

BOARD OF REGENTS
BRIEFING PAPER

1. Agenda Item Title: Acquisition of Real Property Located at 847 N. Center Street, Reno, Nevada

Meeting Date: November 29-30, 2012

2. BACKGROUND & POLICY CONTEXT OF ISSUE:

Location of Property: Adjacent to the southern border of the University of Nevada, Reno's main campus and within the University Gateway project area that contains several University-owned properties (Exhibits 1 & 2).

Property Description: Two story house with approximately 2,994 square feet of living space, with an unfinished basement, on a 0.16 acre lot.

Zoning: Currently Multi-Family 30 zoning. Upon close of escrow the zoning will automatically, without application, convert to the University of Nevada Regional Center Plan.

Purchase Price: The purchase price is \$425,000.

Appraised Value: The current market value, as determined by the comparison sales approach, of the property is \$425,000 (Exhibit 3).

Source of Funds for Purchase: University Real Estate Property Acquisition Account.

Other: No mineral or water rights are associated with this property.

Offer and Acceptance Agreement: The written offer and acceptance agreement between Buyer and Seller (Exhibit 4) was reviewed, edited and approved by Hank Stone, Esq., System Counsel/Director of Real Estate Planning for NSHE.

Phase 1 Environmental Report: This assessment has revealed no evidence of recognized environmental conditions in connection with the property and no further assessments are warranted at this time (Exhibit 5).

Asbestos Report: Asbestos was found in the joint compound applied to the wallboard in the first floor hallway and stairwell, in the duct tape applied to the furnace system and plenum, and in the exterior "Transite" shingles. The report noted that the materials appeared to be in generally good condition and if left undisturbed would not pose a health hazard (Exhibit 6).

Title Report: Preliminary title report reviewed and approved by UNR Real Estate and Hank Stone, Esq., System Counsel/Director of Real Estate Planning for NSHE. Title report and insurance to be provided by Ticor Title Company at time of close (Exhibit 7).

Closing Costs: Buyer and Seller will each pay their respective and customary closings costs. The University's closing costs are estimated to be approximately \$800.

Intended Use: Like the other University-owned properties in the University Gateway project area, this property will be managed as a residential rental – primarily for graduate students - until needed for campus programs or future development.

3. SPECIFIC ACTIONS BEING RECOMMENDED OR REQUESTED:

President Marc A. Johnson requests approval to purchase real property at 847 N. Center Street, Reno, Nevada for \$425,000.

4. IMPETUS (WHY NOW?):

- Property is adjacent to the main campus boundaries and within the Campus Master Plan.
- Property is located next door to, and across the street from, University-owned residential properties and campus parking lots.
- This acquisition would allow an assemblage of contiguous properties bordering the university campus.
- Property is available now.

5. BULLET POINTS TO SUPPORT REQUEST/RECOMMENDATION:

- Property is offered at appraised value.
- Property is within the main campus boundaries and within the Campus Master Plan.
- Acquisition is consistent with the University's Campus Master Plan.
- Property can be rented for residential use until property is needed for future development.

6. POTENTIAL ARGUMENTS AGAINST THE REQUEST RECOMMENDATION:

Requires expenditure of Property Acquisition Account funds.

7. ALTERNATIVE(S) TO WHAT IS BEING REQUESTED/RECOMMENDED:

Pass on the opportunity to acquire the property at this time and risk purchasing it at a future date, if available (and losing the opportunity to control contiguous assemblage of properties).

8. COMPLIANCE WITH BOARD POLICY:

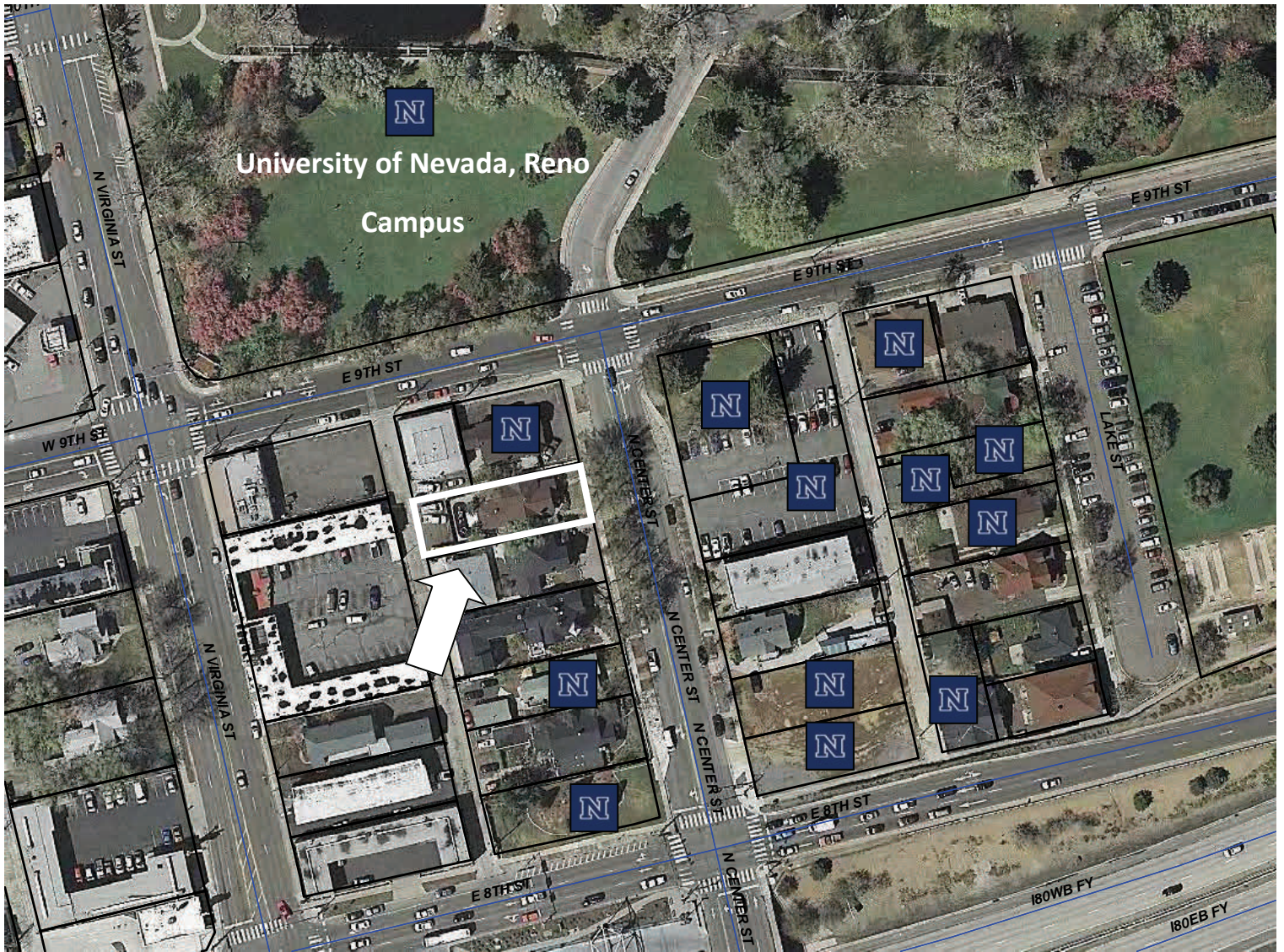
- X Consistent With Current Board Policy: Title #4 Chapter #10 Section #1
- Amends Current Board Policy: Title #_____ Chapter #_____ Section #_____
- X Other: Procedures & Guidelines Manual, Chapter 5, Section 3, Preparation and Approval of NSHE Contracts and NRS 278.480.
- X Fiscal Impact: Yes No _____
- Explain: Expenditure of \$425,000.00 from the Property Acquisition Account.

_____ Reviewed by Chancellor

_____ Reviewed by General Counsel as to form

EXHIBIT 1

847 N. Center Street Location



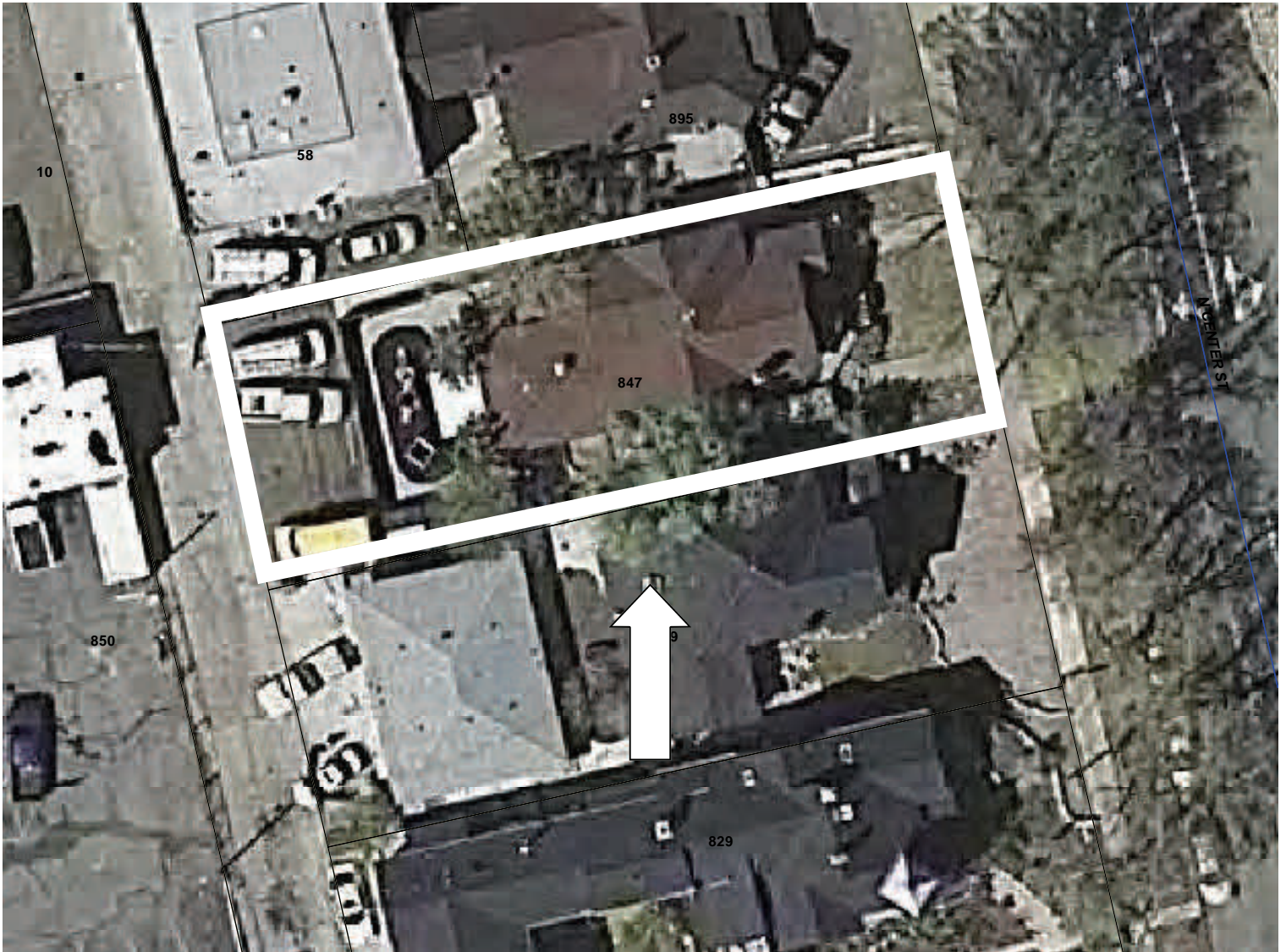
White arrow shows the location of 847 N. Center Street south of the University of Nevada, Reno campus



Designates University of Nevada, Reno owned properties

EXHIBIT 2

847 N. Center Street Parcel



White arrow shows the property parcel of 847 N. Center Street south of the University of Nevada, Reno campus

EXHIBIT 3

APPRAISAL REPORT

OF

COMMERCIAL PROPERTY

LOCATED AT

847 N. Center Street

WASHOE COUNTY ASSESSOR PARCEL NUMBER

(APN) 007-183-05

IN RENO, NV

SUMMARY FORMAT

Prepared For

UNR Real Estate

Prepared By:

*Carter-Ott Appraisal Inc.
6170 Ridgeview Court, Suite E
Reno, NV 89519*

Carter-Ott Appraisal, Inc.

Real Estate Appraisers and Consultants

6170 Ridgeview Court Suite E • Reno, NV 89519 • (775) 827-4550 • fax (775) 827-4555

October 3, 2012

Mr. Patrick Martinez
UNR Real Estate
MS 239
Reno, NV 89557-0239

Re: Appraisal report of property located at 847 N. Center Street in Reno, Nevada. Washoe County Assessor's Parcel No. (APN) 007-183-05.

Dear Mr. Martinez:

I have conducted an analysis in the form of a "summary appraisal report" which is intended to comply with the reporting requirements set forth under Standard Rule 2-2 (b) of the Uniform Standards of Professional Appraisal Practice (USPAP). As such, it presents only summary discussions of data, reasoning and analyses that were used in the appraisal process to develop the appraiser's opinion of value.

This appraisal has been prepared in accordance with the current edition of the USPAP. The function and intended use of the appraisal is to provide an estimate of market value for your board's consideration in potentially purchasing the property. The intended users are you and your staff along with the Board of Regents of the Nevada System of Higher Education on behalf of the University of Nevada Reno.

The property consists of a one and one-half story former house that was converted to a pre-school/daycare center many years ago and currently operates as University Preschool Child Care. However, only the real estate is valued with the highest and best use currently for generic offices or potentially a residential or mixed use property in the future.

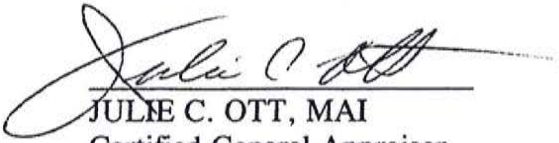
At the time of the property visit, other surveys were being conducted on the property relative to the existence of a possible oil tank and asbestos containing material. While it was identified that there is some asbestos containing materials, none are judged to be hazardous, as long as no disturbances are planned. However, the results of other studies have not yet been complete. Therefore, the value estimated in this appraisal is based on the extra-ordinary assumption that there are no negative environmental conditions. It is also assumed that the condition of the building's structural, roof and mechanical equipment is generally in good and working order and commensurate with the general condition of the property. If it later is identified that an oil tank and/or items above are not deemed safe, and that any removal or remediation is required, than said costs should be deducted from the value estimated herein.

Based on the analysis completed, it is my opinion that the market value of the property's fee simple interest as of September 12, 2012 is:

FOUR HUNDRED TWENTY FIVE THOUSAND DOLLARS
\$425,000*

The above value is based on the extraordinary limiting conditions and assumptions included on the prior page along with standard limited conditions included in the addenda and also those highlighted on pages 4 and 5.

Sincerely,



JULIE C. OTT, MAI
Certified General Appraiser
State of Nevada, License No. A.0000748-CG
Expires 8/31/2014



**EXHIBIT 4
OFFER AND ACCEPTANCE AGREEMENT
RESIDENTIAL PROPERTY**



1 RECEIVED FROM BOARD OF REGENTS OF THE NEVADA SYSTEM OF HIGHER EDUCATION ON BEHALF OF THE UNIVERSITY OF NEVADA, RENO,
 2 hereinafter designated as BUYER, the amount set forth below as EARNEST MONEY DEPOSIT on account of the PURCHASE PRICE
 3 OF \$ 425,000.00 DOLLARS, for the real property
 4 situated in the City OR Unincorporated Area of Reno, County of Washoe,
 5 State of Nevada, described as 847 N Center Street,
 6 APN 007-183-05 (legal description to be supplied in escrow).
 7 BUYER does, does not intend to occupy the property as a residence.

8
 9 **EARNEST MONEY DEPOSIT** Evidenced by Check, or other \$ 5,000.00
 10 payable to Ticor Title, held uncashed until acceptance and then deposited
 11 within one (1) business day of acceptance with Rabecca Rich - Ticor Title
 12 Authorized escrow holder to be selected by BUYER SELLER.

13
 14 **DISPOSITION OF EARNEST MONEY DEPOSIT IN THE EVENT OF DEFAULT**
 15 In the event BUYER shall default in the performance of this Agreement, SELLER may, subject to any rights of a BROKER herein,
 16 retain such portion of the deposit to cover damages sustained, and/or take such actions as deemed appropriate by SELLER to collect such
 17 damages. BUYER shall have the right to take such action as deemed appropriate by BUYER to recover such portion of the deposit as may
 18 be allowed by law.

19
 20 **BALANCE OF CASH DOWN PAYMENT** (not including closing costs) \$ 420,000.00
 21 Source of down payment Cash

22
 23 **CASH PURCHASE** The BUYER to provide evidence, satisfactory to SELLER, of sufficient cash available to complete this purchase
 24 within _____ days of written acceptance.

FINANCING TERMS	
27	NEW FIRST LOAN PROCEEDS: <input type="checkbox"/> Conventional, <input type="checkbox"/> FHA, <input type="checkbox"/> VA, <input type="checkbox"/> Rural, <input type="checkbox"/> Private \$ _____ N/A
28	<input type="checkbox"/> Fixed Rate for _____ years. Interest not to exceed _____ %.
29	<input type="checkbox"/> Adjustable Rate for _____ years. Initial Interest not to exceed _____ % maximum lifetime rate not to exceed _____ %.
30	Payment shall include: <input type="checkbox"/> Interest only OR <input type="checkbox"/> Principal and Interest
31	
32	NEW SECOND LOAN PROCEEDS: <input type="checkbox"/> Conventional, <input type="checkbox"/> FHA, <input type="checkbox"/> VA, <input type="checkbox"/> Rural, <input type="checkbox"/> Private \$ _____ N/A
33	<input type="checkbox"/> Fixed Rate for _____ years. Interest not to exceed _____ %.
34	<input type="checkbox"/> Adjustable Rate for _____ years. Initial Interest not to exceed _____ % maximum lifetime rate not to exceed _____ %.
35	Payment shall include: <input type="checkbox"/> Interest only OR <input type="checkbox"/> Principal and Interest
36	
37	Taxes and Insurance shall be impounded monthly by lender or paid directly by BUYER.
38	
39	BUYER to lock loan terms within _____ days of acceptance or BUYER agrees to pay prevailing rates.
40	
41	BUYER to pay discount points not to exceed _____ %. SELLER to pay discount points not to exceed _____ %.
42	Any reduction in discount points at closing to be allocated proportionately.
43	Loan origination fee not to exceed _____ % paid by <input type="checkbox"/> BUYER, <input type="checkbox"/> SELLER.
44	SELLER agrees to pay up to \$ _____ in fees which cannot be paid by the BUYER pursuant to FHA or VA regulation.
45	All remaining loan fees shall be paid as required by law, ordinance and/or regulation.
46	PMI, MIP, VA funding fee, if any, to be <input type="checkbox"/> paid in cash, <input type="checkbox"/> financed, <input type="checkbox"/> paid monthly.
47	
48	OTHER (Specify in Additional Terms and Conditions or Financing Addendum): \$ _____ N/A
49	
50	TOTAL PURCHASE PRICE in the sum of (not including closing costs): \$ <u>425,000.00</u>

51
 52 **LOAN APPROVAL** Within five (5) days of acceptance, BUYER agrees to (1) submit a loan application, including all documentation,
 53 to a lender of BUYER's choice, (2) authorize ordering of the appraisal and (3) furnish a pre-approval letter to SELLER based upon a
 54 standard factual credit report and review of debt to income ratios.

55 This offer is conditioned upon BUYER's ability to deliver to SELLER a letter of loan approval which includes income verification and
 56 verification of available funds, subject only to acceptable appraisal and lender review of preliminary report from title company within
 57 _____ days of acceptance. By signing below, BUYER consents to the lender's release of loan status and conditions of approval to the
 58 SELLER and Brokers.

59 If loan approval is not obtained within said time frame, SELLER reserves the right to terminate this Agreement. Both parties agree to
 60 cancel the escrow and have earnest money deposit returned to BUYER less expenses incurred by BUYER.

61
 62 **CLOSING** Close of escrow to be As per Addendum 01. Unless otherwise agreed upon in writing, close of escrow
 63 date shall not change from the originally agreed upon closing date. Both parties shall deposit with the authorized escrow holder all funds
 64 and instruments necessary to complete the transaction in accordance with the terms herein.

Address 847 N Center Street Reno NV 89501
 Buyer [Signature] and Seller [Signature] have read this page.
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 ROA 1/7
 Virginia

1 **ADDITIONAL CONTRACT TERMS**

2 **DEFINITIONS** The BROKER includes cooperating Brokers and all Licensees. DAYS means calendar days unless otherwise specified.
3 **ACCEPTANCE** means the date on which this Agreement and any other counter offers are fully executed and delivered. **DELIVERED**
4 means personally delivered to principals or respective Licensees, transmitted by facsimile machine, Electronic PostMark™, or mailed by
5 certified mail. In the event of fax transmission, delivery shall be deemed to be complete at the time noted on the confirmation sheet
6 generated by the sender's fax. In the event of certified mailing, delivery shall be deemed to have been made on the third day following the
7 date of mailing, evidenced by the postmark on the envelope containing the delivered material. **RECEIPT** means personally accepted by
8 the designated recipient or the authorized representative, in the case of personal delivery; accepted by the designated recipient's fax
9 machine; verification of Electronic PostMark™ or three (3) days following the date of mailing, evidenced by the postmark on the
10 envelope containing the delivered material, in the case of a certified mailing, notwithstanding the date the recipient, or the authorized
11 representative, actually signs for the certified mailing.

12
13 **CONDITIONS SATISFIED OR WAIVED IN WRITING** Each condition, contingency, approval and disapproval shall be satisfied
14 according to its terms unless waived in writing by the beneficiating party within the time limits specified, or an extension in writing is
15 agreed to by the parties or, this Agreement shall terminate and all deposits be returned to BUYER less expenses incurred by BUYER to
16 the date of termination of this transaction. Each party shall diligently pursue the completion of this transaction.

17
18 **APPRAISAL BUYER Initial Required**

19 Included Waived
20 [] [/] Appraisal fee to be paid by BUYER SELLER. It is expressly agreed,
21 notwithstanding any other provisions of this contract, the BUYER shall not be obligated to complete the purchase of the property or to
22 incur any penalty by forfeiture of earnest money deposit if the appraised value of the property (excluding closing costs) is less than the
23 amount specified as the purchase price. The BUYER shall, however, have the option of proceeding with the consummation of the contract
24 without regard to the amount of the appraised valuation.

25
26 **SALE OF OTHER PROPERTY** BUYER must check one of the following:

- 27 A. This Agreement is not contingent upon conveyance of BUYER's property
28 OR
29 B. This Agreement is contingent upon conveyance of BUYER's property described as:

30 _____ which is
31 in escrow OR
32 currently listed in an MLS System by a REALTOR®, or will be listed within _____ days of Acceptance.
33 SELLER shall OR shall not have the right to continue to offer this property for sale and accept written offers subject to the
34 BUYER's rights under this Agreement.
35 Should SELLER accept such an offer, the Acceptance shall be made subject to BUYER's rights under this Agreement, and written
36 notice of the contingent acceptance of any such offer shall be immediately delivered to BUYER's Broker.
37 If BUYER fails to deliver a written waiver of this contingency within _____ hours of the delivery of SELLER's notice to
38 BUYER or Broker, this Agreement shall terminate, earnest money deposit shall be returned to BUYER, less expenses incurred by
39 BUYER and escrow shall be terminated.
40 If BUYER delivers a timely waiver of this contingency, BUYER's earnest money deposit shall be increased to \$ _____,
41 and BUYER shall pay the balance of that increased deposit within _____ hours of the delivery of the waiver.
42 Concurrent with the written waiver, BUYER must also deliver proof of adequate funds to close escrow and that the financing is
43 not conditioned upon the sale and/or closing of any property.
44 If BUYER fails to timely pay the increased deposit, the waiver and proof will be deemed ineffective and this Agreement shall
45 terminate, and all BUYER's deposits will be refunded, less any expenses incurred by the BUYER.
46 If "B" is checked above, BUYER shall provide information regarding the listing or escrow on BUYER's property and related
47 escrows, including, but not limited to, closing date, loan status, inspections and all additional contingencies, within _____ days
48 of acceptance. BUYER authorizes SELLER or SELLER's Broker to obtain updates on BUYER's listing or escrow. If the escrow
49 on BUYER's property does not close by _____, this Agreement will terminate unless the BUYER and SELLER otherwise
50 agree in writing.

51
52 Should BUYER waive this contingency, all inspections shall be completed within _____ days of the delivery of BUYER's
53 waiver of this contingency. If this contingency is waived, the close of original escrow date will hold unless otherwise agreed upon
54 in writing.

55
56 **SELLER'S REAL PROPERTY DISCLOSURE FORM** The SELLER will provide BUYER, at time of written acceptance, a
57 completed Seller's Real Property Disclosure Form which, by this reference, shall be incorporated into this Agreement. BUYER shall
58 return an acknowledged copy to SELLER within four (4) working days of receipt.

59 **DISCLAIMER:** BUYER understands that the above Seller's Real Property Disclosure Form is for disclosure purposes and is not a
60 substitute for property inspections by experts, including, but not limited to, engineers, geologists, architects, general contractors, specialty
61 contractors such as roofing contractors and pest control operators. BUYER is urged to retain such experts that are believed appropriate.
62 BUYER understands and acknowledges the Brokers in the transaction cannot warrant the condition of the property or guarantee all defects
63 have been disclosed by SELLER. Both parties acknowledge Brokers will not be investigating the status of permits, location of property
64 lines, and/or code compliance.

Address 847 N Center Street Reno NV 89501

Buyer  and Seller  have read this page.

1 VESTED TITLE Title shall vest as designated in Escrow Instructions.

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13 **CLOSING COSTS**

14 BUYER SELLER shall pay for a (Standard) owner's policy of title insurance.
15 BUYER SELLER shall pay for a (Standard) lender's policy of title insurance.
16 BUYER is aware additional coverage policies are available. All costs associated with additional coverage policies to be paid for by
17 BUYER, SELLER, other _____
18 Escrow Fee to be paid by BUYER, SELLER, split equally.
19 Transfer Tax(es) to be paid by BUYER, SELLER, other _____
20 All remaining closing costs shall be paid in customary manner as required by law, ordinance and/or regulation.
21

22 **BONDS AND ASSESSMENTS (Other than Common-Interest Communities)** In the event there is a bond or assessment which has
23 a principal balance or requires settlement in full prior to close of escrow, the bond or assessment shall be paid by SELLER, or
24 assumed by BUYER, other _____
25

26 **OMISSIONS FROM ESCROW INSTRUCTIONS** The omission from escrow instructions of any provision herein shall not
27 preclude any party from enforcing that provision. All representations and warranties shall survive the conveyance of the property.
28

29 **PRORATION** Any and all rents, taxes, interest, homeowner association fees, payments on bonds and assessments assumed by
30 BUYER, and other expenses of the property shall be prorated as of the date of recordation of the deed. Security deposits, advance rentals,
31 or considerations involving future lease credits shall be credited to BUYER at close of escrow.
32

33 **REASSESSMENT OF PROPERTY TAX** The BUYER is advised the property may be reassessed upon change of ownership which
34 may result in a tax increase or decrease.
35

36 **SYSTEMS AND MAINTENANCE** Until possession is delivered, SELLER shall maintain the property in its entirety, including, but
37 not limited to, all existing structures, landscaping, grounds, appliances and systems. SELLER agrees to deliver the property in a neat and
38 clean condition, and remove all debris and personal belongings removed. The following items are specifically excluded from the above:
39

40 No Exclusions

41 **HOME WARRANTY CONTRACT**

42 BUYER Initial Required
43 Included Waived
44 [_____/_____] [_____] A home warranty contract, shall be selected by BUYER, SELLER and paid for by
45 BUYER, SELLER, other _____. The home warranty contract shall become effective
46 at close of escrow for not less than one year, at a price NOT to exceed \$ _____. The Brokers herein have informed both parties
47 that such protection programs are available. Brokers do not approve or endorse any particular program.
48

49 **COMMON-INTEREST COMMUNITY DISCLOSURE**

50 The property is is not located in a Common-Interest Community.
51 If so, complete the following:
52 Association transfer fee to be paid by BUYER, SELLER, other _____. The amount of
53 any delinquent assessments including penalties, attorney's fees, and other charges provided for in the management documents shall be
54 paid current by the SELLER at close of escrow. SELLER must disclose knowledge of upcoming and pending assessments.
55 Existing Assessments levied shall be paid by BUYER, SELLER, other _____.
56 Assessments levied, but not yet due, shall be paid by BUYER, SELLER, other _____.
57 SELLER to provide BUYER common-interest community documents ("Resale Package") as required by NRS. BUYER to have five (5)
58 days from receipt of Resale Package for review. If the BUYER does not approve the Resale Package then written notice to cancel must be
59 given within that same 5 day period.
60

61 **AREA RECREATION PRIVILEGES AND RULES** If applicable, SELLER shall relinquish, on or before close of escrow,
62 recreation privileges, passes, identification cards or keys for access to common-interest community facilities and general improvements.
63 Upon close of escrow, SELLER agrees to pay replacement charges for identification cards or keys that are not relinquished. BUYER
64 shall become familiar with the current common-interest community facilities and general improvement policies regarding recreation
65 privileges and associated costs prior to close of escrow.
66

Address 847 N Center Street Reno NV 89501

Buyer  and Seller  have read this page.
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1 **ITEMS NOT ADDRESSED** Items of a general maintenance or cosmetic nature which do not materially affect value or use of the
2 subject property, which existed at the time of acceptance and which are not expressly addressed in this Agreement are deemed accepted
3 by the BUYER.

4
5 **INSPECTIONS AND FINAL WALK-THROUGH** Acceptance of this offer is subject to the following reserved right. BUYER may
6 have the property inspected and select the licensed contractors, certified building inspectors and/or other qualified professionals who will
7 inspect the property. The following is not an exhaustive list of possible inspections; **therefore, the BUYER shall initial those inspections**
8 **included and waived AND add under "OTHER" any additional inspections necessary to satisfy the BUYER.**

9 Within 90 days of the date of acceptance
10 OR according to the deadline inserted in the above "Sale of Other Property"

11 OR within _____ days of Lien Holder(s) Approval of Short Sale,
12 all inspections shall be completed and BUYER shall deliver to SELLER, at BUYER's sole expense, copies of all inspection reports and
13 written notice signed by BUYER providing for one of the following:

- 14 A. approval of the inspections without requiring any repairs; OR
- 15 B. approval of the inspections with an attached Notice of Required Repairs Form or an Addendum listing all required repairs to
16 which SELLER shall respond within 5 days of delivery; OR
- 17 C. termination of this Agreement including an explanation how the condition(s) revealed by any inspection report materially
18 and/or reasonably justify such a decision.

19 If any inspection is not completed and delivered to SELLER by the deadline set forth above, BUYER is deemed to have waived the right
20 to that inspection and SELLER is released from liability for the cost of repairs said inspection would have reasonably identified had it
21 been conducted, except as otherwise provided by law. If BUYER acts reasonably in terminating the Agreement based upon objectionable
22 conditions revealed by the inspection(s), BUYER is released from any and all obligations to SELLER and entitled to a refund of the
23 earnest money deposit, less expenses incurred by BUYER.

24
25 **BUYER Initial Required**

26	Included	Waived		
27	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PEST INSPECTION	Paid by: <input checked="" type="checkbox"/> BUYER, <input type="checkbox"/> SELLER
28	<input checked="" type="checkbox"/>	<input type="checkbox"/>	HOME INSPECTION	Paid by: <input checked="" type="checkbox"/> BUYER, <input type="checkbox"/> SELLER
29	<input checked="" type="checkbox"/>	<input type="checkbox"/>	HEATING SYSTEM INSPECTION	Paid by: <input checked="" type="checkbox"/> BUYER, <input type="checkbox"/> SELLER
30	<input checked="" type="checkbox"/>	<input type="checkbox"/>	COOLING SYSTEM INSPECTION	Paid by: <input checked="" type="checkbox"/> BUYER, <input type="checkbox"/> SELLER
31	<input checked="" type="checkbox"/>	<input type="checkbox"/>	OIL TANK TEST Type _____	Paid by: <input type="checkbox"/> BUYER, <input type="checkbox"/> SELLER
32	If oil tank needs to be filled to perform test, BUYER <input type="checkbox"/> will, <input type="checkbox"/> will not reimburse SELLER.			
33	<input type="checkbox"/>	<input type="checkbox"/>	WOODBURNING DEVICE INSPECTION	Paid by: <input type="checkbox"/> BUYER, <input type="checkbox"/> SELLER
34	In the event device does not meet all applicable codes and/or laws, the cost of its removal shall be the responsibility of the SELLER.			
35	Stovepipe to be capped off at ceiling or fireplace to be restored to working order at SELLER's expense.			
36	<input type="checkbox"/>	<input type="checkbox"/>	FIREPLACE INSPECTION	Paid by: <input type="checkbox"/> BUYER, <input type="checkbox"/> SELLER
37	<input type="checkbox"/>	<input type="checkbox"/>	SURVEY Type _____	Paid by: <input type="checkbox"/> BUYER, <input type="checkbox"/> SELLER
38	<input type="checkbox"/>	<input type="checkbox"/>	WELL QUANTITY	Paid by: <input type="checkbox"/> BUYER, <input type="checkbox"/> SELLER
39	<input type="checkbox"/>	<input type="checkbox"/>	WELL QUALITY	Paid by: <input type="checkbox"/> BUYER, <input type="checkbox"/> SELLER
40	<input type="checkbox"/>	<input type="checkbox"/>	SEPTIC PUMPING	Paid by: <input type="checkbox"/> BUYER, <input type="checkbox"/> SELLER
41	<input type="checkbox"/>	<input type="checkbox"/>	SEPTIC INSPECTION	Paid by: <input type="checkbox"/> BUYER, <input type="checkbox"/> SELLER
42	<input type="checkbox"/>	<input type="checkbox"/>	OTHER Phase 1 & 2 Environmental	Paid by: <input checked="" type="checkbox"/> BUYER, <input type="checkbox"/> SELLER
43	<input type="checkbox"/>	<input type="checkbox"/>	RE-INSPECTIONS	Paid by: <input type="checkbox"/> BUYER, <input type="checkbox"/> SELLER


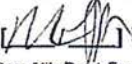
44
45
46
47
48 SELLER agrees to provide reasonable access to the property to BUYER, as well as inspectors representing BUYER, for both inspections
49 and re-inspections as provided in this Agreement and to representatives of lending institutions for appraisal purposes. SELLER agrees to
50 have all utilities in service the day of inspection and until close of escrow. BUYER shall have the right to a final walk-through inspection
51 no later than 7 days prior to close of escrow to ensure compliance with the terms of this Agreement.

52
53 **LIMITATION OF REPAIR COSTS** The SELLER agrees to pay for and complete repairs in an amount NOT to exceed the total sum
54 of \$ 0 for all repair conditions indicated on Page 2, lines 18-24 (Appraisal Report); Page 3, lines 37-40 (System and
55 Maintenance); Page 4, lines 5-49 (Inspection and Final Walk Through); and/or any defect identified in the Seller's Real Property
56 Disclosure Form or discovered by SELLER but not disclosed in the Seller's Real Property Disclosure Form or which has been
57 discovered to be materially worse than was indicated.

58 In the event BUYER's required repairs are not completed by close of escrow, BUYER shall execute an Addendum directing how the
59 SELLER's funds for the remaining repairs shall be disburse on behalf of the BUYER. The Brokers herein have no responsibility to assist
60 in the payment of any repair, correction or deferred maintenance on the subject property which may have been revealed by the above
61 inspections, agreed upon by the BUYER and SELLER or requested by one party.

62
63 **DESTRUCTION OF IMPROVEMENTS** If the improvements of the property are destroyed, materially damaged, or found to be
64 materially defective prior to close of escrow, BUYER may terminate the Agreement by written notice delivered to SELLER's Broker,
65 and earnest money deposit shall be returned to BUYER. In the event BUYER does not elect to terminate the Agreement, BUYER shall be
66 entitled to receive, in addition to the property, any insurance proceeds payable on account of the damage, destruction and/or defect.

Address 847 N Center Street Reno NV 89501

Buyer  and Seller  have read this page.

1 OIL AND PROPANE If applicable, any oil or propane existing at time of written acceptance, allowing for normal use up to close of
2 escrow, will be purchased by BUYER included in the purchase price. If fuel is purchased by BUYER, SELLER to contact fuel
3 company to measure existing fuel no later than five (5) days prior to close of escrow. Fuel credit amount to be submitted to title company
4 for credit to SELLER for remaining fuel.

5
6 PHYSICAL POSSESSION Physical possession of the property, with keys to all property locks, community mailbox keys, alarms,
7 and garage door opener(s), if applicable, shall be delivered to BUYER upon recordation of the deed or by separate Agreement.

8
9 VERIFICATION OF INFORMATION Any information relating to square footage, land or its use, and/or improvements of
10 the land are approximate or estimates only, and neither the SELLER nor the Brokers involved make any representation or guarantee
11 regarding the accuracy. Any oral or written representations by SELLER or Brokers regarding age of improvements, size, and square
12 footage of parcel or building, or location of property lines, may not be accurate. Apparent boundary line indicators such as fences,
13 hedges, walls, or other barriers may not represent the true boundary lines. Brokers are not obligated to investigate the status of permits,
14 zoning, or code compliance. BUYER to satisfy any concerns with conditions that are an important or critical element of the purchase
15 decision. BUYER has not received or relied upon any representations by either Brokers or SELLER with respect to the condition of the
16 property which are not contained in this Agreement or in any attachments. The information contained in the Multiple Listing Service,
17 computer or advertisements, and feature sheets pertaining to this property are not warranted or guaranteed by the Brokers. Errors and/or
18 omissions in inputting information, while uncommon, are possible. BUYER shall be responsible for verifying the accuracy of pertinent
19 information. Deposit of all funds necessary to close escrow shall be deemed as final acceptance of the property. SELLER agrees to hold
20 all Brokers in the transaction harmless and to defend and indemnify them from any claim, demand, action or proceedings resulting from
21 any omission or alleged omission by SELLER's statements.

22
23 FIXTURES All items permanently attached to the property as of this date, including, but not limited to, light fixtures, attached
24 floor coverings, draperies, blinds and shades including window hardware, door and window screen(s), storm sash, combination doors,
25 awnings, TV antenna(s), satellite dish, burglar, fire and smoke alarms, built-in pools and spas and related equipment, solar system(s),
26 conforming woodstoves, attached fireplace screen(s), electric garage door opener(s) with control(s), outdoor plants and trees, (other than
27 in movable containers), are included in the purchase price, free of liens, EXCLUDING No Exclusions

28
29
30
31 PERSONAL PROPERTY The following personal property, on the premises when inspected by BUYER, is included in the purchase
32 price and shall be transferred to BUYER free of liens at close of escrow with no warranty implied as to the condition of any personal
33 property after close of escrow: Kitchen Appliances including Refrigerator.

34
35
36 WATER RIGHTS Water rights, if any, to be included with the property unless specifically excluded by deed or mutual agreement.

37
38 WATER METERS The BUYER may be required, at some future date, to incur the costs of installation of water meters and/or
39 conversion to metered rates.

40
41 WELLS Many factors may affect the performance of a well system. If the property includes a well, BUYER may be required, at some
42 future date, to incur the costs of connecting the residence to a public water system. See Authorization for Release of Water Quality and
43 Water Quantity Testing Results and Information Regarding Private Well and Septic System.

44
45 ADDITIONAL FEES Some areas may include/impose additional fees or charges for the remediation of water systems.

46
47 SEPTIC SYSTEMS If the property includes a septic system, BUYER may be required, at some future date, to incur the costs of
48 connecting the residence's plumbing to a public sewer system. See Information Regarding Private Well and Septic System.

49
50 At close of escrow, BUYER assumes all future costs associated with water meters, wells and septic systems.



51
52 PRIVATE ROADS If the property shares a common road or access driveway or right of way with other property, the SELLER shall
53 disclose the existence of any road maintenance agreement.

54
55 LAND USE REGULATION The BUYER is advised the property may be subject to the authority of the federal government, state,
56 county, Tahoe Regional Planning Agency, city and/or the various courts having jurisdiction. These governmental entities, from time to
57 time, have adopted and revised land use and environmental regulations that may apply to the property, and which, among other things,
58 may restrict new construction, expansion, remodeling and rebuilding of buildings and other improvements. Due to the uncertain effect of
59 land use and environmental regulations that may apply to the property and may affect BUYER's intended use of the property, the Broker
60 makes no representations or warranties regarding the existing permissible uses or future revisions to the land use regulations.

61
62 ENVIRONMENTAL CONDITIONS The BUYER is advised the property may be located in an area found to have special flood
63 hazards as indicated by FEMA, avalanche conditions, freezing temperatures, snow loads, seismic activity and/or wildland fires. It may be
64 necessary to purchase additional insurance in order to obtain a loan secured by the property from any federally regulated financial
65 institution or a loan insured or guaranteed by an agency of the U.S. Government. For further information, consult your lender,
66 insurance carrier or other appropriate agency.

Address 847 N Center Street Reno NV 89501

Page 5 of 7

Buyer  and Seller  have read this page.

RSAR© 09/30/11
ROA 5/7

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Virginia

1 **TAX WITHHOLDING (FIRPTA)** Unless the property is acquired for use as a primary residence and is sold for no more than
2 \$300,000, SELLER agrees to provide BUYER with (a) NON-FOREIGN SELLER AFFIDAVIT (PPC Form 101-V), or (b)
3 WITHHOLDING CERTIFICATE FORM from the Internal Revenue Service stating that withholding is not required. In the event none of
4 the foregoing is applicable, BUYER must withhold 10% of the Gross Sales Price under the FOREIGN INVESTMENT AND REAL
5 PROPERTY TAX ACT (IRC Section 1445).

6
7 **TAX DEFERRED EXCHANGE** In the event BUYER or SELLER wishes to enter into an IRC tax deferred exchange for the real
8 property described herein, each of the parties agrees to cooperate with the other party in connection with such exchange, including the
9 execution of documents as may be reasonably necessary to effectuate the same. Provided that the other party shall not be obligated to
10 delay the closing, all additional costs in connection with the exchange shall be borne by the party requesting the exchange, and the other
11 party shall not be obligated to execute any note, contract, deed, or other document providing for any personal liability which would
12 survive the exchange. The other party shall be indemnified and held harmless against any liability arising or is claimed to have arisen on
13 account of the acquisition of ownership of the exchange property.

14
15 **ADDITIONAL TERMS AND CONDITIONS:**

16 This agreement is contingent upon the approval of the terms of the purchase by the Board of
17 Regents of the Nevada System of Higher Education. If the Board of Regents, in its sole and
18 absolute discretion, does not approve the terms of the proposed agreement, the offer made
19 herein shall be deemed null and void without the necessity of further documentation and
20 shall be deemed to be of no binding effect whatsoever.

21
22 **THE FOLLOWING HAVE BEEN RECEIVED AND ACKNOWLEDGED BY BUYER:**

- 23 Common Interest-Community Information Statement "Before You Purchase Property in a Common-Interest
24 Community Did You Know..."
- 25 Duties Owed by a Nevada Real Estate Licensee
- 26 Environmental Contact List
- 27 Information Regarding Private Well and Septic System
- 28 Residential Disclosure Guide
- 29 The New Reality of Property Insurance

30
31 **THE FOLLOWING ADDENDA AND EXHIBITS ARE ATTACHED AND INCORPORATED**

- 32 Authorization of Release of Water Quality and Water Quantity Testing Results
- 33 Consent to Act
- 34 Financing Addendum
- 35 Lead Based Paint Addendum (if property built prior to 1978)
- 36 Range Land Disclosure
- 37 Used Manufactured/Mobile Home Disclosure
- 38 Seller's Energy Consumption Evaluation or Waiver
- 39 Other Addendum 01

40
41
42 **ELECTRONIC TRANSMISSION** The electronic transmission of a signed copy hereof or any counter offer/amendment to the other
43 party or the Broker shall constitute delivery of said signed document. Signatures appearing on electronically transmitted documents
44 shall be accepted as originals.

45
46 **TIME IS OF THE ESSENCE** Time is of the essence of this Agreement.

47
48 **NEVADA LAW TO APPLY** Nevada law shall apply to the interpretation and enforcement of this Agreement.



49
50 **MEDIATION** For information purposes only. If a dispute arises out of or relates to this Agreement, or its breach, the parties are
51 aware that the local Association of REALTORS® has a Dispute Resolution Service (DRS) available. A DRS brochure is available upon
52 request.

53
54 **ATTORNEY FEES** In the event either party is required to engage the services of an attorney to enforce this Agreement, the
55 prevailing party in any proceeding shall be entitled to an award of reasonable attorney's fees, legal expenses and costs.

56
57 **CODE OF ETHICS** Not all real estate licensees are REALTOR(S)®. A REALTOR® is a member of the National Association of
58 REALTORS® and therefore subscribes to a higher ethical standard in the industry, known as the REALTOR® Code of Ethics. To receive
59 a copy of the REALTOR® Code of Ethics, ask your real estate professional OR, the local Association of REALTORS®.

60
61 **PROFESSIONAL CONSULTATION ADVISORY** A real estate Broker is qualified to advise on real estate. The parties are advised
62 to consult with appropriate professionals, including, but not limited to, engineers, surveyors, appraisers, lawyers, CPAs, or other
63 professionals, on specific topics, including, but not limited to, land use regulation, boundaries and setbacks, square footage, physical
64 condition, legal, tax, water rights and other consequences of the transaction.

Address 847 N Center Street Reno NV 89501

Buyer  and Seller  have read this page.

1 **BROKERAGE FEE** The SELLER agrees to pay in cash the following real estate commission for services rendered, which SELLER
2 hereby irrevocably assigns from escrow: _____ % of the accepted price, or \$ _____, shall be paid to the BUYER's Broker:
3 _____ N/A _____, irrespective of the agency relationship. Listing Broker's commission shall be per
4 separate Listing Agreement. Escrow instructions with respect to commissions may not be amended or revoked without the written consent
5 of the Brokers herein.

7 **EXPIRATION OF OFFER** This offer shall expire unless acceptance, including delivery thereof, to BUYER or to
8 TROY MILLER on/or before 5:00 A.M. P.M. on AUGUST 27, 2012.

10 **ENTIRE AGREEMENT** This document and the documents incorporated and attached contain the entire Agreement of the parties and
11 supersede all prior Agreements or representations with respect to the property which are not expressly set forth herein. This Agreement
12 may be modified only in writing, signed and dated by both parties. Both parties acknowledge that they have not relied on any statements
13 of any real estate Brokers which are not herein expressed.

15 BUYER acknowledges having read and approved each of the provisions of this Agreement and agrees to purchase the described property
16 for the price and on the terms and conditions specified.

18
19 DATED 8-22-12 TIME 11:00 AM Representation: The BUYER's Licensee is:
20 [Signature] BUYER's Licensee _____
21 BUYER _____ BUYER Broker Name _____
22 _____ Print Name
23 BUYER _____ BUYER Company Name _____
24 _____ N/A
25 BUYER _____ BUYER Licensee Signature _____
26 _____ (Licensees acknowledgement of receipt of deposit)
27 BUYER _____ Office Address _____
28 _____
29 _____
30 _____
31 _____
32 _____
33 _____ Phone _____ Fax _____
34 _____
35 _____ Email _____
36 _____
37 _____

38 SELLER acknowledges having read and approved each of the provisions of this Agreement. Authorization is hereby given the Brokers
39 in this Agreement to deliver a signed copy to BUYER and to disclose the terms of sale to members of a Multiple Listing Service or
40 Association of REALTORS® at close of escrow.

42 **SELLER'S ACCEPTANCE, COUNTER OFFER OR REJECTION OF AGREEMENT**

43 SELLER to check one of the following options and date, time and sign this Agreement.
44
45 **Acceptance of Offer** The undersigned SELLER accepts this offer to purchase, agrees and has the authority to sell the above
46 described property on the terms and conditions as stated herein.

47 **Counter Offer** The SELLER signs this offer subject to a Counter Offer dated _____.

50 **Rejection** By the signature below, SELLER rejects the foregoing offer.

52 DATED 8-23-12 TIME 9:00 am Representation: The SELLER's Licensee is:
53 [Signature] SELLER's Licensee PETE STEFANI
54 SELLER _____ Broker Name PETE STEFANI
55 _____ Print Name
56 SELLER [Signature] Company Name STEFANI & ASSOC
57 _____
58 SELLER _____ Office Address 5458 LANGLEY LN
59 _____ RENO NV 89511
60 SELLER _____ Phone 775-827-9999 Fax 775-827-9997
61 _____
62 _____ Email PSTEFANI@XUBELL.NET
63 _____
64 _____
65 _____
66 _____

Address 847 N Center Street Reno NV 89501



ADDENDUM # 01



1 This addendum to The Offer and Acceptance, dated _____,
 2 on the property located at 847 N Center Street, Reno, NV 89501
 3 between NSHE and Sellers,
 4 is being attached this date _____.
 5 The Offer and Acceptance is to be considered Accepted by the Seller with the approval and
 6 attachment of this addendum.

7
 8 1. Purchase contingent upon the Board of Regents approval in the last meeting of 2012, or
 9 first available meeting of 2013. Close of escrow to occur on, or before, 15 days from
 10 Board of Regents purchase approval.

11
 12 2. This agreement is contingent upon the approval of the terms of the purchase by the
 13 Board of Regents of the Nevada System of Higher Education. If the Board of Regents, in
 14 its sole and absolute discretion, does not approve the terms of the proposed agreement,
 15 the offer made herein shall be deemed null and void without the necessity of further
 16 documentation and shall be deemed to be of no binding effect whatsoever.

17
 18 3. Seller to grant permission to Buyer to test for and, if applicable, remediate soil
 19 contamination on the property. [The Inspection period referred to on lines 5 through 9 on
 20 Page 4 of this Offer and Acceptance Agreement shall be deemed to expire 30 days after
 21 Board approval as relates to testing for soil contamination] If Buyer identifies the
 22 presence of soil contamination on the Property, and if Buyer elects to remediate the
 23 contamination, Seller to provide a credit to Buyer at close of escrow for expenses
 24 involved in this potential remediation with a maximum of \$10,000. Buyer may defer close
 25 of escrow for up to 60 days as reasonably required to complete such remediation and obtain
 26 a No Further Action letter from NDEP ("NFA Letter"). If Buyer identifies the presence of
 27 soil contamination on the Property and elects to remediate the contamination but
 28 thereafter reasonably determines that the cost thereof is greater than \$10,000 or an NFA
 29 Letter cannot be obtained within the period set forth in the preceding sentence, Buyer may
 30 elect to terminate this Agreement.

31
 32 4. At any time during the testing, and soil inspection and remediation, Buyer may elect
 33 to terminate the escrow. Seller will not be responsible for any payments due as a result
 34 of the testing in the event that the Buyer terminates the escrow.

35
 36
 37
 38 DATED: 8-22-12 TIME: 11:00 AM DATED: 8-23-12 TIME: 9:00 AM
 39 Buyer: [Signature] Seller: [Signature]
 40 Buyer: _____ Seller: [Signature]
 41 Buyer: _____ Seller: _____
 42 Buyer: _____ Seller: _____
 43 Buyer: _____ Seller: _____
 44 Buyer: _____ Seller: _____
 45 Buyer: _____ Seller: _____
 46 Buyer: _____ Seller: _____
 47

48 This agreement is not valid unless signed by all parties.



McGinley & Associates

Reno Office

815 Maestro Drive
Reno, Nevada 89511
Ph: 775.829.2245
Fax: 775.829.2213

Las Vegas Office

6280 South Valley View Boulevard
Suite 604
Las Vegas, Nevada 89118
Ph: 702.260.4961
Fax: 702.260.4968

www.mcgjin.com

- Site Remediation
- Soil & Groundwater Investigations
- Closure Optimization
- Brownfields Redevelopment
- Phase I Assessments
- Permitting and Compliance
- SPCC and SWPP Plans
- Groundwater Modeling
- UST Services
- GIS and GPS Project Interfacing
- Litigation Support/Expert Witness
- TRI

PHASE I ENVIRONMENTAL SITE ASSESSMENT

**847 North Center Street
Reno
Washoe County
Nevada**

Prepared for:

*UNR Real Estate Office
Business Center North
895 North Center Street
Reno, Nevada 89501*

October 4, 2012

EXECUTIVE SUMMARY

This report presents the findings of a Phase I Environmental Site Assessment (ESA) performed on a single parcel, located at 847 North Center Street, Reno, Nevada. McGinley and Associates, Inc. (MGA) conducted this investigation for the purpose of identifying recognized environmental conditions (RECs) on the property and/or nearby properties in accordance with the 2005 American Society of Testing and Materials (ASTM) standards for the performance of Phase I Environmental Site Assessments (ASTM E 1527-05), as well as the standards established by the U.S. Environmental Protection Agency (EPA) in 2006 for conducting All Appropriate Inquiries (AAI).

This parcel is listed with Washoe County, Nevada as Assessor's Parcel Number (APN) 007-183-05. The subject property comprises an area approximately 7,000 square feet and presently consists of one building and its associated utilities. The building is a one and one-half story residential structure (821 N. Center) that is currently being utilized as a preschool and child care facility (University Preschool and Childcare). Surrounding the building are typical landscaped areas and the parcel is approximately level in grade. Access to the site is gained via North Center Street to the east. Utilities supplied to the subject property consist of power (NV Energy), gas (NV Energy), water (Truckee Meadows Water Authority), and sewer (City of Reno). The subject property is bordered by the following: to the north are residential property and the UNR Real Estate Office; to the south is residential property; to the east is North Center Street with a parking lot beyond; and to the west is an alley with a multi-unit residential property beyond.

The subject property is located within the Truckee Meadows region of northern Nevada at an elevation of approximately 4,520 feet above mean sea level. The climate of the region is described as Mid-Latitude Steppe, which is characterized by cold winters, hot summers, and semi-arid precipitation conditions. Average minimum and maximum annual temperatures for Reno, Nevada during the period from 1937 to 2012 were 34.5 and 67.2 degrees Fahrenheit, respectively, while total annual precipitation averaged 7.25 inches. The geology of the subject property has been mapped as Quaternary-age Tahoe Outwash. The deposits are described as a boulder to cobble gravel, sandy gravel, and gravelly sand. Giant boulders are not uncommon. Surface soils at the subject site have been mapped as Orr gravelly sandy loam with slopes ranging from zero to two percent. The soil unit is described as well drained with moderately high permeability, and moderate available water capacity. There are no surface water bodies such as streams, ponds, or wetlands located on the subject property. The nearest major surface water body to the subject property is the Truckee River, which is located approximately one mile to the south. Groundwater conditions on the subject property have not been positively ascertained. However, MGA estimates depth to groundwater in the vicinity of the subject property is approximately 40 to 60 feet below ground surface (fbgs) and that groundwater flow direction is towards the south-southeast. In addition, no wells were observed on the property and a search of the State of Nevada Division of Water Resources (NDWR) database did not indicate any wells on the property.

A regulatory review was performed to search for regulated sites located within a one-mile radius of the subject property. The subject property was not identified in the search as a regulatory site. In addition, the review of regulatory agency records identified 132 mapped sites within a one-mile radius of the subject property: one RCRA Conditionally Exempt Small Quantity Generator (CESQG) sites, 110 SHWS sites, eight Underground Storage Tank (UST) sites, three Brownfields site, three US Brownfields sites, three solid waste recycling (SWRCY) sites, two RCRA-Non Generator (NonGen) sites, and two manufactured gas plant sites. Each of the sites identified by EDR appear to be located far from the subject property, are at locations that are considered likely to be hydrologically downgradient from, or cross gradient to, the subject property, have had no reported releases, have had no reported violations of hazardous waste regulations, and/or have received regulatory closure. For these reasons, these sites are considered unlikely to cause, or to have caused in the past, environmental impact to the subject property.

Identification and sampling for the presence of asbestos, mold, and radon gas were beyond the Scope of Work for this Phase I ESA. Should the user of this Phase I ESA wish to gain confidence with respect to

the presence (or absence) of these substances within the on-site structure, MGA recommends that a qualified inspector be contacted for that purpose.

We have performed a Phase I Environmental Site Assessment in conformance with the scope and limitations of ASTM Practice E 1527 of 847 North Center Street, Reno, Nevada, the property. Any exceptions to, or deletions from, this practice are described in Section 9 of this report. This assessment has revealed no evidence of recognized environmental conditions in connection with the property and no further assessments are warranted at this time. However, if additional information becomes available that indicates the former heating oil tank is located below ground on the subject property, further assessment may be warranted at that time.

EICS Environmental Inspection & Control Services

Sep 18, 2012

CLIENT

University of Nevada Properties
895 N. Center St.
Reno, NV
Ms. Amanda Leiner

PROJECT LOCATION

847 N. Center St.
Reno, NV

PURPOSE OF INSPECTION

Pre-purchase inspection

REFERENCE

International Asbestos Testing Laboratories report #285558
Exhibit A

Background

EICS was engaged by the client's representative to inspect the above noted location for the presence of asbestos containing materials (acm). The site consists of a frame 2 story building with a partial unfinished basement. The building was approximately eighty years of age. The current use of the building is a child care facility. The inspection was performed on Sep 13, 2012 by Lawrence G. Thir, owner and senior hygienist of EICS. The building was occupied at the time of inspection. The current owner discussed with that she had the interior of the building extensively remodeled within the past 10 years.

Inspection

I visually inspected the building for suspect asbestos containing materials (acm). I then wetted and using a clean sharp instrument, extracted nine bulk samples of suspect acm. Each sample was placed in an individual sealed and labeled container and logged on a chain of custody. The samples were packaged and sent via FED EX to International Asbestos Testing Laboratories in Mt. Laurel, NJ for analysis by polarized light microscopy (PLM) using EPA method 600/R-93/116. Upon discovery of an additional homogeneous material, the lab microscopist split one of the samples in accordance with IAHA protocol.

Laboratory results

Sample no.	Location	Material	Asb. Content
1.	First floor hall	Wall surface texture	None detected
1A.	First floor hall	Yellow joint compound	1.1% Chrysotile
2.	1 ST floor enclosed restroom	Wall surface texture	None detected
3.	Moon room E. wall	Wall surface texture	None detected
4.	Breakfast room	Wall surface texture	None detected
5.	Big Sky room	Wall surface texture	None detected
6.	Teacher resource room	Wall surface texture	None detected
7.	Basement, exter.wall	White insulation	None detected
8.	Basement, HVAC ducts	Grey insul. & tape	70% Chrysotile
9.	Exterior walls	Transite sid. Shingles	10% Chrysotile

Discussion

The USEPA and NV DEISH recognize any building material with asbestos content greater than 1% as "asbestos containing material". The following materials are to be considered as acm.

- Wallboard joint compound in the first floor hallway and stairwell. The current owner stated that all the other wallboard in the building was new, and presumably non-acm.
- All of the furnace duct tape and plenum insulation.
- The exterior "Transite" shingles.

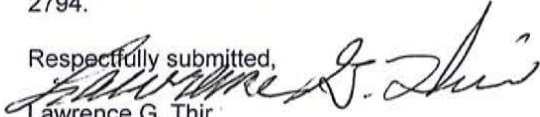
These materials were noted to be in generally good condition, and should not be considered as hazardous unless disturbance is planned. Disturbance of said materials should be only by a State licensed asbestos abatement contractor.

Limitation

This report is applicable only to the areas of the building, herein discussed. Destructive/invasive investigation was not performed. The roof appeared to be newer and was not sampled. Some areas of the crawl space were not accessible for inspection. Subterranean inspection was not performed. Information provided by the current owner is assumed reliable and accurate.

Thank you for the opportunity to be of service. If you have any questions, please call me at (775)786-2800 or 742-2794.

Respectfully submitted,



Lawrence G. Thir
EICS IJPM0080

EXHIBIT 7

PRELIMINARY REPORT

PROPOSED BUYER: Board of Regents of the Nevada System of Higher Education on behalf of the University of Nevada Reno

PROPOSED LENDER:

PROPERTY ADDRESS: 847 North Center Street
Reno, Nevada

Escrow Office:
Ticor Title of Nevada, Inc.
5441 Kietzke Lane, Suite 100
Reno, Nevada 89511
Phone: (775) 824-3232 Fax: (775) 824-3233

Title Office:
Ticor Title of Nevada, Inc.
5441 Kietzke Lane, Suite 100
Reno, Nevada 89511
Phone: (775) 324-7400 Fax: (775) 324-7402

Escrow Officer: Commercial Division

Order No.: 01204302-CD

**The information contained in this report is through the date of
August 21, 2012 at 7:30 a.m.**

In response to the application for a policy of title insurance referenced herein, Chicago Title Insurance Company hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a policy or policies of title insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an exception herein or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations or Conditions of said policy forms.

The printed Exceptions and Exclusions from the coverage and Limitations on Covered Risks of said policy or policies are set forth in Attachment One. The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than that 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. Limitations on Covered Risks applicable to the CLTA and ALTA Homeowner's Policies of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limit of Liability for certain coverages are also set forth in Attachment One. Copies of the policy forms should be read. They are available from the office which issued this report.

This report (and any supplements or amendments hereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a Binder or Commitment should be requested.

The policy(s) of title insurance to be issued hereunder will be policy(s) of Chicago Title Insurance Company.

Please read the exceptions shown or referred to herein and the exceptions and exclusions set forth in Attachment One of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered.

It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects and encumbrances affecting title to the land.

This report (and any supplements or amendments thereof) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby.

Countersigned



Shelly Saltz, Title Officer

SCHEDULE A

The estate or interest in the land hereinafter described or referred to covered by this report is:

FEE

Title to said estate or interest at the date hereof is vested in:

PRE-SCHOOL OF RENO, LLC, a Nevada limited liability company

The land referred to in this Report is situate in the State of Nevada, County of Washoe and described as follows:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF.

SCHEDULE B

At the date hereof Exceptions to coverage in addition to the printed exceptions and exclusions in said policy form would be as follows:

1. (a) Taxes or assessments that 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; (b) proceedings by a public agency that 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.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (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.
6. Any lien or right to lien for services, labor or material not shown in the Public Records.
7. Delinquent General and special State, County and/or City property taxes, including any personal property taxes and any assessments collected with taxes, are delinquent as follows:
Assessor's Parcel No.: 007-183-05
Fiscal Year: 2011-2012
Total Tax: \$810.97, plus penalties and costs, if any
8. General and special State, County and/or City property taxes, including any personal property taxes and any assessments collected with taxes, payable in four (4) quarterly installments (due on or before 3rd Monday in August and 1st Monday in October, January and March, respectively) are as follows:
Assessor's Parcel No.: 007-183-05
Fiscal Year: 2012-2013
Total Taxes: \$1,601.58
1st Installment: \$403.63 OPEN
2nd Installment: \$399.32 OPEN
3rd Installment: \$399.32 OPEN
4th Installment: \$399.31 OPEN
9. The lien of supplemental taxes, if any, assessed pursuant to the provisions of Nevada Revised Statutes.
10. Any unpaid sewer service charges plus interest and penalties, which would create a lien and attach to said Land, pursuant to Reno Municipal Code. Specific amounts may be obtained by calling (775) 334-2095.
11. Any unpaid charges for Waste Management, plus any interest and/or penalties, which would create a lien and attach to said Land, pursuant to Nevada Revised Statutes.

12. Rights of way for any existing roads and alleys, trails, canals, ditches, flumes, conduits, pipes, poles or transmission lines on, under, over, through or across the Land.
13. An unrecorded lease with certain terms, covenants, conditions and provisions set forth therein as disclosed by the document
 Entitled: Memorandum of Lease
 Lessor: Richard Casalta and Lorraine J. Casalta and Pre-School Reno, LLC, a Nevada limited liability company
 Lessee: Children City, Inc., or its assignee
 Recording Date: November 14, 2001
 Recording No: 2616683, Official Records
14. The Land lies with the boundaries of the City of Reno "Downtown Redevelopment Project Area No. 2" pursuant to Ordinance No. 5726, as set forth below:
 Recording Date: September 23, 2005
 Recording No.: Document No. 3281548, Official Records
 Re-Recording Date: November 18, 2005
 Re-Recording No.: Document No. 3309643, Official Records

An amendment to Redevelopment Area No. 2 by Ordinance No. 5842, recorded June 28, 2006, as Document No. 3407019, Official Records.

15. A deed of trust to secure an indebtedness in the amount shown below,
 Amount: \$357,000.00
 Dated: August 1, 2006
 Trustor/Grantor: Pre-School of Reno, LLC, a Nevada limited liability company
 Trustee: Western Title Company
 Beneficiary: Lehman Brothers Bank, FSB
 Recording Date: August 4, 2006
 Recording No: 3422638, Official Records

16. Rights and claims of parties in possession by reason of unrecorded leases, if any, that would be disclosed by an inquiry of the parties or by an inspection of said Land.

Note : The charge for a policy of title insurance, when issued through this title order, will be based on the Basic Title Insurance Rate.

Note : There are NO conveyances affecting said Land recorded within 24 months of the date of this report.

Note : The following information is provided strictly as an accommodation. According to the Assessor, the address of the Land is as follows:

Type of Dwelling: commercial building
 Address: 847 North Center Street, Reno, Nevada

THE FOLLOWING REQUIREMENTS MUST BE MET PRIOR TO CLOSE OF ESCROW:

1. The Company will require the following documents for review prior to the issuance of any title assurance predicated upon a conveyance or encumbrance from the entity named below:

Limited Liability Company: Pre-School of Reno, LLC, a Nevada limited liability company

- a) A copy of its operating agreement, if any, and any and all amendments, supplements and/or modifications thereto, certified by the appropriate manager or member
- b) If a domestic Limited Liability Company, a copy of its Articles of Organization and all amendments thereto with the appropriate filing stamps
- c) If the Limited Liability Company is member-managed, a full and complete current list of members certified by the appropriate manager or member
- d) If the Limited Liability Company was formed in a foreign jurisdiction, evidence, satisfactory to the Company, that it was validly formed, is in good standing and authorized to do business in the state of origin
- e) If less than all members, or managers, as appropriate, will be executing the closing documents, furnish evidence of the authority of those signing.

The Company reserves the right to add additional items or make further requirements after review of the requested documentation.

2. In order to complete this transaction the Company requires the following:

Satisfactory evidence showing the due formation and continued existence of Board of Regents of the Nevada System of Higher Education on behalf of the University of Nevada Reno as a legal entity under the laws of the State of Nevada.

A copy of the resolution authorizing the purchase, sale or encumbrance of real property and designating appropriate officers to execute same

The Company reserves the right to make additional requirements or add additional items or exceptions after review of the requested documentation.

Order No.: 01204302-CD

EXHIBIT A

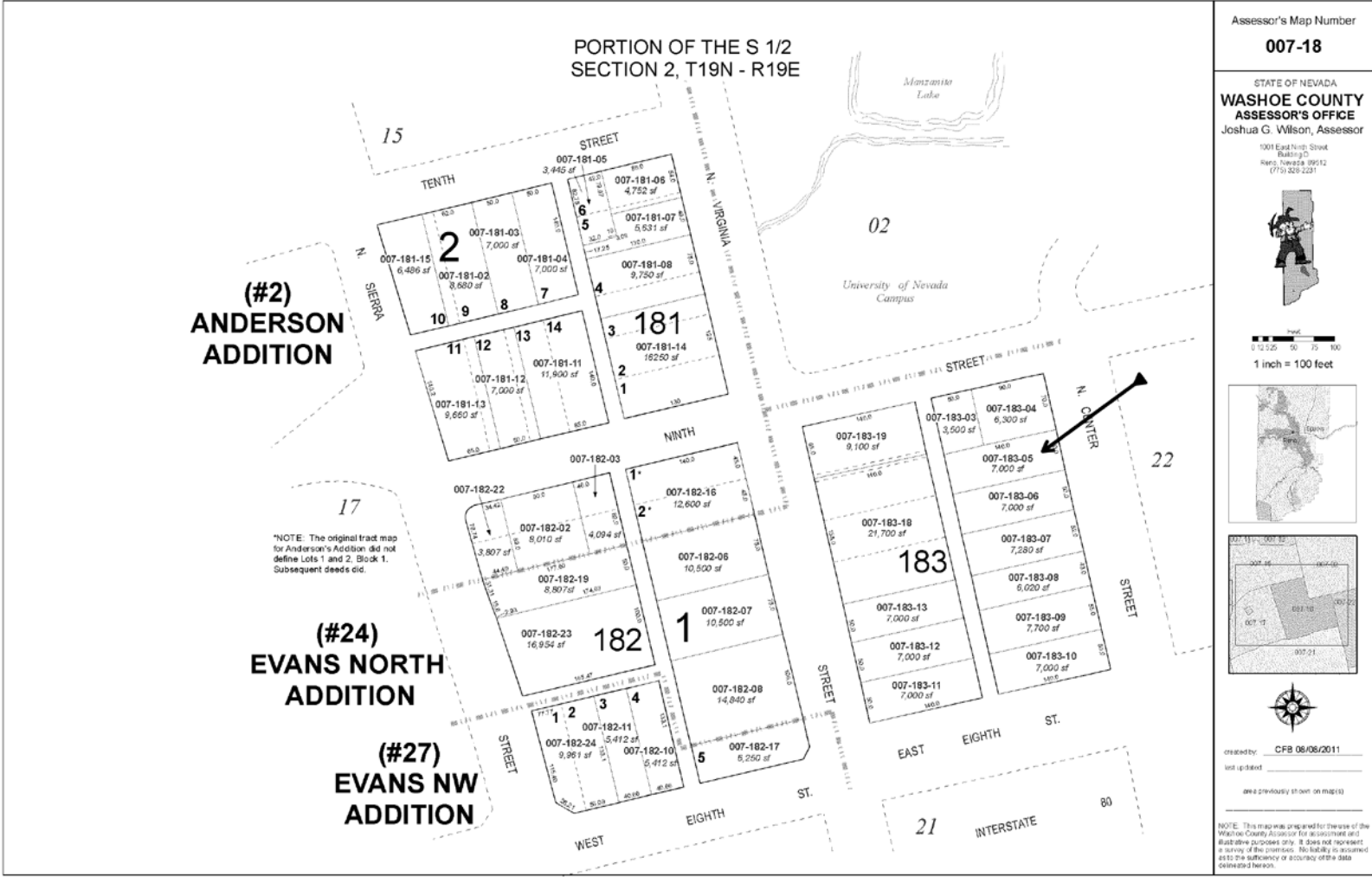
All that certain real property situate in the County of Washoe, State of Nevada, described as follows:

All that portion of the Southwest 1/4 of the Southeast 1/4 of Section 2, Township 19 North, Range 19 East, M.D.B.&M., described as follows:

Beginning at a point on the West line of North Center Street, (formerly University Avenue), 250 feet Northerly of the intersection of the North line of 8th Street, with the West line of North Center Street;
Thence Northerly along the West line of North Center Street 50 feet;
Thence Westerly at a right angle 140 feet to an alley;
Thence Southerly at a right angle and along the East line of the said alley 50 feet;
Thence Easterly at a right angle 140 to the place of beginning.

APN: 007-183-05

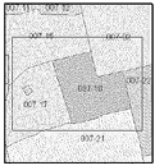
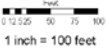
Document No. 3422637 is provided pursuant to the requirements of NRS 111.312.



Assessor's Map Number
007-18

STATE OF NEVADA
WASHOE COUNTY
ASSESSOR'S OFFICE
Joshua G. Wilson, Assessor

1001 East Ninth Street
Reno, Nevada 89512
(775) 325-2211



created by: CFB 08/06/2011
last updated: _____
area previously shown on map(s): _____

NOTE: This map was prepared for the use of the Washoe County Assessor for assessment and is not to be used for any other purpose. It does not represent a survey of the premises. No liability is assumed as to the sufficiency or accuracy of the data delineated herein.

ATTACHMENT ONE
CALIFORNIA LAND TITLE ASSOCIATION
STANDARD COVERAGE POLICY – 1990

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building or zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien, or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
(b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
 - (a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant;
 - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
 - (c) resulting in no loss or damage to the insured claimant;
 - (d) attaching or created subsequent to Date of Policy; or
 - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage or for the estate or interest insured by this policy.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with the applicable doing business laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any claim, which arises out of the transaction vesting in the insured the estate of interest insured by this policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws.

EXCEPTIONS FROM COVERAGE - SCHEDULE B, PART I

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes or assessments 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.
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, 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. (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.
6. Any lien or right to a lien for services, labor or material not shown by the public records.

**CLTA HOMEOWNER'S POLICY OF TITLE INSURANCE (02-03-10)
ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE**

EXCLUSIONS

In addition to the Exceptions in Schedule B, You are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of those portions of any law or government regulation concerning:
 - a. building;
 - b. zoning;
 - c. land use;
 - d. improvements on the Land;
 - e. land division; and
 - f. environmental protection.

This Exclusion does not limit the coverage described in Covered Risk 8.a., 14, 15, 16, 18, 19, 20, 23 or 27.

2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not limit the coverage described in Covered Risk 14 or 15.
3. The right to take the Land by condemning it. This Exclusion does not limit the coverage described in Covered Risk 17.
4. Risks:
 - a. that are created, allowed, or agreed to by You, whether or not they are recorded in the Public Records;
 - b. that are Known to You at the Policy Date, but not to Us, unless they are recorded in the Public Records at the Policy Date;
 - c. that result in no loss to You; or
 - d. that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8.e., 25, 26, 27 or 28.
5. Failure to pay value for Your Title.
6. Lack of a right:
 - a. to any land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
 - b. in streets, alleys, or waterways that touch the Land.

This Exclusion does not limit the coverage described in Covered Risk 11 or 21.

7. The transfer of the Title to You is invalid as a preferential transfer or as a fraudulent transfer or conveyance under federal bankruptcy, state insolvency, or similar creditors' rights laws.

LIMITATIONS ON COVERED RISKS

Your insurance for the following Covered Risks is limited on the Owner's Coverage Statement as follows:

- For Covered Risk 16, 18, 19, and 21 Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.

The deductible amounts and maximum dollar limits shown on Schedule A are as follows:

	<u>Your Deductible Amount</u>	<u>Our Maximum Dollar Limit of Liability</u>
Covered Risk 16:	1.00% of Policy Amount Shown in Schedule A or <u>\$2,500.00</u> (whichever is less)	\$ <u>10,000.00</u>
Covered Risk 18:	1.00% of Policy Amount Shown in Schedule A or <u>\$5,000.00</u> (whichever is less)	\$ <u>25,000.00</u>
Covered Risk 19:	1.00% of Policy Amount Shown in Schedule A or <u>\$5,000.00</u> (whichever is less)	\$ <u>25,000.00</u>
Covered Risk 21:	1.00% of Policy Amount Shown in Schedule A or <u>\$2,500.00</u> (whichever is less)	\$ <u>5,000.00</u>

**AMERICAN LAND TITLE ASSOCIATION
RESIDENTIAL TITLE INSURANCE POLICY (6-1-87)**

EXCLUSIONS

In addition to the Exceptions in Schedule B, you are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of any law or government regulation. This includes building and zoning ordinances and also laws and regulations concerning:
 - land use
 - improvements on the land
 - land division
 - environmental protection

This exclusion does not apply to violations or the enforcement of these matters which appear in the public records at Policy Date. This exclusion does not limit the zoning coverage described in Items 12 and 13 of Covered Title Risks.

2. The right to take the land by condemning it, unless:
 - a notice of exercising the right appears in the public records
 - on the Policy Date
 - the taking happened prior to the Policy Date and is binding on you if you bought the land without knowing of the taking
3. Title Risks:
 - that are created, allowed, or agreed to by you
 - that are known to you, but not to us, on the Policy Date – unless they appeared in the public records
 - that result in no loss to you
 - that first affect your title after the Policy Date – this does not limit the labor and material lien coverage in Item 8 of Covered Title Risks
4. Failure to pay value for your title.
5. Lack of a right:
 - to any land outside the area specifically described and referred to in Item 3 of Schedule A

OR

- in streets, alleys, or waterways that touch your land

This exclusion does not limit the access coverage in Item 5 of Covered Title Risks.

**2006 ALTA LOAN POLICY (06-17-06)
EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
 - (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 13 or 14); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law.
6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
 - (a) a fraudulent conveyance or fraudulent transfer, or
 - (b) a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the Insured Mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b).

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) that arise by reason of:

1. (a) Taxes or assessments that 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; (b) proceedings by a public agency that 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.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (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.
6. Any lien or right to a lien for services, labor or material not shown by the public records.

2006 ALTA OWNER'S POLICY (06-17-06) EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is
 - (a) a fraudulent conveyance or fraudulent transfer; or
 - (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) that arise by reason of:

1. (a) Taxes or assessments that 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; (b) proceedings by a public agency that 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.
2. Any facts, rights, interests, or claims that are not shown in the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and that are not shown by the Public Records.
5. (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.
6. Any lien or right to a lien for services, labor or material not shown by the public records.

ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (07-26-10)
EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 16, 17, 18, 19, 20, 21, 22, 23, 24, 27 or 28); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury, or any consumer credit protection or truth-in-lending law. This Exclusion does not modify or limit the coverage provided in Covered Risk 26.
6. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to Advances or modifications made after the Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching subsequent to Date of Policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11(b) or 25.
8. The failure of the residential structure, or any portion of it, to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This Exclusion does not modify or limit the coverage provided in Covered Risk 5 or 6.
9. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
 - (a) a fraudulent conveyance or fraudulent transfer, or
 - (b) a preferential transfer for any reason not stated in Covered Risk 27(b) of this policy.

Fidelity National Financial, Inc. Privacy Statement

Fidelity National Financial, Inc. and its subsidiaries (“FNF”) respect the privacy and security of your non-public personal information (“Personal Information”) and protecting your Personal Information is one of our top priorities. This Privacy Statement explains FNF’s privacy practices, including how we use the Personal Information we receive from you and from other specified sources, and to whom it may be disclosed. FNF follows the privacy practices described in this Privacy Statement and, depending on the business performed, FNF companies may share information as described herein.

Personal Information Collected

We may collect Personal Information about you from the following sources:

- Information we receive from you on applications or other forms, such as your name, address, social security number, tax identification number, asset information, and income information;
- Information we receive from you through our Internet websites, such as your name, address, email address, Internet Protocol address, the website links you used to get to our websites, and your activity while using or reviewing our websites;
- Information about your transactions with or services performed by us, our affiliates, or others, such as information concerning your policy, premiums, payment history, information about your home or other real property, information from lenders and other third parties involved in such transaction, account balances, and credit card information; and
- Information we receive from consumer or other reporting agencies and publicly recorded documents.

Disclosure of Personal Information

We may provide your Personal Information (excluding information we receive from consumer or other credit reporting agencies) to various individuals and companies, as permitted by law, without obtaining your prior authorization. Such laws do not allow consumers to restrict these disclosures. Disclosures may include, without limitation, the following:

- To insurance agents, brokers, representatives, support organizations, or others to provide you with services you have requested, and to enable us to detect or prevent criminal activity, fraud, material misrepresentation, or nondisclosure in connection with an insurance transaction;
- To third-party contractors or service providers for the purpose of determining your eligibility for an insurance benefit or payment and/or providing you with services you have requested;
- To an insurance regulatory authority, or a law enforcement or other governmental authority, in a civil action, in connection with a subpoena or a governmental investigation;
- To companies that perform marketing services on our behalf or to other financial institutions with which we have joint marketing agreements and/or
- To lenders, lien holders, judgment creditors, or other parties claiming an encumbrance or an interest in title whose claim or interest must be determined, settled, paid or released prior to a title or escrow closing.

We may also disclose your Personal Information to others when we believe, in good faith, that such disclosure is reasonably necessary to comply with the law or to protect the safety of our customers, employees, or property and/or to comply with a judicial proceeding, court order or legal process.

Disclosure to Affiliated Companies – We are permitted by law to share your name, address and facts about your transaction with other FNF companies, such as insurance companies, agents, and other real estate service providers to provide you with services you have requested, for marketing or product development research, or to market products or services to you. We do not, however, disclose information we collect from consumer or credit reporting agencies with our affiliates or others without your consent, in conformity with applicable law, unless such disclosure is otherwise permitted by law.

Disclosure to Nonaffiliated Third Parties – We do not disclose Personal Information about our customers or former customers to nonaffiliated third parties, except as outlined herein or as otherwise permitted by law.

Confidentiality and Security of Personal Information

We restrict access to Personal Information about you to those employees who need to know that information to provide products or services to you. We maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard Personal Information.

Access to Personal Information/

Requests for Correction, Amendment, or Deletion of Personal Information

As required by applicable law, we will afford you the right to access your Personal Information, under certain circumstances to find out to whom your Personal Information has been disclosed, and request correction or deletion of your Personal Information. However, FNF's current policy is to maintain customers' Personal Information for no less than your state's required record retention requirements for the purpose of handling future coverage claims.

For your protection, all requests made under this section must be in writing and must include your notarized signature to establish your identity. Where permitted by law, we may charge a reasonable fee to cover the costs incurred in responding to such requests. Please send requests to:

Chief Privacy Officer
Fidelity National Financial, Inc.
601 Riverside Avenue
Jacksonville, FL 32204

Changes to this Privacy Statement

This Privacy Statement may be amended from time to time consistent with applicable privacy laws. When we amend this Privacy Statement, we will post a notice of such changes on our website. The effective date of this Privacy Statement, as stated above, indicates the last time this Privacy Statement was revised or materially changed.

Effective Date: 5/1/2008

WIRE INSTRUCTIONS

PLEASE NOTE THESE INSTRUCTIONS ARE FOR FEDERAL RESERVE WIRE TRANSFERS ONLY. USE OF THESE INSTRUCTIONS FOR ANY OTHER TYPE OF DEPOSIT SUCH AS AN ELECTRONIC FUNDS TRANSFER, BILL PAY, OR DIRECT DEPOSIT WILL RESULT IN THE DEPOSIT BEING RETURNED.

Ticor Title of Nevada, Inc. WIRING INSTRUCTIONS

RENO MAIN

BANK OF THE WEST
300 SOUTH GRAND AVENUE
LOS ANGELES, CA 90071

ABA NO.:121100782

Ticor Title of Nevada, Inc.
ESCROW TRUST ACCOUNT

ACCOUNT NO.: 847057221

PLEASE REFERENCE THE ESCROW NUMBER

01204302-CD

*Board of Regents of the Nevada System of Higher Education on behalf of
the University of Nevada Reno*

THANK YOU,

Commercial Division
RenoCommercialUnit@fnf.com