2021. The results of those analyses are summarized as follows:

Valuation Summary

Cost Approach	Not applied
Income Approach	\$1,340,000
Sales Comparison Approach	\$1,350,000

The Sales Comparison Approach analysis resulted in a higher indicated value for the subject than the Income Approach analysis, but the differential is only \$10,000 or 0.75%. Generally, a range of 5% or less is considered reasonable and reflects the fact that the market is not exact.

In assessing these value indications, I have considered the quality and quantity of the data available for each analysis. In the Income Approach, the rental rate for the subject was felt to be well supported. Additionally, the vacancy rate and the expenses were felt to be well supported. However, the limited sales in Carson City made the cap rate analysis subjective. Overall, the Income Approach was felt to have some weaknesses. Additionally, the market data indicates that office rental rates are declining, which means that values are declining.

In the Sales Comparison Approach, a number of sales were presented. However, there is limited sales data in Carson City. Therefore, I was forced to go to Reno-Sparks to find sufficient building sales. Overall, due to the major differences between the sales and the subject, I completed a qualitative adjustment analysis as opposed to a quantitative adjustment analysis. Overall, the quality and quantity of the data presented in the Sales Comparison Approach is considered to be inferior to that of the Income Approach.

The majority of the data suggests that the subject would appeal to an investor as opposed to an owner-user. As a result, I have given more weight and reliance to the value indication by the Income Approach, than the Sales Comparison Approach.

Overall, based on the available data, I have concluded that an appropriate Market Value “As Though Stabilized at Market Rent with Deferred Maintenance Cured” for the subject property, as of the September 29, 2021 date of inspection and effective date of valuation would be \$1,340,000.

Final Market Value – As Though Stabilized & Deferred Maintenance Cured **\$1,340,000**

CURRENT MARKET VALUE CONCLUSIONS

To derive an opinion of the Current Market Value “Deferred Maintenance Cured” of the subject property under the scenario that the deferred maintenance is cured, I interviewed a number of the Realtors, which were involved in the sales or leasing of the comparables involved in this analysis. Based on those interviews and based on the subject’s actual experience, I have made the following projections for the subject:

- I have assumed a lease-up period of 24 months, or two years. Considering the current state of the Carson City office market, this may be optimistic. However, the subject’s projected rents are below average, which should make the subject more attractive.
- I have assumed that in the leasing that the landlord would need to install some tenant improvements including demising walls and some new flooring.
- The subject would hire a realtor to lease the building.
- An investor would want a return for going through this exercise.

Assuming that the subject was to lease-up on a straight-line, then the rent loss would equate to one year’s Effective Gross Income or \$207,852.

Based on my discussions with the realtors, I have projected a 3-year lease term and a leasing commission of 5% of the face value of the lease. This would result in the following projection of leasing commissions: $14,256\pm$ square feet x \$1.35 x 90% x 36 months x 5% = \$31,178.

In order to generate the economic rent, the suites will probably need some minor renovations. I have recently had discussions with a number of realtors regarding the costs of tenant improvements. In one suite, where the owner had to replace all of the flooring and repaint the walls, the cost was almost exactly \$20.00 per square foot. In the case of a vanilla shell space that was being finished as medical office space, the cost was projected at \$52.83 per square foot. In the case of the subject, as the majority of the improvements will be able to be kept, but the space will probably require re-painting, as some of the flooring will need to be replaced and as some demising walls will probably need to be installed. Based on the available data, I have concluded to a cost for tenant improvements of \$20.00 per square foot of net usable building area ($14,256\pm$ sf x \$20.00 per square foot) or \$285,120.

Additionally, I have made an allowance for entrepreneurial incentive which would be required to attract an investor to invest in the subject before it is stabilized. The entrepreneurial incentive is being applied to the hard costs of construction only as it has been my experience that investors typically do not discount the rent loss or leasing commissions. Instead, they deduct them as whole numbers.

LEASE-UP COST SUMMARY

Tenant Improvements (14,256± sf @ \$20.00)	\$285,120		
Entrepreneurial Incentive (15%)	\$42,768		
Indicated Deduction for Tenant Improvements	\$327,888	Say	\$330,000
Rent Loss During Lease-up			\$207,852
Leasing Commissions (3-year leases, 5% Commission)			\$31,178
Total Indicated Cost to Complete			\$569,030
		Say	<u>\$570,000</u>

Subtracting a \$570,000 cost of stabilization from the \$1,340,000 indicated value “As Though Stabilized” of the subject, results in an indicated Market Value for the subject in its current condition, as of September 29, 2021 of \$770,000.

CURRENT MARKET VALUE – DEFERRED MAINTENANCE CURED

\$770,000

We were also asked to provide an opinion of the Market Value of the subject in its current condition, without the deferred maintenance cured. To derive an opinion of the Market Value of the subject under this scenario, the cost to cure the deferred maintenance must be made and subtracted. Based on the data contained in the Faithful+Gould FCA report, the hard cost to cure the deferred maintenance would be \$396,512. To this we have added a 10% allowance for soft costs (permits, fees, contingencies) as well as a 15% allowance for entrepreneurial incentive. An allowance for contingencies is reasonable since in renovation projects there are often additional costs. In significant renovations developers typically add a 50% to 100% contingency to the projected hard costs to cover unforeseen items. Because the subject renovations are less extensive a lower contingency is felt to be required.

Adding a 10% contingency and a 15% entrepreneurial incentive results in the following deduction to cure the deferred maintenance:

Hard Cost to Cure Deferred Maintenance	\$396,512
Soft Costs/Contingency (10%)	<u>\$39,651</u>
Total Hard and Soft Costs	\$436,163
Entrepreneurial Incentive (15%)	<u>\$65,424</u>
Total Indicated Deduction for Deferred Maintenance	\$501,588
Say	<u>\$500,000</u>

Subtracting a \$500,000 allowance to cure deferred maintenance from the \$770,000 indicated Market Value – “Deferred Maintenance Cured”, results in an indicated Market Value – “Deferred Maintenance Not Cured for the subject, as of September 29, 2021 of \$270,000.

CURRENT MARKET VALUE – “DEFERRED MAINTENANCE NOT CURED” **\$270,000**

EXPOSURE TIME ANALYSIS

Exposure time is defined as the length of time that a property would have been offered on the market prior to the hypothetical consummation of a sale at market value, as of the effective date of valuation. It is a retrospective estimate of time based upon an analysis of past events assuming a competitive and open market. Indications of the exposure time associated with the Market Value estimate are provided by the marketing times illustrated by the sales comparables, in interviews with market participants, and through analysis of general economic conditions.

In assessing an appropriate exposure time for the subject, one would generally look at the exposure times from the comparable sales. The results of that analysis are summarized as follows:

- Sale OBS-1 – Approximately 13 months
- Sale OBS-2 – Not available
- Sale OBS-3 – Not Available
- Sale OBS-4 – Approximately 3 months
- Sale OBS-5 – Approximately 3 months
- Sale OBS-6 – Approximately 9 months
- Sale OBS-7 – Not Available

Considering the data set out above, as well as the subject's location, it is the undersigns opinion that if the subject were listed for not more than 10% above the value conclusion derived in this report, that an appropriate exposure time for the subject property, to have consummated a sale on the effective date of valuation would have been between 6 and 12 months.

EXPOSURE TIME CONCLUSION

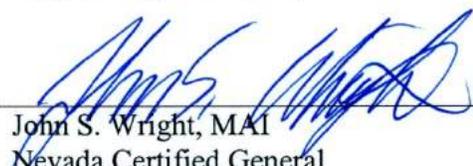
6 – 12 MONTHS

APPRAISER’S CERTIFICATION

The undersigned do hereby certify that, unless otherwise noted in this appraisal report:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, conclusions, and recommendations.
- We have no present or prospective interest in the property that is the subject of this report, and we have no personal interest with respect to the parties involved.
- We have no bias with respect to any property that is the subject of this report or to the parties involved with this assignment.
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- The reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.
- We 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 persons signing this certification.
- The appraisers’ state registration/certification has not been revoked, suspended, cancelled or restricted.
- We have provided no other services as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- As of the date of this report, John S. Wright has completed the continuing education program for Designated Members 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 was developed and the appraisal report was prepared in conformity with the *Uniform Appraisal Standards for Federal Land Acquisitions*.

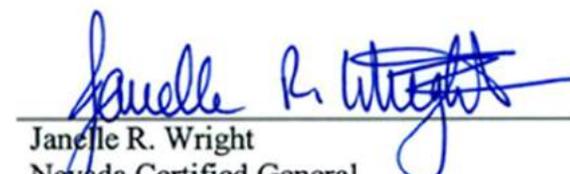
Respectfully submitted,



 John S. Wright, MAI
 Nevada Certified General
 License Number A.0000191-CG

November 17, 2021

 Date



 Janelle R. Wright
 Nevada Certified General
 License Number A.0006967-CG

November 17, 2021

 Date



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:

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. The appraisal report remains the property of the appraiser, though it may be used by the client in accordance with these assumptions and limiting conditions.

The By-Laws and Regulations of the Appraisal Institute require each Member to control the use and distribution of each appraisal report signed by such Member. 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 appraiser. Neither all nor any part of this appraisal report shall be disseminated to the general public by use of advertising media, public relations media, news media, sales media, or any other media for public communication without the prior written consent of the appraisal firm.

This 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. The appraiser shall bear no responsibility for any unauthorized changes.

CONFIDENTIALITY:

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

The appraiser may be requested to submit copies of work to bona fide financial institutions in order to be approved to complete appraisal work for their institution. When requested, the appraiser will contact the client to obtain release to disseminate copies of the report to requesting institutions. Requests for dissemination will be controlled by the client; however, approval to disseminate the report will not be unreasonably withheld. Any reports disseminated to requesting financial institutions would be edited to remove specific references to the subject property's name, location and owner. Additionally, any specific reference to the client will also be deleted.

INFORMATION SUPPLIED BY OTHERS:

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

TESTIMONY, CONSULTATION, COMPLETION OF CONTRACT FOR APPRAISAL SERVICE:

The contract for each appraisal, consultation or analytical service is fulfilled and the total fee is payable upon completion of the report. The appraiser or anyone assisting in the preparation of the report will not be asked or required to give testimony in court or in any other hearing as a result of having prepared the appraisal, either in full or in part, except under separate and special arrangements at an additional fee. If testimony or a deposition is required because of any subpoena, the client shall be responsible for any additional time, fees and charges, regardless of the issuing party. Neither the appraiser nor anyone assisting in the preparation of the report is required to engage in post 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 and no responsibility is assumed in connection with such matters. Any maps, plats, or drawings reproduced and included in the report are there to assist the reader in visualizing the property and are not necessarily drawn to scale. The reliability of the information contained on any such map or drawing is assumed accurate by the appraiser and is not guaranteed to be correct.

TITLE, LEGAL DESCRIPTIONS, AND OTHER LEGAL MATTERS:

No responsibility is assumed by the appraiser for matters legal in character or nature. No opinion is rendered as to the status of title to any property. The title is presumed to be good and merchantable. The property is 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, 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 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 or does not exist. Specifically, no guarantee is given as to the adequacy or condition of the foundation, roof, exterior walls, interior walls, floors, heating systems, air conditioning systems, plumbing, electrical service, insulation, or any other detailed construction matters. If any interested party is concerned about the existence, condition, or adequacy of any

particular item, it is strongly suggested that a mechanical and/or structural inspection be made by a qualified and licensed contractor, a civil or structural engineer, an architect or other experts.

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

AMERICANS WITH DISABILITIES ACT:

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

TOXIC MATERIALS AND HAZARDS:

Unless otherwise stated in the appraisal report, no attempt has been made to identify or report any toxic materials and/or conditions such as asbestos, urea-formaldehyde foam insulation, or soils or ground water contamination on any land or improvements described in the 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 toxic materials and/or conditions. If any toxic materials and/or conditions are present on the property, the value of the property may be adversely affected and a reappraisal at an additional cost may be necessary to estimate the effects of such circumstances.

SOILS, SUB-SOILS AND POTENTIAL HAZARDS:

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

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

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

LEGALITY OF USE

This 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

If the total property value set forth in this report is distributed between land and improvements, this distribution applied only under the existing program of utilization as set forth in the appraisal. The separate valuations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.

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 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.

VALUE CHANGE, DYNAMIC MARKET, ALTERATION OF ESTIMATE BY APPRAISER

All values shown in the appraisal report are projections based on analyses 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. Any future projections have been made based upon the data and information available as of the date when the report was prepared and is intended to reflect what the market at that point in time would project for the subject property into the future. Therefore, the models do not necessarily reflect what will actually be achieved but rather what the market projects would be achieved as of the date of the report. Therefore, none of the values contained in this report should be considered as being reflective of any future value of the subject property. 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. They are subject to change as market conditions change.

This appraisal is an estimate of value based on analysis of information known at the time the appraisal was made. The appraiser 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.

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.

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 a good and workmanlike manner in accord with plans, specifications or other information supplied to this appraiser and as set forth in the appraisal report. 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 FOR SERVICES

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.

CHANGES AND MODIFICATIONS

The appraiser reserves the right to alter statements, analyses, conclusions, or any value estimates in the appraisal if any new factors pertinent to the appraisal process are discovered which were unknown when the appraisal report was prepared.

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.

QUALIFICATIONS OF APPRAISER**JOHN S. WRIGHT****Professional Designation**

MAI - Member of Appraisal Institute (MAI Member 9718) 1992

State Licensing and Certification

Certified General Appraiser - State of Nevada 1991
 License Number A.0000191-CG
 (Certified through May 31, 2023)

Formal Education

Lake Tahoe Community College, South Lake Tahoe, CA 1979
 University of Illinois, Urbana 1979-1983
 B. F. A., Theater Management:
 Courses in Business Administration, Economics, Accounting
 and Business Law; Graduated with Honors

Appraisal Education and Technical Training

Appraisal Institute
 Course 1A-1 "Real Estate Appraisal Principles"
 Course 1A-2 "Basic Valuation Procedures"
 University of San Diego, California
 Course 1B-A, "Capitalization Theory, Part A"
 Course 1B-B, "Capitalization Theory, Part B"
 Arizona State University, Tempe
 Course 2-1, "Case Studies in Real Estate Valuation"
 Course 2-2, "Reporting Writing and Valuation Analysis"
 University of Colorado
 Course 2-3, "Standards of Professional Practice"
 Sacramento, California
 Course 330 "Apartment Appraisals"
 Online Course
 Course 400 "USPAP Update 2014"
 Reno, NV
 Course 520, "Highest and Best Use and Market Studies"
 University of San Diego, California
 Course 710, "Condemnation Appraising: Basic Principles and Applications"
 Sacramento, CA
 Course 720, "Condemnation Appraising: Advanced Topics and Applications"
 Sacramento, CA
 Course 430, Part C, "Standards of Professional Practice"
 Reno, NV
 Course 510, Advanced Income Capitalization
 San Diego, CA
 Course, Advanced Market Analysis and Highest and Best Use
 Las Vegas, CA
 Course Review Theory – General
 Sacramento, CA

**QUALIFICATIONS OF APPRAISER
JOHN S. WRIGHT**

Selected Seminars

- American Institute of Real Estate Appraisers
 - Appraising in a Regulated Environment
 - The Art of Appraising
 - The Electronic Spreadsheet in the Appraisal Office
 - Highest and Best Use
- Appraisal Institute
 - National USPAP Update
 - Maximizing the Value of an Appraisal Practice
 - Environmental Risk and the Real Estate Appraisal Process
 - Understanding Limited Appraisals and Appraisal Reporting Options-General
 - Fair Lending and the Appraiser
 - Appraising Detrimental Conditions
 - Litigation Skills for the Appraiser
 - Case Studies in Limited Partnership and Common Tenancy Valuation
 - Introduction to GSI Applications for Real Estate Appraisal
 - Attacking and Defending an Appraisal in Litigation
 - The Essentials, Current Issues and Misconceptions in Appraising
 - What Commercial Clients would like an Appraiser to Know
 - Business Practices and Ethics
- Society of Real Estate Appraisers
 - R-41C and the Appraiser
 - Nevada Appraisal Law and Licensing

Occupational History

- | | |
|-------------------------------------------------------------------------------|--------------------|
| John S. Wright & Associates - Owner | 11-2002 to Present |
| Nevada State Bank – Review Appraiser II – Vice President | 2008 - 2010 |
| Wright, Warren & Schiffmacher, LLC - Member | 1997-2002 |
| John S. Wright, MAI, Real Estate Appraiser
and Consultant, Owner | 1994-1996 |
| Johnson-Wright & Associates
Senior Appraiser | 1984-1994 |
| Hartford Ballet/Connecticut Opera
Production Stage Manager/Company Manager | 1983-1984 |
| National Ballet of Illinois
Production Stage Manager/Company Manager | 1976-1980 |

Offices Held

- | | |
|--------------------------------------------------------------------------------------------------|------------------------------------------|
| Appointment/Commission – State of Nevada
Commission of Appraisers of Real Estate
President | 07/01/01 thru 10/31/2004
2002 to 2004 |
| Reno-Carson Chapter Appraisal Institute:
Chapter Secretary | 1993 |
| Chapter Vice President | 1994, 2009 & 2010 |
| Chapter President | 1995 & 2011 |

**QUALIFICATIONS OF APPRAISER
JOHN S. WRIGHT**

Qualified as an Expert Witness

U. S. Bankruptcy Court, Reno, Nevada
District Court, Washoe County, Nevada

REPRESENTATIVE APPRAISAL CLIENTS

Airport Authority of Washoe County	Internal Revenue Service
AMI Capital	Key Bank
Bailey & Dutton	Nevada Community Redevelopment Corp.
Bank of America	Nevada Security Bank
Bank of New York	Nevada State Bank
Bank of the West	Nevada State Department of Transportation
City of Reno	Northern Nevada Bank
City of Sparks	Prudential Huntoon Paige
City of Yerington	Regional Transportation Commission
Comerica Bank	Reno-Sparks Convention Authority
Colonial Bank	Shearson American Express
Construction Lending Corp. of America	Sierra Pacific Power Company
Denver & Rio Grande Western Railroad	Somerset Development Company
Dept. of Housing & Urban Development (HUD)	Specialty Financial Corporation
Dermody Properties	TRI Capital
Federal Deposit Insurance Corporation	U. S. Bank
First Bank & Trust	University of Nevada
First Independent Bank	Wade Development
1 st National Bank of Nevada	Washoe County
GMAC Commercial Mortgage	Washoe County Public Administrator
Great Basin Bank of Nevada	Washoe County School District
Housing Capital Company	Wells Fargo Bank

TYPES OF PROPERTIES APPRAISED

Various Types of Vacant Land	Residential Subdivisions
Apartment Complexes	Rooming Houses
Office Buildings	Retail-Commercial Buildings
Industrial Buildings	Hotel-Casinos
Motels	Special Use Properties
Shopping Centers	

**QUALIFICATIONS OF APPRAISER
JANELLE R. WRIGHT**

State Licensing and Certification

Certified General Appraiser - State of Nevada	2006
License Number A.0006967-CG (Certified through September 30, 2022)	2006

Formal Education

University of Nevada, Reno	2001
B. A., Political Science, Anthropology Courses in Political Science, Anthropology, Economics and Pre-Law Graduated with Distinction	

Appraisal Education and Technical Training

Appraisal Institute	
Course 110 – “Appraisal Principles”	April 2003
Course 120 – “Appraisal Procedures”	April 2004
Course 400 – National USPAP Update Course (7 hours)	April 2004
Course 310 – “Basic Income Capitalization”	May 2005
Course 410 – National USPAP 15-Hour	May 2006
Course 320 – “General Applications”	June 2006
Course 510 – “Advanced Income Capitalization”	May 2007
7-Hour National USPAP Update Course	March 2010
Online Appraisal of Nursing Facilities	August 2010
Online Appraising Convenience Stores	August 2010
Online Rates and Ratios: Making sense of GIMs, OARs, and DCF	August 2010
Online Cool Tools: New Technology for Real Estate Appraisers	September 2012
Online Advanced Internet Search Strategies	September 2012
Online Data Verification Methods	September 2012
Online Analyzing Distressed Real Estate	September 2012
7-Hour National USPAP Update Course	March 2014
Online Forecasting Revenue	December 2015
Online Small Hotel/Motel Valuation	December 2015
Online Comparative Analysis	December 2015
Online The Discounted Cash Flow Model	December 2015
Online FHA Appraising – Principles and Procedures	November 2016
7-Hour National USPAP Update Course	March 2020
McKissock, online	
Online 7-Hour National USPAP Update Course	September 2016
Online Appraisal of Fast Food Facilities	September 2016
Online Expert Witness for Commercial Appraisers	September 2016
Online Supervisor-Trainee Course for Nevada	September 2016
Online 7-Hour National USPAP Update Course	August 2018
Online Advanced Hotel Appraising – Full Service Hotels	August 2018
Online Appraising Small Apartment Properties	August 2018
Online Laws for Nevada Appraisers	August 2018
Online The Basics of Expert Witness for Commercial Appraisers	August 2018
Key Realty School, Las Vegas	
Appraisal Law in Nevada	April 2003

IREAS, Reno



National USPAP Update Course (7 hours)	June 2008
Ken Hunsinger Appraisal Seminars, Reno	
National USPAP Update Course (7 hours)	March 2012

Occupational History

Janelle R. Wright, Certified General Appraiser	01-2009 to Present
Appraiser/Owner	
John S. Wright & Associates	02-2003 to 12-2008
Appraiser	
Nevada State Bank, Reno, Nevada	04-2001 to 02-2003
Teller and New Accounts Representative	
Bank of America, Reno, Nevada	07-1997 to 07-1999
Teller	



TITLE COMMITMENT

for

2621 Northgate Lane
Carson City, NV 89706

Escrow Number:
1321115

Escrow Officer

Branch Location:
Reno Office
5390 Kietzke Ln., Suite 101
Reno, NV 89511

Marketing Representative
House Account - BDO - Kietzke
(555) 555-5555

*If you have further questions regarding the color code, please contact your Marketing Representative.

TRANSACTION QUESTIONNAIRE

****HELP US HELP YOU TO A SMOOTH CLOSING****

IF ANY OF THE BELOW QUESTIONS ARE ANSWERED “YES”, OR IF YOU HAVE ANY QUESTIONS ABOUT THE BELOW INFORMATION, PLEASE CONTACT YOUR ESCROW OFFICER IMMEDIATELY

- Have any of the principals filed bankruptcy?
- Do any of the principals plan to use a Power of Attorney?
- Are any of the principals going through a divorce?
- Is anyone currently vested in title deceased and/or incapacitated?
- Do any of the principals NOT have a valid photo identification?
- Is there construction work in progress, recently completed or is there unfinished construction?
- Is there a manufactured or mobile home on the property?
- Are the sellers a non-resident alien or an out of the country seller?
- Will a new entity be formed? (i.e. Partnership, LLC, Corporation)
- Will any of the principals be participating in a 1031 Exchange?
- Are any of the principals unable to sign at a Stewart Title Company office? If so, an approved notary will be required

THANK YOU FOR CHOOSING STEWART TITLE COMPANY!



ALTA COMMITMENT FOR TITLE INSURANCE

ISSUED BY
STEWART TITLE GUARANTY COMPANY

NOTICE

IMPORTANT - READ CAREFULLY: THIS COMMITMENT IS AN OFFER TO ISSUE ONE OR MORE TITLE INSURANCE POLICIES. ALL CLAIMS OR REMEDIES SOUGHT AGAINST THE COMPANY INVOLVING THE CONTENT OF THIS COMMITMENT OR THE POLICY MUST BE BASED SOLELY IN CONTRACT.

THIS COMMITMENT IS NOT AN ABSTRACT OF TITLE, REPORT OF THE CONDITION OF TITLE, LEGAL OPINION, OPINION OF TITLE, OR OTHER REPRESENTATION OF THE STATUS OF TITLE. THE PROCEDURES USED BY THE COMPANY TO DETERMINE INSURABILITY OF THE TITLE, INCLUDING ANY SEARCH AND EXAMINATION, ARE PROPRIETARY TO THE COMPANY, WERE PERFORMED SOLELY FOR THE BENEFIT OF THE COMPANY, AND CREATE NO EXTRACTIONAL LIABILITY TO ANY PERSON, INCLUDING A PROPOSED INSURED.

THE COMPANY’S OBLIGATION UNDER THIS COMMITMENT IS TO ISSUE A POLICY TO A PROPOSED INSURED IDENTIFIED IN SCHEDULE A IN ACCORDANCE WITH THE TERMS AND PROVISIONS OF THIS COMMITMENT. THE COMPANY HAS NO LIABILITY OR OBLIGATION INVOLVING THE CONTENT OF THIS COMMITMENT TO ANY OTHER PERSON.

COMMITMENT TO ISSUE POLICY

Subject to the Notice; Schedule B, Part I - Requirements; Schedule B, Part II - Exceptions; and the Commitment Conditions, STEWART TITLE GUARANTY COMPANY, a Texas corporation (the “Company”), commits to issue the Policy according to the terms and provisions of this Commitment. This Commitment is effective as of the Commitment Date shown in Schedule A for each Policy described in Schedule A, only when the Company has entered in Schedule A both the specified dollar amount as the Proposed Policy Amount and the name of the Proposed Insured.

If all of the Schedule B, Part I - Requirements have not been met within six months after the Commitment Date, this Commitment terminates and the Company’s liability and obligation end.

Bonnie Graybeale

Authorized Countersignature
Stewart Title Company
5390 Kietzke Ln., Suite 101
Reno, NV 89511



Frederick H. Eppinger
Frederick H. Eppinger
President and CEO

David Hisey
David Hisey
Secretary

This page is only a part of a 2016 ALTA® Commitment for Title Insurance. This Commitment is not valid without the Notice; the Commitment to Issue Policy; the Commitment Conditions; Schedule A; Schedule B, Part I - Requirements; and Schedule B, Part II - Exceptions; and a countersignature by the Company or its issuing agent that may be in electronic form.

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File No.: 1321115

ALTA Commitment For Title Insurance 8-1-16

Page 1 of 3



COMMITMENT CONDITIONS

1. DEFINITIONS

- (a) "Knowledge" or "Known": Actual or imputed knowledge, but not constructive notice imparted by the Public Records.
- (b) "Land": The land described in Schedule A and affixed improvements that by law constitute real property. The term "Land" does not include any property beyond the lines of the area described in Schedule A, nor any right, title, interest, estate, or easement in abutting streets, roads, avenues, alleys, lanes, ways, or waterways, but this does not modify or limit the extent that a right of access to and from the Land is to be insured by the Policy.
- (c) "Mortgage": A mortgage, deed of trust, or other security instrument, including one evidenced by electronic means authorized by law.
- (d) "Policy": Each contract of title insurance, in a form adopted by the American Land Title Association, issued or to be issued by the Company pursuant to this Commitment.
- (e) "Proposed Insured": Each person identified in Schedule A as the Proposed Insured of each Policy to be issued pursuant to this Commitment.
- (f) "Proposed Policy Amount": Each dollar amount specified in Schedule A as the Proposed Policy Amount of each Policy to be issued pursuant to this Commitment.
- (g) "Public Records": Records established under state statutes at the Commitment Date for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without Knowledge.
- (h) "Title": The estate or interest described in Schedule A.

2. If all of the Schedule B, Part I - Requirements have not been met within the time period specified in the Commitment to Issue Policy, this Commitment terminates and the Company's liability and obligation end.

3. The Company's liability and obligation is limited by and this Commitment is not valid without:

- (a) the Notice;
- (b) the Commitment to Issue Policy;
- (c) the Commitment Conditions;
- (d) Schedule A;
- (e) Schedule B, Part I - Requirements;
- (f) Schedule B, Part II - Exceptions; and
- (g) a countersignature by the Company or its issuing agent that may be in electronic form.

4. COMPANY'S RIGHT TO AMEND

The Company may amend this Commitment at any time. If the Company amends this Commitment to add a defect, lien, encumbrance, adverse claim, or other matter recorded in the Public Records prior to the Commitment Date, any liability of the Company is limited by Commitment Condition 5. The Company shall not be liable for any other amendment to this Commitment.

5. LIMITATIONS OF LIABILITY

- (a) The Company's liability under Commitment Condition 4 is limited to the Proposed Insured's actual expense incurred in the interval between the Company's delivery to the Proposed Insured of the Commitment and the delivery of the amended Commitment, resulting from the Proposed Insured's good faith reliance to:
 - (i) comply with the Schedule B, Part I - Requirements;
 - (ii) eliminate, with the Company's written consent, any Schedule B, Part II - Exceptions; or
 - (iii) acquire the Title or create the Mortgage covered by this Commitment.
- (b) The Company shall not be liable under Commitment Condition 5(a) if the Proposed Insured requested the amendment or had Knowledge of the matter and did not notify the Company about it in writing.
- (c) The Company will only have liability under Commitment Condition 4 if the Proposed Insured would not have incurred the expense had the Commitment included the added matter when the Commitment was first delivered to the Proposed Insured.

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ALTA Commitment For Title Insurance 8-1-16

Page 2 of 3

AMERICAN
LAND TITLE
ASSOCIATION



329

- (d) The Company's liability shall not exceed the lesser of the Proposed Insured's actual expense incurred in good faith and described in Commitment Conditions 5(a)(i) through 5(a)(iii) or the Proposed Policy Amount.
- (e) The Company shall not be liable for the content of the Transaction Identification Data, if any.
- (f) In no event shall the Company be obligated to issue the Policy referred to in this Commitment unless all of the Schedule B, Part I - Requirements have been met to the satisfaction of the Company.
- (g) In any event, the Company's liability is limited by the terms and provisions of the Policy.

6. LIABILITY OF THE COMPANY MUST BE BASED ON THIS COMMITMENT

- (a) Only a Proposed Insured identified in Schedule A, and no other person, may make a claim under this Commitment.
- (b) Any claim must be based in contract and must be restricted solely to the terms and provisions of this Commitment.
- (c) Until the Policy is issued, this Commitment, as last revised, is the exclusive and entire agreement between the parties with respect to the subject matter of this Commitment and supersedes all prior commitment negotiations, representations, and proposals of any kind, whether written or oral, express or implied, relating to the subject matter of this Commitment.
- (d) The deletion or modification of any Schedule B, Part II - Exception does not constitute an agreement or obligation to provide coverage beyond the terms and provisions of this Commitment or the Policy.
- (e) Any amendment or endorsement to this Commitment must be in writing and authenticated by a person authorized by the Company.
- (f) When the Policy is issued, all liability and obligation under this Commitment will end and the Company's only liability will be under the Policy.

7. IF THIS COMMITMENT HAS BEEN ISSUED BY AN ISSUING AGENT

The issuing agent is the Company's agent only for the limited purpose of issuing title insurance commitments and policies. The issuing agent is not the Company's agent for the purpose of providing closing or settlement services.

8. PRO-FORMA POLICY

The Company may provide, at the request of a Proposed Insured, a pro-forma policy illustrating the coverage that the Company may provide. A pro-forma policy neither reflects the status of Title at the time that the pro-forma policy is delivered to a Proposed Insured, nor is it a commitment to insure.

9. ARBITRATION

The Policy contains an arbitration clause. All arbitrable matters when the Proposed Policy Amount is \$2,000,000 or less shall be arbitrated at the option of either the Company or the Proposed Insured as the exclusive remedy of the parties. A Proposed Insured may review a copy of the arbitration rules at <http://www.alta.org/arbitration>.

STEWART TITLE GUARANTY COMPANY

All notices required to be given the Company and any statement in writing required to be furnished the Company shall be addressed to it at P.O. Box 2029, Houston, Texas 77252-2029.

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ALTA Commitment For Title Insurance 8-1-16

Page 3 of 3

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LAND TITLE
ASSOCIATION



330

ALTA COMMITMENT FOR TITLE INSURANCE SCHEDULE A

ISSUED BY
STEWART TITLE GUARANTY COMPANY

Transaction Identification Data for reference only:

Issuing Agent: Stewart Title Company
Issuing Office: 5390 Kietzke Ln., Suite 101, Reno, NV 89511
Issuing Office's ALTA® Registry ID:
Loan ID Number:
Commitment Number: 1321115
Issuing Office File Number: 1321115
Property Address: 2621 Northgate Lane, Carson City, NV 89706
Revision Number:

Inquiries Should be Directed to:

, Escrow Officer
Fax:
Email:

1. **Commitment Date:** July 26, 2021 at 7:30AM

2. **Policy to be issued:** **Proposed Policy Amount**

(a) ALTA Owner's Standard
Proposed Insured:

(b) ALTA Loan
Proposed Insured:

3. **The estate or interest in the Land described or referred to in this Commitment is:**

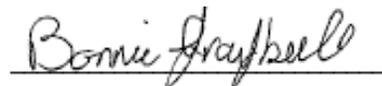
FEE

4. **The Title is, at the Commitment Date, vested in:**

Carson City, Nevada, a consolidated municipality

5. **The Land is described as follows:**

See Exhibit "A" Attached Hereto



Authorized Countersignature
Bonnie Graybill, Title Officer

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File No.: 1321115

ALTA Commitment For Title Insurance 8-1-16 (4-2-18)

Page 1 of 7

Initial Initial Initial Initial



**ALTA COMMITMENT FOR TITLE INSURANCE
EXHIBIT "A"
LEGAL DESCRIPTION**

ISSUED BY
STEWART TITLE GUARANTY COMPANY

File No.: 1321115

All that certain real property situate in Carson City, State of Nevada, described as follows:

That portion of the Northeast 1/4 of the Northwest 1/4 of Section 8, Township 15 North, Range 20 East, M.D.B. & M., in Carson City Nevada, described as follows:

Commencing at the North 1/4 corner of Section 8, Township 15 North, Range 20 East, M.D.B.&M., thence South 55°29'55" West, 1404.87 feet to the Northeast corner of the parcel and the True Point of Beginning; thence South 1°13' East, 287.80 feet; thence South 86°34' West, 173.50 feet; thence along Northgate Street, North 291.22 feet; thence North 87°38' East, 167.22 feet to the Point of Beginning.

Reference is hereby made to that certain Record of Survey Map No. 422 for Roger L. Shaheen, filed in the office of the County Recorder of Carson City, State of Nevada, on May 28, 1974 as File No. 36547, Official Records.

NOTE: The above metes and bounds description appeared previously in that certain Deed recorded in the office of the County Recorder of Carson City County, Nevada on August 30, 1982, Book 326, Page 514 as Document No. 13295 of Official Records.

APN: 002-062-05

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File No.: 1321115

ALTA Commitment For Title Insurance 8-1-16 (4-2-18)

Page 2 of 7

Initial Initial Initial Initial



ALTA COMMITMENT FOR TITLE INSURANCE SCHEDULE B PART I

ISSUED BY
STEWART TITLE GUARANTY COMPANY

File No.: 1321115

Requirements

All of the following Requirements must be met:

1. The Proposed Insured must notify the Company in writing of the name of any party not referred to in this Commitment who will obtain an interest in the Land or who will make a loan on the Land. The Company may then make additional Requirements or Exceptions.
2. Pay the agreed amount for the estate or interest to be insured.
3. Pay the premiums, fees, and charges for the Policy to the Company.
4. Documents satisfactory to the Company that convey the Title or create the Mortgage to be insured, or both, must be properly authorized, executed, delivered, and recorded in the Public Records.
5. Show that restrictions or restrictive covenants have not been violated.
6. Furnish proof of payment of all bills for labor and material furnished or to be furnished in connection with improvements erected or to be erected.
7. Pay all taxes, charges, and assessments affecting the land that are due and payable.
8. After the review of all the required documents, the Company reserves the right to add additional items and/or make additional requirements prior to the issuances of any policy of title insurance.
9. Before issuing its policy of title insurance, this Company will require evidence, satisfactory to the Company that Carson City, Nevada, a consolidated municipality: (a) is validly formed on the date when documents in this transaction are to be signed; (b) is in good standing and authorized to do business in the state or country where the entity was formed; and (c) an original or certified copy of the resolution authorizing the subject transaction.

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ALTA Commitment For Title Insurance 8-1-16 (4-2-18)

Page 3 of 7

Initial Initial Initial Initial



ALTA COMMITMENT FOR TITLE INSURANCE SCHEDULE B PART II

ISSUED BY
STEWART TITLE GUARANTY COMPANY

Exceptions

File No.: 1321115

THIS COMMITMENT DOES NOT REPUBLISH ANY COVENANT, CONDITION, RESTRICTION, OR LIMITATION CONTAINED IN ANY DOCUMENT REFERRED TO IN THIS COMMITMENT TO THE EXTENT THAT THE SPECIFIC COVENANT, CONDITION, RESTRICTION, OR LIMITATION VIOLATES STATE OR FEDERAL LAW BASED ON RACE, COLOR, RELIGION, SEX, SEXUAL ORIENTATION, GENDER IDENTITY, HANDICAP, FAMILIAL STATUS, OR NATIONAL ORIGIN.

The Policy will not insure against loss or damage resulting from the terms and provisions of any lease or easement identified in Schedule A, and will include the following Exceptions unless cleared to the satisfaction of the Company:

1. Any defect, lien, encumbrance, adverse claim, or other matter that appears for the first time in the Public Records or is created, attaches, or is disclosed between the Commitment Date and the date on which all of the Schedule B, Part I - Requirements are met.
2. Any facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. Any lien or right to a lien for services, labor, equipment or material not shown by the Public Records.

Exceptions 2-5 will be omitted on extended coverage policies.

6. Taxes or assessments which are not now payable or which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records, proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
7. (a) unpatented mining claims, (b) reservations or exceptions in patents or in acts authorizing the issuance thereof; (c) water rights, claims or title to water; whether or not the matters excepted under (a), (b) or (c) are shown by the public records, (d) Indian tribal codes or regulations, Indian treaty or aboriginal rights, including easements or equitable servitudes.
8. Minerals of whatsoever kind, subsurface and surface substances, including but not limited to coal, lignite, oil, gas, uranium, clay, rock, sand and gravel in, on, under and that may be produced from the Land, together with all rights, privileges, and immunities relating thereto, whether or not appearing in the Public Records or listed in Schedule B. The Company makes no representation as

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ALTA Commitment For Title Insurance 8-1-16 (4-2-18)

Page 4 of 7

Initial Initial Initial Initial



ALTA COMMITMENT FOR TITLE INSURANCE SCHEDULE B PART II

ISSUED BY
STEWART TITLE GUARANTY COMPANY

to the present ownership of any such interests. There may be leases, grants, exceptions or reservations of interests that are not listed.

9. The lien, if any, of supplemental taxes, assessed pursuant to the provision of the Nevada Revised Statutes.
10. Any lien which may be levied by the Carson City Utilities Department by reason of said land lying within its boundaries.
11. Any liens that may be created for delinquent waste management charges pursuant to NRS 444.520.
12. Water rights, claims or title to water, whether or not recorded.
13. Rights of way for any existing roads, trails, canals, streams, ditches, drain ditches, pipe, pole or transmission lines traversing said premises.
14. Easement, and incidental purposes, granted to Roger L. Shaheen by document, recorded on August 31, 1978, in Book 238, Page 643 as Document No. 82095, Official Records of Carson City County, Nevada.
15. Asphalt Overlay Agreement executed by and between the parties named therein, subject to the terms, covenants and conditions therein provided, recorded on July 2, 1993, as Document No. 146203, Official Records of Carson City County, Nevada.
16. Ordinance No. 2002-23 executed by and between the parties named therein, subject to the terms, covenants and conditions therein provided, recorded on June 11, 2002, as Document No. 279302, Official Records of Carson City County, Nevada.
17. A Lease with certain terms, covenants, conditions and provisions set forth therein by Consolidated Municipality of Carson City, as Lessor; and Capital City Circles Initiative, a non-profit Nevada corporation, as Lessee, recorded on March 7, 2012, as Document No. 420109, Official Records of Carson City County, Nevada.

(MATTERS AFFECTING THE LEASEHOLD ARE NOT REFLECTED HEREIN.)

18. A Lease with certain terms, covenants, conditions and provisions set forth therein by Carson City, Nevada, a consolidated municipality and political subdivision of the State of Nevada, as Lessor; and Capital City C.I.R.C.L.E.S. Initiative, a non-profit Nevada corporation, as Lessee, recorded on August 15, 2016, as Document No. 467080, Official Records of Carson City County, Nevada.

An Agreement to amend or modify certain provisions of said lease, as set forth in the document, recorded on January 19, 2018, as Document No. 482151, Official Records of Carson City County, Nevada.

(MATTERS AFFECTING THE LEASEHOLD ARE NOT REFLECTED HEREIN.)

This page is only a part of a 2016 ALTA® Commitment for Title Insurance. This Commitment is not valid without the Notice; the Commitment to Issue Policy; the Commitment Conditions; Schedule A; Schedule B, Part I - Requirements; and Schedule B, Part II - Exceptions; and a countersignature by the Company or its issuing agent that may be in electronic form.

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ALTA Commitment For Title Insurance 8-1-16 (4-2-18)

Page 5 of 7

Initial Initial Initial Initial



**ALTA COMMITMENT FOR TITLE INSURANCE
SCHEDULE B PART II**

ISSUED BY
STEWART TITLE GUARANTY COMPANY

- 19. An unrecorded lease with certain terms, covenants, conditions, and provisions set forth therein, by Carson City, Nevada, a consolidated municipality and political subdivision of the State of Nevada, as Lessor, and Nevada Rural Counties RSVP Program, Inc., a non-profit corporation of the state of Nevada, as Lessee, disclosed by Lease Amendment, recorded on January 19, 2018, as Document No. 482152, Official Records of Carson City County, Nevada.

(MATTERS AFFECTING THE LEASEHOLD ARE NOT REFLECTED HEREIN.)

- 20. An unrecorded lease with certain terms, covenants, conditions, and provisions set forth therein, by Carson City, Nevada, a consolidated municipality and political subdivision of the State of Nevada, as Lessor, and Ron Wood Family Resource Center, a non-profit corporation of the state of Nevada, as Lessee, disclosed by Lease Amendment, recorded on January 19, 2018, as Document No. 482153, Official Records of Carson City County, Nevada.

(MATTERS AFFECTING THE LEASEHOLD ARE NOT REFLECTED HEREIN.)

- 21. Matters as disclosed on Record of Survey filed in the office of the County Recorder of Carson City County, State of Nevada on September 17, 2018, in Book 11, Page 2949 as Document No. 488548.

Survey Map No. 488548.

- 22. Matters as disclosed on Record of Survey filed in the office of the County Recorder of Carson City County, State of Nevada on March 22, 2019, in Book 11, Page 2960 as Document No. 493109.

Survey Map No. 493109.

- 23. Loss or damage arising from the failure to comply with the terms and conditions set forth in above leases.

- 24. Rights of parties in possession.

NOTE: This report is being issued for information purposes only, no liability assumed.

NOTE: Taxes for the fiscal year 2021-2022, are currently exemptl. (APN 002-062-05)

THE FOLLOWING NOTES ARE FOR INFORMATION PURPOSES ONLY:

Stewart Title Company RESERVES THE RIGHT TO AMEND THIS COMMITMENT/REPORT AT ANY TIME.

*****ATTENTION LENDERS*****

THE 100 ENDORSEMENT IS NO LONGER BEING OFFERED. THE REPLACEMENT ALTERNATIVE IS THE ALTA 9.10-06 AND IS NOW REFLECTED IN THE ALTA SUPPLEMENT IN THE COMMITMENT/REPORT.

This page is only a part of a 2016 ALTA® Commitment for Title Insurance. This Commitment is not valid without the Notice; the Commitment to Issue Policy; the Commitment Conditions; Schedule A; Schedule B, Part I - Requirements; and Schedule B, Part II - Exceptions; and a countersignature by the Company or its issuing agent that may be in electronic form.

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ALTA Commitment For Title Insurance 8-1-16 (4-2-18)

Page 6 of 7



Initial Initial Initial Initial

ALTA COMMITMENT FOR TITLE INSURANCE SCHEDULE B PART II

ISSUED BY
STEWART TITLE GUARANTY COMPANY

NOTE: Any notes following the legal description (if any) referencing NRS 111.312 are required for recording purposes only and will not be insured in any policy of title insurance.

ALTA SUPPLEMENT: This commitment/report is preparatory to the issuance of a 2006 ALTA Extended Coverage Lenders Policy of Title Insurance. We have no knowledge of any fact which would preclude the issuance of said ALTA Policy with an ALTA 9.10-06 and a CLTA 116.01-06/ALTA 22-06 attached. The CLTA 116.01-06/ALTA 22-06 Endorsement will read as follows: There is located on said land Commercial Buildings, known as

NOTE: A search of the Official Records for the county referenced in the above order number, for the 24 months immediately preceding the date above discloses the following instruments purporting to convey the title to said land: none

NOTE: If any current work of improvements have been made on the herein described real property (within the last 90 days) and this Commitment/Report is issued in contemplation of a Policy of Title Insurance which affords mechanic lien priority coverage (i.e. ALTA POLICY); the following information must be supplied for review and approval prior to the closing and issuance of said Policy: (a) Copy of Indemnity Agreement; (b) Financial Statements; (c) Construction Loan Agreement; (d) If any current work of improvements have been made on the herein described real property Building Construction Contract between borrower and contractor; (e) Cost breakdown of construction; (f) Appraisal; (g) Copy of Voucher or Disbursement Control Statement (if project is complete).

NOTE: This commitment/report makes no representations as to water, water rights, minerals or mineral rights and no reliance can be made upon this commitment/report or a resulting title policy for such rights or ownership.

NOTE: Notwithstanding anything to the contrary in this commitment/report, if the policy to be issued is other than an ALTA Owner's Policy (6/17/06) or ALTA Loan Policy (6/17/06), the policy may not contain an arbitration clause, or the terms of the arbitration clause may be different from those set forth in this commitment/report. If the policy does contain an arbitration clause, and the Amount of Insurance is less than the amount, if any, set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties.

NOTE: The map, if any, attached hereto is subject to the following disclaimer:

Stewart Title Company does not represent this plat as a survey of the land indicated hereon, although believed to be correct, no liability is assumed as to the accuracy thereof.

This page is only a part of a 2016 ALTA® Commitment for Title Insurance. This Commitment is not valid without the Notice; the Commitment to Issue Policy; the Commitment Conditions; Schedule A; Schedule B, Part I - Requirements; and Schedule B, Part II - Exceptions; and a countersignature by the Company or its issuing agent that may be in electronic form.

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ALTA Commitment For Title Insurance 8-1-16 (4-2-18)

Page 7 of 7

Initial Initial Initial Initial



Stewart Title Guaranty Company Privacy Notice Stewart Title Companies

WHAT DO THE STEWART TITLE COMPANIES DO WITH YOUR PERSONAL INFORMATION?

Federal and applicable state law and regulations give consumers the right to limit some but not all sharing. Federal and applicable state law regulations also require us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand how we use your personal information. This privacy notice is distributed on behalf of the Stewart Title Guaranty Company and its title affiliates (the Stewart Title Companies), pursuant to Title V of the Gramm-Leach-Bliley Act (GLBA).

The types of personal information we collect and share depend on the product or service that you have sought through us. This information can include social security numbers and driver's license number.

All financial companies, such as the Stewart Title Companies, need to share customers' personal information to run their everyday business—to process transactions and maintain customer accounts. In the section below, we list the reasons that we can share customers' personal information; the reasons that we choose to share; and whether you can limit this sharing.

Reasons we can share your personal information.	Do we share	Can you limit this sharing?
For our everyday business purposes — to process your transactions and maintain your account. This may include running the business and managing customer accounts, such as processing transactions, mailing, and auditing services, and responding to court orders and legal investigations.	Yes	No
For our marketing purposes — to offer our products and services to you.	Yes	No
For joint marketing with other financial companies	No	We don't share
For our affiliates' everyday business purposes — information about your transactions and experiences. Affiliates are companies related by common ownership or control. They can be financial and non-financial companies. <i>Our affiliates may include companies with a Stewart name; financial companies, such as Stewart Title Company</i>	Yes	No
For our affiliates' everyday business purposes — information about your creditworthiness.	No	We don't share
For our affiliates to market to you — For your convenience, Stewart has developed a means for you to opt out from its affiliates marketing even though such mechanism is not legally required.	Yes	Yes, send your first and last name, the email address used in your transaction, your Stewart file number and the Stewart office location that is handling your transaction by email to optout@stewart.com or fax to 1-800-335-9591.
For non-affiliates to market to you. Non-affiliates are companies not related by common ownership or control. They can be financial and non-financial companies.	No	We don't share

We may disclose your personal information to our affiliates or to non-affiliates as permitted by law. If you request a transaction with a non-affiliate, such as a third party insurance company, we will disclose your personal information to that non-affiliate. [We do not control their subsequent use of information, and suggest you refer to their privacy notices.]

SHARING PRACTICES

How often do the Stewart Title Companies notify me about their practices?	We must notify you about our sharing practices when you request a transaction.
How do the Stewart Title Companies protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer, file, and building safeguards.
How do the Stewart Title Companies collect my personal information?	We collect your personal information, for example, when you request insurance-related services provide such information to us We also collect your personal information from others, such as the real estate agent or lender involved in your transaction, credit reporting agencies, affiliates or other companies.
What sharing can I limit?	Although federal and state law give you the right to limit sharing (e.g., opt out) in certain instances, we do not share your personal information in those instances.

Contact us: If you have any questions about this privacy notice, please contact us at: Stewart Title Guaranty Company, 1360 Post Oak Blvd., Ste. 100, Privacy Officer, Houston, Texas 77056

Privacy Notice for California Residents

Pursuant to the California Consumer Privacy Act of 2018 ("CCPA"), Stewart Information Services Corporation and its subsidiary companies (collectively, "Stewart") are providing this **Privacy Notice for California Residents** ("CCPA Notice"). This CCPA Notice supplements the information contained in Stewart's existing privacy notice and applies solely to all visitors, users and others who reside in the State of California or are considered California Residents ("consumers" or "you"). Terms used but not defined shall have the meaning ascribed to them in the CCPA.

Information Stewart Collects

Stewart collects information that identifies, relates to, describes, references, is capable of being associated with, or could reasonably be linked, directly or indirectly, with a particular consumer, household, or device. Most of the information that Stewart collects in the course of its regular business is already protected pursuant to the Gramm-Leach-Bliley Act (GLBA). Additionally, much of this information comes from government records or other information already in the public domain. Personal information under the CCPA does not include:

- Publicly available information from government records.
- Deidentified or aggregated consumer information.
- Certain personal information protected by other sector-specific federal or California laws, including but not limited to the Fair Credit Reporting Act (FCRA), GLBA and California Financial Information Privacy Act (FIPA).

Specifically, Stewart has collected the following categories of personal information from consumers within the last twelve (12) months:

Category	Examples	Collected?
A. Identifiers.	A real name, alias, postal address, unique personal identifier, online identifier, Internet Protocol address, email address, account name, Social Security number, driver's license number, passport number, or other similar identifiers.	YES
B. Personal information categories listed in the California Customer Records statute (Cal. Civ. Code § 1798.80(e)).	A name, signature, Social Security number, physical characteristics or description, address, telephone number, passport number, driver's license or state identification card number, insurance policy number, education, employment, employment history, bank account number, credit card number, debit card number, or any other financial information, medical information, or health insurance information. Some personal information included in this category may overlap with other categories.	YES
C. Protected classification characteristics under California or federal law.	Age (40 years or older), race, color, ancestry, national origin, citizenship, religion or creed, marital status, medical condition, physical or mental disability, sex (including gender, gender identity, gender expression, pregnancy or childbirth and related medical conditions), sexual orientation, veteran or military status, genetic information (including familial genetic information).	YES
D. Commercial information.	Records of personal property, products or services purchased, obtained, or considered, or other purchasing or consuming histories or tendencies.	YES
E. Biometric information.	Genetic, physiological, behavioral, and biological characteristics, or activity patterns used to extract a template or other identifier or identifying information, such as, fingerprints, faceprints, and voiceprints, iris or retina scans, keystroke, gait, or other physical patterns, and sleep, health, or exercise data.	YES
F. Internet or other similar network activity.	Browsing history, search history, information on a consumer's interaction with a website, application, or advertisement.	YES
G. Geolocation data.	Physical location or movements.	YES
H. Sensory data.	Audio, electronic, visual, thermal, olfactory, or similar information.	YES
I. Professional or employment-related information.	Current or past job history or performance evaluations.	YES
J. Non-public education information (per the Family Educational Rights and Privacy Act (20 U.S.C. Section 1232g, 34 C.F.R. Part 99)).	Education records directly related to a student maintained by an educational institution or party acting on its behalf, such as grades, transcripts, class lists, student schedules, student identification codes, student financial information, or student disciplinary records.	YES
K. Inferences drawn from other personal information.	Profile reflecting a person's preferences, characteristics, psychological trends, predispositions, behavior, attitudes, intelligence, abilities, and aptitudes.	YES

Stewart obtains the categories of personal information listed above from the following categories of sources:

- Directly and indirectly from customers, their designees or their agents (For example, realtors, lenders, attorneys, etc.)
- Directly and indirectly from activity on Stewart's website or other applications.
- From third-parties that interact with Stewart in connection with the services we provide.

Use of Personal Information

Stewart may use or disclose the personal information we collect for one or more of the following purposes:

- To fulfill or meet the reason for which the information is provided.
- To provide, support, personalize, and develop our website, products, and services.
- To create, maintain, customize, and secure your account with Stewart.
- To process your requests, purchases, transactions, and payments and prevent transactional fraud.
- To prevent and/or process claims.
- To assist third party vendors/service providers who complete transactions or perform services on Stewart's behalf.
- As necessary or appropriate to protect the rights, property or safety of Stewart, our customers or others.
- To provide you with support and to respond to your inquiries, including to investigate and address your concerns and monitor and improve our responses.
- To personalize your website experience and to deliver content and product and service offerings relevant to your interests, including targeted offers and ads through our website, third-party sites, and via email or text message (with your consent, where required by law).
- To help maintain the safety, security, and integrity of our website, products and services, databases and other technology assets, and business.
- To respond to law enforcement or regulator requests as required by applicable law, court order, or governmental regulations.
- Auditing for compliance with federal and state laws, rules and regulations.
- Performing services including maintaining or servicing accounts, providing customer service, processing or fulfilling orders and transactions, verifying customer information, processing payments, providing advertising or marketing services or other similar services.
- To evaluate or conduct a merger, divestiture, restructuring, reorganization, dissolution, or other sale or transfer of some or all of our assets, whether as a going concern or as part of bankruptcy, liquidation, or similar proceeding, in which personal information held by us is among the assets transferred.

Stewart will not collect additional categories of personal information or use the personal information we collected for materially different, unrelated, or incompatible purposes without providing you notice.

Disclosure of Personal Information to Affiliated Companies and Nonaffiliated Third Parties

Stewart does not sell your personal information to nonaffiliated third parties. Stewart may share your information with those you have designated as your agent in the course of your transaction (for example, a realtor or a lender). Stewart may disclose your personal information to a third party for a business purpose. Typically, when we disclose personal information for a business purpose, we enter a contract that describes the purpose and requires the recipient to both keep that personal information confidential and not use it for any purpose except performing the contract.

We share your personal information with the following categories of third parties:

- Service providers and vendors (For example, search companies, mobile notaries, and companies providing credit/debit card processing, billing, shipping, repair, customer service, auditing, marketing, etc.)
- Affiliated Companies
- Litigation parties and attorneys, as required by law.
- Financial rating organizations, rating bureaus and trade associations.
- Federal and State Regulators, law enforcement and other government entities

In the preceding twelve (12) months, Stewart has disclosed the following categories of personal information for a business purpose:

- Category A: Identifiers
- Category B: California Customer Records personal information categories
- Category C: Protected classification characteristics under California or federal law
- Category D: Commercial Information
- Category E: Biometric Information
- Category F: Internet or other similar network activity
- Category G: Geolocation data
- Category H: Sensory data
- Category I: Professional or employment-related information
- Category J: Non-public education information
- Category K: Inferences

Consumer Rights and Choices

The CCPA provides consumers (California residents) with specific rights regarding their personal information. This section describes your CCPA rights and explains how to exercise those rights.

Access to Specific Information and Data Portability Rights

You have the right to request that Stewart disclose certain information to you about our collection and use of your personal information over the past 12 months. Once we receive and confirm your verifiable consumer request, Stewart will disclose to you:

- The categories of personal information Stewart collected about you.
- The categories of sources for the personal information Stewart collected about you.
- Stewart's business or commercial purpose for collecting that personal information.
- The categories of third parties with whom Stewart shares that personal information.
- The specific pieces of personal information Stewart collected about you (also called a data portability request).
- If Stewart disclosed your personal data for a business purpose, a listing identifying the personal information categories that each category of recipient obtained.

Deletion Request Rights

You have the right to request that Stewart delete any of your personal information we collected from you and retained, subject to certain exceptions. Once we receive and confirm your verifiable consumer request, Stewart will delete (and direct our service providers to delete) your personal information from our records, unless an exception applies.

Stewart may deny your deletion request if retaining the information is necessary for us or our service providers to:

1. Complete the transaction for which we collected the personal information, provide a good or service that you requested, take actions reasonably anticipated within the context of our ongoing business relationship with you, or otherwise perform our contract with you.
2. Detect security incidents, protect against malicious, deceptive, fraudulent, or illegal activity, or prosecute those responsible for such activities.
3. Debug products to identify and repair errors that impair existing intended functionality.
4. Exercise free speech, ensure the right of another consumer to exercise their free speech rights, or exercise another right provided for by law.
5. Comply with the California Electronic Communications Privacy Act (Cal. Penal Code § 1546 *seq.*).
6. Engage in public or peer-reviewed scientific, historical, or statistical research in the public interest that adheres to all other applicable ethics and privacy laws, when the information's deletion may likely render impossible or seriously impair the research's achievement, if you previously provided informed consent.
7. Enable solely internal uses that are reasonably aligned with consumer expectations based on your relationship with us.
8. Comply with a legal obligation.
9. Make other internal and lawful uses of that information that are compatible with the context in which you provided it.

Exercising Access, Data Portability, and Deletion Rights

To exercise the access, data portability, and deletion rights described above, please submit a verifiable consumer request to us either:

- Calling us Toll Free at 1-866-571-9270
- Emailing us at Privacyrequest@stewart.com
- Visiting <http://stewart.com/ccpa>

Only you, or someone legally authorized to act on your behalf, may make a verifiable consumer request related to your personal information. You may also make a verifiable consumer request on behalf of your minor child.

To designate an authorized agent, please contact Stewart through one of the methods mentioned above.

You may only make a verifiable consumer request for access or data portability twice within a 12-month period. The verifiable consumer request must:

- Provide sufficient information that allows us to reasonably verify you are the person about whom we collected personal information or an authorized representative.
- Describe your request with sufficient detail that allows us to properly understand, evaluate, and respond to it.

Stewart cannot respond to your request or provide you with personal information if we cannot verify your identity or authority to make the request and confirm the personal information relates to you.

Making a verifiable consumer request does not require you to create an account with Stewart.

Response Timing and Format

We endeavor to respond to a verifiable consumer request within forty-five (45) days of its receipt. If we require more time (up to an additional 45 days), we will inform you of the reason and extension period in writing.

A written response will be delivered by mail or electronically, at your option.

Any disclosures we provide will only cover the 12-month period preceding the verifiable consumer request's receipt. The response we provide will also explain the reasons we cannot comply with a request, if applicable. For data portability requests, we will select a format to provide your personal information that is readily useable and should allow you to transmit the information from one entity to another entity without hindrance.

Stewart does not charge a fee to process or respond to your verifiable consumer request unless it is excessive, repetitive, or manifestly unfounded. If we determine that the request warrants a fee, we will tell you why we made that decision and provide you with a cost estimate before completing your request.

Non-Discrimination

Stewart will not discriminate against you for exercising any of your CCPA rights. Unless permitted by the CCPA, we will not:

- Deny you goods or services.
- Charge you a different prices or rates for goods or services, including through granting discounts or other benefits, or imposing penalties.
- Provide you a different level or quality of goods or services.
- Suggest that you may receive a different price or rate for goods or services or a different level or quality of goods or services.

Changes to Our Privacy Notice

Stewart reserves the right to amend this privacy notice at our discretion and at any time. When we make changes to this privacy notice, we will post the updated notice on Stewart's website and update the notice's effective date. **Your continued use of Stewart's website following the posting of changes constitutes your acceptance of such changes.**

Contact Information

If you have questions or comments about this notice, the ways in which Stewart collects and uses your information described here, your choices and rights regarding such use, or wish to exercise your rights under California law, please do not hesitate to contact us at:

Phone: Toll Free at 1-866-571-9270

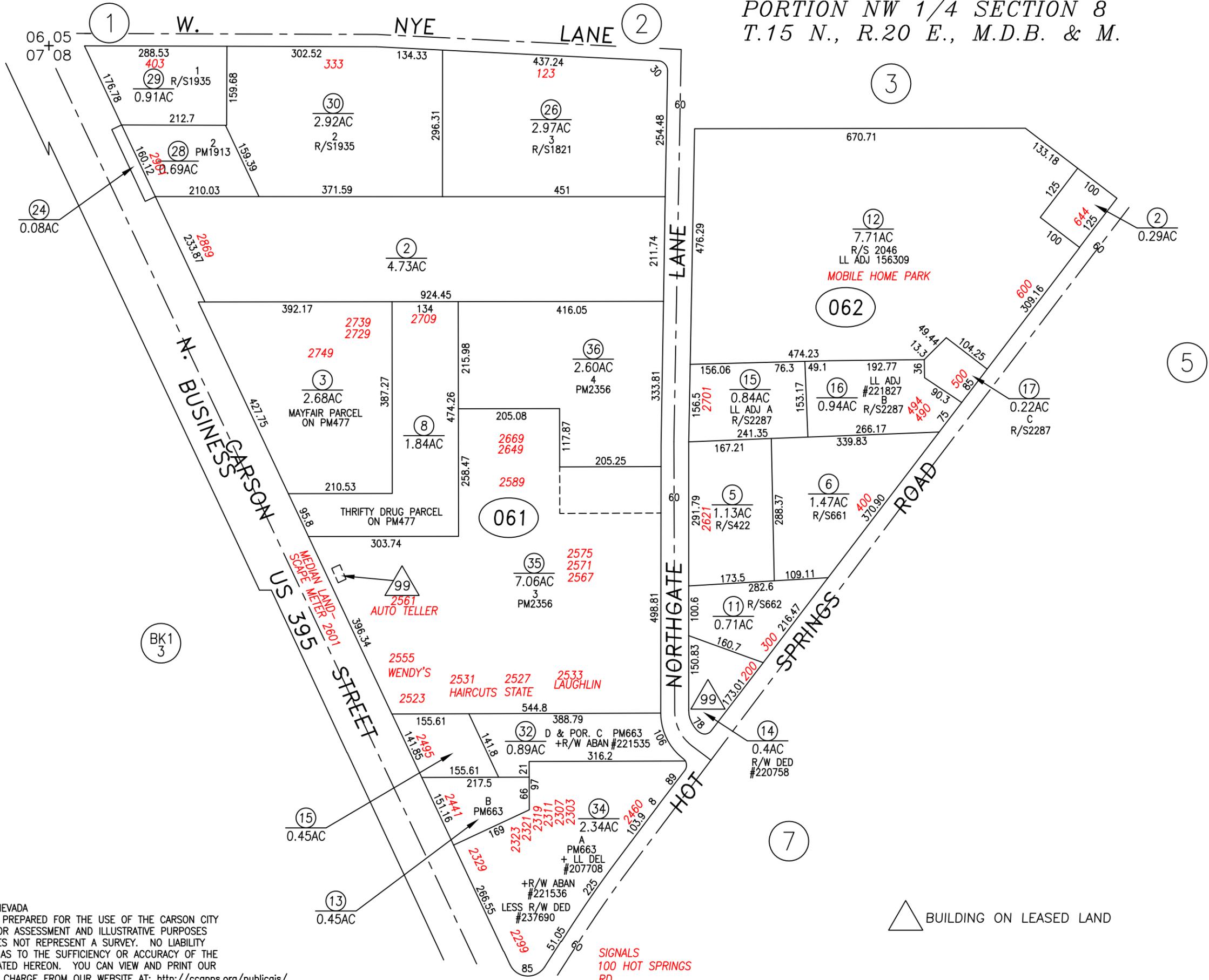
Website: <http://stewart.com/ccpa>

Email: Privacyrequest@stewart.com

Postal Address: Stewart Information Services Corporation

Attn: Mary Thomas, Deputy Chief Compliance Officer
1360 Post Oak Blvd., Ste. 100, MC #14-1
Houston, TX 77056

PORTION NW 1/4 SECTION 8
T.15 N., R.20 E., M.D.B. & M.



SCALE: 1" = 200'
REVISED: 10/05/2018

 BUILDING ON LEASED LAND

SIGNALS
100 HOT SPRINGS
RD.

CARSON CITY, NEVADA
THIS MAP IS PREPARED FOR THE USE OF THE CARSON CITY
ASSESSOR FOR ASSESSMENT AND ILLUSTRATIVE PURPOSES
ONLY, IT DOES NOT REPRESENT A SURVEY. NO LIABILITY
IS ASSUMED AS TO THE SUFFICIENCY OR ACCURACY OF THE
DATA DELINEATED HEREON. YOU CAN VIEW AND PRINT OUR
MAPS AT NO CHARGE FROM OUR WEBSITE AT: <http://ccapps.org/publicgis/>

UPDATED PARCEL 002-062-05

Facility Condition Assessment

For
Carson City
Northgate
2621 Northgate Lane
Carson City,
NV 89706



Date of Report: March 03, 2020

Provided By:

Faithful+Gould, Inc.

Provided For:

Carson City, NV

**FAITHFUL
GOULD**

Member of the SNC-Lavalin Group



EXECUTIVE SUMMARY

Introduction

In accordance with the contract held between Carson City, NV and Faithful+Gould Inc, this completed report provides a comprehensive Facility Condition Assessment of the Northgate located at 2621 Northgate Lane, Carson City, NV, 89706 (The Property).

This report provides a summary of the facility information known to us at the time of the study, the scope of work performed, an equipment inventory, evaluation of the visually apparent condition of The Property together with a forecast of capital expenditures anticipated over the next 10 years. The expenditure forecast does not account for typical preventative maintenance items such as changing filters to fan coil units.

Our cost rates to produce life cycle and replacement cost estimates are based on our knowledge of the local regional market rates and the RS Means Cost Database benchmarking. Our line item costs assume that the work will be procured through public general contractor bids.

This report provides a summary of the anticipated primary expenditures over the 10-year study period. Further details of these expenditures are included within each respective report section and within the 10-year expenditure forecast, in Appendix A.

The report also calculates the Current Facility Condition Needs Index (FCNI) which is used in Facilities Management to provide a benchmark to compare the relative condition of a group of facilities. The FCNI is a snapshot of the **current** condition of the building. Future conditions of the building, known as the FCI are also presented. The FCNI and FCI scores are primarily used to support asset management initiatives of federal, state, and local government facilities organizations.

Limiting Conditions

This report has been prepared for the exclusive and sole use of the Carson City. The report may not be relied upon by any other person or entity without the express written consent of Faithful+Gould.

Any reliance on this report by a third party, any decisions that a third party makes based on this report, or any use at all of this report by a third party is the responsibility of such third parties. Faithful+Gould accepts no responsibility for damages, if any, suffered by any third party as a result of decisions made, or actions taken, based on this report.

The assessment of the building/site components was performed using methods and procedures that are consistent with standard commercial and customary practice as outlined in ASTM Standard E 2018-015 for PCA assessments. As per this ASTM Standard, the assessment of the building/site components is based on a visual walk-through site visit, which captured the overall condition of the site at that specific point in time only.

No legal surveys, soil tests, environmental assessments, geotechnical assessments, detailed barrier-free compliance assessments, seismic assessments, detailed engineering calculations, or quantity surveying compilations have been made. No responsibility, therefore, is assumed concerning these matters. Faithful+Gould did not design or construct the building(s) or related structures and therefore will not be held responsible for the impact of any design or construction defects, whether or not described in this report. No guarantee or warranty, expressed or implied, with respect to the property, building components, building systems, property systems, or any other physical aspect of The Property is made.

The recommendations and our opinion of probable costs associated with these recommendations, as presented in this report, are based on walk-through non-invasive observations of the parts of the building which were readily accessible during our visual review. Conditions may exist that are not as per the general condition of the system being observed and reported in this document. Opinions of probable costs presented in this report are also based on information received during interviews with operations and maintenance staff. In certain instances, Faithful+Gould has been required to assume that the information provided is accurate and cannot be held responsible for incorrect information received during the interview process. Should additional information become



available with respect to the condition of the building and/or site elements, Faithful+Gould requests that this information be brought to our attention so that we may reassess the conclusions presented herein.

The opinions of probable costs are intended for global budgeting purposes only. Faithful+Gould has no control over the cost of labor and materials, general contractor's or any subcontractor's method of determining prices, or competitive bidding and market conditions. The data in this report represent an opinion of probable cost of construction and is made on the basis of the experience, qualifications, and best judgment of the professional consultant familiar with the construction industry. Faithful+Gould cannot and does not guarantee that proposals, bids, or actual construction costs will not vary from this or subsequent Cost Estimates. The scope of work and the actual costs of the work recommended can only be determined after a detailed examination of the site element in question, understanding of the site restrictions, understanding of the effects on the ongoing operations of the site/building, definition of the construction schedule, and preparation of tender documents.

Project Details

On October 8, 2019, Robbie Dalziel of Faithful+Gould visited The Property to observe and document the condition of the building and site components. During our site visit, Faithful+Gould was assisted by Dan Stucky (City Engineer) who is associated with Carson City.

Building Details

Item	Description
Project Name	Northgate
Property Type	OFFICE
Full Address	2621 Northgate Lane Carson City, NV 89706
Onsite Date	10/8/2019
Historic District	No
Historic Building	No
Year Built	1976
Occupancy Status	Occupied
Number of Stories	1
Gross Building Area (GSF)	14,664
Current Replacement Value (CRV)	\$5,132,400
CRV/GSF (\$/Sq Ft)	\$350.00 / Sq Ft



Building Description

Property Executive Summary

Northgate ("the Property") is located at 2621 Northgate Lane, Carson City, Nevada 89706. The building consists of a one-story structure, which has a total approximate gross square footage of 14,664 square feet. The building is understood to have originally been constructed circa 1976, with the flat roof section replaced approximately eight years ago.

In consideration of the age and condition of the structure, we anticipate the following major and non-major replacement expenditures over the 10-year study period: BUR roof covering (including roof drains and flashing), aluminum gutters, aluminum glazed exterior doors, aluminum window units, interior wood doors, HVAC equipment (packaged rooftop units), electrical equipment (including switchboards, panelboards, interior and exterior lighting and full rewire), plumbing fixtures (including water closets, urinals, lavatories, kitchen sinks, service sinks and drinking fountains), interior finishes (including kitchen cabinets, toilet partitions, acoustic ceiling tiles, carpets, vinyl composite tiles, vinyl sheet, ceramic tiles and repainting of internal walls/ceilings) and site systems (including concrete sidewalks and crack fill, seal coat and restripe of asphalt parking lot).

An LED energy efficient upgrade is recommended for all lighting that is scheduled to be replaced in the 10-year study period. A like-for-like replacement for the lighting has been included within the 10-year capital expenditure for this building, with an independent Energy Conservation Measures (ECM) capital expenditure report providing the energy efficient lighting upgrade costs.

It should be noted, most of the packaged rooftop units were installed in 2002 and operate on R-22 refrigerant, which as of January 2020 is no longer available in the United States. The estimated useful life (EUL) for this type of equipment is usually 20-years and therefore the units are not due to exceed their EUL until 2022. As they operate on R-22 refrigerant, proactive replacement of these units is recommended early in the study period to ensure continuous operation at the building.





It should also be noted, the flat roof finish was replaced approximately eight years ago, however, the roof and roof drains have failed, and it was reported that a thermal image roof survey discovered excess moisture between the roof finish and wood roof structure. Due to this issue, water has penetrated the roof structure and the interior ceiling finishes which could have potentially caused structural damage to the building. The roof finish is currently scheduled to be replaced in 2023, however, it is recommended this is brought forward to the beginning of the 10-year study period. An allowance has also been included to carry out a structural engineering assessment to identify any areas of damage to the roof structure. Any repairs or replacements should be carried out based on the structural engineers' recommendations.

Architectural Executive Summary

The building foundations consist of a combination of cast-in-place reinforced concrete strip footings and a cast-in-place reinforced concrete slab on grade, which provide support to a combination of concrete masonry unit (CMU) and wood structure above grade. The roof consists of mansard style slopes with drop down parapet walls to a low-sloped flat roof. The sloped sections of the roof are assumed to be constructed of manufactured wood trusses and are clad with clay tiles. The flat roof section is assumed to be constructed of wood joists supporting an exterior grade plywood and is clad with a modified bitumen built-up roof (BUR) roof finish. The flat roof is provided with an internal drainage system, with sections of the sloped roof provided with aluminum rainwater gutters. The building envelope also consists of brick veneer over CMU walls, aluminum window units and a combination of aluminum glazed and hollow metal entrance doors.

Interior floor finishes to the building consist of a combination of vinyl composite tile, vinyl sheet, broadloom carpet, carpet tile, ceramic tile and exposed concrete. Wall finishes to the building consist of painted gypsum wall board throughout. Ceiling finishes to the building consist of a combination of suspend acoustical ceiling tiles and painted gypsum wall board. Internal doors consist of wood throughout.





Mechanical Executive Summary

Heating and cooling to the building is provided via numerous packaged rooftop air conditioning with heat units, which circulate the warm and cool air around the building through the internal ducting system. Domestic hot water to the building is provided via one electric-fired hot water heater which has a capacity of 40-gallons.

The restrooms contain a combination of vitreous china floor mounted water closets, wall hung urinals and wall hung lavatories. Additional plumbing fixtures to the building include multiple stainless-steel double bowl countertop kitchen sinks, multiple floor mounted service sinks and one wall mounted drinking fountain.

Electrical Executive Summary

The building's electrical equipment consists of four Main Distribution Panel (MDP) switchboards, each rated at 120/208-volts at 400-amperes. The electrical system is also provided with multiple sub-panels rated at 120/208-volts, with amperages ranging from 100-amperes to 200-amperes.

Lighting at the building consists of internal fluorescent light fixtures throughout and a combination of external metal halide flood light fixtures and fluorescent wall pack light fixtures running the soffit of the building perimeter. The branch wiring including receptacles, switches and other devices appear to be standard non-décor commercial grade.

Site Executive Summary

Immediate site systems at the Property consist of an asphalt paved parking lot and cast-in-place concrete sidewalks which run the building perimeter.





Summary of Findings

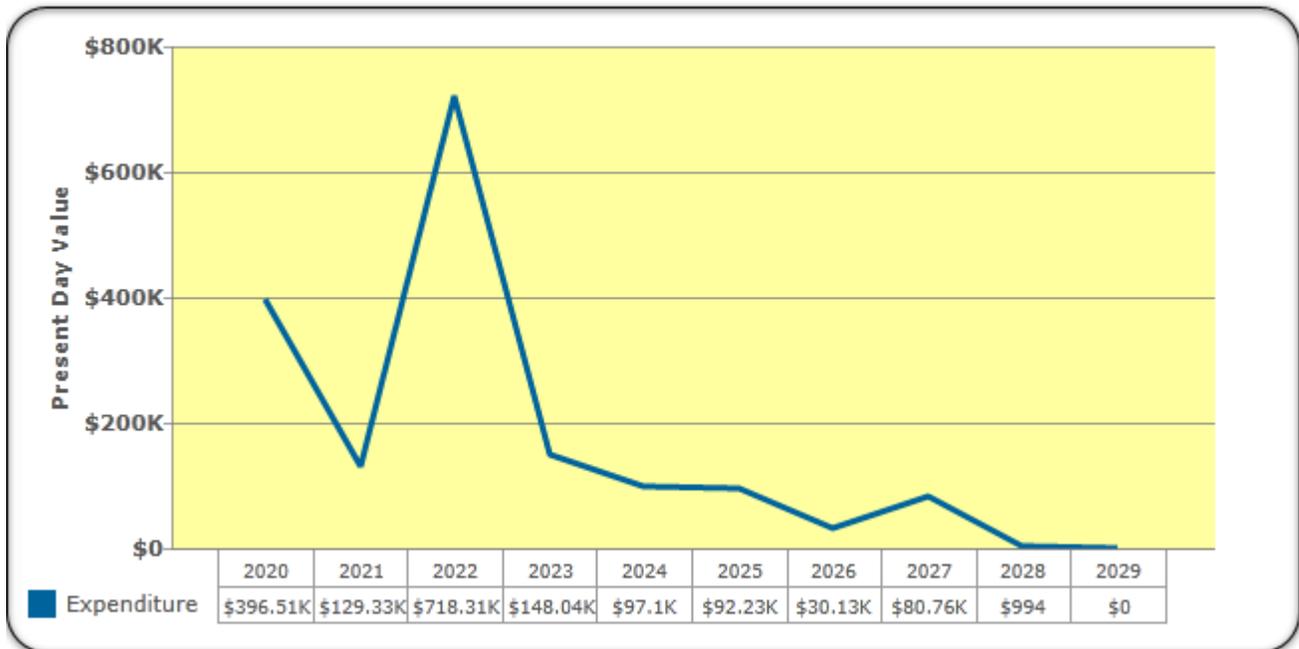
This report represents summary-level findings for the Facility Condition Assessment. The deficiencies identified in this assessment can be combined to develop an overall Long-Term Capital Needs Plan that can be the basis for a facility wide capital improvement funding strategy. Key findings from the Assessment include:

Key Findings	Metric
Current Year Facility Condition Needs Index	7.73 %
Immediate Capital Needs (Year 1) (included in FCNI)	\$396,512
Future Capital Needs (FCI) (Year 2 to Year 10)	\$1,296,894

Building Expenditure Summary

The building expenditure summary section provides an executive overview of the findings from the assessment. The chart below provides a summary of yearly anticipated expenditures over the study period for the Northgate building. In addition, we have scheduled key findings highlighting items greater than \$5,000 and their anticipated failure year. Further details of these expenditures are included within each respective report section and within the expenditure forecast, in Appendix A of this report. The results illustrate a total anticipated expenditure over the study period of approximately \$1,693,406.

Expenditure Forecast Over Study Period





Key Findings

- + B Shell: Undertake structural engineering assessment to assess the impact (if any) of water ingress to roof structure. Carry out remedial action based on structural engineer recommendations. at an estimated cost of \$5,000 in year 2020
- + B Shell: Replace Aluminum Perimeter Gutters at an estimated cost of \$8,653 in year 2020
- + B Shell: Replace BUR (Built-up Roofing) Covering at an estimated cost of \$193,583 in year 2020
- + B Shell: Replace Single Aluminum Glazed Doors at an estimated cost of \$174,134 in year 2022
- + B Shell: Replace Aluminum Window Units - Fixed or Single Hung at an estimated cost of \$202,665 in year 2022
- + C Interiors: Replace Broadloom Standard without Padding at an estimated cost of \$39,607 in year 2021
- + C Interiors: Replace Acoustic Ceiling System - Standard at an estimated cost of \$83,424 in year 2021
- + C Interiors: Replace Painted Finish - Standard at an estimated cost of \$97,100 in year 2024
- + C Interiors: Replace Toilet Partition at an estimated cost of \$23,134 in year 2025
- + C Interiors: Replace Ceramic Tile at an estimated cost of \$8,032 in year 2025
- + C Interiors: Replace Carpet Tiles - Standard at an estimated cost of \$26,010 in year 2026
- + C Interiors: Replace Interior Single Wood Door(s) at an estimated cost of \$80,758 in year 2027
- + D Services: Replace Packaged Rooftop A/C With Heat, Under 20 Tons - W-4 at an estimated cost of \$9,464 in year 2020
- + D Services: Replace Packaged Rooftop A/C With Heat, Under 20 Tons - E-8 at an estimated cost of \$11,041 in year 2020
- + D Services: Replace Packaged Rooftop A/C With Heat, Under 20 Tons - E-6 at an estimated cost of \$7,887 in year 2020
- + D Services: Replace Packaged Rooftop A/C With Heat, Under 20 Tons - W-3 at an estimated cost of \$9,464 in year 2020
- + D Services: Replace Packaged Rooftop A/C With Heat, Under 20 Tons - E-5 at an estimated cost of \$7,887 in year 2020
- + D Services: Replace Packaged Rooftop A/C With Heat, Under 20 Tons - E-2 at an estimated cost of \$9,464 in year 2020
- + D Services: Replace Packaged Rooftop A/C With Heat, Under 20 Tons - E-9 at an estimated cost of \$7,887 in year 2020
- + D Services: Replace Packaged Rooftop A/C With Heat, Under 20 Tons - E-10 at an estimated cost of \$7,887 in year 2020
- + D Services: Replace Packaged Rooftop A/C With Heat, Under 20 Tons - W-6 at an estimated cost of \$7,887 in year 2020
- + D Services: Replace Packaged Rooftop A/C With Heat, Under 20 Tons - W-5 at an estimated cost of \$7,887 in year 2020



- + D Services: Replace Packaged Rooftop A/C With Heat, Under 20 Tons - W-10 at an estimated cost of \$7,887 in year 2020
- + D Services: Replace Packaged Rooftop A/C With Heat, Under 20 Tons - E-3 at an estimated cost of \$7,887 in year 2020
- + D Services: Replace Packaged Rooftop A/C With Heat, Under 20 Tons - W-1 at an estimated cost of \$9,464 in year 2020
- + D Services: Replace Packaged Rooftop A/C With Heat, Under 20 Tons - E-7 at an estimated cost of \$7,887 in year 2020
- + D Services: Replace Packaged Rooftop A/C With Heat, Under 20 Tons - W-7 at an estimated cost of \$7,887 in year 2020
- + D Services: Replace Packaged Rooftop A/C With Heat, Under 20 Tons - E-1 at an estimated cost of \$9,464 in year 2020
- + D Services: Replace Packaged Rooftop A/C With Heat, Under 20 Tons - W-2 at an estimated cost of \$9,464 in year 2020
- + D Services: Replace Packaged Rooftop A/C With Heat, Under 20 Tons - E-11 at an estimated cost of \$7,887 in year 2020
- + D Services: Replace Packaged Rooftop A/C With Heat, Under 20 Tons - W-9 at an estimated cost of \$7,887 in year 2020
- + D Services: Replace Packaged Rooftop A/C With Heat, Under 20 Tons - E-12 at an estimated cost of \$7,887 in year 2020
- + D Services: Replace Packaged Rooftop A/C With Heat, Under 20 Tons - E-4 at an estimated cost of \$11,041 in year 2020
- + D Services: Replace Packaged Rooftop A/C With Heat, Under 20 Tons - W-8 at an estimated cost of \$7,887 in year 2020
- + D Services: Replace Flood Lights - Metal Halide Fixtures at an estimated cost of \$10,305 in year 2022
- + D Services: Replace Switchboard - 120/208volts, 400 to 2000amp at an estimated cost of \$17,664 in year 2022
- + D Services: Replace Switchboard - 120/208volts, 400 to 2000amp at an estimated cost of \$17,664 in year 2022
- + D Services: Replace Switchboard - 120/208volts, 400 to 2000amp at an estimated cost of \$17,664 in year 2022
- + D Services: Replace Switchboard - 120/208volts, 400 to 2000amp at an estimated cost of \$17,664 in year 2022
- + D Services: Replace Wiring Systems (Inc. Receptacles & Switches) at an estimated cost of \$132,885 in year 2022
- + D Services: Replace Interior Light Fixtures - Fluorescent at an estimated cost of \$123,442 in year 2022
- + D Services: Replace Service Sink Floor Mounted at an estimated cost of \$7,245 in year 2025



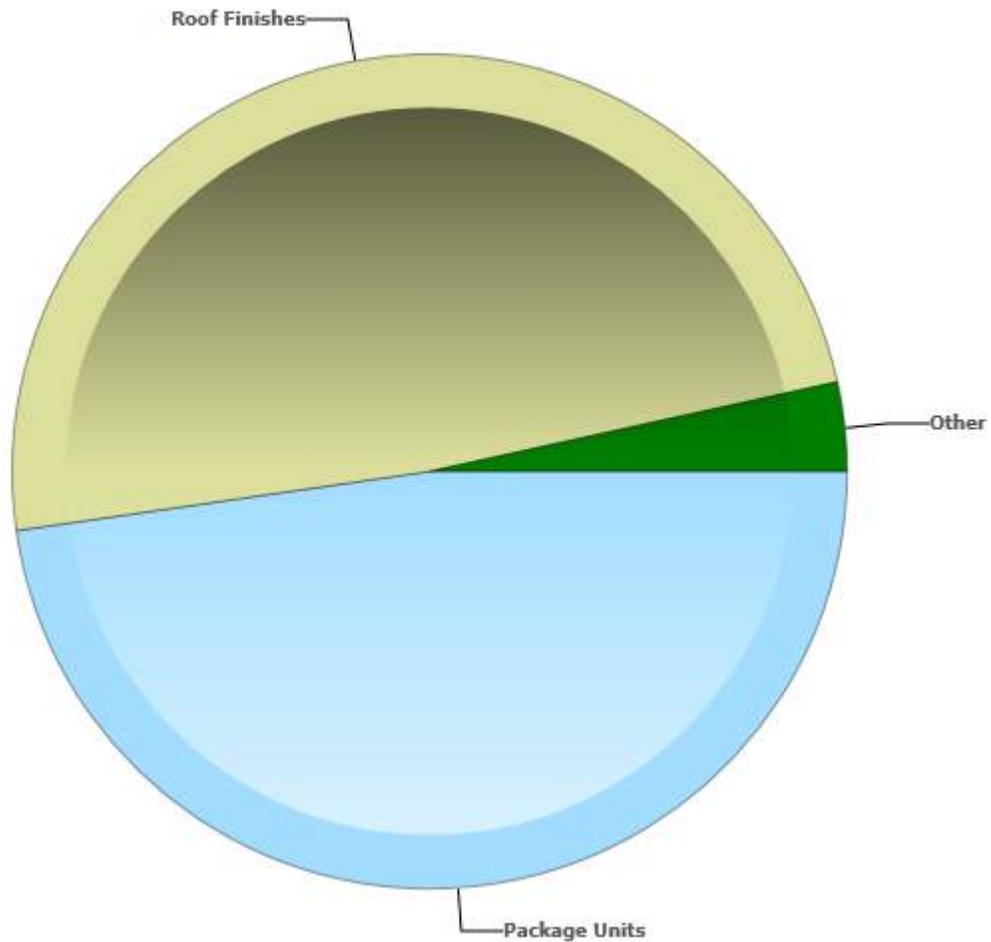
- + D Services: Replace Wall Hung Lavatories at an estimated cost of \$22,240 in year 2025
- + D Services: Replace Floor Mounted Water Closets at an estimated cost of \$28,980 in year 2025
- + E Equipment & Furnishing: Replace Floor Mounted Base Cabinets - Standard at an estimated cost of \$45,426 in year 2023
- + E Equipment & Furnishing: Replace Wall Mounted Cabinets - Standard at an estimated cost of \$11,266 in year 2023
- + G Building Sitework: Replace Concrete 3' - 4' Wide at an estimated cost of \$83,738 in year 2023

1. All costs presented in present day values
2. Costs represent total anticipated values over the 10-year study period
3. The Key Findings above represent expenditures of **\$5,000 or above only**. For a full list of expenditures, please refer to Appendix A of this report



Distribution of Immediate (Year 1) Needs by Building System

Distribution of Immediate Needs by Building System

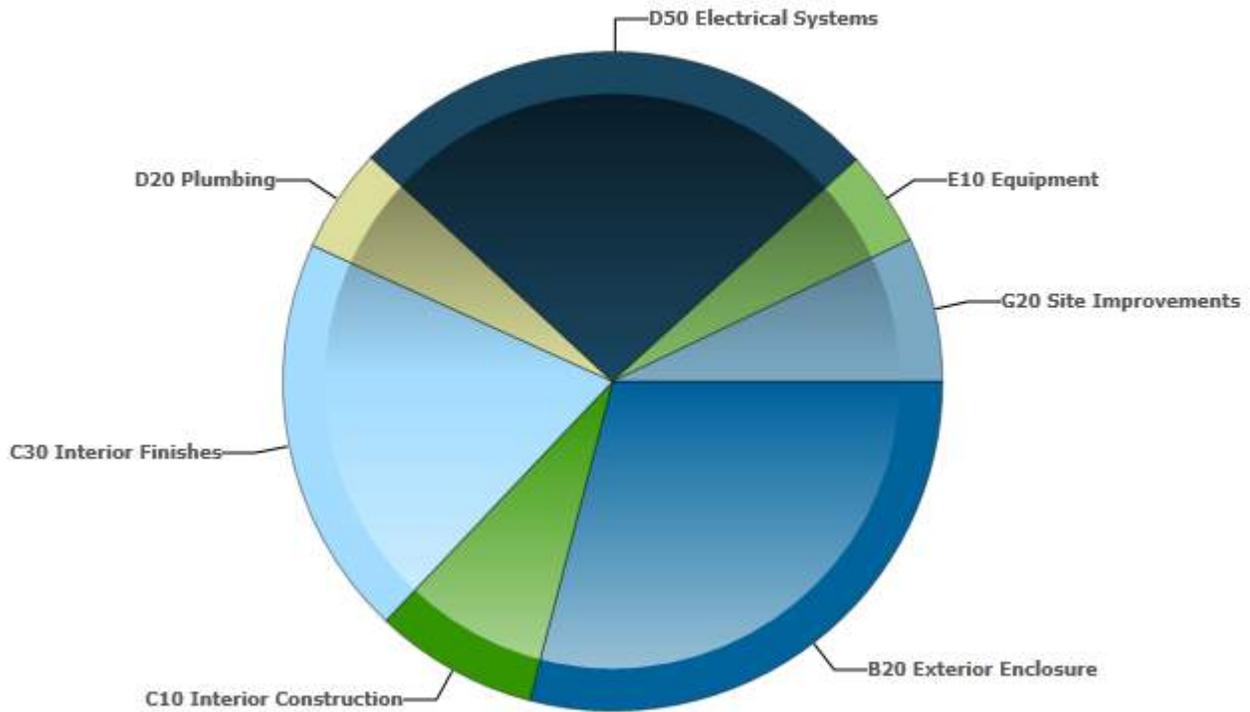


Building System	Estimated Cost	Percentage of Total Cost
Flat Roof Construction	\$5,000	1.3%
Gutters and Downspouts	\$8,653	2.2%
Package Units	\$189,276	47.7%
Roof Finishes	\$193,583	48.8%
Total	\$396,512	100%



Distribution of Future (Year 2 – Year 10) Needs by Building System

Distribution of Capital Needs by Building System



Building System	Estimated Cost	Percentage of Total Cost
B20 Exterior Enclosure	\$376,799	29.1%
C10 Interior Construction	\$103,891	8.0%
C30 Interior Finishes	\$255,663	19.7%
D20 Plumbing	\$66,568	5.1%
D50 Electrical Systems	\$341,514	26.3%
E10 Equipment	\$60,478	4.7%
G20 Site Improvements	\$91,981	7.1%
Total	\$1,296,894	100%



Energy Conservation Measures

Energy Conservation opportunities have been identified through an assessment of the systems and equipment during the Facility Condition Assessment (FCA) and provide simple payback in years and the annual cost avoidance for each ECM.

The physical assessment consisted of a limited, non-intrusive visual assessment of the building and its components. It was expected that generally all aspects of the buildings were made assessable, including provision to gain access to the roof, interior areas, mechanical, electrical rooms and common areas. Confined spaces or hazardous areas were not expected to be assessed. Low-sloped roofs with safe access were accessed; however, high-sloped, inaccessible roofs or roofs that were considered unsafe without the use of personal protective equipment were not accessed.

The assessment techniques followed the ASTM standards for property condition assessments (ASTM E2018-15) and consisted of a visual assessment of those components that are readily accessible and visible. The building assessment was limited to those components that affected energy usage, which typically include:

- Building Envelope, material description, construction type, windows and doors
- Lighting, type and approximate coverage by type
- Heating, type and area serviced
- Cooling, type and area serviced
- Ventilation, type
- Domestic Hot Water, method of heating, capacity, storage
- Miscellaneous Equipment, motors, solar panels, pools etc.

We have focused our assessment of energy conservation opportunities on measures that have realistic payback periods of 10 years or less. Our experience tells us that major architectural and mechanical system upgrades are almost never justified based on energy savings alone. We recommend specifying suitable high efficiency replacements for systems that are at the end of their useful life in an effort to lower long term cost of ownership. Some typical examples of energy conservation opportunities that are justified based on energy savings alone include, but are not limited to the following:

- Lighting lamp and ballast retrofits
- Variable Frequency Drive (VFD) upgrades on motors with variable loads greater than 20 horsepower
- HVAC system retrocommissioning and/or controls upgrades
- Instantaneous domestic water heaters
- Heat recovery on 100% fresh air HVAC systems
- Economizer / free cooling upgrades on suitable HVAC systems
- Attic insulation upgrades

PROJECTED EXPENDITURES

Energy Conservation Measures (ECM) are included in a separate report.



Facility Condition Needs Index

In this report we have calculated the Current Year Facility Condition Needs Index (FCNI) for the facility; illustrating the likely condition of the systems, equipment and building needs should the required funding not be expended over the cost study period. The FCNI is used in Facilities Management to provide a benchmark to compare the relative condition and needs of a group of facilities. The FCNI is primarily used to support asset management initiatives of federal, state, and local government facilities organizations.

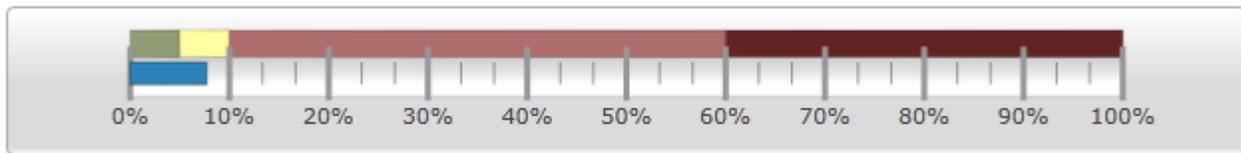
The FCNI is the ratio of accumulated Deferred Maintenance (DM) (total sum of immediate required and recommended works) to the Current Replacement Value (CRV) for a constructed asset. Calculated by dividing DM and Needs by CRV. The range is from zero for a newly-constructed building, to 100% for a constructed asset with a Deferred Maintenance value equal to its CRV. Acceptable ranges vary by Building Type, but as a general guideline, the FCNI scoring system is as follows:

$$FCNI = \frac{\text{Deferred Maintenance, Immediate Repair Needs and Replacement Deficiencies}}{\text{Current Replacement Value of the Facility(s) (CRV)}}$$

If the FCNI rating is 60% or greater then replacement of the asset/building should be considered instead of renewal.

Condition	Definition	Percentage Value
GOOD	In a new or well-maintained condition with no visual evidence of wear, soiling or other deficiencies.	0% to 5%
FAIR	Subject to wear and soiling but is still in a serviceable and functioning condition.	5% to 10%
POOR	Subjected to hard or long-term wear. Nearing the end of its useful or serviceable life.	Greater than 10%
V-POOR	Subjected to hard or long-term wear. Has reached the end of its useful or serviceable life. Renewal now necessary.	Greater than 60%

The chart below indicates the current FCNI ratio of the Northgate building.



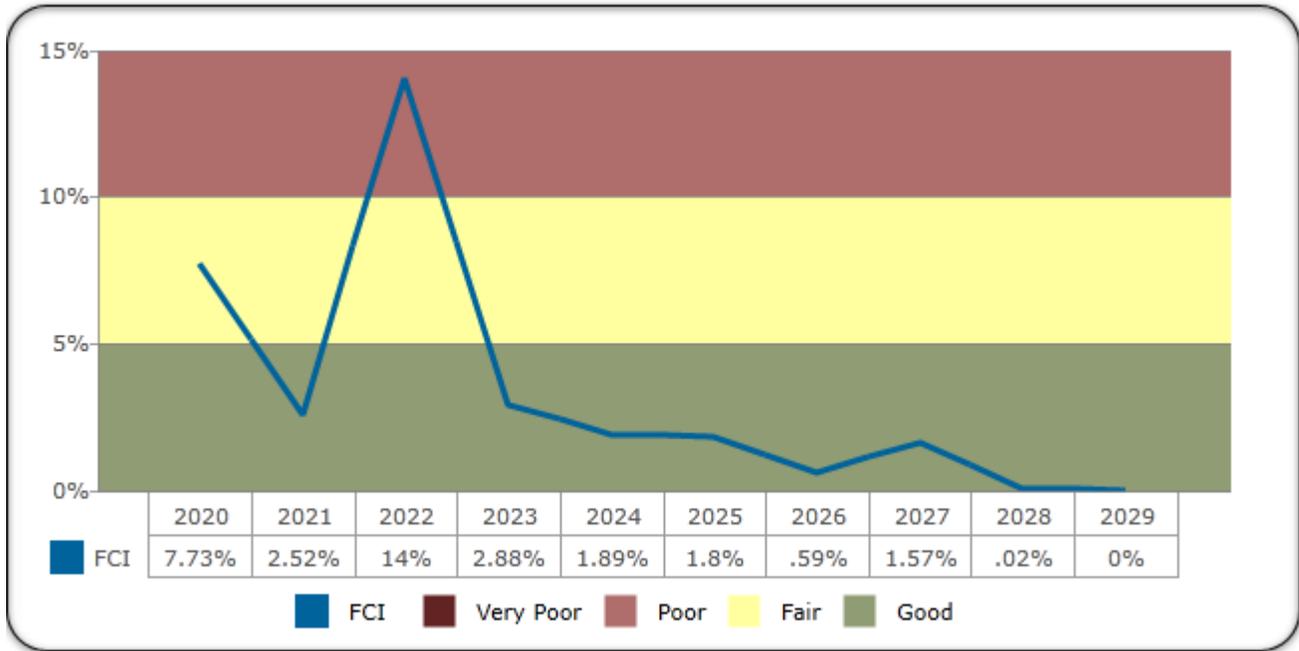
■ FCI ■ Good ■ Fair ■ Poor ■ Very Poor

Northgate, FCNI: 7.73%



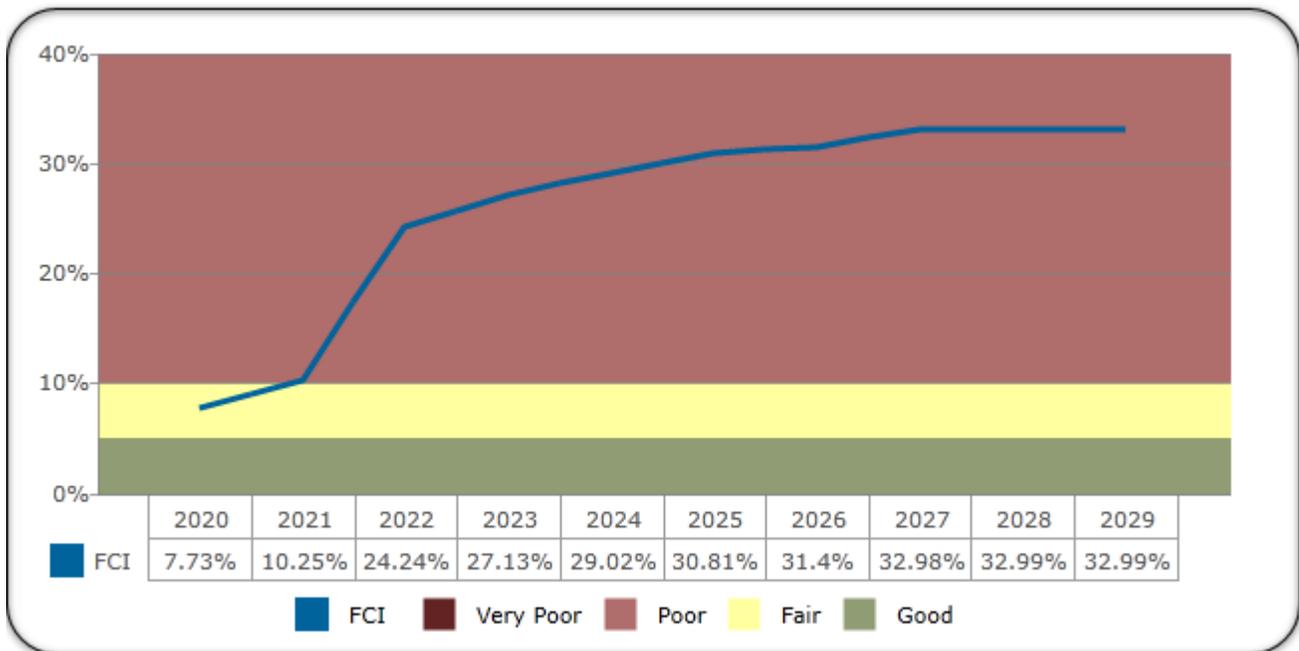
The chart below indicates the effects of the FCNI ratio per year, assuming the required funds and expenditures ARE made to address the identified actions each year.

Year by Year Effects of FCI Over the Study Period



The Chart below indicates the cumulative effects of the FCI ratio over the study period assuming the required funds and expenditures are NOT provided to address the identified works and deferred maintenance each year.

Cumulative Effects of FCI over the Study Period





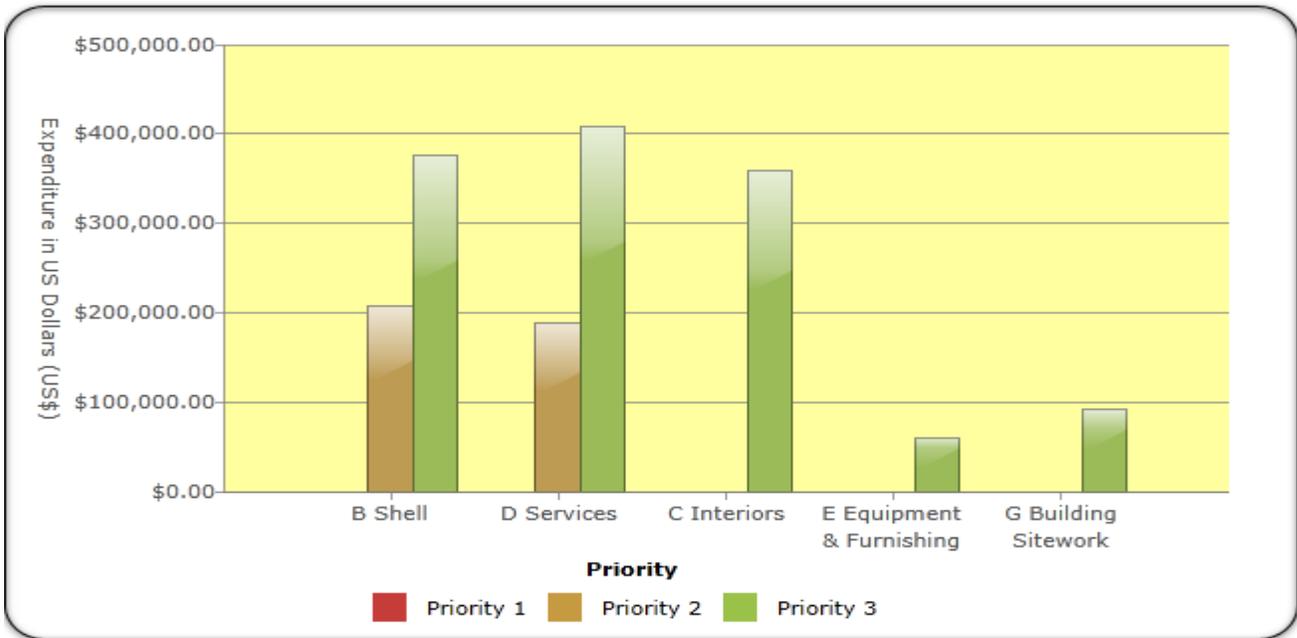
Needs Sorted by Prioritization of Work

Faithful+Gould has prioritized the identified work in order to assist with analyzing the deficiencies found during the assessment. The following Priorities are shown below:

Priority 1 Currently Critical	<ul style="list-style-type: none"> • Systems requiring immediate action that have failed, compromises staff or public safety or requires to be upgraded to comply with current codes and accessibility
Priority 2 Potentially Critical:	<ul style="list-style-type: none"> • A system or component is nearing end of useful life, if not addressed will cause additional deterioration and added repair costs
Priority 3 Necessary / Not Critical:	<ul style="list-style-type: none"> • Lifecycle replacements necessary but not critical or mid-term future replacements to maintain the integrity of the facility or component

The chart below illustrates the breakdown of expenditure according the priority coding providing an opportunity to strategically plan and effectively direct funding to the highest priority.

Planning Horizon Needs by System and Priority



Building System	Priority 1	Priority 2	Priority 3	Total
B Shell	\$0	\$207,236	\$376,799	\$584,035
C Interiors	\$0	\$0	\$359,554	\$359,554
D Services	\$0	\$189,276	\$408,082	\$597,358
E Equipment & Furnishing	\$0	\$0	\$60,478	\$60,478
G Building Sitework	\$0	\$0	\$91,981	\$91,981
Totals	\$0	\$396,512	\$1,296,894	\$1,693,406



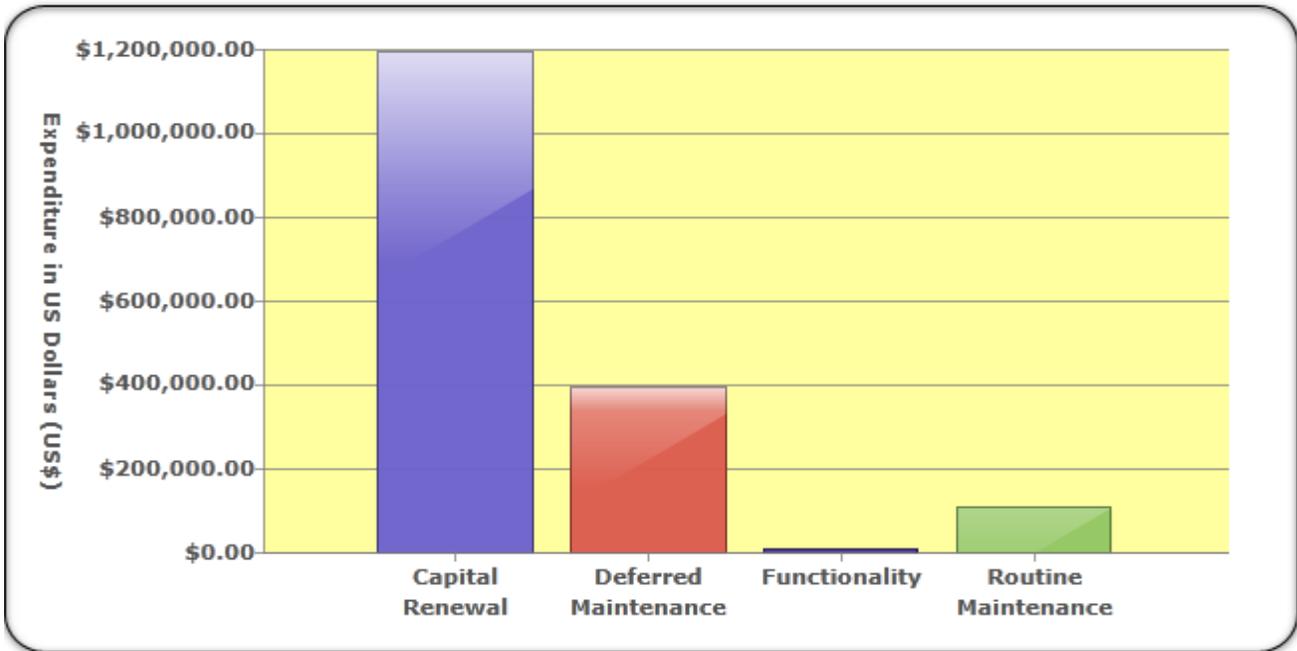
Needs Sorted by Plan Type

Faithful+Gould has prioritized the identified work according to the Plan Type or deficiency categories in order to assist with analyzing the deficiencies found during the assessment. The following Plan Types are shown below:

Deferred Maintenance	• Maintenance that was not performed when it was scheduled or assets that are past useful life resulting in immediate repair or replacement
Routine Maintenance	• Maintenance that is planned and performed on a routine basis to maintain and preserve the condition
Capital Renewal	• Planned future replacement of building systems that have or will reach the end of their useful life during the study period
Energy & Sustainability	• When the repair or replacement of equipment or systems are recommended to improve energy and sustainability performance
ADA	Repairs, Modifications, or Replacements identified to bring the building or asset in to ADA code compliance

The chart below illustrates the breakdown of expenditure according to the Plan Type or deficiency categories providing an opportunity to strategically plan and effectively direct funding.

Planning Horizon Needs by Category



Building System	Total Cost
Deferred Maintenance	\$391,512
Capital Renewal	\$1,191,551
Functionality	\$5,000
Routine Maintenance	\$105,343
Total	\$1,693,406

APPENDICES

- Appendix A: Capital Expenditures
- Appendix B: Photographic Record
- Appendix C: Document review and Warranty Information
- Appendix D: Equipment Tables
- Appendix E: Glossary of Terms



APPENDIX A

Capital Expenditures



Deficiency Report

Northgate

GSF: 14,664

Year Built: 1976

Replacement Cost: \$5,132,400

Year	\$	ID	CSI	Type Name	Description	Materials				Estimate	\$
						Qty	Units	Cost	Assessed Cost		
2020	\$396,512	312217	B1020	Functionality	Undertake structural engineering assessment to assess the impact (if any) of water ingress to roof structure. Carry out remedial action based on structural engineer recommendations.	1	EACH	\$5,000.00	\$5,000		\$5,000
		312220	B3010	Deferred Maintenance	Replace BUR (Built-up Roofing) Covering	14644	SF	\$13.22	\$193,583		\$193,583
		312221	B3010	Deferred Maintenance	Replace Aluminum Perimeter Gutters	500	LF	\$17.31	\$8,653		\$8,653
		312245	D3050	Deferred Maintenance	Replace Packaged Rooftop A/C With Heat, Under 20 Tons - W-4	3	TON	\$3,154.60	\$9,464		\$9,464
		312246	D3050	Deferred Maintenance	Replace Packaged Rooftop A/C With Heat, Under 20 Tons - E-8	3.5	TON	\$3,154.60	\$11,041		\$11,041
		312247	D3050	Deferred Maintenance	Replace Packaged Rooftop A/C With Heat, Under 20 Tons - E-6	2.5	TON	\$3,154.60	\$7,886		\$7,887
		312243	D3050	Deferred Maintenance	Replace Packaged Rooftop A/C With Heat, Under 20 Tons - W-3	3	TON	\$3,154.60	\$9,464		\$9,464
		312244	D3050	Deferred Maintenance	Replace Packaged Rooftop A/C With Heat, Under 20 Tons - E-5	2.5	TON	\$3,154.60	\$7,886		\$7,887
		312248	D3050	Deferred Maintenance	Replace Packaged Rooftop A/C With Heat, Under 20 Tons - E-2	3	TON	\$3,154.60	\$9,464		\$9,464
		312253	D3050	Deferred Maintenance	Replace Packaged Rooftop A/C With Heat, Under 20 Tons - W-2	3	TON	\$3,154.60	\$9,464		\$9,464
		312254	D3050	Deferred Maintenance	Replace Packaged Rooftop A/C With Heat, Under 20 Tons - E-11	2.5	TON	\$3,154.60	\$7,886		\$7,887
		312255	D3050	Deferred Maintenance	Replace Packaged Rooftop A/C With Heat, Under 20 Tons - W-9	2.5	TON	\$3,154.60	\$7,886		\$7,887

Deficiency Report

Year	\$	ID	CSI	Type Name	Description	Materials			Estimate	\$
						Qty	Units	Cost Assessed Cost		
2020	\$396,512	312256	D3050	Deferred Maintenance	Replace Packaged Rooftop A/C With Heat, Under 20 Tons - E-12	2.5	TON	\$3,154.60	\$7,886	\$7,887
		312252	D3050	Deferred Maintenance	Replace Packaged Rooftop A/C With Heat, Under 20 Tons - E-4	3.5	TON	\$3,154.60	\$11,041	\$11,041
		312257	D3050	Deferred Maintenance	Replace Packaged Rooftop A/C With Heat, Under 20 Tons - W-8	2.5	TON	\$3,154.60	\$7,886	\$7,887
		312258	D3050	Deferred Maintenance	Replace Packaged Rooftop A/C With Heat, Under 20 Tons - W-10	2.5	TON	\$3,154.60	\$7,886	\$7,887
		312240	D3050	Deferred Maintenance	Replace Packaged Rooftop A/C With Heat, Under 20 Tons - E-3	2.5	TON	\$3,154.60	\$7,886	\$7,887
		312241	D3050	Deferred Maintenance	Replace Packaged Rooftop A/C With Heat, Under 20 Tons - W-1	3	TON	\$3,154.60	\$9,464	\$9,464
		312242	D3050	Deferred Maintenance	Replace Packaged Rooftop A/C With Heat, Under 20 Tons - E-7	2.5	TON	\$3,154.60	\$7,886	\$7,887
		312249	D3050	Deferred Maintenance	Replace Packaged Rooftop A/C With Heat, Under 20 Tons - W-7	2.5	TON	\$3,154.60	\$7,886	\$7,887
		312250	D3050	Deferred Maintenance	Replace Packaged Rooftop A/C With Heat, Under 20 Tons - E-1	3	TON	\$3,154.60	\$9,464	\$9,464
		312251	D3050	Deferred Maintenance	Replace Packaged Rooftop A/C With Heat, Under 20 Tons - E-9	2.5	TON	\$3,154.60	\$7,886	\$7,887
		312237	D3050	Deferred Maintenance	Replace Packaged Rooftop A/C With Heat, Under 20 Tons - E-10	2.5	TON	\$3,154.60	\$7,886	\$7,887
		312238	D3050	Deferred Maintenance	Replace Packaged Rooftop A/C With Heat, Under 20 Tons - W-6	2.5	TON	\$3,154.60	\$7,886	\$7,887
		312239	D3050	Deferred Maintenance	Replace Packaged Rooftop A/C With Heat, Under 20 Tons - W-5	2.5	TON	\$3,154.60	\$7,886	\$7,887
		2021	\$129,331	312225	C3020	Capital Renewal	Replace Broadloom Standard without Padding	1111	SY	\$35.65
312229	C3020			Capital Renewal	Replace Vinyl Composite Tile (VCT)	60	SF	\$8.28	\$497	\$497
312230	C3030			Capital Renewal	Replace Acoustic Ceiling System - Standard	14224	SF	\$5.87	\$83,424	\$83,424
312236	D2010			Capital Renewal	Replace Wall Mounted Standard Drinking Fountain (Single)	1	EACH	\$1,682.45	\$1,682	\$1,682
312270	G2020			Routine Maintenance	Crack Repair, Seal Coating and Restriping to Parking Lots	2355	SY	\$1.75	\$4,121	\$4,121

Deficiency Report

Year	\$	ID	CSI	Type Name	Description	Materials			Estimate	\$
						Qty	Units	Cost Assessed Cost		
2022	718,313	312218	B2020	Capital Renewal	Replace Aluminum Window Units - Fixed or Single Hung	2560	SF	\$79.17	\$202,665	\$202,665
		312219	B2030	Capital Renewal	Replace Single Aluminum Glazed Doors	28	EACH	\$6,219.06	\$174,134	\$174,134
		312260	D5010	Capital Renewal	Replace Switchboard - 120/208volts, 400 to 2000amp	400	AMP	\$44.16	\$17,664	\$17,664
		312261	D5010	Capital Renewal	Replace Switchboard - 120/208volts, 400 to 2000amp	400	AMP	\$44.16	\$17,664	\$17,664
		312262	D5010	Capital Renewal	Replace Switchboard - 120/208volts, 400 to 2000amp	400	AMP	\$44.16	\$17,664	\$17,664
		312259	D5010	Capital Renewal	Replace Switchboard - 120/208volts, 400 to 2000amp	400	AMP	\$44.16	\$17,664	\$17,664
		312266	D5020	Capital Renewal	Replace Wiring Systems (Inc. Receptacles & Switches)	14664	SF	\$9.06	\$132,885	\$132,885
		312263	D5020	Capital Renewal	Replace Exterior Wall Pack Light Fixtures	5	EACH	\$845.25	\$4,226	\$4,226
		312264	D5020	Capital Renewal	Replace Flood Lights - Metal Halide Fixtures	7	EACH	\$1,472.15	\$10,305	\$10,305
		312265	D5020	Capital Renewal	Replace Interior Light Fixtures - Fluorescent	14664	SF	\$8.42	\$123,442	\$123,442
2023	148,040	312232	D2010	Capital Renewal	Replace Countertop Double Bowl Kitchen Sinks	2	EACH	\$1,911.88	\$3,824	\$3,824
		312269	E1090	Capital Renewal	Replace Floor Mounted Base Cabinets - Standard	42	LF	\$1,081.58	\$45,426	\$45,426
		312267	E1090	Capital Renewal	Replace Wall Mounted Cabinets - Standard	25	LF	\$450.66	\$11,266	\$11,266
		312268	E1090	Capital Renewal	Replace Counter Top - Laminated	42	LF	\$90.13	\$3,786	\$3,786
		312272	G2030	Capital Renewal	Replace Concrete 3' - 4' Wide	1200	LF	\$69.78	\$83,738	\$83,738
2024	97,100	312224	C3010	Routine Maintenance	Replace Painted Finish - Standard	19420	SF	\$5.00	\$97,100	\$97,100
2025	92,227	312222	C1010	Capital Renewal	Replace Toilet Partition	11	EACH	\$2,103.06	\$23,134	\$23,134
		312226	C3020	Capital Renewal	Replace Ceramic Tile	360	SF	\$22.31	\$8,032	\$8,032

Deficiency Report

Year	\$	ID	CSI	Type Name	Description	Materials			Estimate	\$
						Qty	Units	Cost Assessed Cost		
2025	\$92,227	312235	D2010	Capital Renewal	Replace Wall Hung Lavatories	9	EACH	\$2,471.10	\$22,240	\$22,240
		312234	D2010	Capital Renewal	Replace Floor Mounted Water Closets	12	EACH	\$2,415.00	\$28,980	\$28,980
		312231	D2010	Capital Renewal	Replace Service Sink Floor Mounted	2	EACH	\$3,622.50	\$7,245	\$7,245
		312233	D2010	Capital Renewal	Replace Wall Hung Urinals	1	EACH	\$2,597.29	\$2,597	\$2,597
2026	\$30,131	312227	C3020	Capital Renewal	Replace Carpet Tiles - Standard	334	SY	\$77.87	\$26,010	\$26,010
		312271	G2020	Routine Maintenance	Crack Repair, Seal Coating and Restriping to Parking Lots	2355	SY	\$1.75	\$4,121	\$4,121
2027	\$80,758	312223	C1020	Capital Renewal	Replace Interior Single Wood Door(s)	48	EACH	\$1,682.45	\$80,758	\$80,758
2028	\$994	312228	C3020	Capital Renewal	Replace Vinyl Sheet	120	SF	\$8.28	\$994	\$994
Total									Total:	\$1,693,406

APPENDIX B

Photographic Record





View of Wood Joists Supporting Exterior Grade Plywood



B2011 Exterior Wall Construction :- View of Veneer Brick



View of Aluminum Window Units - Fixed or Single Hung



B2031 Glazed Doors & Entrances :- View of Single Aluminum Glazed Doors



View of Single HM Doors



B3011 Roof Finishes :-
View of BUR (Built-up Roofing) Covering



View of Clay Roof Tile



B3016 Gutters and Downspouts :-
View of Aluminum Perimeter Gutters



View of Galvanized Steel Hatch



C1014 Site Built Toilet Partitions :-
View of Toilet Partition



View of Interior Single Wood Door(s)



C3012 Wall Finishes to Interior Walls :-
View of Painted Finish - Standard



View of Ceramic Tile



C3024 Flooring :-
View of Vinyl Composite Tile (VCT)



View of Vinyl Sheet



C3025 Carpeting :-
View of Broadloom Standard without Padding



View of Carpet Tiles – Standard



C3031 Ceiling Finishes :-
View of Gypsum Wall Board Ceilings



View of Acoustic Ceiling System – Standard



D2011 Water Closets :-
View of Floor Mounted Water Closets



View of Wall Hung Urinals



D2013 Lavatories :-
View of Wall Hung Lavatories



View of Countertop Double Bowl Kitchen Sinks



D2014 Sinks :-
View of Service Sink Floor Mounted



View of Wall Mounted Standard Drinking Fountain (Single)



D2022 Hot Water Service :-
View of Domestic Hot Water Heater - Electric



View of Packaged Rooftop A/C With Heat, Under 20 Tons - E-1



D3052 Package Units :-
View of Packaged Rooftop A/C With Heat, Under 20 Tons - E-10



View of Packaged Rooftop A/C With Heat, Under 20 Tons - E-11



D3052 Package Units :-
View of Packaged Rooftop A/C With Heat, Under 20 Tons - E-12



View of Packaged Rooftop A/C With Heat, Under 20 Tons - E-2



D3052 Package Units :-
View of Packaged Rooftop A/C With Heat, Under 20 Tons - E-3



View of Packaged Rooftop A/C With Heat, Under 20 Tons - E-4



D3052 Package Units :-
View of Packaged Rooftop A/C With Heat, Under 20 Tons - E-5



View of Packaged Rooftop A/C With Heat, Under 20 Tons - W-8



D3052 Package Units :-
View of Packaged Rooftop A/C With Heat, Under 20 Tons - W-9



View of Switchboard - 120/208volts, 400 to 2000amp



D5012 Low Tension Service & Dist :-
View of Switchboard - 120/208volts, 400 to 2000amp



View of Exterior Wall Pack Light Fixtures



D5022 Lighting Equipment :-
View of Flood Lights - Metal Halide Fixtures



View of Interior Light Fixtures – Fluorescent



E1095 Unit Kitchens :-
View of Floor Mounted Base Cabinets - Standard



View of Wall Mounted Cabinets – Standard



G2021 Bases and Sub-Bases :-
View of Asphalt Parking (Full Depth)



View of Concrete 3' - 4' Wide

APPENDIX C

Document Review and Warranty Information



3/3/2020



The following documents were reviewed as part of the facility condition assessment of the Northgate facility:

- + No documents were reviewed as part of this assessment.

APPENDIX D

Equipment Tables



Deficiency Report

Northgate

GSF: 14,664

Year Built: 1976

Renew Year : 2019

Replacement Cost: \$5,132,400

Fiscal Year	\$	ID	CSI	Type Name	Description	Materials				Estimate	\$
						Qty	Units	Cost	Assessed Cost		
2020	\$396,512	312217	B1020	Functionality	Undertake structural engineering assessment to assess the impact (if any) of water ingress to roof structure. Carry out remedial action based on structural engineer recommendations.	1	EACH	\$5,000.00	\$5,000		\$5,000
		312220	B3010	Deferred Maintenance	Replace BUR (Built-up Roofing) Covering	14644	SF	\$13.22	\$193,583		\$193,583
		312221	B3010	Deferred Maintenance	Replace Aluminum Perimeter Gutters	500	LF	\$17.31	\$8,653		\$8,653
		312245	D3050	Deferred Maintenance	Replace Packaged Rooftop A/C With Heat, Under 20 Tons - W-4	3	TON	\$3,154.60	\$9,464		\$9,464
		312246	D3050	Deferred Maintenance	Replace Packaged Rooftop A/C With Heat, Under 20 Tons - E-8	3.5	TON	\$3,154.60	\$11,041		\$11,041
		312247	D3050	Deferred Maintenance	Replace Packaged Rooftop A/C With Heat, Under 20 Tons - E-6	2.5	TON	\$3,154.60	\$7,886		\$7,887
		312243	D3050	Deferred Maintenance	Replace Packaged Rooftop A/C With Heat, Under 20 Tons - W-3	3	TON	\$3,154.60	\$9,464		\$9,464
		312244	D3050	Deferred Maintenance	Replace Packaged Rooftop A/C With Heat, Under 20 Tons - E-5	2.5	TON	\$3,154.60	\$7,886		\$7,887
		312248	D3050	Deferred Maintenance	Replace Packaged Rooftop A/C With Heat, Under 20 Tons - E-2	3	TON	\$3,154.60	\$9,464		\$9,464
		312253	D3050	Deferred Maintenance	Replace Packaged Rooftop A/C With Heat, Under 20 Tons - W-2	3	TON	\$3,154.60	\$9,464		\$9,464
		312254	D3050	Deferred Maintenance	Replace Packaged Rooftop A/C With Heat, Under 20 Tons - E-11	2.5	TON	\$3,154.60	\$7,886		\$7,887
		312255	D3050	Deferred Maintenance	Replace Packaged Rooftop A/C With Heat, Under 20 Tons - W-9	2.5	TON	\$3,154.60	\$7,886		\$7,887

Deficiency Report

Fiscal Year	\$	ID	CSI	Type Name	Description	Materials			Estimate	\$
						Qty	Units	Cost Assessed Cost		
2020	\$396,512	312256	D3050	Deferred Maintenance	Replace Packaged Rooftop A/C With Heat, Under 20 Tons - E-12	2.5	TON	\$3,154.60	\$7,886	\$7,887
		312252	D3050	Deferred Maintenance	Replace Packaged Rooftop A/C With Heat, Under 20 Tons - E-4	3.5	TON	\$3,154.60	\$11,041	\$11,041
		312257	D3050	Deferred Maintenance	Replace Packaged Rooftop A/C With Heat, Under 20 Tons - W-8	2.5	TON	\$3,154.60	\$7,886	\$7,887
		312258	D3050	Deferred Maintenance	Replace Packaged Rooftop A/C With Heat, Under 20 Tons - W-10	2.5	TON	\$3,154.60	\$7,886	\$7,887
		312240	D3050	Deferred Maintenance	Replace Packaged Rooftop A/C With Heat, Under 20 Tons - E-3	2.5	TON	\$3,154.60	\$7,886	\$7,887
		312241	D3050	Deferred Maintenance	Replace Packaged Rooftop A/C With Heat, Under 20 Tons - W-1	3	TON	\$3,154.60	\$9,464	\$9,464
		312242	D3050	Deferred Maintenance	Replace Packaged Rooftop A/C With Heat, Under 20 Tons - E-7	2.5	TON	\$3,154.60	\$7,886	\$7,887
		312249	D3050	Deferred Maintenance	Replace Packaged Rooftop A/C With Heat, Under 20 Tons - W-7	2.5	TON	\$3,154.60	\$7,886	\$7,887
		312250	D3050	Deferred Maintenance	Replace Packaged Rooftop A/C With Heat, Under 20 Tons - E-1	3	TON	\$3,154.60	\$9,464	\$9,464
		312251	D3050	Deferred Maintenance	Replace Packaged Rooftop A/C With Heat, Under 20 Tons - E-9	2.5	TON	\$3,154.60	\$7,886	\$7,887
		312237	D3050	Deferred Maintenance	Replace Packaged Rooftop A/C With Heat, Under 20 Tons - E-10	2.5	TON	\$3,154.60	\$7,886	\$7,887
		312238	D3050	Deferred Maintenance	Replace Packaged Rooftop A/C With Heat, Under 20 Tons - W-6	2.5	TON	\$3,154.60	\$7,886	\$7,887
		312239	D3050	Deferred Maintenance	Replace Packaged Rooftop A/C With Heat, Under 20 Tons - W-5	2.5	TON	\$3,154.60	\$7,886	\$7,887
		2021	\$129,331	312225	C3020	Capital Renewal	Replace Broadloom Standard without Padding	1111	SY	\$35.65
312229	C3020			Capital Renewal	Replace Vinyl Composite Tile (VCT)	60	SF	\$8.28	\$497	\$497
312230	C3030			Capital Renewal	Replace Acoustic Ceiling System - Standard	14224	SF	\$5.87	\$83,424	\$83,424
312236	D2010			Capital Renewal	Replace Wall Mounted Standard Drinking Fountain (Single)	1	EACH	\$1,682.45	\$1,682	\$1,682
312270	G2020			Routine Maintenance	Crack Repair, Seal Coating and Restriping to Parking Lots	2355	SY	\$1.75	\$4,121	\$4,121

Deficiency Report

Fiscal Year	\$	ID	CSI	Type Name	Description	Materials			Estimate	\$
						Qty	Units	Cost Assessed Cost		
2022	\$718,313	312218	B2020	Capital Renewal	Replace Aluminum Window Units - Fixed or Single Hung	2560	SF	\$79.17	\$202,665	\$202,665
		312219	B2030	Capital Renewal	Replace Single Aluminum Glazed Doors	28	EACH	\$6,219.06	\$174,134	\$174,134
		312260	D5010	Capital Renewal	Replace Switchboard - 120/208volts, 400 to 2000amp	400	AMP	\$44.16	\$17,664	\$17,664
		312261	D5010	Capital Renewal	Replace Switchboard - 120/208volts, 400 to 2000amp	400	AMP	\$44.16	\$17,664	\$17,664
		312262	D5010	Capital Renewal	Replace Switchboard - 120/208volts, 400 to 2000amp	400	AMP	\$44.16	\$17,664	\$17,664
		312259	D5010	Capital Renewal	Replace Switchboard - 120/208volts, 400 to 2000amp	400	AMP	\$44.16	\$17,664	\$17,664
		312266	D5020	Capital Renewal	Replace Wiring Systems (Inc. Receptacles & Switches)	14664	SF	\$9.06	\$132,885	\$132,885
		312263	D5020	Capital Renewal	Replace Exterior Wall Pack Light Fixtures	5	EACH	\$845.25	\$4,226	\$4,226
		312264	D5020	Capital Renewal	Replace Flood Lights - Metal Halide Fixtures	7	EACH	\$1,472.15	\$10,305	\$10,305
		312265	D5020	Capital Renewal	Replace Interior Light Fixtures - Fluorescent	14664	SF	\$8.42	\$123,442	\$123,442
2023	\$148,040	312232	D2010	Capital Renewal	Replace Countertop Double Bowl Kitchen Sinks	2	EACH	\$1,911.88	\$3,824	\$3,824
		312269	E1090	Capital Renewal	Replace Floor Mounted Base Cabinets - Standard	42	LF	\$1,081.58	\$45,426	\$45,426
		312267	E1090	Capital Renewal	Replace Wall Mounted Cabinets - Standard	25	LF	\$450.66	\$11,266	\$11,266
		312268	E1090	Capital Renewal	Replace Counter Top - Laminated	42	LF	\$90.13	\$3,786	\$3,786
		312272	G2030	Capital Renewal	Replace Concrete 3' - 4' Wide	1200	LF	\$69.78	\$83,738	\$83,738
2024	\$97,100	312224	C3010	Routine Maintenance	Replace Painted Finish - Standard	19420	SF	\$5.00	\$97,100	\$97,100
2025	\$92,227	312222	C1010	Capital Renewal	Replace Toilet Partition	11	EACH	\$2,103.06	\$23,134	\$23,134
		312226	C3020	Capital Renewal	Replace Ceramic Tile	360	SF	\$22.31	\$8,032	\$8,032

Deficiency Report

Fiscal Year	\$	ID	CSI	Type Name	Description	Materials			Estimate	\$
						Qty	Units	Cost Assessed Cost		
2025	\$92,227	312235	D2010	Capital Renewal	Replace Wall Hung Lavatories	9	EACH	\$2,471.10	\$22,240	\$22,240
		312234	D2010	Capital Renewal	Replace Floor Mounted Water Closets	12	EACH	\$2,415.00	\$28,980	\$28,980
		312231	D2010	Capital Renewal	Replace Service Sink Floor Mounted	2	EACH	\$3,622.50	\$7,245	\$7,245
		312233	D2010	Capital Renewal	Replace Wall Hung Urinals	1	EACH	\$2,597.29	\$2,597	\$2,597
2026	\$30,131	312227	C3020	Capital Renewal	Replace Carpet Tiles - Standard	334	SY	\$77.87	\$26,010	\$26,010
		312271	G2020	Routine Maintenance	Crack Repair, Seal Coating and Restriping to Parking Lots	2355	SY	\$1.75	\$4,121	\$4,121
2027	\$80,758	312223	C1020	Capital Renewal	Replace Interior Single Wood Door(s)	48	EACH	\$1,682.45	\$80,758	\$80,758
2028	\$994	312228	C3020	Capital Renewal	Replace Vinyl Sheet	120	SF	\$8.28	\$994	\$994
Total									Total:	\$1,693,406

**Table D20 Summary of Domestic Water Heating Equipment**

Location	Equipment Type	Manufacturer	Model No.	Serial No.	Tag	Capacity/ Rating	Fuel Type	Year
Interior	Domestic Water Heater	Bradford White	RE340T 6- 1NCW W	SC41 17471 5	001079	40 Gallons	Electric	2018

Table D30 Summary of HVAC Equipment

Location	Equipment Type	Manufacturer	Model No.	Serial No.	Tag	Capacity / Rating	Fuel Type	Year
Interior	Packaged Rooftop Unit Heating And Cooling	Trane	YCD037C3 HABC	J4D1009 43D	00110 0	3-Ton	Natural Gas and Electric	1994
Interior	Packaged Rooftop Unit Heating And Cooling	Carrier	48GX- 030060501	1702G20 698	00109 7	2.5-Ton	Natural Gas and Electric	2002
Interior	Packaged Rooftop Unit Heating And Cooling	Carrier	48GX- 036090501	1602G40 941	00109 9	3-Ton	Natural Gas and Electric	2002
Interior	Packaged Rooftop Unit Heating And Cooling	Carrier	48GX- 030060501	1702G20 695	00104 6	2.5-Ton	Natural Gas and Electric	2002
Interior	Packaged Rooftop Unit Heating And Cooling	Carrier	48GX- 030060501	1702G20 701	00109 5	2.5-Ton	Natural Gas and Electric	2002
Interior	Packaged Rooftop Unit Heating And Cooling	Carrier	48GX- 036090501	1702G20 662	00110 2	3-Ton	Natural Gas and Electric	2002
Interior	Packaged Rooftop Unit Heating And Cooling	Carrier	48GX- 030060501	1702G20 704	00108 7	2.5-Ton	Natural Gas and Electric	2002
Interior	Packaged Rooftop Unit Heating And Cooling	Carrier	48GX- 030060501	170	00110 7	2.5-Ton	Natural Gas and Electric	2002



Interior	Packaged Rooftop Unit Heating And Cooling	Carrier	48GX-036090501	1602G40942	001101	3-Ton	Natural Gas and Electric	2002
Interior	Packaged Rooftop Unit Heating And Cooling	Carrier	48GX-030060501	Unknown	001110	2.5-Ton	Natural Gas and Electric	2002
Interior	Packaged Rooftop Unit Heating And Cooling	Carrier	48GX-030060501	1702G20696	001045	2.5-Ton	Natural Gas and Electric	2002
Interior	Packaged Rooftop Unit Heating And Cooling	Carrier	48GX-036090501	1602G40940	001098	3-Ton	Natural Gas and Electric	2002
Interior	Packaged Rooftop Unit Heating And Cooling	Carrier	48GX-030060501	1702G20697	001111	2.5-Ton	Natural Gas and Electric	2002
Interior	Packaged Rooftop Unit Heating And Cooling	Carrier	48GX-030060501	1702G20703	001104	2.5-Ton	Natural Gas and Electric	2002
Interior	Packaged Rooftop Unit Heating And Cooling	Carrier	48GX-042090501	1602G50674	001108	3.5-Ton	Natural Gas and Electric	2002
Interior	Packaged Rooftop Unit Heating And Cooling	Carrier	48GX-030060501	1702G20702	001078	2.5-Ton	Natural Gas and Electric	2002
Interior	Packaged Rooftop Unit Heating And Cooling	Carrier	48GX-030060501	1702G20705	001109	2.5-Ton	Natural Gas and Electric	2002
Interior	Packaged Rooftop Unit Heating And Cooling	Carrier	48GX-030060501	1702G20699	001106	2.5-Ton	Natural Gas and Electric	2002
Interior	Packaged Rooftop Unit Heating And Cooling	Carrier	48GX-030060501	1702G20700	001096	2.5-Ton	Natural Gas and Electric	2002
Interior	Packaged Rooftop Unit Heating And Cooling	Trane	YCD036C3HABE	Unknown	001103	3-Ton	Natural Gas and Electric	1999



Interior	Packaged Rooftop Unit Heating And Cooling	Carrier	48GX-030060501	1702G20694	001080	2.5-Ton	Natural Gas and Electric	2002
Interior	Packaged Rooftop Unit Heating And Cooling	Carrier	48GX-042090501	1602G50673	001105	3.5-Ton	Natural Gas and Electric	2002

APPENDIX E

Glossary of Terms





Acronyms & Glossary of Terms

ABC	Aggregate Base Course
BUR	Built-Up Roof
CIP	Cast-In-Place
CMU	Concrete Masonry Unit
EIFS	Exterior Insulation and Finish System
EPDM	Ethylene Propylene Diene Monomer
HM	Hollow Metal Doors
MH	Man Holes
SC	Solid Core Doors
TPO	Thermoplastic Polyolefin
AHU	Main Air Handling Units
EF	Exhaust Fan
EMC	Electrical Metallic Conduit
EMT	Electrical Metallic Tubing
FACP	Fire Alarm Control Panel
FCC	Fire Command Center
FCU	Fan Coil Unit
FSS	Fuel Supply System
MDP	Main Distribution Panel
NAC	Notification Appliance Circuit
RTU	Roof Top Unit
SES	Service Entrance Switchboards
VAV	Variable Air Volume
VFD	Variable Frequency Drives
CRV	Current Replacement Value
DM	Deferred Maintenance
EOL	End of Life
EUL	Estimated Useful Life
FCI	Facility Condition Index
HVAC	Heating Ventilating and Air Conditioning
RUL	Recommended Useful Life
AMP	Amperage
BTU/HR	British Thermal Units per Hour
FPM	Feet per Minute (Elevator Speed)
GPF	Gallons Per-Flush
HID	High-Intensity Discharge
HP	Horse Power
KVA	Kilovolt-Ampere
kW	Kilowatt
PSF	Pounds-Per-Square-Foot
PSI	Pounds-Per-Square-Inch
RO	Reverse Osmosis
SF	Square Foot
SY	Square Yards
NEMA	National Electrical Manufacturers Association
NFPA	National Fire Protection Association



Acronyms & Glossary of Terms

BTU – British Thermal Unit; the energy required to raise the temperature of one pound of water by one degree.

Building Envelope – The enclosure of the building that protects the building's interior from the outside elements, namely the exterior walls, roof, and soffit areas.

Building Systems – Interacting of independent components or assemblies, which from single integrated units, that comprise a building and its site work, such as, pavement and flatwork, structural frame, roofing, exterior walls, plumbing, HVAC, electrical, etc.

Caulking – Soft, putty-like material used to fill joints, seams, and cracks.

Codes – See building codes.

Component – A fully functional portion of a building system, piece of equipment, or building element.

Deferred Maintenance – Physical deficiencies that cannot be remedied with routine maintenance, normal operating maintenance, etc., excluding de minimis conditions that generally do not present a material physical deficiency to the subject property.

Expected Useful Life (EUL) – the average amount of time in years that an item, component of system is estimated to function when installed new and assuming routine maintenance is practiced.

Facility – All of any portion of buildings, structures, site improvements, complexes, equipment, roads, walks, passageways, parking lots, or other real or personal property located on site.

Flashing – A thin, impervious sheet of material placed in construction to prevent water penetration or to direct the flow of water. Flashing is used especially at roof hips and valleys, roof penetrations, joints between a roof and a vertical wall, and in masonry walls to direct the flow of water and moisture.

Remaining Useful Life (RUL) – A subjective estimate based upon observations, or average estimates of similar items, components, or systems, or a combination thereof, of a number of remaining years that an item, component, or system is established to be able to function in accordance with its intended purpose before warranting replacement. Such period of time is affected by the initial quality of an item, component, or system, the quality of the initial installation, the quality and amount of preventative maintenance exercised, climatic conditions, extend of use, etc.

Structural Frame – the components or building systems that support the building's non-variable forces or weights (dead loads) and variable forces or weights (live loads).

Thermal Resistance (R) – A unit used to measure a material's resistance to heat transfer. The formula for thermal resistance is: $R = \text{Thickness (in inches)} / K$.

Warranty – Legally enforceable assurance of quality or performance of a product or work, or of the duration of satisfactory performance. Warranty guarantee and guaranty are substantially identical in meaning; nevertheless, confusion frequently arises from supposed distinctions attributed to guarantee (or guaranty) being exclusively indicative of duration of satisfactory performance or of a legally enforceable assurance furnished by a manufacturer or other third party. The uniform commercial code provisions on sales (effective in all states except Louisiana) use warranty but recognize the continuation of the use of guarantee and guaranty.

