

BOARD OF REGENTS BRIEFING PAPER

1. AGENDA ITEM TITLE: University of Nevada, Reno – Authorization to Sell the Approximately 3.14 acres of Vacant Land on Wedekind Road, Sparks Nevada APN 026-341-

57

MEETING DATE: February 29 & March 1, 2024

2. BACKGROUND & POLICY CONTEXT OF ISSUE:

Summary: This sale of real property requires Board approval pursuant to Board of Regents Handbook Title 4, Chapter 10, Section 1(9), Table 9.1.

The University of Nevada, Reno (UNR) is seeking the Board of Regents' approval to sell real property consisting of the approximately 3.14 acres of vacant land located on Wedekind Road in Sparks, Nevada, APN 026-341-57.

Background: This item was previously approved by the Board of Regents at the December 1 & 2, 2022 meeting. Due to the length of time required for the Purchaser to obtain development approvals the previous contract expired. This new agreement extends the time for the development plans to be approved.

The Wedekind Road property was a gift of 3.14 acres of vacant land from the Mary Gray Estate in 2003. The gift opportunity was presented to, and accepted by Board of Regents at the December 11 - 12, 2003 meeting. The gift requested that proceeds from any sale be used to establish an endowment for scholarships at UNR, which are now a priority need for the college.

This property was marketed for sale through a competitive public Request for Proposal (RFP) in March 2022 and successfully resulted in an offer to purchase. As with any property sale RFP and negotiation, this transaction is contingent on approval by the Board of Regents.

Property Location: The property is located approximately 2 miles to the northeast of the UNR campus and is not included in the UNR masterplan. (Exhibit 1) The property site is currently undeveloped and was formerly used for agricultural purposes by the UNR College of Agriculture, Biotechnology, and Natural Resources (CABNR). It has been determined by CABNR that the property is no longer needed due to its location and the availability of other university property closer to campus. (Exhibit 2)

Sale Price: The sale price is \$920,000.00.

Purchase and Sale Agreement: The signed agreement is attached. It was created using the approved NSHE Counsel/Director of Real Estate Planning template Offer and Acceptance Agreement and further reviewed and approved by the University of Nevada, Reno General Counsel. (Exhibit 3.)

Water Rights: There are no water rights included in the sale.

Appraisal: An appraisal conducted by Johnson, Perkins Griffin valued the property on January 8, 2024, at \$750,000.00 (Exhibit 4).

Resolution: The University of Nevada, Reno seeks Board of Regents approval of a resolution

approving the sale of the real property located on Wedekind Road in Sparks, Nevada, and authorizing the Chancellor or designee to execute the sale agreement, any non-material or corrective amendments to the sale agreement, and any other ancillary agreements, documents, or applications that may be required to implement the sale agreement. All such amendments and ancillary documents shall be reviewed and approved by the Chancellor, and NSHE Chief General Counsel, or, at the NSHE Chief General Counsel's request, NSHE Special Real Property Counsel, to confirm that they are necessary in order to implement the terms and conditions required to finalize the sale, as approved by the Board of Regents. (Exhibit 5)

3. SPECIFIC ACTIONS BEING RECOMMENDED OR REQUESTED:

University of Nevada, Reno President Brian Sandoval is requesting Board of Regents approval of a resolution approving the sale of the real property located on Wedekind Road in Sparks, Nevada APN 026-341-57. President Sandoval further requests that the Chancellor be granted authority to execute the sale agreement, any non-material or corrective amendments to the sale agreement, and any other ancillary agreements, documents, or applications that may be required to implement the sale agreement. All such amendments and ancillary documents shall be reviewed and approved by the Chancellor, and NSHE Chief General Counsel, or, at the NSHE Chief General Counsel's request, NSHE Special Real Property Counsel, to confirm that they are necessary in order to implement the terms and conditions required to finalize the sale, as approved by the Board of Regents.

4. IMPETUS (WHY NOW?):

- Property was a gift to the University of Nevada, Reno with donor's intent that the property sale proceeds be used to fund scholarships.
- Property was marketed through a competitive RFP, resulting in this offer to purchase.

5. CHECK THE NSHE STRATEGIC PLAN GOAL THAT IS SUPPORTED BY THIS REQUEST:

- ☒ **Access (Increase access to higher education)**
- ☐ **Success (Improve student success)**
- ☐ **Close Institutional Performance Gaps**
- ☐ **Workforce (Meet workforce needs in Nevada)**
- ☐ **Research (Increase solutions-focused research)**
- ☐ **Coordination, Accountability, and Transparency (Ensure system coordination, accountability, and transparency)**
- ☐ **Not Applicable to NSHE Strategic Plan Goals**

6. INDICATE HOW THE PROPOSAL SUPPORTS THE SPECIFIC STRATEGIC PLAN GOAL

- Proceeds from the sale will be used to create an endowment for scholarships in the UNR College of Agriculture, Biotechnology, and Natural Resources (CABNR).

7. BULLET POINTS TO SUPPORT REQUEST/RECOMMENDATION:

The University is not aware of any arguments against this sale of property.

8. POTENTIAL ARGUMENTS AGAINST THE REQUEST/RECOMMENDATION:

- Pass on the opportunity to sell at this time, and risk the following:

- o Liability of unoccupied, unmonitored properties
- o Incurring the cost of ongoing expenses of maintaining the properties, including property maintenance

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

Not sell the property and incur maintenance costs.

10. RECOMMENDATION FROM THE CHANCELLOR'S OFFICE:

11. COMPLIANCE WITH BOARD POLICY:

- ☐ Consistent With Current Board Policy: Title # 4 Chapter # 10 Section # 1.9
- ☐ Amends Current Board Policy: Title # _____ Chapter # _____ Section # _____
- ☐ Amends Current Procedures & Guidelines Manual: Chapter # _____ Section # _____
- ☐ Other: _____

xFiscal Impact: Yes X No _____

Explain: Approximately \$920,000 proceeds resulting from sale of the property to be applied to a scholarship fund.

Exhibit 1

Location of Wedekind Road Property in Relation to University of Nevada, Reno Campus

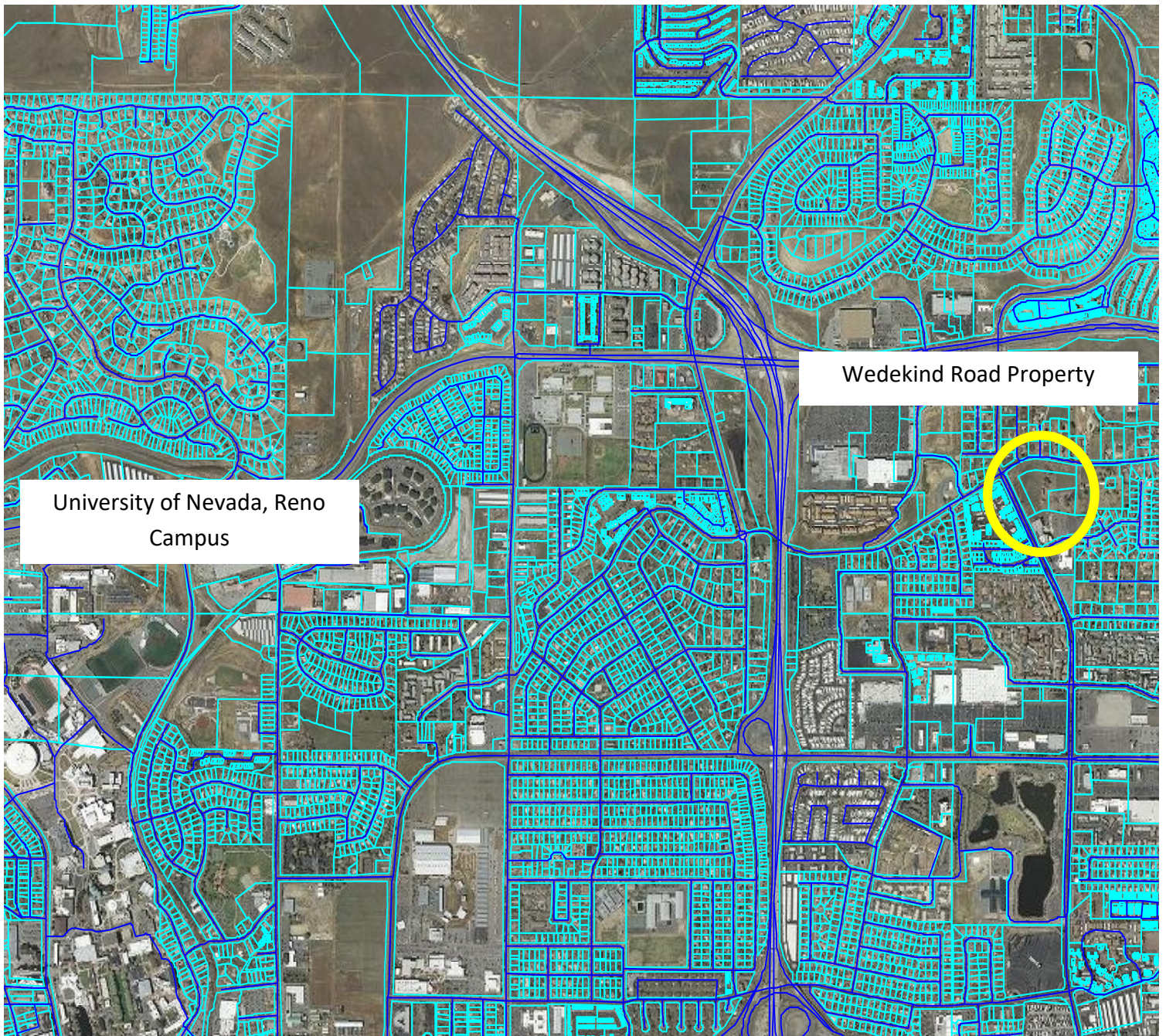
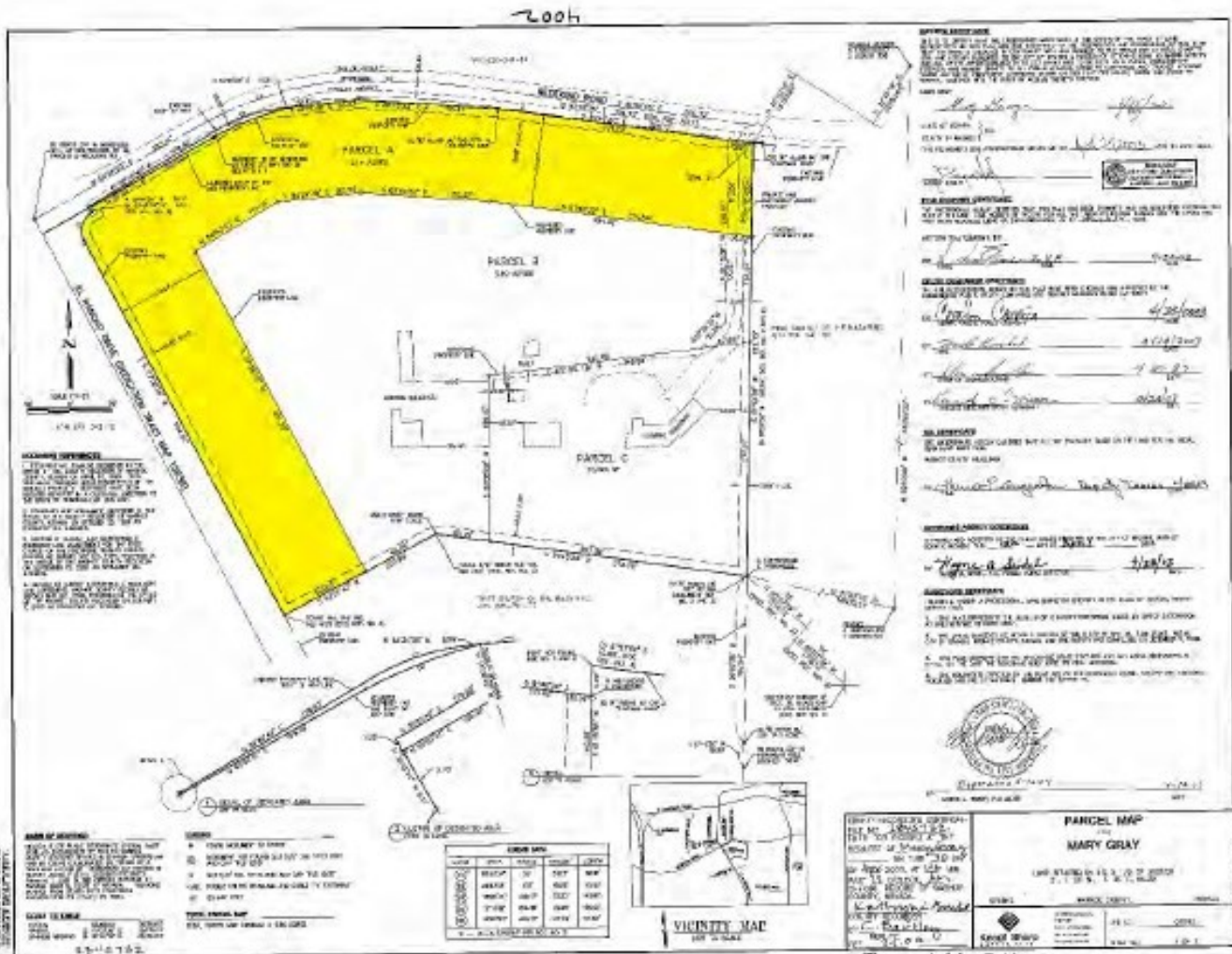


Exhibit 2

SUBJECT PARCEL MAP



LEGAL DESCRIPTION

A.P.N.

Recorded Parcel Map

026-341-57

Parcel A of Parcel Map 4002, filed in the Office of the County Recorder of Washoe County, State of Nevada on April 30, 2003, as File Number 2845732 of Official Records

PURCHASE AND SALE AGREEMENT
(Wedekind Road Vacant Parcel)

THIS PURCHASE AND SALE AGREEMENT (this “**Agreement**”), effective as of the date on which this Agreement is last executed by both Seller and Purchaser (the “**Effective Date**”), is made by and between the BOARD OF REGENTS OF THE NEVADA SYSTEM OF HIGHER EDUCATION ON BEHALF OF THE UNIVERSITY OF NEVADA, RENO, which acquired title to the subject real property as “The Board of Regents of the University and Community College System of Nevada, a Political Subdivision of the State of Nevada, on behalf of the University of Nevada, Reno, Nevada Agricultural Experiment Station” (“**Seller**”), and CHALET II LLC, a Nevada limited liability company (“**Purchaser**”).

RECITALS:

R-1. Seller desires to sell and Purchaser desires to purchase that certain parcel of real property located in Reno, Nevada, as depicted in Exhibit “A” attached hereto, which is a parcel of vacant land, consisting of approximately 3.14 acres, bearing Washoe County, Nevada, Assessor’s Parcel Number 026-341-57 (the “**Land**”).

R-2. Seller and Purchaser, intending to be bound by this Agreement, desire to set forth herein the terms, conditions and agreements under and by which Seller shall sell and Purchaser shall purchase the Real Property (as defined in Section 1.1, below).

AGREEMENTS:

NOW, THEREFORE, in consideration of the mutual agreements and covenants contained herein and other good, valuable, and sufficient consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Purchaser agree that (i) the Recitals are true and correct and by this reference incorporated herein as if fully set forth and (ii) as follows:

1. THE REAL PROPERTY.

1.1 Description. Subject to the terms and conditions of this Agreement, and for the consideration set forth herein, Seller hereby agrees to sell, assign, and convey, and Purchaser hereby agrees to purchase and acquire, all of Seller’s right, title and interest, if any, in and to the following:

(i) the Land;

(ii) Any and all other structures, improvements, parking facilities and fixtures located on the Land (any and all other improvements located on the Land are hereinafter referred to collectively as the “**Improvements**”);

(iii) Any and all easements, hereditaments, appurtenances, development rights, and other benefits, if any, excluding water rights, pertaining to or affecting the Land (collectively, the “**Easements**”);

(iv) All roads, streets, alleys, right-of ways, abutting property, association rights and easements belonging or appurtenant to the Land (collectively, the “**Appurtenant Rights**”);

(v) Any and all maps, entitlements, development rights benefitting and burdening the Land (collectively, the “**Entitlements**”);

(vi) All licenses, permits, approvals, variances and similar documents, plans, drawings, specifications, surveys and reports, relating to the Land, in Seller’s actual possession or under Seller’s reasonable control (the “**Permits**”); and

(vii) All service and maintenance contracts, if any, relating to the Land that are in Seller’s actual possession or under Seller’s reasonable control (the “**Contracts**,” and with the Land, the Improvements, the Easements, the Appurtenant Rights, the Entitlements, and the Permits, the “**Real Property**”);

1.2 Water Rights. Seller shall retain any and all water rights related or associated with the Real Property, and Seller makes no representation or warranty of any nature to Purchaser in connection therewith, and Seller has made no other representation or warranty to Purchaser, as to the availability of any water that may be required by Purchaser for its intended use of the Real Property.

1.3 Agreement to Convey. Seller agrees to sell and convey, and Purchaser agrees to purchase and accept, on the Closing Date (defined in Section 2.4, below) fee title to the Real Property by way of a grant, bargain and sale deed, as customarily used in Nevada, to be executed and delivered by Seller in respect to the Real Property, and which shall be subject to the Permitted Exceptions (defined in Section 3.7, below) affecting or encumbering the Real Property, and which will exclude all water rights.

2. PURCHASE PRICE AND PAYMENT.

2.1 Purchase Price. The purchase price for the Real Property (the “**Purchase Price**”) is Nine Hundred Twenty Thousand U.S. Dollars and no/100 (US\$920,000.00), payable in immediately available United States Dollars.

2.2 Deposit.

2.2.1 Deposit. Purchaser shall deposit the sum of Fifty Thousand U.S. Dollars and no/100 (US\$50,000.00) (the “**Deposit**”) into the escrow account of Title Company (defined in Section 2.4, below), as directed by Title Company (defined below in Section 2.4 of this Agreement), by wire transfer. On or before 5:00 PM, Pacific Time, on that date which is five (5) Business Days after the Effective Date, Purchaser shall deposit the full Deposit. If Purchaser shall fail to make the Deposit in accordance with the foregoing deadline, this Agreement shall be void and no effect, and it shall automatically terminate without any action on the part of either party hereto. In such event, neither party shall thereafter have any further rights, obligations or liability hereunder, except as otherwise expressly set forth herein. Once deposited into the escrow account of Ticor Title Company, the Deposit shall be non-refundable.

2.2.2 Maintenance of Deposit. The term “**Deposit**” as used herein shall mean the Deposit and any additional deposits as are described herein, and all interest earned thereon. Interest earned on the Deposit shall be deemed earned by Purchaser. Provided that Purchaser has not terminated this Agreement pursuant to Section 3.4, or Section 3.5 below, the Deposit shall become non-refundable, subject to, among other provisions, Section 2.2.1, Section 3.5, Section 3.6, Section 9, Section 10.1 and Section 10.4 hereof.

2.3 Payment. Subject to the terms of this Agreement, Purchaser shall tender the balance of the Purchase Price to Title Company, on or before 3:00 PM., Pacific Time, on the Closing Date, and Title Company shall then wire the Purchase Price in immediately available funds to such bank account(s) as Seller may designate. The Purchase Price shall be subject to adjustments for all prorations and credits required to be made in accordance with Section 7, below.

2.4 Closing. The purchase and sale of the Real Property shall be consummated at closing (the “**Closing**”) in escrow through Title Company on the date (the “**Closing Date**”) which shall occur on or before that Business Day which is thirty (30) calendar days from the latter of: (1) the City of Sparks’ approval of the use permit and tentative map, with expiration of all applicable City of Sparks’ appeals, or (2) the Board of Regents’ approval pursuant to Section 3.8 below. If such date falls on a date other than a Business Day, the next following Business Day shall be used. Closing shall occur on the Closing Date at the offices of Tigor Title Company, at the address listed in Section 11 of this Agreement, (the “**Title Company**”), or at such other time and place as may be agreed to in writing by Seller and Purchaser.

3. INSPECTIONS AND APPROVALS.

3.1 Due Diligence Period. Purchaser shall have a period of time (the “**Due Diligence Period**”), commencing on the Effective Date, and expiring on 5:00 PM., Pacific Time, on that Business Day (as defined in Section 12.13 of this Agreement) which is thirty (30) calendar days following the Effective Date (the Effective Date being excluded from the calculation) at 5:00 PM., Pacific Time, or if such date falls on a date other than a Business Day, the next following Business Day, within which to conduct the inspections and studies described in this Section 3. All such inspections and studies shall be completed within the Due Diligence Period and at Purchaser’s sole expense.

3.2 Access to the Real Property and Indemnification by Purchaser. During the Due Diligence Period, Seller shall permit Purchaser and Purchaser’s agents and representatives reasonable access to the Land and Improvements for the purpose of conducting such physical and environmental inspections of the Land and Improvements (collectively, the “**Inspections**”) as Purchaser shall deem reasonably necessary to determine the feasibility of the Real Property for Purchaser’s intended use. Before Purchaser enters the Land and Improvements to perform Inspections, Purchaser shall give Seller reasonable advance written notice (each party acknowledging that email notice being sufficient for this purpose) of at least twenty-four (24) hours for Business Day access of the Real Property and, at Seller’s option, an agent or other representative of Seller may accompany Purchaser and/or Purchaser’s agent(s) or representative(s). Purchaser shall be solely responsible for all actions of Purchaser and Purchaser’s agent(s) and representative(s) on and adjacent to the Land and Improvements and shall assume and timely pay all expenses incurred in connection with the Inspections. At all times during the

presence of Purchaser or Purchaser's agents or representatives on the Land and Improvements, Purchaser agrees that Purchaser will not allow, and Purchaser's agents and representatives will not conduct, any physically invasive testing of, on, or under the Land or Improvements without first obtaining Seller's prior written consent which may not be unreasonably withheld, conditioned or delayed. Purchaser agrees to return the Land and Improvements to substantially the same condition and cleanliness existing before entry and/or occupation by Purchaser's representatives, including, but not limited to, sealing all wells or other similar subsurface investigations made by or at the direction of Purchaser. Except as otherwise required by law, Purchaser shall keep strictly confidential the information resulting from the Inspections. Notwithstanding the foregoing sentence, Purchaser may disclose such confidential information to Purchaser's agents and representatives including but not limited to prospective lenders, consultants, and prospective tenants to the extent each needs to know the confidential information in question for the sole purpose of evaluating the Real Property or completing the conditions precedent defined in paragraph 6. below ("Conditions Precedent"), so long as Purchaser takes all necessary measures to assure that Purchaser's representatives keep such information confidential as required hereby. Purchaser shall indemnify, defend and hold Seller, its officers, directors and agents (collectively, "**Indemnified Parties**") harmless from any loss, injury, liability, damage or expense, including reasonable attorneys' fees and costs, caused by Purchaser, which an Indemnified Party may incur as a result of any act or omission of Purchaser or its agents or representatives arising in connection with any Inspections; provided, however, that Purchaser shall not indemnify Seller for any claim resulting solely from Purchaser's discovery of a condition existing prior to Purchaser's Inspections. Purchaser shall not be required to indemnify Seller if and to the extent that any such loss, injury, liability, damage or expense was proximately caused by the gross negligence or willful misconduct of Seller, its employees or its agents. The provisions of this Section 3.2 shall survive the termination of this Agreement for any reason.

3.3 Inspection of Documents. Within ten (10) calendar days after the Effective Date, Seller shall make available to Purchaser or its representative, for inspection and copying, at the Real Property or some other location mutually convenient to the respective parties, the Real Property information materials required from Seller herein, if any, including but not limited to (i) all books, records, current leases, utility bills and other legal documents related to the Real Property, and (ii) all available information concerning the physical condition of the Real Property, including, but not limited to, tax filings, surveys, title insurance policies, permits, plans and specifications, building inspection approvals, certificates of occupancy, notices of completion, covenants, conditions and restrictions, soil tests, environmental assessments studies and reports, and (iii) any documents concerning pending or threatened legal actions, and notices or violations of law related to the Real Property (collectively, the "**Property Documents**"), to the extent such Property Documents are within the actual possession or reasonable control of Seller, or any of Seller's officers or employees ("**Seller's Agents**").

3.4 Title Commitment.

3.4.1 Within three (3) Business Days after the Effective Date, Seller shall order from Title Company, a commitment for an ALTA policy of title insurance, setting forth the status of title to the Real Property and all exceptions which would appear in a standard ALTA Owner's Policy of Title Insurance, specifying the Purchaser as the named insured, and showing the Purchase Price as the policy amount, together with copies of the documentation of record relating to all such

exceptions (the **"Title Commitment"**). The title insurance policy issued pursuant thereto shall be referred to herein as the **"Title Policy."** Purchaser shall, on or before the expiration of the Due Diligence Period deliver to Seller, in writing any objections to matters shown in the Title Commitment (the **"Objection Letter"**). Purchaser's failure to object to any such matters upon expiration of the Due Diligence Period shall be deemed to constitute Purchaser's approval of same, and such shall then become **"Permitted Exceptions"**. If Purchaser objects to any item set forth in the Title Commitment prior to the end of the Due Diligence Period, then Seller shall have until 5:00 PM. on the tenth (10th) calendar day after receipt of the Objection Letter (the **"Objection Notice Period"**) within which, in its sole discretion, to (i) cure or cause to be cured such disapproved item, or (ii) to notify Purchaser in writing that Seller declines to cure the disapproved item in question ("Declination Notice"), or (iii) to notify Purchaser that Seller will make reasonably diligent efforts to cure the item in question ("Exception Cure Notice") within thirty (30) calendar days of Seller's receipt of the Objection Letter (the **"Exception Cure Period"**), provided, however, that Seller must cure the item in question within the Exception Cure Period. If Seller declines to timely cure the item in question or fails to timely provide Purchaser with such notice, Seller shall be deemed to have elected not to cure the exception in question, in which event Purchaser may either (i) terminate this Agreement, notwithstanding that the Due Diligence Period has expired, by delivering to Seller and Title Company a written notice of termination, or (ii) waive in writing Purchaser's objection to the disapproved items, which shall then become Permitted Exceptions. If Seller fails to timely cure the item in question within the Objection Notice Period, if Seller provides a Declination Notice, if Seller fails to timely provide an Exception Cure Notice, or if Seller fails to timely cure the item in question within the Exception Cure Period if Seller provides an Exception Cure Notice, Purchaser's failure to deliver to Seller and Title Company a written notice of termination or of its waiver of its objection to the disapproved items within ten (10) Business Days from the expiration of the Objection Notice Period, or within ten (10 Business Days of the expiration of the Exception Cure Period if Seller has made the election to cure the item within the Exception Cure Period, shall be deemed to constitute Purchaser's waiver of its objection to said items and such items shall then become Permitted Exceptions. Notwithstanding the foregoing, Purchaser shall be deemed to have disapproved any exception which is a lien on the Real Property for a sum certain or a determinable sum and Seller shall be obligated to cure such exception prior to Closing. Further, Seller agrees that any title exception created by the Seller and placed on the Real Property after the date of the Title Commitment is likewise deemed disapproved and Seller shall be obligated to cure such title exception same prior to Closing or obtain a waiver from Purchaser.

3.4.2 Purchaser shall have five (5) Business Days after receipt of any updates to the Title Commitment (including receipt of any documents referenced in such update), within which to object to any material matters disclosed therein which were not disclosed in the original Title Commitment, and the procedure for objecting to such matters shall be as set forth in Section 3.4.1 above, which Seller agrees may extend the Closing Date if such updates are provided within five (5) Business Days prior to the Closing Date.

3.5 Purchaser's Acceptance or Rejection prior to the Expiration of the Due Diligence Period. On or before the expiration of the Due Diligence Period, Purchaser may terminate this Agreement for any reason or no reason whatsoever in its sole and absolute discretion. If Purchaser gives Seller a written notice of termination on or before the expiration of the Due Diligence Period, then this Agreement will automatically terminate, without further action by either party, subject to

the immediate return of all copies of all Property Documents to Seller, the Deposit will be retained by Seller, and thereupon neither party will have any further obligation or liability to the other party hereunder, except as otherwise expressly provided herein. Seller acknowledges that (i) Purchaser's right to terminate this Agreement hereunder is Purchaser's sole and absolute right and Purchaser shall not be required to provide any reason for such termination or any objections hereunder and subject termination or objections are not required to be made in good faith, and (ii) the intent of this Section 3.5 is to allow Purchaser free and unfettered discretion to terminate this Agreement at any time prior to the expiration of the Due Diligence Period for any reason or no reason whatsoever. Seller hereby waives any right to object to or take any position which is contrary to this Section 3.5, including, any claim made by Seller that Purchaser is not proceeding under this Section 3.5 in good faith or without basis. The Deposit shall be non-refundable, released to Seller, and applied to the Purchase Price. Deposit shall be refundable to Purchaser in the event of a Seller default.

3.6 Project Approval Contingency. Purchaser's obligation to purchase the Real Property shall be contingent upon the project approval identified in Section 3.6.1 (the "**Project Approval Contingency**") being satisfied or waived, as determined in Purchaser's sole and absolute discretion, and at Purchaser's sole expense.

3.6.1 Purchaser shall have until April 1, 2024 to obtain a use permit and tentative map for its proposed purpose. If Purchaser has made an application and the approval is pending by the city, the Seller agrees to extend the Project Approval Contingency through May 31, 2024; however, Purchaser shall pay a Non-Refundable Deposit of \$10,000 per calendar month, or part of calendar month, for any extension after April 1, 2024. To the extent Purchaser requests additional time beyond April 1, 2024, Seller, in Seller's sole discretion, may grant such additional extensions, but such additional extensions are not required to be granted by Seller and in no event may exceed December 31, 2024. Purchaser shall deposit the \$10,000 Non-Refundable Deposit by the tenth (10th) day of each calendar month for which an extension is sought and granted. Purchaser shall be solely responsible to obtain and process all applications, plans, maps, agreements, documents and other instruments and entitlements necessary or appropriate for the Intended Use, including without limitation, to the extent deemed necessary or advisable by Purchaser, applicable grading and improvement plans, permits, zoning approvals, zoning change approval, utility assignment and assumption agreements, access agreements, and commercial designs and floor plans from any governmental authority with jurisdiction ("**Governmental Authority**").

3.6.2 Seller shall reasonably cooperate with Purchaser in completing the Conditions Precedent, including signing or approving any maps, applications, affidavits or permits associated with the Conditions Precedent (each an "**Application**"). Seller shall have five (5) Business Days after receipt of an Application to provide the required consent or signature, which shall not be unreasonably withheld, conditioned or delayed. If an Application receives final approval and any applicable appeal period has passed without the filing of an appeal, Purchaser shall cause such Application to be recorded, if necessary, as soon as reasonably practicable after such approval. Within ten (10) calendar days of Purchaser's receipt, Purchaser shall provide Seller with any inspections, permits, surveys or other type of property related 3rd party reports at no cost to Seller.

3.7 Permitted Exceptions. Purchaser shall accept title to the Real Property, subject to the following exceptions (the “Permitted Exceptions”):

3.7.1 Those matters affecting or relating to the title which are of record on the date of the Title Commitment and described therein and which were not included in an Objection Letter timely delivered by Purchaser; (b) which were included in an Objection Letter, but for which (i) Seller has completed the cure thereof; or (ii) Purchaser has waived or been deemed to have waived the cure thereof; or (iii) Seller has elected to cure and which will be cured by the payment of money at Closing; or (c) which Purchaser has otherwise approved in writing.

3.7.2 The lien of non-delinquent taxes, assessments and other usual and customary charges assessed against the owners of real property in the state in which the Land is located.

3.7.3 All matters disclosed by the Property Documents.

3.7.4 All building and zoning laws, codes and regulations affecting the Real Property, including all proffers, special exceptions, conditions, site plan approvals, and other similar matters, if any, relating to the zoning of the Real Property, subject to Section 3.6.1 and Section 3.6.2.

3.7.5 All standard pre-printed exceptions set forth in the Title Policy issued by Title Company to Purchaser for the Real Property.

3.8 Board of Regents Contingency. This Agreement is contingent upon the approval of the terms of the sale set forth herein by the Board of Regents of the Nevada System of Higher Education. If the Board of Regents, in its sole and absolute discretion, does not approve the terms of the sale, the offer made herein shall be deemed null and void without the necessity of further documentation and shall be deemed to be of no binding effect whatsoever.

4. SELLER’S OBLIGATIONS PRIOR TO CLOSING. Prior to Closing, Seller and/or Seller’s Agents or representatives shall:

4.1 Notices. Provide to Purchaser, within five (5) Business Days upon the receipt thereof, any and all written notices relating to the Real Property received by Seller or its agents or representatives from any governmental or quasi-governmental instrumentality, insurance company, vendor or other party, which notices are of a type not normally received in the ordinary course of Seller’s business, or which may have a material effect upon the Real Property or result in a material change in a representation or warranty made by Seller hereunder.

4.2 Compliance with Agreements. Take all actions necessary to comply with all agreements, covenants, encumbrances and obligations affecting or relating to the Real Property and the ownership, operation and maintenance thereof. Seller shall pay all utility bills, tax bills and other invoices and expenses relating to the Real Property, as and when the same become due.

5. REPRESENTATIONS AND WARRANTIES.

5.1 By Seller. Seller represents and warrants to Purchaser, as of the Effective Date and as of the Closing, that:

5.1.1 Subject to the provisions of Section 3.8 above, Seller has the full power, right and authority to (a) execute and deliver this Agreement; (b) enter into and perform all of the obligations required of Seller under this Agreement and the instruments and documents referenced herein, and (c) to consummate the transaction contemplated hereby.

5.1.2 Seller is a constitutional entity of the State of Nevada, validly existing and in good standing under the laws of the State of Nevada and has taken all requisite action and obtained, or will obtain prior to the Closing, all requisite consents, releases and permissions in connection with entering into this Agreement and the instruments and documents referenced herein or required under any covenant, agreement, encumbrance, law or regulation with respect to the obligations required hereunder, and no consent of any other party is required for the performance by Seller of its obligations hereunder.

5.1.3 Subject to the provisions of Section 5.1.2 above, this Agreement is, and all agreements, instruments and documents to be executed and delivered by Seller pursuant to this Agreement shall be duly authorized, executed and delivered by Seller. This Agreement is, and all agreements, instruments and documents to be executed and delivered by Seller pursuant to this Agreement shall be valid and legally binding upon Seller and enforceable in accordance with their respective terms.

5.1.4 Subject to Section 9.2 of this Agreement, no party other than Purchaser has any right to acquire the Real Property and neither the execution of this Agreement nor the consummation of the transactions contemplated hereby does now constitute or shall result in a breach of, or a default under, any agreement, document, instrument or other obligation to which Seller is a party or by which Seller may be bound.

5.1.5 All items constituting Property Documents shall be delivered to Purchaser as provided in this Agreement and Seller has not intentionally withheld any Property Documents from such items delivered.

5.1.6 To Seller's actual knowledge, there are no parties in possession of the Property, except those disclosed pursuant to the Property Documents. Seller has delivered to Purchaser a true and correct copy of each lease or Property Document evidencing such possession.

5.1.7 Seller has not (a) made a general assignment for the benefit of creditors, (b) filed any involuntary petition in bankruptcy or suffered the filing of any involuntary petition by Seller's creditors, (c) suffered the appointment of a receiver to take possession of all or substantially all of Seller's assets, (d) suffered the attachment or other judicial seizure of all or substantially all of Seller's assets, (e) admitted in writing its

inability to pay its debts as they come due, or (f) made an offer of settlement, extension or composition to its creditors generally.

5.1.8 During the term of this Agreement, Seller will continue to operate the Real Property in the same manner as Seller has operated the Real Property prior to the date of this Agreement until Closing, subject, however, to the provisions of this Agreement.

5.1.9 During the term of this Agreement, Seller agrees to maintain the Real Property in its present order, condition and repair and to make any and all repairs and replacements until Closing so that the Real Property, at Closing, will be in substantially its present condition, reasonable wear and tear accepted.

5.1.10 During the term of this Agreement, without the prior written consent of Purchaser, Seller will not transfer the Real Property, or any part thereof, or create on the Real Property any easements, liens, mortgages, encumbrances, or other interests adversely affecting the use of the Real Property that will survive Closing or permit any changes in the zoning classification of the Real Property.

5.1.11 To Seller's actual knowledge, the property owners adjacent to the Real Property have no claims of any kind or nature against the Property or against Seller that would in any manner encumber the Real Property or create a lien thereupon.

5.1.12 During the term of this Agreement, Seller shall deliver to Purchaser all notices or information relating to the Real Property received by Seller from any and all Governmental Authority (or quasi-Governmental Authority) entity or third party within five (5) Business Days after receipt thereof by Seller.

5.1.13 To Seller's actual knowledge, there are no actions, suits, lawsuits or claims affecting any part of the Real Property, or affecting Seller with respect to the ownership, occupancy, use or operation of any part of the Real Property pending, or threatened.

5.1.14 To Seller's actual knowledge, there are no adverse environmental conditions affecting the Real Property.

5.2 By Purchaser. Purchaser represents and warrants to Seller, as of the Effective Date and as of the Closing, that:

5.2.1 Purchaser has the power, right and authority to enter into and perform all of the obligations required of Purchaser under this Agreement and the instruments and documents referenced herein, and to consummate the transaction contemplated hereby.

5.2.2 This Agreement is, and all agreements, instruments and documents to be executed and delivered by Purchaser pursuant to this Agreement shall be, duly authorized, executed and delivered by Purchaser. This Agreement is, and all agreements, instruments and documents to be executed and delivered by Purchaser

pursuant to this Agreement shall be, valid and legally binding upon Purchaser and enforceable in accordance with their respective terms.

5.2.3 Neither the execution of this Agreement nor the consummation of the transactions contemplated hereby does now constitute or shall result in a breach of, or a default under, any agreement, document, instrument or other obligation to which Purchaser is a party or by which Purchaser may be bound, or any law, statute, ordinance, rule, governmental regulation or any writ, injunction, order or decree of any court or governmental body, applicable to Purchaser or to the Real Property.

5.2.4 No petition in bankruptcy (voluntary or otherwise), assignment for the benefit of creditors, or petition seeking reorganization or arrangement or other action under Federal or state bankruptcy law is pending against or, to the best of Purchaser's knowledge, contemplated by Purchaser.

5.2.5 There are no actions, suits, claims or other proceedings pending or, to the best of the Purchaser's knowledge, contemplated or threatened against Purchaser that could affect the Purchaser's ability to perform its obligations when and as required under the terms of this Agreement.

5.3 Broker. Seller and Purchaser each represents to the other that it has had no dealings, negotiations, or consultations with any broker, representative, employee, agent or other intermediary in connection with the sale of the Real Property except: EBMC who represents Purchaser (the "**Broker**"). Seller is unrepresented. Seller shall pay a commission to the Broker in the amount of four percent (2.5%) of the gross Purchase Price. Purchaser agrees that it will indemnify, defend and hold Seller free and harmless from the claims of any broker(s), representative(s), employee(s), agent(s) or other intermediary(ies) claiming to have represented Purchaser or otherwise to be entitled to compensation in connection with this Agreement or in connection with the sale of the Real Property. This indemnity obligation shall survive Closing and any termination of this Agreement. Notwithstanding any provision of this Agreement to the contrary, Seller shall have no indemnity obligation under this Section 5.3

5.4 Property Condition.

5.4.1 Disclaimer. THE REAL PROPERTY IS BEING SOLD "AS IS", "WHERE IS" AND "WITH ALL FAULTS" AS OF CLOSING, WITHOUT ANY REPRESENTATION OR WARRANTY WHATSOEVER AS TO ITS CONDITION, FITNESS FOR ANY PARTICULAR PURPOSE, MERCHANTABILITY OR ANY OTHER WARRANTY, EXPRESS OR IMPLIED, EXCEPT AS SPECIFICALLY SET FORTH IN THIS AGREEMENT. SELLER SPECIFICALLY DISCLAIMS ANY WARRANTY, GUARANTY OR REPRESENTATION, ORAL OR WRITTEN, PAST OR PRESENT, EXPRESS OR IMPLIED, CONCERNING THE REAL PROPERTY, EXCEPT AS SPECIFICALLY SET FORTH IN THIS AGREEMENT. PURCHASER ACKNOWLEDGES THAT PURCHASER IS PURCHASING THE REAL PROPERTY BASED SOLELY UPON PURCHASER'S OWN INDEPENDENT INVESTIGATIONS AND FINDINGS AND NOT IN RELIANCE UPON ANY INFORMATION PROVIDED

BY SELLER OR SELLER'S AGENTS OR CONTRACTORS, EXCEPT AS SPECIFICALLY SET FORTH IN THIS AGREEMENT.

5.4.2 Release of Claims. Without limiting the provisions of Section 5.4.1, Purchaser releases Seller from, and Purchaser accepts all liability for, any and all claims, demands, costs, expenses, damages, and rights to compensation whatsoever (whether known or unknown, and whether contingent or liquidated) arising from or related to (a) any defects, errors or omissions in the design or construction of the Real Property, whether the same are a result of negligence or otherwise; or (b) other conditions (including environmental conditions) affecting the Real Property, whether the same are a result of negligence or otherwise. The release set forth in this Section 5.4.2 specifically includes but is not limited to any claims under any Environmental Laws, under the Americans with Disabilities Act of 1990, 42 U.S.C. §§12101 et seq., or with respect to any environmental risk. "Environmental Laws" includes, but is not limited to, the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act (42 U.S.C. §§6901 et seq.), the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. §§9601 et seq.), the Emergency Planning and Community Right to Know Act (42 U.S.C. §§11001 et seq.), the Clean Air Act (42 U.S.C. §§7401 et seq.), the Clean Water Act (33 U.S.C. §§1251 et seq.), the Toxic Substances Control Act (15 U.S.C. §§2601 et seq.), the Hazardous Materials Transportation Act (49 U.S.C. §§1801 et seq.), the Occupational Safety and Health Act (29 U.S.C. §§651 et seq.), the Federal Insecticide, Fungicide and Rodenticide Act (7 U.S.C. §§136 et seq.), and the Safe Drinking Water Act (42 U.S.C. §§300f et seq.), as any of the same as may be amended from time to time, and any state or local law dealing with environmental matters, and any regulations, orders, rules, procedures, guidelines and the like promulgated in connection therewith, regardless of whether the same are in existence on the date of this Agreement.

5.4.3 Acknowledgment of Inspection. Purchaser acknowledges and agrees that (a) this Agreement gives Purchaser the opportunity to inspect the Real Property and its operation, (b) if this transaction is consummated, Purchaser will be purchasing the Real Property pursuant to Purchaser's independent examination, study, inspection and knowledge of the Real Property, and (c) Purchaser is relying upon its own determination of the value and condition of the Real Property and not on any information provided or to be provided by Seller, except as specifically set forth in this Agreement. Purchaser is relying solely upon its own inspections, investigations, research and analyses in entering into this Agreement and is not relying in any way upon any representations or warranties (except those expressly provided in Section 5.1), statements, plans, specifications, cost estimates, studies, reports, descriptions, guidelines or other information or material furnished by Seller or its representatives to Purchaser or its representatives, whether oral or written, express or implied, of any nature whatsoever regarding any such matters.

6. CONDITIONS PRECEDENT TO CLOSING.

6.1 Conditions for the Benefit of Purchaser. The obligation of Purchaser to consummate the conveyance of the Real Property hereunder is subject to the full and complete satisfaction or waiver of each of the following Conditions Precedent:

6.1.1 The representations and warranties of Seller contained in this Agreement shall be true, complete and accurate in all material respects, on and as of the date hereof and the Closing Date as if the same were made on and as of such date.

6.1.2 Seller shall have performed each and every material obligation and covenant of Seller to be performed hereunder unless performance thereof is waived by Purchaser.

6.1.3 There has been no material and adverse change to the condition of the Real Property since the last day of the Due Diligence Period, provided that any change in condition due to casualty or condemnation shall be controlled by the provisions of Section 9.

6.1.4 Purchaser shall have obtained and/or met all Conditions Precedent as identified in Section 3.6 to Purchaser's satisfaction.

6.2 Waiver of Conditions. Purchaser shall have the right to waive some or all of the conditions specified in Section 6.1 in its sole and absolute discretion; provided, however, that no such waiver shall be effective or binding on Purchaser unless it is in writing and executed by an authorized officer of Purchaser.

6.3 Conditions for the Benefit of Seller. The obligation of Seller to consummate the conveyance of the Real Property hereunder is subject to the full and complete satisfaction or waiver of each of the following Conditions Precedent:

6.3.1 Purchaser shall have performed each and every material obligation and covenant of Purchaser to be performed hereunder unless performance thereof is waived by Seller.

6.4 Waiver of Conditions. Seller shall have the right to waive some or all of the conditions specified in Section 6.3 provided, however, that no such waiver shall be effective or binding on Seller unless it is in writing and executed by the Chancellor of Nevada System of Higher Education.

7. CLOSING COSTS AND PRORATIONS.

7.1 Purchaser's Costs. Purchaser will pay the following costs of closing this transaction:

7.1.1 One-half (1/2) of all recording fees and one-half (1/2) of any and all state and county recordation, documentary or transfer taxes (as applicable);

7.1.2 The incremental premium amount for extended coverage desired by Purchaser with respect to the Title Policy and premiums, fees and costs associated with the issuance of the Title Policy (except endorsements obtained by Seller to cure objections contained in the Objection Letter as referred to in Section 3) as well as for all premiums, fees and costs associated with the issuance of a mortgagee title insurance policy;

7.1.3 One-half (1/2) of the settlement fees and other charges of Title Company due in connection with the closing of this transaction;

7.1.4 The fees and disbursements of Purchaser's counsel and any other expense(s) incurred by Purchaser or its representative(s) in inspecting or evaluating the Real Property or closing this transaction;

7.2 Seller's Costs. Seller will pay the following costs of closing this transaction:

7.2.1 The portion of the Title Policy premium attributable to a standard policy, with the Purchaser to shall pay for any increased or extended policy desired;

7.2.2 One-half (1/2) of the settlement fees and charges of Title Company due in connection with the closing of this transaction;

7.2.3 All release fees and other charges required to be paid in order to release from the Real Property the lien of any mortgage or other security interest which Seller is obligated to remove pursuant to the terms of this Agreement;

7.2.4 One-half (1/2) of all recording fees and one-half (1/2) of any and all state and county recordation, documentary or transfer taxes.

7.3 Prorations. All revenues and expenses, personal property taxes, installment payments of special assessment liens, vault charges, sewer charges, utility charges, reimbursement of maintenance and repair expenses and normally prorated operating expenses billed or paid as of the Closing Date shall be prorated as of 11:59 PM., Pacific time (the "Adjustment Time"), on the day before the Closing Date and shall be adjusted against the Purchase Price due at Closing. No post-closing re-prorations shall occur. Seller and Purchaser shall in good faith attempt to have all contracts that affect the Real Property and for which the charges are based upon usage (including utilities) billed or read as of a time as close to the Adjustment Time as is reasonable, provided that Purchaser shall not be liable for any charges which accrue or became payable prior to the date of Purchaser's ownership. If a precise billing or reading as of the Adjustment Time is not available at Closing with respect to such contract, then the foregoing adjustment shall be made, by payment or credit at Closing, by pro-rating to the Adjustment Time from the latest billing or reading then available. Seller shall close out any accounts with utility companies and shall have the right to receive any and all deposits held on behalf of Seller by utility companies with respect to the Real Property.

7.4 Taxes. General real estate taxes and special assessments relating to the Real Property payable during the year in which Closing occurs shall be prorated with respect to the Real Property as of the Closing Date, with Seller being responsible for any applicable taxes attributable to Seller's period of ownership and Purchaser being responsible for taxes attributable to the period from and after the Closing Date. If Closing shall occur before the actual taxes and special assessments payable during such year are known, the apportionment of taxes shall be upon the latest available information. If, as the result of an appeal of the assessed valuation of the Real Property for any real estate tax year prior to (or including) the Closing, there is issued after Closing an administrative ruling, judicial decision or settlement

by which the assessed value of the Real Property for such tax year is reduced, and a real estate tax refund issued, Seller shall be entitled to all such refunds relating to the period prior to Closing. No post-closing re-prorations shall occur.

7.5 In General. Any other costs or charges of closing this transaction not specifically mentioned in this Agreement shall be paid and adjusted in accordance with local custom or ordinance in the jurisdiction in which the Real Property is located.

7.6 Purpose and Intent. Except as expressly provided herein, the purpose and intent as to the provisions of prorations and apportionments set forth in this Section 7 and elsewhere in this Agreement is that Seller shall bear all expenses of ownership and operation of the Real Property during its period of ownership and shall receive all income therefrom accruing through midnight of the day preceding the Closing and Purchaser shall bear all such expenses and receive all such income accruing thereafter.

8. CLOSING AND ESCROW.

8.1 Seller's Deliveries. Seller shall deliver either at the Closing or by making available at the Real Property, as appropriate, the following original documents, each executed and, if required, acknowledged:

8.1.1 A grant, bargain and sale deed conveying title to Purchaser of the Real Property, as customarily used in Nevada, subject only to the Permitted Exceptions and a reservation of water rights, as provided herein.

8.1.2 Originals (to the extent in Seller's or Seller's Agents possession or control) of all warranties then in effect, if any, with respect to the Real Property or to the Improvements or any repairs or renovations to such Improvements.

8.1.3 Appropriate evidence of authority, capacity and status of Seller as reasonably required by Title Company.

8.1.4 A settlement statement (the "Settlement Statement"), prepared by Title Company.

8.1.5 A "Declaration of Value" as prepared by Title Company.

8.1.6 Such other documents, certificates and other instruments as may be reasonably required to consummate the transaction contemplated hereby.

8.2 Purchaser's Deliveries. At the Closing, Purchaser shall (a) tender the Purchase Price to Title Company, for payment to the Seller, as required by, and in the manner described in, Section 2 hereof, and (b) execute and deliver the following documents:

8.2.1 Evidence of Purchaser's authority, and the authority of the person executing any documents at Closing on behalf of Purchaser, acceptable to Seller and Title Company, to enter into the transactions contemplated by this Agreement.

8.2.2 A "Declaration of Value" as prepared by Title Company.

8.2.3 Such other documents, certificates and other instruments as may be reasonably required to consummate the transaction contemplated hereby.

8.3 Possession. Purchaser shall be entitled to exclusive possession of the Real Property at the conclusion of the Closing.

8.4 Escrow Closing. Purchaser and Seller (or their respective counsel on behalf of Purchaser and Seller) shall execute letters of escrow closing instructions (the "**Closing Instructions**") which will provide that, on the Closing Date: (a) Seller and Purchaser shall each deposit with Title Company all of the documents and instruments described in Sections 8.1 and 8.2, above (the "**Closing Documents**"); and (b) Purchaser shall deposit with Title Company the Purchase Price required to be paid after application of all prorations, adjustments and credits required to be made under this Agreement, (the "**Adjusted Purchase Price**"), all of which shall be set forth on, and mutually agreeable pursuant to, a Settlement Statement executed by both Purchaser and Seller at Closing. Upon receipt of the Adjusted Purchase Price, and the satisfaction of all other conditions set forth in the Closing Instructions, Title Company shall be authorized and directed to disburse the Adjusted Purchase Price to Seller or its designee(s), record the Deed in the official records of the County Recorder of Washoe County, Nevada, and release the remaining Closing Documents to the appropriate parties, all in strict accordance with the Closing Instructions.

9. DAMAGE, DESTRUCTION AND CONDEMNATION.

9.1 Casualty. Except as provided herein, Seller assumes all risk of loss or damage to the Real Property by fire or other casualty until control of the Real Property is delivered to Purchaser. If at any time on or prior to the Closing Date any portion of the Real Property is destroyed or damaged as a result of fire or any other cause whatsoever, Seller or Purchaser shall promptly give written notice to the other of the nature and extent of the damage caused by such casualty. Seller shall then prepare a reasonable estimate of the cost to repair and the amount of insurance proceeds payable as a result thereof. If the estimated cost to repair the damage or destruction exceeds \$1,000.00 as reasonably estimated by Seller, Purchaser shall have the right to terminate this Agreement in its sole and absolute discretion by written notice to Seller within ten (10) calendar days following the date upon which Purchaser receives Seller's written notice of the destruction or damage. If Purchaser does not elect to so terminate this Agreement within said ten (10) day period, or if the cost of repair is equal to or less than \$1,000.00, this Agreement shall remain in full force and effect and the parties shall proceed to Closing.

9.2 Condemnation. In the event, at any time on or prior to the Closing Date, any action or proceeding is filed, under which the Real Property, or any portion thereof, may be taken pursuant to any law, ordinance or regulation or by condemnation or the right of eminent domain, Seller shall promptly give written notice thereof (which notice shall describe the type of action being taken against the Real Property, and which portions of the Real Property will be affected thereby) to Purchaser. If the taking would substantially prevent the Purchaser from using the Real Property for the intended use, then the Purchaser shall have the

right to terminate this Agreement in its sole and absolute discretion by written notice to Seller within ten (10) calendar days following the date upon which Purchaser receives Seller's written notice of such action or proceeding. If Purchaser does not elect to so terminate this Agreement within said ten (10) day period, this Agreement shall remain in full force and effect and the parties shall proceed to closing without any reduction or adjustment in the Purchase Price, except that all condemnation proceeds will be assigned to Purchaser.

10. DEFAULT AND REMEDIES.

10.1 Purchaser Default. If Purchaser is in default of one or more of Purchaser's obligations under this Agreement other than a failure to timely close (for which there shall be no notice and cure period), then Seller may give written notice to Purchaser (with a copy to Title Company) specifying the nature of the default. Purchaser shall have five (5) calendar days after receiving that written notice, but in no event beyond the Closing Date, within which to cure that default. If Purchaser fails to cure that default within that period, then Seller's sole and exclusive remedy for such default shall be to terminate this Agreement by giving written notice of such termination to Purchaser (with a copy to Title Company).

10.2 Seller Default. In the event Seller shall, on or prior to the Closing Date: (a) fail to sell, transfer and assign the Real Property to Purchaser in violation of the terms of this Agreement, (b) fail to perform any other material obligation of Seller hereunder, (c) intentionally breach any warranty made or granted by Seller under this Agreement, which breach is not cured by the Closing Date, and/or (d) have intentionally misrepresented any fact, or any of the representations of Seller contained herein are not true, accurate or complete in any material respect, Purchaser shall be entitled to (i) waive such default and proceed to Closing, or; (ii) seek to specifically enforce its rights hereunder.

10.3 Termination. Upon any termination of this Agreement pursuant to any right of a party to terminate set forth in this Agreement, (a) all documents deposited by Purchaser and Seller into escrow shall be returned by the escrow agent to the party depositing the same, and (b) all copies of all Property Documents provided to Purchaser by Seller shall be returned to Seller, whereupon the parties will have no continuing liability to each other unless otherwise expressly stated in any provision of this Agreement.

10.4 Excuse Due to Force Majeure. Except as provided elsewhere herein, if an Event of Force Majeure or Covid-19 Event of Force Majeure (as hereinafter defined) makes performance of an obligation or cure of a breach or default impossible, such performance or cure is excused for the duration of the event of force majeure provided that the obligated party (i) within ten (10) Business Days after the commencement of the force majeure notifies the other party of the nature of the event of force majeure, when it commenced, why it makes performance or cure impossible, and the expected duration (if known), and (ii) agrees to and does in fact diligently pursue remediation of the effects of the force majeure, and (iii) agrees to notify the other party immediately when it becomes possible to commence efforts to cure the default. "Event of Force Majeure" means epidemics, pandemics, strikes, lockouts, war, civil unrest, rioting, fire or other casualties, government restrictions or moratoria, inclement weather, unavailability of labor or material despite reasonable diligence, material interruption of utility services, disease event, acts of God, terrorism or other similar events, provided that

the same are (a) not reasonably foreseeable at the time of the execution of this Agreement (and (b) beyond the reasonable control of Purchaser, and not caused by the negligent or other intentional act or omission of Purchaser or Seller. "COVID-19 Event of Force Majeure" means the Event of Force Majeure caused by the COVID-19 pandemic in existence as of the Effective Date, and any subsequent Events of Force Majeure caused by or resulting from such COVID-19 pandemic, including measures taken by any Governmental Authority that limits or prohibits the work of Purchaser, Seller, any of Purchaser or Seller's consultants, or any Governmental Authority.

11. NOTICES. Any notice required or permitted to be given hereunder may be served by a party or its attorney and must be in writing and shall be deemed to be given when (a) hand delivered, or (b) one (1) Business Day after pickup by Emery Air Freight, United Parcel Service (Overnight) or Federal Express, or another similar overnight express service, or (c) transmitted by telecopy, facsimile, or electronic mail provided that confirmation of the receipt of same is noted upon transmission of same by the sender's telecopy machine or by e-mail records, and a counterpart of such notice is also delivered pursuant to one of the two manners specified in Sections 11(a) or 11(b), above, in any case addressed to the parties at their respective addresses set forth below:

If to Seller: University of Nevada, Reno
General Counsel (0550)
Reno Nevada 89557-0550
Telephone: 775.784-3493
Fax: 775.327.2202

University of Nevada, Reno
Real Estate Office (243)
Reno Nevada 89557-0550
Phone: 775.784-4180
Fax: 775.327.5017

If to Purchaser: Chalets II LLC
P.O. Box 2490,
Napa, CA 94558

If to Title Company: Ticor Title
5441 Kietzke Lane, Suite 100, Reno, NV 89511
(775)324-7400, Escrow Officer - Luanne Barnes

or in each case to such other address as either party may from time to time designate by giving notice in writing pursuant to this Section 11 to the other party. Telephone numbers are for informational purposes only. Effective notice will be deemed given only as provided above, except as otherwise expressly provided in this Agreement.

12. MISCELLANEOUS.

12.1 Entire Agreement. This Agreement, together with the exhibit(s) attached hereto, all of which are incorporated by reference as if fully set forth, (i) supersedes any prior agreements, understandings, or negotiations, whether written or oral, between the respective parties with respect to the subject matter hereof, and (ii) is the entire agreement between the parties with respect to the subject matter hereof. No alteration, modification or interpretation of this Agreement shall be binding unless it is in the form of an express writing that is signed by both parties.

12.2 Severability. If any provision of this Agreement or its application to any party or circumstances shall be determined by any court of competent jurisdiction to be invalid and unenforceable to any extent, the remainder of this Agreement or the application of such provision to such person or circumstances, other than those as to which it is so determined invalid or unenforceable, shall not be affected thereby, and each provision hereof shall be valid and shall be enforced to the fullest extent permitted by law.

12.3 Applicable Law. This Agreement shall be construed and enforced in accordance with the laws of the State of Nevada. The exclusive venue for any action to interpret or enforce any rights under this agreement shall be in the courts located in Washoe County, Nevada. In any legal action to enforce or interpret this Agreement, the prevailing party shall be an entitled to an award of reasonable attorney's fees and costs against the non-prevailing party. If any provision of this Agreement is held to be unenforceable by a court with proper jurisdiction over this Agreement, this Agreement shall be construed without regard to such provision and the remaining provisions of this Agreement shall remain fully enforceable.

12.4 Assignability. Purchaser may not assign or transfer any of Purchaser's rights, obligations and interests under this Agreement, to any person or entity without the prior written consent or approval of Seller, which shall not be unreasonably withheld. Notwithstanding the foregoing, Purchaser may assign this Agreement to one or more entities which are owned or controlled by, or under common ownership with Purchaser upon written notice to, but without the consent of, Seller. Upon any such assignment or other transfer, Purchaser and such assignee or transferee shall be jointly and severally liable for the obligations of Purchaser under this Agreement, which liability shall survive the assignment or transfer and the Closing.

12.5 Successors Bound. This Agreement shall be binding upon and inure to the benefit of Purchaser and Seller and their respective successors and permitted assigns.

12.6 Captions; Interpretation. The captions and other headings in this Agreement are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope of this Agreement or the scope or content of any of its provisions. Whenever the context may require, words used in this Agreement shall include the corresponding feminine, masculine, or neuter forms, and the singular shall include the plural and vice versa. Unless the context expressly indicates otherwise, all references to "Section" are to sections of this Agreement. The parties acknowledge and agree that they have both participated in the negotiation of the terms and conditions of this Agreement and that both have

been assisted by counsel in that process and that no provision hereof shall be interpreted against either party by virtue of its authorship.

12.7 No Partnership. Nothing contained in this Agreement shall be construed to create a partnership or joint venture between the parties or their successors in interest or permitted assigns.

12.8 Time of Essence. Time is of the essence with respect to the performance of the obligations of Seller and Purchaser under this Agreement.

12.9 Counterparts. This Agreement may be executed and delivered in any number of counterparts, each of which so executed and delivered shall be deemed to be an original and all of which shall constitute one and the same instrument.

12.10 Recordation. Purchaser and Seller agree not to record this Agreement.

12.11 Proper Execution. This Agreement shall have no binding force and effect on either party unless and until both Purchaser and Seller shall have executed and delivered this Agreement.

12.12 Waiver. No waiver of any breach of any agreement or provision contained herein shall be deemed a waiver of any preceding or succeeding breach of any other agreement or provision herein contained. No extension of time for the performance of any obligation or act shall be deemed an extension of time for the performance of any other obligation or act.

12.13 Business Days. If any date herein set forth for the performance of any obligations by Seller or Purchaser or for the delivery of any instrument or notice as herein provided should fall on a Saturday, Sunday or Legal Holiday (hereinafter defined), the compliance with such obligations or delivery shall be deemed acceptable on the next business day following such Saturday, Sunday or Legal Holiday. As used herein, the term "**Legal Holiday**" shall mean any local or federal holiday on which the Courts of the Second Judicial District are closed in Reno, Nevada.

13. FURTHER ASSURANCES. In addition to the acts and deeds recited herein and contemplated to be performed, executed or delivered by Seller and Purchaser, Purchaser and Seller hereby agree to perform, execute and deliver, or cause to be performed, executed and delivered, on the Effective Date or thereafter, any and all such further acts, deeds and assurances as Seller or Purchaser, as the case may be, may reasonably require in order to consummate fully the transaction contemplated hereunder.

14. ESCROW AGREEMENT.

14.1 Purchase Price. Upon written notification from Seller or Purchaser in accordance with the terms of this Agreement, Title Company shall release the purchase price less any prorations and adjustments in accordance with and pursuant to the written instructions. In the event of a dispute between any of the parties hereto sufficient in the sole discretion of Title Company to justify its doing so, Title Company shall be entitled to tender unto the registry

or custody of any court of competent jurisdiction all money or property in its hands held under the terms of this Agreement, together with such legal pleading as it deems appropriate, and thereupon be discharged.

14.2 Title Company. Seller and Purchaser each covenant and agree that in performing any of its duties under this Agreement, Title Company shall not be liable for any loss, costs or damage which it may incur as a result of serving as Title Company hereunder, except for any loss, costs or damage arising out of its willful default or gross negligence. Accordingly, Title Company shall not incur any liability with respect to (i) any action taken or omitted to be taken in good faith upon advice of its counsel given with respect to any questions relating to its duties and responsibilities, or (ii) to any action taken or omitted to be taken in reliance upon any document, including any written notice of instruction provided for in this Agreement, not only as to its due execution and the validity and effectiveness of its provisions, but also to the truth and accuracy of any information contained therein, which Title Company shall in good faith believe to be genuine, to have been signed or presented by a proper person or persons and to conform with the provisions of this Agreement.

14.3 Indemnity. Seller and Purchaser hereby agree to indemnify and hold harmless Title Company against any and all losses, claims, damages, liabilities and expenses, including without limitation, reasonable costs of investigation and attorneys' fees and disbursements which may be imposed upon or incurred by Title Company in connection with its serving as Title Company hereunder, except for any loss, costs or damage arising out of its willful default or gross negligence. The provisions of this Section 14.3 shall survive a termination of this Agreement. Notwithstanding the foregoing, the Seller will assert the defense of sovereign immunity as appropriate in all cases. Title Company acknowledges that NRS 41. 0305 to NRS 41.039 shall limit the liability and indemnity obligation of Seller hereunder.

[Signature page follows.]

IN WITNESS WHEREOF, Purchaser and Seller have executed this Agreement, effective as of the date first set forth above.

SELLER:

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

By: _____
Patricia Charlton
Chancellor, Nevada System of Higher
Education

Date _____

Recommended by,

Brian Sandoval
President, University of Nevada, Reno

Date _____

PURCHASER:

**Chalets II LLC, a Nevada limited liability
company**

By: _____
Date 1-10-24

TITLE COMPANY hereby accepts the foregoing Purchase and Sale Agreement hereby agrees to act as Title Company hereunder.

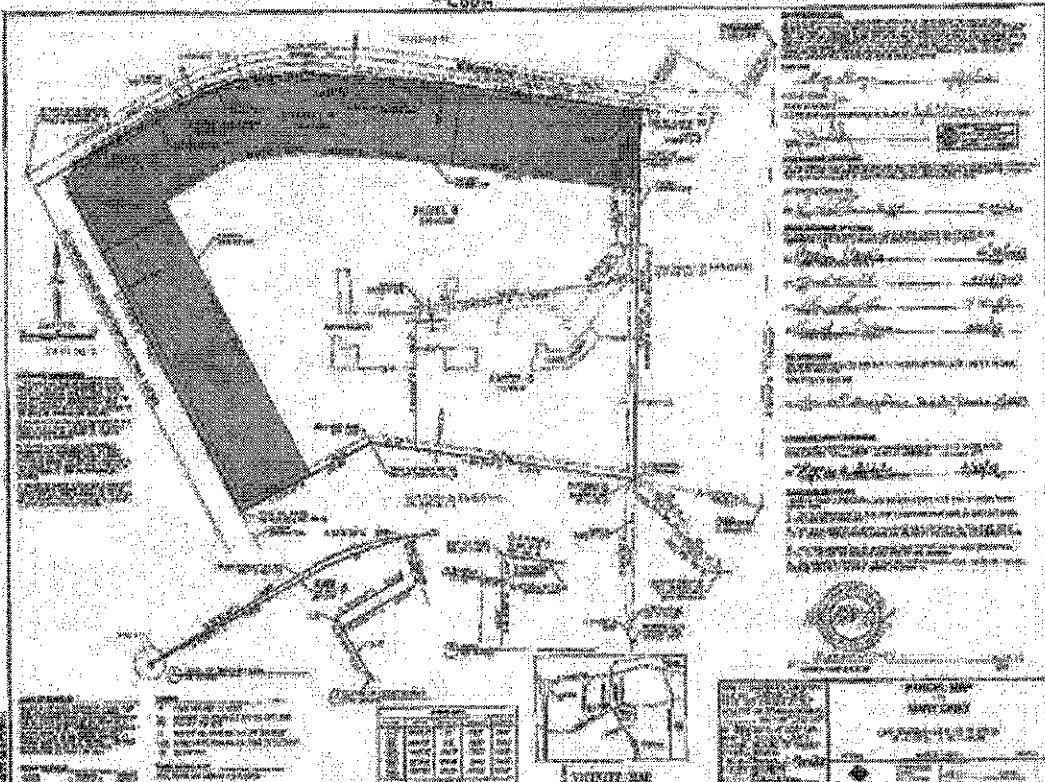
TITLE COMPANY:

Ticor Title Company

By: _____
Name: _____
Title: _____
Date: _____

EXHIBIT A

Real Property Description

SUBJECT PARCEL MAP	
	
LEGAL DESCRIPTION	
A.P.N.	Recorded Parcel Map
026-341-57	Parcel A of Parcel Map 4002, filed in the Office of the County Recorder of Washoe County, State of Nevada on April 30, 2003, as File Number 2845732 of Official Records



JOHNSON | PERKINS | GRIFFIN
REAL ESTATE APPRAISERS & CONSULTANTS

AN APPRAISAL
OF

A VACANT PARCEL OF LAND

LOCATED AT THE

SOUTHEAST CORNER OF WEDEKIND ROAD AND EL RANCHO DRIVE,
SPARKS, WASHOE COUNTY, NEVADA

OWNED BY

THE BOARD OF REGENTS OF THE UNIVERSITY AND COMMUNITY
COLLEGE SYSTEM OF NEVADA, A POLITICAL SUBDIVISION OF THE
STATE OF NEVADA, ON BEHALF OF THE UNIVERSITY OF NEVADA,
RENO, NEVADA AGRICULTURAL EXPERIMENT STATION

PREPARED FOR

UNIVERSITY OF NEVADA, RENO

FOR THE PURPOSE OF
ESTIMATING THE FOLLOWING MARKET VALUE

Valuation Scenario	Interest Appraised	Date Of Value
Market Value	Fee Simple Interest	January 8, 2024



January 10, 2024

Mr. Pat Martinez
Director of Real Estate
University of Nevada, Reno/239
1050 Evans Avenue
Reno, NV 89557-0239
E-Mail: pmartinez@unr.edu

Re: Appraisal-UNR Wedekind/El Rancho Parcel

Dear Mr. Martinez:

This is in response to your request for an appraisal of a parcel of land located at the southeast corner of Wedekind Road and El Rancho Drive in Sparks, Washoe County, Nevada. The subject property is summarized in the chart below:

SUBJECT PROPERTY SUMMARY	
Property Type	Vacant Land
Assessor's Parcel Number	026-341-57
Address	No Site Address
General Location	Southeast Corner of Wedekind Road & El Rancho Drive
City, County, State	Sparks, Washoe County, Nevada
Subject Ownership	The Board of Regents of the University and Community College System of Nevada, a Political Subdivision of the State of Nevada, on behalf of the University of Nevada, Reno, Nevada Agricultural Experiment Station
Total Gross Land Area	3.14± Acres (136,778± Square Feet)
Improvements	None-Vacant
Utilities	Reasonably Available
Water Rights	None Included
Shape	Irregular
Topography	Gently Sloping & At Grade
Zoning Designation	SF-15 (Single Family-15,000± SF Lot Minimum)
Master Plan Designation	LDR (Low Density Residential)
Flood Zone Designation	Zone "X" (Unshaded)
Opportunity Zone	No



The following summarizes the Purpose, the Client, Intended User, and Intended Use of the appraisal report.

PURPOSE, CLIENT, INTENDED USER & INTENDED USE OF THE APPRAISAL	
Purpose of Appraisal	Estimate the Market Value as of January 8, 2024
Client	University of Nevada, Reno
Intended User of Report	University of Nevada, Reno & Designated Representatives
Intended Use of Report	Internal Management and Decision Making

This is an appraisal report which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice for an appraisal report. The report was prepared in accordance with the Uniform Standards of Professional Appraisal Practice (USPAP). This appraisal firm is not responsible for unauthorized use of this report. Reese Perkins has performed services as an appraiser and Carson T. Cooke has not performed services as an appraiser regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment. No one other than the undersigned prepared the analysis, conclusions and opinions concerning real estate that are set forth in the accompanying appraisal report.

After careful consideration of all data available, and upon thorough personal investigation of the subject property and comparable properties analyzed, it is our opinion that the Market Value of the subject property is:

FINAL MARKET VALUE CONCLUSION				
Property Description	Value Addressed	Property Rights Appraised	Date Of Value	Value Conclusion
3.14± Acres of Vacant Land (Washoe County A.P.N. 026-341-57)	Market Value	Fee Simple Interest	January 8, 2024	\$750,000

Respectfully Submitted,

Reese Perkins, MAI, SRA
Nevada Certified General Appraiser
License Number A.0000120-CG

Carson T. Cooke
Nevada Certified General Appraiser
License Number A.0208551-CG



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SUMMARY OF SALIENT FACTS AND IMPORTANT CONCLUSIONS

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Assessor's Parcel Number	026-341-57
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General Location	Southeast Corner of Wedekind Road & El Rancho Drive
City, County, State	Sparks, Washoe County, Nevada
Subject Ownership	The Board of Regents of the University and Community College System of Nevada, a Political Subdivision of the State of Nevada, on behalf of the University of Nevada, Reno, Nevada Agricultural Experiment Station
Total Gross Land Area	3.14± Acres (136,778± Square Feet)
Improvements	None-Vacant
Utilities	Reasonably Available
Water Rights	None Included
Shape	Irregular
Topography	Gently Sloping & At Grade
Zoning Designation	SF-15 (Single Family-15,000± SF Lot Minimum)
Master Plan Designation	LDR (Low Density Residential)
Flood Zone Designation	Zone "X" (Unshaded)
Opportunity Zone	No
Property Type	Vacant Land
Highest & Best Use	Residential Subdivision or Assemblage With Adjacent Parcels

EFFECTIVE DATES OF APPRAISAL	
Date Description	Date
Date of Inspection	January 8, 2024
Effective Date of Value	January 8, 2024
Completion Date of Appraisal	January 10, 2024

FINAL MARKET VALUE CONCLUSION				
Property Description	Value Addressed	Property Rights Appraised	Date Of Value	Value Conclusion
3.14± Acres of Vacant Land (Washoe County A.P.N. 026-341-57)	Market Value	Fee Simple Interest	January 8, 2024	\$750,000



PURPOSE OF APPRAISAL

This appraisal is being prepared for the purpose of estimating the Market Value of the subject's Fee Simple Estate, as of a current date of value. Any other use of the appraisal requires the written consent of Johnson Perkins Griffin, LLC.

PROPERTY RIGHTS APPRAISED

The subject property is appraised as held in fee simple ownership, affected by typical encumbrances such as mortgages, easements and zoning ordinances.

DEFINITIONS OF PROPERTY RIGHTS APPRAISED

Fee Simple Estate Defined	Fee Simple Estate is defined as "Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat." ¹
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CLIENT, INTENDED USER & INTENDED USE OF THE APPRAISAL

Client	University of Nevada, Reno
Intended User of Report	University of Nevada, Reno & Designated Representatives
Intended Use of Report	Internal Management and Decision Making

EFFECTIVE DATES OF APPRAISAL

Date Description	Date
Date of Inspection	January 8, 2024
Effective Date of Value	January 8, 2024
Completion Date of Appraisal	January 10, 2024

¹ Source: The Dictionary of Real Estate Appraisal, Seventh Edition, Appraisal Institute, 2022, page 73.



MARKET VALUE DEFINED

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

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

SCOPE OF APPRAISAL

- An inspection of the subject property;
- Identification and analysis of the subject neighborhood;
- Interviews with persons knowledgeable about the subject property;
- Review of data on the subject property provided by the subject ownership and the Washoe County Assessor's Office;
- Analysis and description of the physical and legal attributes of the subject property;
- Completion of a Highest and Best Use Analysis;
- Analysis of comparable land sales and listings;
- Completion of a Sales Comparison Approach to Value, utilizing a Price Per Square Foot Analysis in order to arrive at the Market Value of the subject property;
- Projection of an appropriate exposure and marketing time for the subject property, based upon the final Market Value conclusion;
- Preparation of the appraisal report.

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



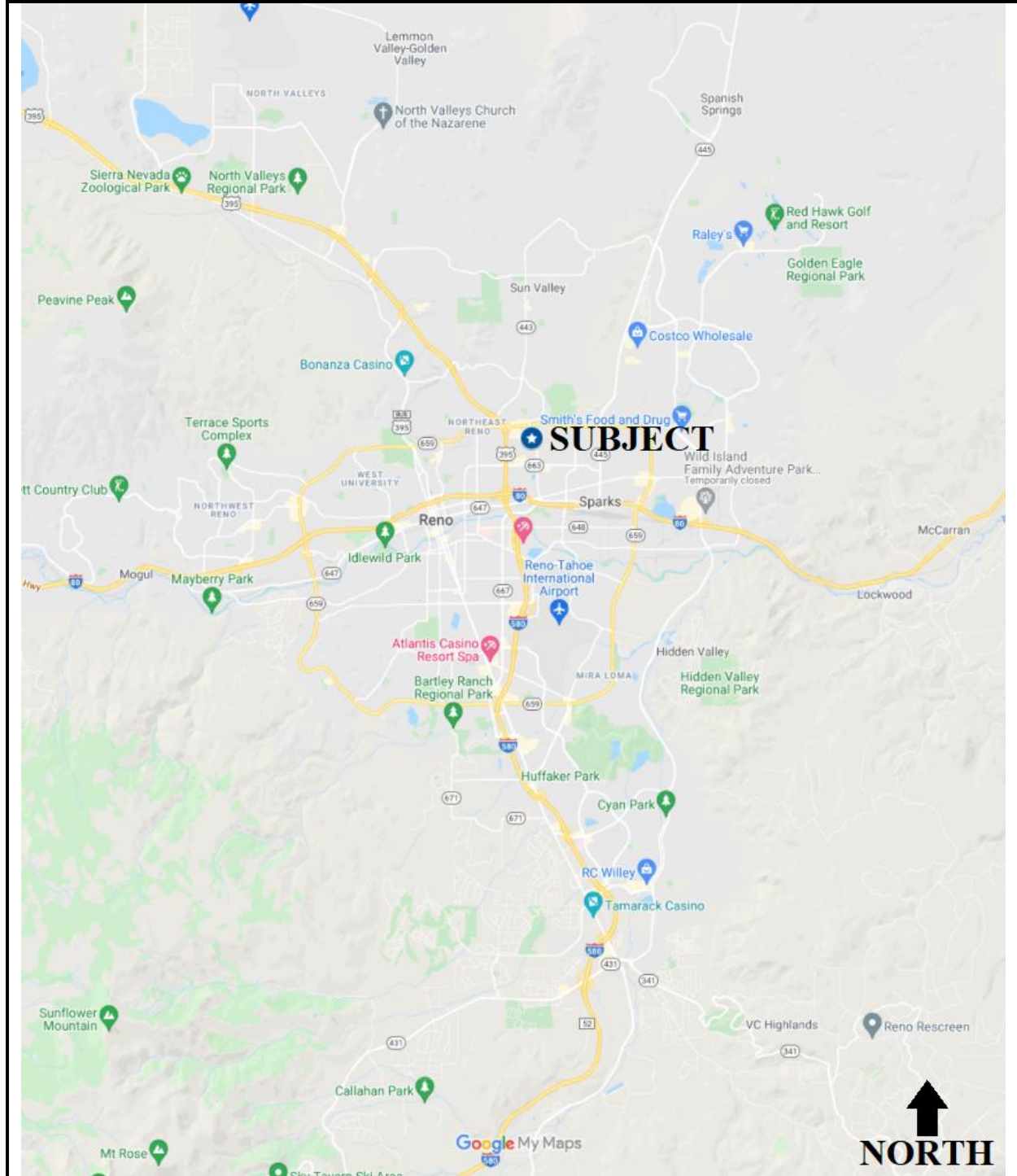
STATEMENTS OF LIMITING CONDITIONS
EXTRAORDINARY ASSUMPTIONS
<p>An extraordinary assumption is defined as “An assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser’s opinions or conclusions.”³ This appraisal has been prepared subject to the following extraordinary assumptions:</p> <ul style="list-style-type: none">• None
HYPOTHETICAL CONDITIONS
<p>A hypothetical condition is defined as “A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.”⁴ This appraisal has been prepared subject to the following hypothetical conditions:</p> <ul style="list-style-type: none">• None

³ Source: USPAP 2024 Edition, Definitions; The Appraisal Foundation, Page 4.

⁴ Source: USPAP 2024 Edition, Definitions; The Appraisal Foundation, Page 4.



RENO-SPARKS AREA MAP





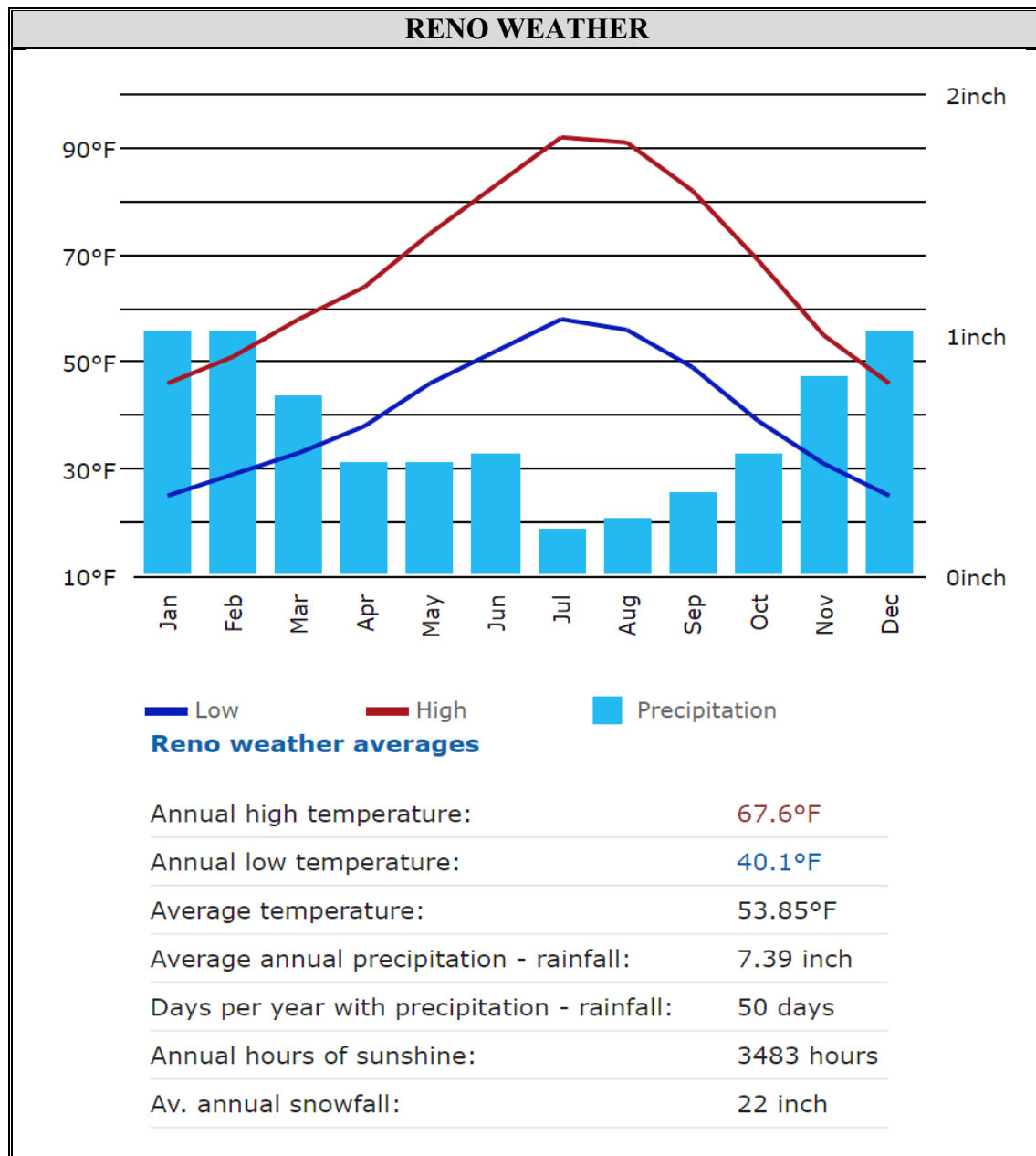
RENO-SPARKS AREA ANALYSIS AND DESCRIPTION

The Reno-Sparks metropolitan area is situated on the eastern slopes of the Sierra Nevada Mountain Range in a large valley known as the Truckee Meadows. Two major freeways serve the region. Interstate 80 runs in an east-west direction through Reno, while U.S. 395/I-580 runs in a north-south direction through Reno. The following summarizes Reno's vicinity to other major metropolitan areas in the region.

MILES BETWEEN RENO & MAJOR METROPOLITAN AREAS		
Market	Direction From Reno	Miles From Reno
San Francisco	West/Southwest	190± Miles
Los Angeles	Southwest	450± Miles
Portland	Northwest	440± Miles
Salt Lake City	East	520± Miles
Las Vegas	Southeast	450± Miles
Phoenix	Southeast	745± Miles

The Reno-Sparks metropolitan area's location is a positive amenity due to its proximity to major California markets, as well as the recreational and scenic amenities afforded by its proximity to the Sierra-Nevada Mountains and Lake Tahoe. Lake Tahoe is a 45-minute drive from downtown Reno and is the second largest alpine lake in the world, with 72 miles of Lake Frontage. Lake Tahoe also offers the greatest concentration of downhill skiing facilities in North America.

The Truckee Meadows is located at an elevation of approximately 4,400 feet above sea level and offers a semi-arid climate. The following chart summarizes weather data for the Reno area.



The primary source of water for the region is the Truckee River, which originates at Lake Tahoe, approximately 30 miles southwest of Reno, and terminates at Pyramid Lake approximately 30 miles north of Sparks. The river flows through the heart of downtown Reno and along the southern edge of Sparks. The Truckee River is a major recreational and scenic amenity for the region.



Population, Growth and Employment

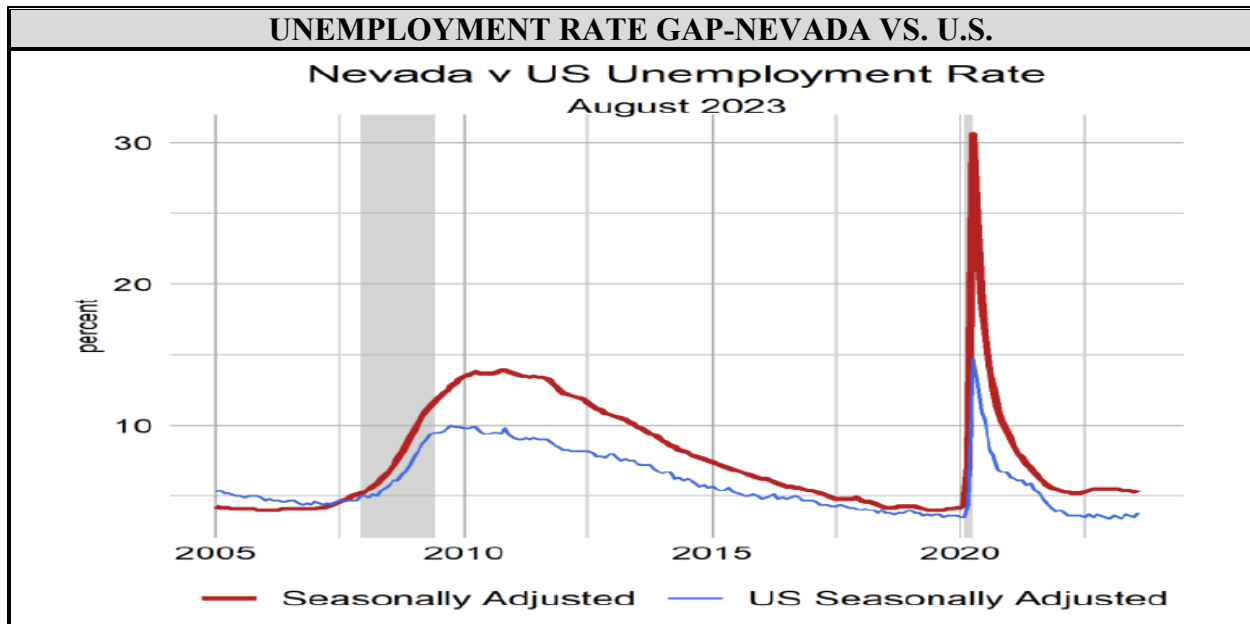
Since 1970, the Truckee Meadows have been one of the fastest growing areas in the nation. The following summarizes historical population estimates for the region.

HISTORICAL POPULATION ESTIMATES										
Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Reno	232,243	235,371	238,615	242,158	244,612	248,806	255,170	258,230	264,318	274,129
Sparks	91,551	92,396	93,581	95,726	96,928	100,140	102,543	103,230	107,489	111,735
Unincorporated	108,530	109,030	109,750	110,432	110,383	111,291	112,088	112,146	113,306	115,771
Washoe County	432,324	436,797	441,946	448,316	451,923	460,237	469,801	473,606	485,113	501,635
Source: Nevada State Demographer										

Unemployment in Nevada has historically fluctuated in the region. Unemployment increased substantially in the first and second quarters of 2020 due to the Covid-19 Pandemic. However, unemployment rates have improved since 2021. Unemployment rates for Nevada and individual counties in the state are summarized on the following chart.

NEVADA UNEMPLOYMENT DATA-AUGUST 2023				
Area	Labor Force	Number Employed	Number Unemployed	Unemployment Rate
Nevada	1,612,709	1,519,596	93,113	5.77%
Carson City	26,343	25,069	1,274	4.84%
Churchill County	10,605	10,056	549	5.18%
Clark County	1,195,494	1,122,605	72,889	6.10%
Douglas County	22,762	21,611	1,151	5.06%
Elko County	25,954	24,783	1,171	4.51%
Esmeralda County	437	410	27	6.18%
Eureka County	878	835	43	4.90%
Humboldt County	7,487	7,111	376	5.02%
Lander County	3,045	2,915	130	4.27%
Lincoln County	1,957	1,841	116	5.93%
Lyon County	23,228	21,751	1,477	6.36%
Mineral County	2,028	1,907	121	5.97%
Nye County	17,996	16,658	1,338	7.43%
Pershing County	2,249	2,118	131	5.82%
Storey County	2,160	2,059	101	4.68%
Washoe County	265,484	253,447	12,037	4.53%
White Pine County	4,602	4,420	182	3.95%

The unemployment rate for Washoe County and Nevada has historically averaged between 1% and 2% below the national average. The following chart summarizes the unemployment rate history for the State of Nevada.



Nevada offers one of the most liberal tax structures in the country. Nevada levies no personal or corporate income tax. Nevada's Freeport law exempts from taxation merchandise warehoused, assembled or processed in the State of Nevada. Real estate taxes in the State of Nevada are limited by State constitution to a maximum of \$5 per \$100 of assessed valuation. The assessed valuation is 35% of the Assessor's estimate of the taxable value of the property.

Although it is not located in Washoe County, construction of the Tesla Gigafactory in nearby Storey County within the Tahoe Reno Industrial Center has had a huge impact on the entire region. This project precipitated other large tech users, including Google and Apple, along with other smaller users, to move into the region. As a result, demand for housing and services has increased significantly in the area.

Gaming and Tourism Market

The Reno-Sparks area offers a large variety of hotel and motel rooms, including gaming and non-gaming facilities. A majority of the hotel-casino facilities are located within the downtown Reno core area. Additional hotel-casino developments are located in southern Reno along South Virginia Street including the Atlantis Casino resort and the Peppermill Hotel/Casino. The Grand Sierra Resort is located on the Reno-Sparks border and the Nugget Casino Resort is located east of Reno in central Sparks. The following chart summarizes the most recent data available for gaming revenue for the Reno-Sparks/Washoe County area, as well as other areas within the state.



GAMING WIN DATA						
Area	Current Period		% Change	Fiscal Year-to Date		% Change
	08/2023	08/2022		07/2023 - 08/2023	07/2022 - 08/2022	
Statewide	1,209,315,585	1,208,526,825	0.07%	2,613,136,298	2,524,496,254	3.51%
Clark County	1,026,044,127	1,024,163,084	0.18%	2,233,752,851	2,147,581,387	4.01%
LV Strip	666,781,704	659,745,367	1.07%	1,501,680,658	1,433,145,093	4.78%
Downtown	64,030,162	64,564,008	-0.83%	129,405,313	124,588,391	3.87%
North Las Vegas	23,032,499	23,203,646	-0.74%	47,110,936	47,796,948	-1.44%
Laughlin	34,483,743	36,070,248	-4.40%	81,394,205	78,920,792	3.13%
Boulder Strip	82,955,466	88,472,840	-6.24%	162,367,009	161,211,431	0.72%
Mesquite	13,105,575	13,564,612	-3.38%	26,339,806	27,737,448	-5.04%
Balance of County	141,654,977	138,542,362	2.25%	285,454,925	274,181,283	4.11%
Washoe County	94,425,052	92,518,987	2.06%	195,008,494	187,299,125	4.12%
Reno	68,748,831	67,269,268	2.20%	140,994,483	136,514,055	3.28%
Sparks	15,306,693	14,616,417	4.72%	32,464,489	28,869,245	12.45%
North Lake Tahoe	2,469,536	2,989,442	-17.39%	5,681,265	5,790,833	-1.89%
Balance of County	7,899,992	7,643,860	3.35%	15,868,257	16,124,992	-1.59%
South Lake Tahoe	26,571,229	29,972,774	-11.35%	57,454,446	61,805,344	-7.04%
Elko County	33,193,055	32,382,586	2.50%	67,943,976	68,327,528	-0.56%
Wendover	22,011,849	21,096,271	4.34%	45,375,437	45,517,869	-0.31%
Balance of County	11,181,205	11,286,315	-0.93%	22,568,539	22,809,659	-1.06%
Carson Valley Area *	11,291,275	11,465,043	-1.52%	22,700,251	23,226,715	-2.27%
Other	17,790,848	18,024,352	-1.30%	36,276,279	36,256,155	0.06%

* Carson Valley Area includes Carson City, Gardnerville, Minden and all other areas of Douglas County except South Lake Tahoe.

Source: Nevada Gaming Control Board

The following summarizes data provided by the Reno-Sparks Convention and Visitors Authority, regarding visitor counts for the Reno-Sparks area.

ESTIMATED VISITOR COUNTS-RENO/SPARKS AREA										
Month	2014 *	2015 **	2016 **	2017 **	2018 **	2019 **	2020 ***	2021 ***	2022 ***	2023 ****
January	256,535	297,101	271,677	289,266	288,249	301,727	292,326	227,507	255,972	252,470
February	271,750	288,597	306,208	303,225	307,042	276,808	319,114	235,348	279,063	275,562
March	318,612	322,907	346,778	366,014	357,284	330,374	174,181	291,828	346,621	300,345
April	323,515	317,110	338,936	356,756	339,425	329,874	55,450	303,322	312,876	335,336
May	354,521	351,439	339,088	362,055	368,210	352,930	82,009	322,688	321,163	323,597
June	380,881	373,053	399,053	418,830	417,508	383,674	218,587	378,034	359,856	384,619
July	403,597	397,011	409,494	445,918	416,832	401,238	258,260	382,167	369,903	477,871
August	400,777	400,440	400,652	441,297	410,188	409,466	277,640	363,154	354,736	448,373
September	373,170	386,837	412,613	427,238	401,226	385,165	279,117	349,700	363,599	
October	331,036	362,186	348,030	366,379	347,875	349,921	276,291	322,846	329,890	
November	281,192	279,360	303,310	313,133	301,964	300,252	215,769	284,618	271,995	
December	306,501	322,181	328,382	340,231	319,299	309,632	206,042	282,815	276,282	
Totals	4,002,086	4,098,222	4,204,221	4,430,342	4,275,102	4,131,062	2,654,786	3,744,027	3,841,956	2,798,171

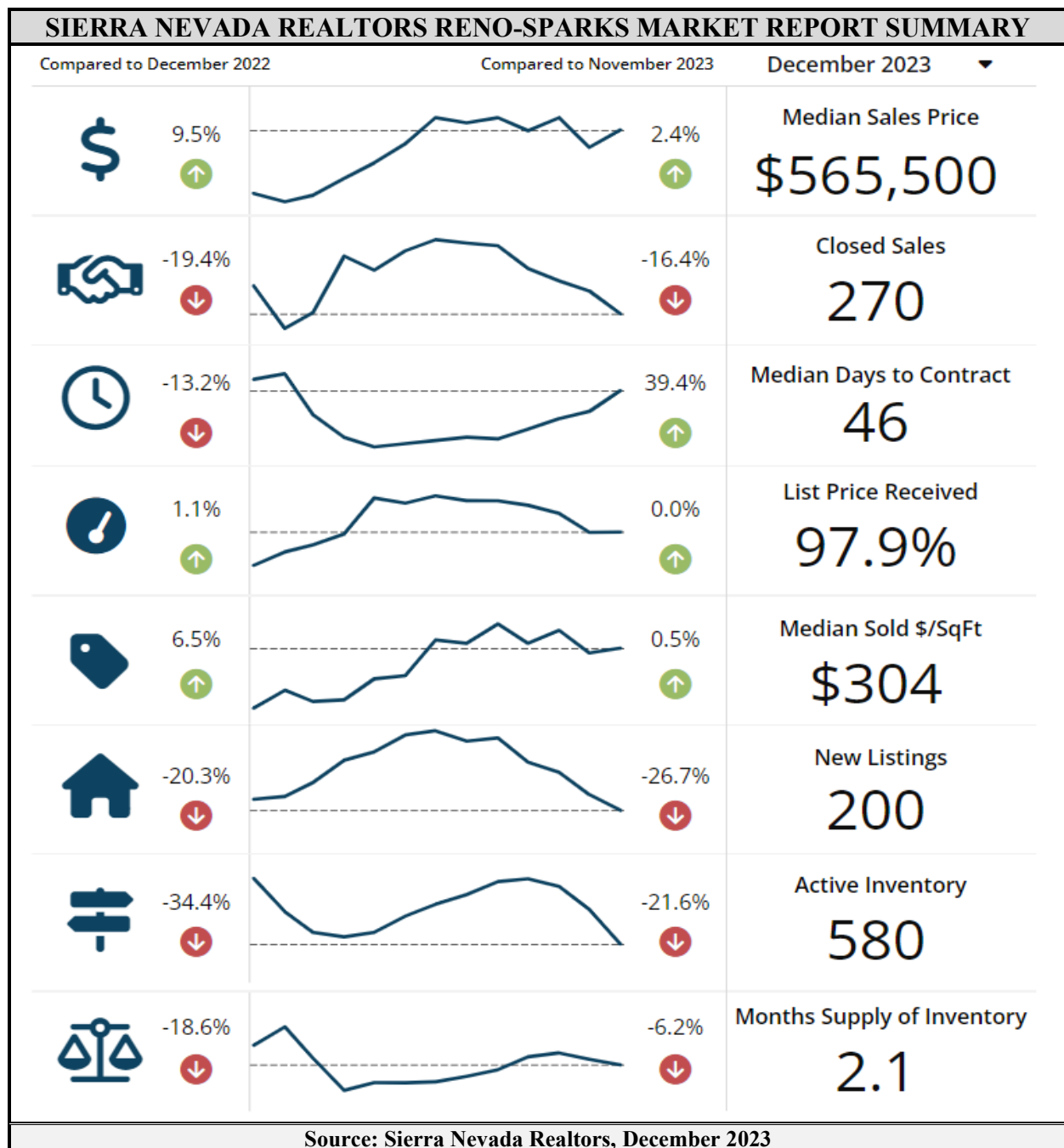
* Recalculated estimated Visitor Counts based on 2013 Visitor Profile Data
 ** Recalculated estimated Visitor Counts based on 2015 Visitor Profile Data
 *** Estimated Visitor Counts based on new 2019 Visitor Profile Data (effective January 2020)
 **** Estimated Visitor Counts based on new 2022 Visitor Profile Data (effective July 2023)

Source: Reno-Sparks Convention and Visitors Authority



Residential Market

The residential market in the Reno-Sparks has seen tremendous growth over the past several years, with both for-sale home prices and for-rent multi-family rents increasing substantially. The following tables summarize data as reported in the most recent Sierra Nevada Realtors Reno-Sparks Market Report.





Multifamily Market

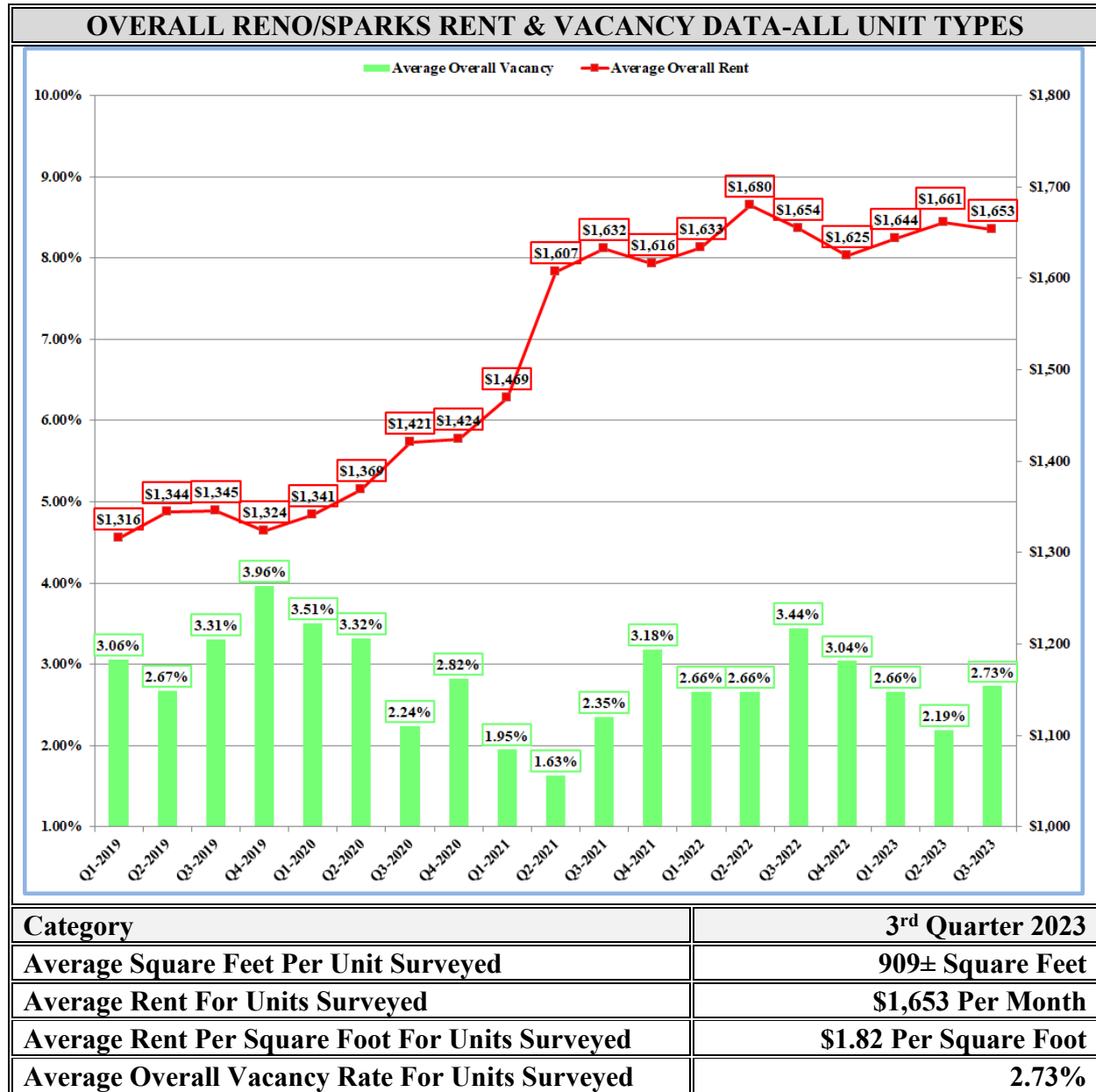
The following summarizes data from the 3rd Quarter 2023 *Apartment Survey*, which is a quarterly survey conducted by Johnson Perkins Griffin, LLC.

AVERAGE SIZE, RENT & VACANCY RATE BY UNIT TYPE							
CATEGORY	STUDIOS	1 BED/1 BATH	2 BED/1 BATH	2 BED/2 BATH	3 BED/2 BATH	TOWNHOME	TOTALS
Average SF-By Unit Type	436 SF	727 SF	863 SF	1,069 SF	1,300 SF	1,256 SF	909 SF
Average Rent-By Unit Type	\$1,248	\$1,466	\$1,512	\$1,817	\$2,202	\$2,047	\$1,653
Average Rent/SF-By Unit Type	\$2.86	\$2.02	\$1.75	\$1.70	\$1.69	\$1.63	\$1.82
Indicated Vacancy Rate-By Unit Type	2.85%	2.59%	2.52%	2.85%	3.40%	1.89%	2.73%

OVERALL AVERAGE RENT & VACANCY-PRIOR & CURRENT QUARTER			
Category	2 nd Quarter 2023	3 rd Quarter 2023	Change
Average Vacancy	2.19%	2.73%	+54 Basis Points
Average Rent	\$1,661	\$1,653	-\$8 or -0.48%

COMPARISON OF RENTAL RATES & VACANCY RATES TO PRIOR QUARTER						
UNIT TYPE	AVERAGE RENT			AVERAGE VACANCY		
	2 nd Qtr. 2023	3 rd Qtr. 2023	Result	2 nd Qtr. 2023	3 rd Qtr. 2023	Result
Studio	\$1,180	\$1,248	+\$68	2.58%	2.85%	+0.27%
1 Bedroom/1 Bath	\$1,479	\$1,466	-\$13	2.04%	2.59%	+0.55%
2 Bedroom/1 Bath	\$1,518	\$1,512	-\$7	1.65%	2.52%	+0.87%
2 Bedroom/2 Bath	\$1,837	\$1,817	-\$20	2.29%	2.85%	+0.56%
3 Bedroom/2 Bath	\$2,181	\$2,202	+\$21	3.25%	3.40%	+0.15%
Townhouse	\$1,899	\$2,047	+\$148	3.24%	1.89%	-1.35%
TOTALS	\$1,661	\$1,653	-\$8	2.19%	2.73%	+0.54%

RENTAL AND VACANCY RATES BY SUBMARKET AREA							
Area	Submarket	AVERAGE RENT			AVERAGE VACANCY		
		2 nd Qtr. 2023	3 rd Qtr. 2023	Result	2 nd Qtr. 2023	3 rd Qtr. 2023	Result
1	Northwest Reno	\$1,729	\$1,709	-\$19	1.86%	2.30%	+0.44%
2	Northeast Reno	\$1,414	\$1,422	+\$8	1.81%	1.06%	-0.76%
3	W. Sparks/N. Valley	\$1,462	\$1,500	+\$38	2.64%	2.29%	-0.35%
4	East Sparks	\$1,865	\$1,778	-\$88	2.57%	3.43%	+0.86%
5	West Reno	\$1,582	\$1,534	-\$48	1.33%	3.56%	+2.22%
6	Southwest Reno	\$1,468	\$1,486	+\$17	1.20%	2.63%	+1.43%
7	Brinkby/Grove	\$1,249	\$1,204	-\$45	1.72%	1.23%	-0.49%
8	Airport	\$1,458	\$1,509	+\$51	1.25%	3.21%	+1.96%
9	Lakeridge	\$1,808	\$1,822	+\$14	2.40%	2.69%	+0.29%
10	Southeast Reno	\$1,725	\$1,730	+\$4	1.84%	2.81%	+0.97%
11	Downtown Urban	\$1,774	\$1,835	+\$60	5.39%	6.74%	+1.35%
Overall Reno-Sparks		\$1,661	\$1,653	-\$8	2.19%	2.73%	+0.54%





Industrial Market

In an effort to diversify the economic base of the area, community leaders have focused upon the expansion of the industrial segment of the economy. The industrial industry has experienced substantial growth over the past decade as a result of the region's central location, good transportation, infrastructure and liberal tax laws. Numerous major U.S. and foreign corporations have headquarters or have located large facilities in the area, including Tesla, Google, Apple Amazon, International Gaming Technology (IGT), Barnes and Noble, Patagonia, Sherwin Williams, Wal-Mart, J.C. Penney's, R.R. Donnelley and many more.

As most major cities in the western portion of the United States are located within relatively close proximity and driving time to Northern Nevada, the Reno-Sparks area is a major distribution warehousing center. This development is further being enhanced by the favorable tax environment in the state of Nevada. Leases for industrial users in the Reno-Sparks market are typically based upon triple net lease terms. The CBRE *Reno Industrial Market View 3rd Quarter 2023 Report* indicates the following:



COMMENTARY-CBRE RENO INDUSTRIAL MARKET VIEW 3rd QUARTER 2023

MARKET HIGHLIGHTS

- The Reno region is home to 570,000 residents with a labor force of 292,000. During Q3 2023, the industrial sector provided 92,300 jobs, accounting for 32% of total employment in the region. The unemployment rate ended Q3 2023 at 4.3%, up 18 basis points (bps) from the previous quarter.
- The overall net absorption of the Reno industrial market closed Q3 2023 at 1.8 million sq. ft., bringing the year-to-date total to 3.6 million sq. ft. As preleased construction projects deliver, the market continued to see healthy absorption numbers.
- New construction starts have slowed due to continued high cost of construction, interest rate pressure, and supply chain delays. In turn, renewal activity has accelerated.
- Investment sales remain muted due to the current lending environment impacting both cost of capital and property cap rates.

INDUSTRIAL OVERVIEW

The Reno industrial market was comprised of approximately 111 million sq. ft. at the close of Q3 2023. The market has substantially grown this year, adding over 6.44 million sq. ft. of new inventory. The construction pipeline remains plentiful, with a variety of projects totaling over 2.8 million sq. ft. currently underway and 16.1 million sq. ft. in various planning stages.

The overall average asking lease rates closed Q3 2023 at \$0.87 per sq. ft. on a monthly, NNN basis. Sparks and South Reno posted the highest average asking rates at \$1.09 and \$1.10, respectively. The vacancy rate had no change quarter-over-quarter (QoQ) and the availability rate increased slightly to 6.2%. The East Valley submarket delivered over 5.1 million sq. ft. of new product in 2023, which has led to having the highest vacancy across Reno. Nevertheless, the East Valley submarket remains most active in terms of occupier demand with over 2 million sq. ft. of net absorption and a 210-bps decline in vacancy QoQ.

The industrial tenant demand remained stable in Q3 2023 with increased demand by EV users. Industrial sale activity remains mute due to elevated interest rates brought on by the Federal Reserve to curb inflation.

The Reno market totaled 1.84 million sq. ft. of net absorption during Q3 2023, maintaining the market's ongoing robust occupancy growth. This activity demonstrated a bifurcated market with high tenant demand for spaces over 100,000 sq. ft. and lower demand for sub 100,000 sq. ft. As a result, the market witnessed an influx of sublease space in sub-100,000-sq.-ft. size segment

Looking forward, there will continue to be strong market fundamentals for product over 100,000 sq. ft. As demand continues to outpace supply, there will be a need for more construction starts as we head into 2024 and beyond in the Reno industrial market.

The following charts summarize the overall and submarket industrial markets, and include data related to rental rates and vacancies. The data is from the CBRE *Reno Industrial 3rd Quarter 2023*.



INDUSTRIAL RENTS & VACANCIES BY SUBMARKET

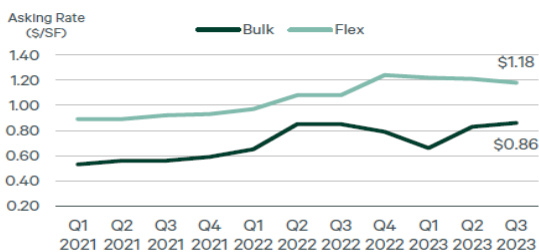
FIGURE 2: Submarket Statistics

Submarket	Net Rentable Area	Total Vacancy (%)	Total Availability (%)	Q3 Net Absorption	YTD Net Absorption	Average Asking Rate NNN (\$)
Central / Airport	10,787,034	3.6	5.4	119,223	(104,767)	1.01
Bulk	8,125,560	3.4	5.5	37,371	(131,549)	1.01
Flex	2,661,474	4.2	5.1	81,852	26,782	1.09
East Valley	30,221,978	6.7	11.7	2,016,560	3,716,547	0.86
Bulk	30,099,291	6.8	11.7	2,016,560	3,716,547	0.75
Flex	122,687	0.0	0.0	0	0	0.00
North Valley	26,872,480	3.8	4.1	(183,240)	(41,429)	0.87
Bulk	26,643,524	3.8	4.2	(183,240)	(41,429)	0.87
Flex	228,956	0.0	0.0	0	0	0.00
South Reno	9,758,909	4.2	4.6	13,788	289,389	1.10
Bulk	7,774,858	4.6	4.7	48,041	289,330	1.07
Flex	1,984,051	3.0	4.2	(34,253)	59	1.39
Sparks	30,583,395	1.8	3.3	(80,601)	(138,334)	1.09
Bulk	27,632,143	1.8	3.2	(59,155)	(118,992)	1.08
Flex	2,951,252	1.8	4.8	(21,446)	(19,342)	1.17
West Reno	2,624,123	6.2	6.2	(43,525)	(147,448)	1.03
Bulk	2,215,063	7.3	7.3	(45,300)	(149,647)	1.03
Flex	409,060	0.0	0.0	1,775	2,199	0.00
Market Total	110,847,919	4.1	6.2	1,842,205	3,573,958	0.87
Bulk	102,490,439	4.3	6.3	1,814,277	3,564,260	0.86
Flex	8,357,480	2.7	4.3	27,928	9,698	1.18

Source: CBRE Research, Q3 2023

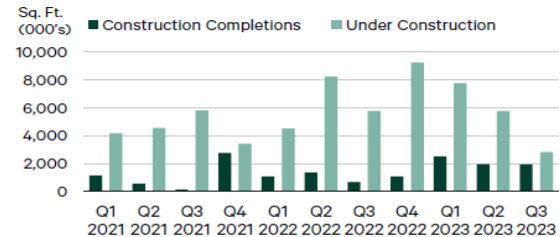
HISTORICAL INDUSTRIAL DATA

FIGURE 5: Asking Rates



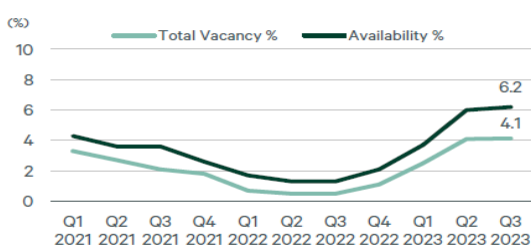
Source: CBRE Research, Q3 2023

FIGURE 7: Construction Activity



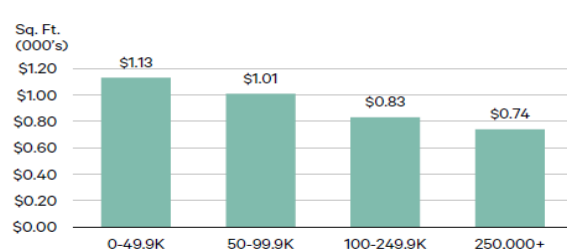
Source: CBRE Research, Q3 2023

FIGURE 6: Vacancy & Availability



Source: CBRE Research, Q3 2023

FIGURE 8: Average Asking Rates by Size Segment (Sq. Ft.)



Source: CBRE Research, Q3 2023



Retail Market

The Reno-Sparks area now has three regional shopping centers and numerous neighborhood or local shopping centers. The three major regional centers are Meadowood Mall, the Summit Sierra Mall, and the Legends at Sparks Marina.

According to the Nevada Department of Taxation, taxable sales in the region have increased significantly over the past decade. The following chart summarizes historical taxable sales totals for Washoe County.

WASHOE COUNTY TAXABLE SALES HISTORY		
Fiscal Year	Taxable Sales	Percentage Change
2009/2010	\$5,176,981,699	-9.30%
2010/2011	\$5,282,936,232	2.05%
2011/2012	\$5,522,605,351	4.54%
2012/2013	\$5,824,726,136	5.47%
2013/2014	\$6,370,684,534	9.37%
2014/2015	\$6,817,588,648	7.02%
2015/2016	\$7,550,466,734	10.70%
2016/2017	\$7,989,009,111	5.81%
2017/2018	\$8,531,252,745	6.79%
2018/2019	\$8,829,863,974	3.50%
2020/2021	\$9,250,415,486	4.76%
2021/2022	\$11,049,067,465	19.40%
2022/2023	\$12,267,765,904	11.02%
Source: Nevada Department of Taxation		



The Colliers *Reno Retail 2nd Quarter 2023 Report* indicates the following:

COMMENTARY-COLLIERS RENO RETAIL REPORT 2 nd QUARTER 2023
<h2>Continued Tenant Demand While Investment Activity Stalls</h2> <p>Northern Nevada's retail market saw positive tenant demand, declining investment activity, and delayed construction timelines halfway through 2023. Leasing activity remains robust as net absorption has been positive for the last ten quarters. While the first quarter saw a bump in retail investment with the sale of The Summit, second quarter investment activity fell drastically year-over-year. A handful of retail projects have faced delivery delays this year as construction costs have grown recently. The remainder of 2023 should see recovering investment activity and steady tenant demand.</p>
<h2>Key Takeaways</h2> <ul style="list-style-type: none">• Tenant demand remained healthy through the first half of the year, with over 27,000 square feet of net absorption in Q2 2023• Second quarter retail sales volume cooled to \$14.6 million, down 84.0 percent quarter-over-quarter, after a strong investment surge in Q1; sale price per square foot grew to \$260 in Q2• New construction starts have been minimal this year as interest rates have affected the cost of construction loans• Reno added 8,700 jobs between May 2022 and May 2023 as unemployment reached 4.5 percent

The following charts summarize the overall and submarket retail markets, and include data related to rental rates, vacancies, development, and sales. The data is from the Colliers *Reno Retail 2nd Quarter 2023 Report*.



RETAIL RENTS & VACANCIES COMMENTARY

Market Commentary

Nevada added more than 55,000 jobs in the last year, reaching a new employment peak of 1,540,900 jobs in May 2023. Statewide unemployment also fell to 5.4 percent, down 10 basis points quarter-over-quarter. Northern Nevada also experienced robust job growth as Reno has added 8,700 jobs since May 2022. Reno's unemployment rate ticked back up to 4.5 percent in June, though it is in line with the unemployment rate at the start of the year.

Reno/Sparks saw a mix of retail market fundamentals this quarter. Tenant demand remains strong in the region as the market continues to post positive net absorption each quarter.

Investment and construction activity are not quite as robust, however. Quarterly investment totals continue to decline as high interest rates have made loan origination less attractive. While the market has a healthy pipeline of new construction and renovation projects, growing construction costs continue to cause delays in delivery.

With Reno's growing population and durable tenant demand for retail space, the region should begin to see market fundamentals improve toward the end of the year, though lingering inflation and an uncertain debt market may postpone future recovery.

RETAIL RENTS & VACANCIES BY SUBMARKET

Colliers | Reno, Nevada | 23Q2 | Retail Market Statistics

Market / Submarket	Inventory Square Feet	Availability Rate	Vacancy Rate	Vacancy Rate Previous	Net Absorption Square Feet	Under Construction	Annual Deliveries	Avg. Asking Rate (NNN)
Central/Airport	3,392,988	4.5%	4.5%	5.5%	35,640	-	-	\$1.80
Downtown	576,608	16.7%	10.8%	4.8%	(34,590)	102,746	-	\$1.42
Meadowood	3,338,680	7.2%	7.0%	7.1%	3,432	-	-	\$1.42
North Valleys	925,665	1.1%	1.1%	1.3%	1,840	-	-	\$1.78
Northeast Reno	103,220	1.0%	1.0%	1.0%	0	-	-	\$1.35
Northwest Reno	1,416,176	0.7%	0.7%	0.7%	(10)	-	-	\$1.99
South Reno	2,370,547	3.3%	3.1%	3.3%	5,160	-	30,000	\$2.09
Southwest Reno	434,398	2.6%	0.8%	3.0%	9,416	-	-	\$1.55
Spanish Springs	1,797,686	6.3%	5.7%	5.1%	(10,879)	-	-	\$2.12
Sparks	4,423,007	8.1%	5.9%	5.7%	17,217	32,300	-	\$1.59
MARKET TOTAL	18,778,975	5.7%	4.8%	4.9%	27,226	135,046	30,000	\$1.68

RETAIL RENTS & VACANCIES BY PROPERTY TYPE

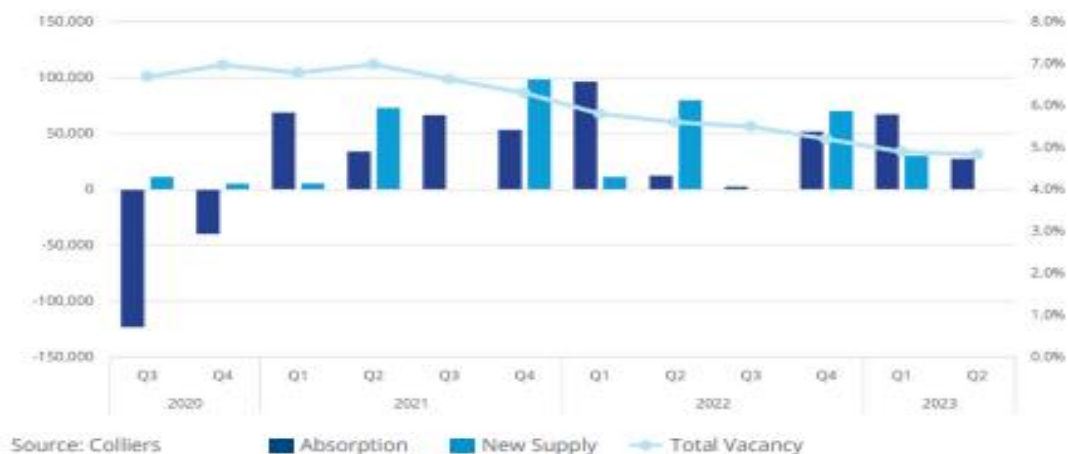
Property Type	Inventory Square Feet	Availability Rate	Vacancy Rate	Vacancy Rate Previous	Net Absorption Square Feet	Under Construction	Annual Deliveries	Avg. Asking Rate (NNN)
Community Center	4,814,771	7.0%	6.8%	7.1%	33,665	22,746	-	\$1.63
Neighborhood Center	4,017,736	3.9%	3.7%	3.8%	1,810	-	-	\$1.63
Power Center	3,706,347	4.3%	4.2%	4.3%	4,069	-	-	\$2.00
Specialty Center	231,117	1.9%	0.3%	1.6%	3,038	-	-	\$2.29
Strip Center	2,085,027	5.2%	5.2%	5.1%	(1,885)	-	30,000	\$1.48
Freestanding Retail	2,532,804	1.5%	1.3%	1.5%	4,627	-	-	\$1.75
Mixed-Use	809,118	25.0%	9.5%	7.0%	(20,305)	112,300	-	\$1.90
Lifestyle Center	582,055	10.1%	8.8%	9.2%	2,207	-	-	-
MARKET TOTAL	18,778,975	5.7%	4.8%	4.9%	27,226	135,046	30,000	\$1.68



HISTORICAL RETAIL DATA

	22Q2	23Q1	23Q2
Total Inventory (In Millions of SF)	18.8	19.0	19.0
New Supply (In Thousands of SF)	80.0	30.0	0.0
Net Absorption (In Thousands of SF)	12.3	67.0	27.2
Total Vacancy	5.6%	4.9%	4.8%
Under Construction (In Thousands of SF)	342.7	135.0	135.0
Overall Asking Lease Rate (NNN)	\$1.44	\$1.67	\$1.68

HISTORICAL RETAIL DATA (CONTINUED)



HISTORICAL RETAIL DATA COMMENTARY

Tenant demand has been strong in the last two and a half years as net absorption has remained positive since the start of 2021. With 27,226 square feet of net absorption in Q2, annual net absorption surpassed 94,000 square feet in the first half of 2023. Vacancy continued its downward trajectory this quarter, falling 10 basis points quarter-over-quarter to 4.8 percent. Delays in some current construction projects have pushed delivery dates to later quarters while other proposed projects' starts have been pushed given the current economic reality.



RETAIL DEVELOPMENT DATA

Retail Development

New construction starts have slowed in the market as elevated interest rates have increased the cost of construction loans. The increase in project costs have made it more difficult for new speculative construction to pencil. Reno currently has about 135,000 square feet of retail space under construction and a few additional projects undergoing renovation work. Some local projects have seen construction delays and extended delivery timelines. The Reno City Center project, a repurposing of the former Reno Harrah's hotel-casino, has been met with some speed bumps throughout the renovation process. With a large tenant renegeing on their lease earlier this year and the project loan going to auction in September, it's unclear how far out delivery can be expected for this property.



RETAIL PROJECT DATA

Projects Under Construction/Renovation

Developer	Site	Tenant	Square Feet	Submarket	Delivery	Type
Foothill Partners Inc	Reno Public Market	Sprouts, Makers Paradise	132,012	Central / Airport	Q4 2021	Community Center
S3 Development	West End Commons	Starbucks, In N Out, Firehouse Subs, Mountain Mike's Pizza	20,378	Downtown	Q4 2021	Community Center
Charles Jurgensen	The Strand	TBD	11,083	Central / Airport	Q1 2022	Freestanding
WinCo Foods LLC	Dakota Hills Dr	WinCo Foods	80,000	Spanish Springs	Q2 2022	Freestanding
Olympia Gaming	Legends Bay Casino	Legends Bay Casino	80,000	Sparks	Q3 2022	Casino/ Entertainment
Alamo Equities	210 N Sierra St	TBD	52,960	Downtown	Q4 2022	Freestanding
Lyon Living	Reno Experience District	TBD	70,000	Central / Airport	Q4 2022	Mixed-Use
Fritz Duda	Meadow Creek	The Cheese Board, Yogurt Beach, Zephyr Wine Bar, Pinon Bottle Co	30,000	South Reno	Q1 2023	Strip Center
CAI Investments	Reno City Center	TBD	80,000	Downtown	TBD	Mixed-Use
S3 Development	West End Commons	Cracker Barrel	22,746	Downtown	Q3 2023	Community Center
Foothill Partners Inc	The Oddie District	The Generator, Innovation Collective	170,000	Sparks	Q1 2024	Mixed-Use



RETAIL SALES DATA

Significant Sales Activity – Q2 2023



440 E Golden Valley Rd | North Valleys

Kokee and Neelam, LLC purchased the roughly 12,000 square foot strip center on a 1.66 acre pad from Dennis Banks & Art Hinkley LLC for \$4.0 million at a reported 6.8 percent cap rate. The building was fully leased at the time of sale with a tenant mix that included Longboards Beach Fired Pizza, Cloud 9 Vape, and Yogurt Beach.

\$4.0 million | \$333.33/SF



1590 E 2nd St | Central/Airport

For the Love of Dogs LLC purchased the nearly 7,300 square foot freestanding retail building on 0.5 acres from Investors Inc in an owner-user sale. The Auto Repair building, which was previously occupied by Yee Bros. Auto, sold for \$1.7 million in June.

\$1.7 million | \$233.84/SF



5415 Sun Valley Blvd | North Valleys

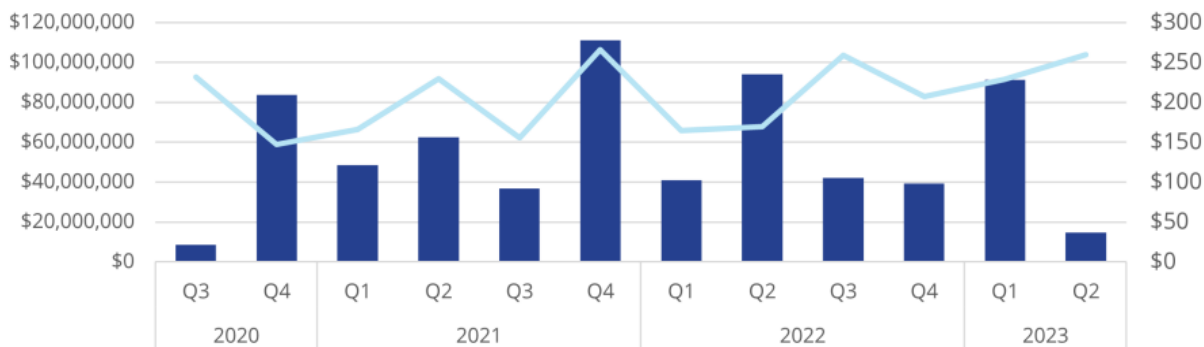
Richard Shalhoub purchased the 6,600 square foot freestanding retail building for \$1.7 million from Ironside Realty, LLC, at a reported 5.0 percent cap rate. The single tenant net leased property was occupied by O'Reilly Auto Parts at the time of sale.

\$1.7 million | \$257.58/SF

HISTORICAL RETAIL SALES DATA

Retail Market Sales Activity

Quarterly Deal Volume & Average Price/SF in the Greater Reno/Sparks Area



Source: Colliers, CoStar

■ Quarterly Sales Volume — Average Sale Price/SF

RETAIL SALES COMMENTARY

Investment Trends

Investment activity continued its downward trajectory this quarter as investor appetite for retail assets has been hampered by persistent inflation and recessionary apprehension. Excluding the largest transaction last quarter, an \$81.8 million sale at The Summit, investment totals have declined drastically over the past four quarters. Quarterly sales totaled \$14.6 million in Q2 2023, down 84.4 percent year-over-year. The

largest transaction this quarter at 440 East Golden Valley Road reached a price per square foot of about \$333 and elevated the price per square foot to nearly \$260 per square foot this quarter. Pricing is up 53.2 percent year-over-year. Elevated interest rates will likely continue to erode pricing and stunt investment activity, though the market should continue to see strong demand for net leased properties throughout the year.

Office Market

The Reno-Sparks office market consists of a variety of product types, from older second and third generation properties, to new, high-end Class A office space. The CBRE *Reno Office Market View 3rd Quarter 2023 Report* indicates the following:

COMMENTARY-CBRE RENO OFFICE MARKET VIEW 3 rd QUARTER 2023	
<p>MARKET HIGHLIGHTS</p> <ul style="list-style-type: none"> • The Reno/Sparks labor force stood at 291,600 with 286,600 employed at the close of Q3 2023. The unemployment rate closed the quarter at 4.3%, a 50-basis-point (bps) increase year-over-year (YoY) and 30 bps higher than the previous quarter. • The overall net absorption of the Reno office market closed Q3 2023 at negative 54,800 sq. ft. compared to positive 4,300 sq. ft. in Q2 2023. • Active tenants in the market remained stable in Q3 2023 as tenants continued to balance space needs aligned with hybrid work policies. • Flight-to-quality remained as tenants relocated into previously occupied Class A buildings with historically low vacancy. • Despite high macroeconomic headwinds, several notable sales indicated that the Reno/Sparks office market is still a target for investors seeking opportunity in a difficult fiscal climate. 	
<p>OFFICE OVERVIEW</p> <p>The Reno office market was comprised of 6.1 million sq. ft. at the close of Q3 2023. The overall vacancy rate increased across the region in Q3 2023 from 11.4% to 12.6% quarter-over-quarter. Additionally, availability saw a similar increase from 15.6% to 16.5% quarter-over-quarter. Net absorption posted its most negative figure since Q1 2022 at negative 54,800 sq. ft. in Q3 2023.</p> <p>The overall average asking rate for office space in Reno increased quarter-over-quarter from \$1.94 to \$1.95 per sq. ft. in Q3 2023 on a monthly, full-service, direct basis (FSG). West Reno continued to seek the highest average rent at \$2.12 FSG, while the Airport submarket recorded the most economical average asking rate at \$1.22 FSG.</p> <p>Office demand remained level in Q3 2023 as indicated by no net change in the total number of tenants looking for space. While full-floor office users have paused their space needs locally, large blocks of Class A space continued to come to market and saw moderate leasing activity in Q3 2023.</p> <p>Looking ahead, the Reno office market will continue to experience challenges surrounding macroeconomic headwinds and the lack of top-tier space throughout the region. Additionally, significant tenant requirements will remain as hybrid work policies fully materialize and in-bound migration drives new businesses to the area. The Reno office market has reported stronger fundamentals than other office markets in the West, but the market is not immune to trends measured in larger metro areas. Well-capitalized landlords, with a lower cost basis, will be better-positioned to attract tenants through competitive pricing and favorable improvement allowances.</p>	

The following charts summarize the overall and submarket office markets, and include data related to rental rates and vacancies. The data is from the CBRE *Reno Office Market View 3rd Quarter 2023*.



OFFICE RENTS & VACANCIES BY SUBMARKET

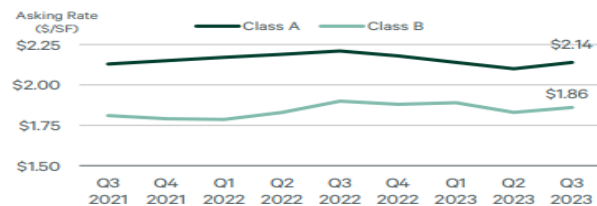
FIGURE 2: Submarket Statistics

	Net Rentable Area	Total Vacancy (%)	Total Availability (%)	Average Direct Asking Rate (\$)	Q3 Net Absorption	YTD Net Absorption
Airport	750,126	8.8%	10.5%	\$1.33	2,868	15,193
Class A	32,376	0	0	0	0	0
Class B	398,234	12.7%	12.7%	\$1.34	(1,692)	11,455
Central	602,601	5.9%	10.0%	\$1.47	(668)	434
Class A	0	0	0	0	0	0
Class B	290,135	7.8%	8.0%	\$1.51	2,101	4,082
Downtown	1,405,903	10.9%	13.8%	\$2.09	(9,059)	(4,603)
Class A	887,484	9.2%	13.1%	\$2.18	(9,059)	(11,147)
Class B	273,830	19.8%	21.9%	\$2.00	0	6,544
Meadowood	1,691,242	9.6%	11.7%	\$2.04	(4,081)	6,798
Class A	841,274	12.6%	13.8%	\$2.11	4,095	(1,190)
Class B	755,728	6.6%	8.8%	\$2.05	(5,199)	8,992
South Reno	1,401,086	21.9%	29.6%	\$2.06	(33,986)	(76,443)
Class A	990,231	26.8%	34.4%	\$2.13	(11,740)	(61,048)
Class B	410,855	10.3%	18.0%	\$1.70	(22,246)	(15,395)
Sparks	93,693	7.3%	7.3%	0	0	(6,800)
Class A	0	0	0	0	0	0
Class B	93,693	7.3%	7.3%	0	0	(6,800)
West Reno	196,268	22.3%	30.3%	\$2.12	(9,843)	(12,204)
Class A	14,493	0	0	0	0	0
Class B	44,311	48.1%	48.1%	\$2.65	0	0
Reno Office Market	6,140,919	12.6%	16.5%	\$1.95	(54,769)	(77,625)
Class A	2,765,858	16.4%	20.7%	\$2.14	(16,704)	(73,385)
Class B	2,266,786	10.9%	13.3%	\$1.86	(27,036)	8,878

Source: CBRE Research, Q3 2023

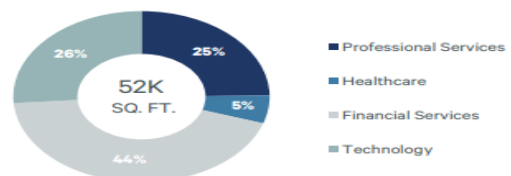
HISTORICAL OFFICE DATA

FIGURE 5: Lease Rates



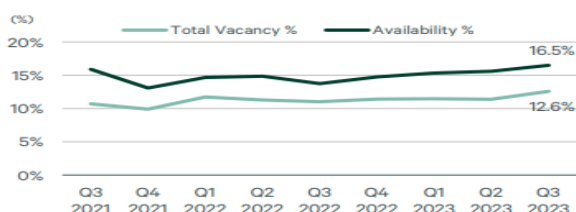
Source: CBRE Research, Q3 2023

FIGURE 7: Top 10 Leases of the Quarter by Industry



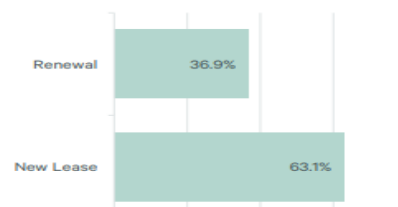
Source: CBRE Research, Q3 2023

FIGURE 6: Vacancy & Availability



Source: CBRE Research, Q3 2023

FIGURE 8: Top 10 Leases by Type

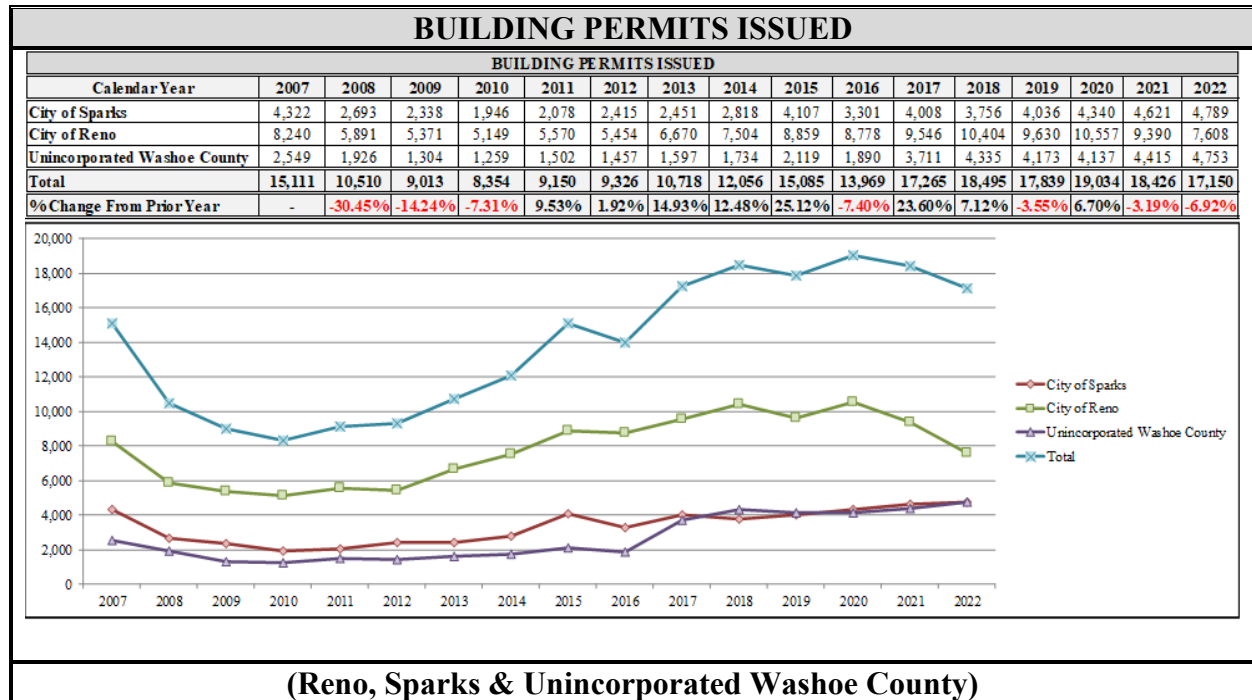


Source: CBRE Research, Q3 2023



Construction Activity

Construction activity in the area has seen tremendous growth over the decade. The chart and graph below show total building permits for Washoe County, the City of Sparks and the City of Reno.



Transportation

The Reno-Tahoe International Airport serves the Reno-Sparks area. The airport offers daily departures to over 30 North American destinations with non-stop or one-stop service. This level of service is normally found in cities with populations four to five times the size of the Reno-Sparks area. The following chart summarizes passenger statistics for the Reno-Tahoe International Airport.



RENO-TAHOE INTERNATIONAL AIRPORT STATISTICS

Total Passengers Aug-23					
	Passengers		% Diff.	Passengers	
	2021	2022		2023	YOY % Diff.
JAN	145,421	296,641	104.0%	344,268	16.1%
FEB	162,071	310,738	91.7%	327,934	5.5%
MAR	252,828	368,946	45.9%	380,363	3.1%
1st QTR	560,320	976,325	74.2%	1,052,565	7.8%
APR	247,220	326,787	32.2%	357,924	9.5%
MAY	302,403	352,255	16.5%	368,930	4.7%
JUN	397,906	384,429	-3.4%	409,467	6.5%
2nd QTR	947,529	1,063,471	12.2%	1,136,321	6.9%
JUL	438,168	407,867	-6.9%	442,942	8.6%
AUG	369,686	409,942	10.9%	438,621	7.0%
SEP	302,929	397,404	31.2%		
3rd QTR	1,110,783	1,215,213	9.4%	881,563	-27.5%
OCT	350,631	385,466	9.9%		
NOV	323,508	343,130	6.1%		
DEC	330,687	327,353	-1.0%		
4th QTR	1,004,826	1,055,949	5.1%	0	
TOTAL	3,623,458	4,310,958	19.0%		
YTD		2,857,605		3,070,449	7.4%

Total Cargo Volume in Pounds Aug-23				
	Cargo in Pounds		% Diff.	YOY % Diff.
	2021	2022		
JAN	11,805,228	11,052,383	-6.4%	-11.6%
FEB	10,068,001	10,991,076	9.2%	-18.4%
MAR	13,204,912	12,265,793	-7.1%	-9.3%
1st QTR	35,078,141	34,309,252	-2.2%	-13.0%
APR	12,611,682	11,470,613	-9.0%	-24.1%
MAY	12,048,247	10,966,757	-9.0%	-17.1%
JUN	13,000,085	12,105,721	-6.9%	-19.9%
2nd QTR	37,660,014	34,543,091	-8.3%	-20.4%
JUL	12,722,035	11,289,066	-11.3%	-24.6%
AUG	11,636,003	11,751,228	1.0%	-15.9%
SEP	13,055,518	11,624,360	-11.0%	
3rd QTR	37,413,556	34,664,654	-7.3%	
OCT	12,660,541	10,502,407	-17.0%	
NOV	12,089,489	11,569,577	-4.3%	
DEC	16,260,767	13,806,179	-15.1%	
4th QTR	41,010,797	35,878,163	-12.5%	
TOTAL	151,162,508	139,395,160	-7.8%	
YTD		91,892,637		75,747,324 34,353 -17.6%

Total Enplaned Passengers Aug-23				
Month	2021	2022	2023	% Diff.
JAN	72,887	147,773	171,374	16.0%
FEB	80,263	155,233	162,964	5.0%
MAR	126,359	185,671	193,748	4.4%
APR	125,009	163,973	177,665	8.4%
MAY	149,486	174,487	183,112	4.9%
JUN	197,261	191,234	203,452	6.4%
JUL	217,124	203,375	220,645	8.5%
AUG	188,207	199,365	214,616	7.6%
SEP	152,267	206,819		
OCT	177,407	193,074		
NOV	161,926	171,626		
DEC	164,561	162,680		
TOTAL	1,812,757	2,155,310		
YTD		1,421,111	1,527,576	7.5%

Total Deplaned Passengers				
Month	2021	2022	2023	% Diff.
JAN	72,534	148,868	172,894	16.1%
FEB	81,808	155,505	164,970	6.1%
MAR	126,469	183,275	186,615	1.8%
APR	122,211	162,814	180,259	10.7%
MAY	152,917	177,768	185,818	4.5%
JUN	200,645	193,195	206,015	6.6%
JUL	221,044	204,492	222,297	8.7%
AUG	181,479	210,577	224,005	6.4%
SEP	150,662	190,585		
OCT	173,224	192,392		
NOV	161,582	171,504		
DEC	166,126	164,673		
TOTAL	1,810,701	2,155,648		
YTD		1,436,494	1,542,873	7.4%

Enplaned Passengers & Load Factor				
Airline	Enplaned PAX	Aug-23	Aug-22	Diff.
aha!	0	n/a	58.7%	n/a
Alaska/Horizon	19,954	85.5%	85.2%	0.2
Allegiant Air	1,169	93.7%	79.8%	13.8
American	33,703	83.6%	80.2%	3.4
Delta	19,108	88.6%	90.6%	-2.0
Frontier	0	n/a	82.2%	n/a
JetBlue	6,602	67.7%	68.9%	-1.3
Southwest	85,906	73.5%	81.3%	-7.7
Spirit	8,499	81.1%	73.0%	8.1
Sun Country	2,890	70.6%	n/a	n/a
United	34,278	82.4%	77.5%	5.0
Volaris	2,507	60.9%	52.1%	8.8

The Reno-Sparks area also has adequate rail service and bus service. The area has excellent access to trucking facilities. Rail service through the area is provided by Union Pacific Railroad. The rail lines pass through downtown Reno with most of the rail traffic involving freight transportation. Additionally, Amtrak provides passenger rail service to the area.

Hospitals, Education and Public Services

The Reno-Sparks area has five private general hospitals and one Veterans' Administration hospital. Construction was completed in 2022 on the newest regional hospital, Northern Nevada Sierra Medical Center, which is located at the southeast corner of Longley Lane and Double R Boulevard.

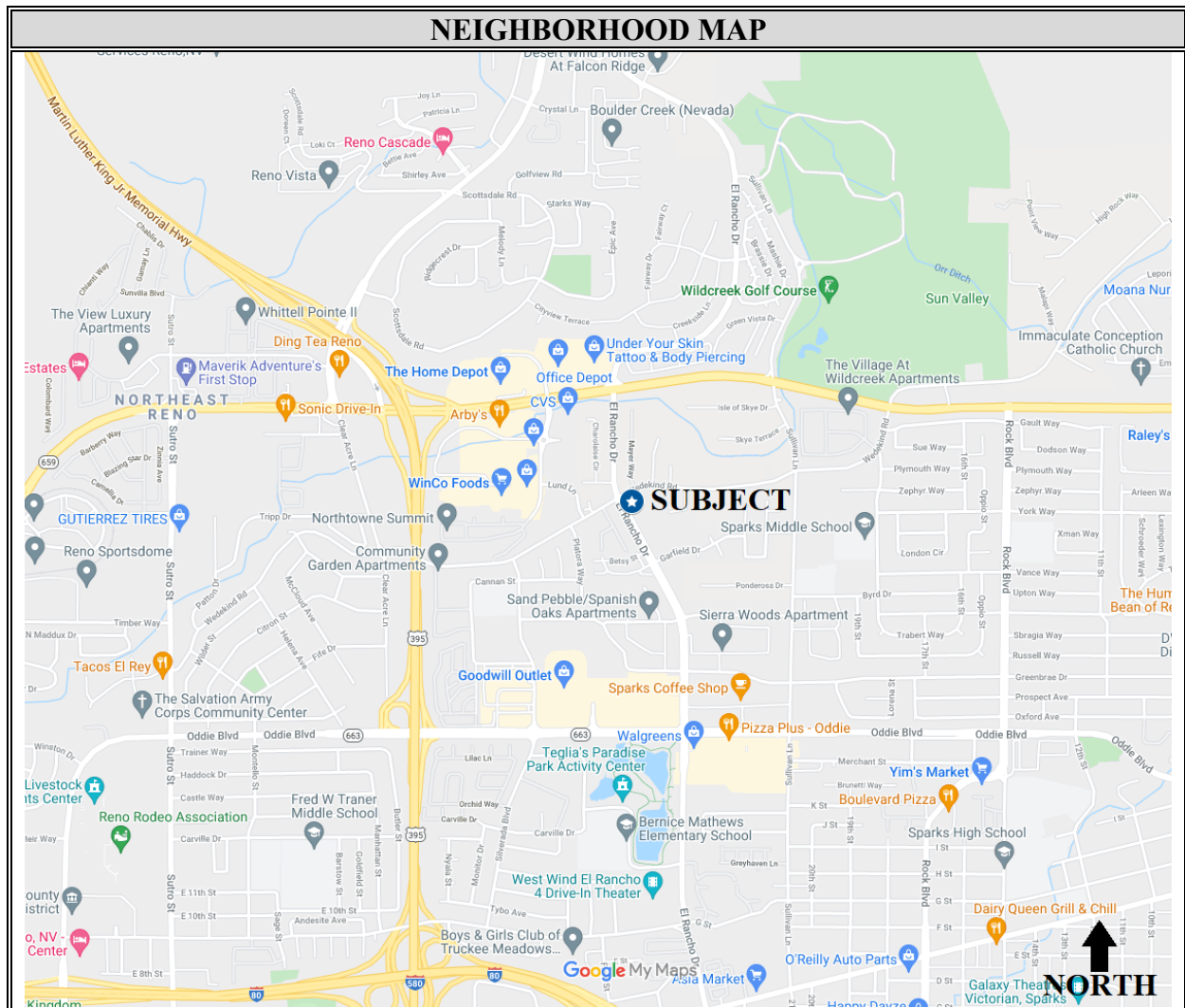


The Washoe County School District provides public schools. The University of Nevada-Reno is situated on a 200-acre campus just north of downtown Reno. There are approximately 21,000 students currently enrolled at the University. The area is also served by the Truckee Meadows Community College, which has an enrollment of approximately 10,000 students per year. Both of these institutions have seen tremendous growth in enrollment over the past decade.

Each of the municipalities in the Reno-Sparks area offers police and fire protection. Municipal recreational facilities in the Reno-Sparks area include a number of golf courses, several indoor/outdoor swimming pools, numerous public parks and several public libraries. RTC Ride provides public transportation to the region.

Summary

In summary, the Reno-Sparks area has experienced rapid population growth over the past several decades due to the excellent quality of life. Unemployment increased substantially in the first and second quarters of 2020 due to the Covid-19 Pandemic. However, the unemployment rates in the Reno-Sparks area have since normalized and are now at historically low levels. The Reno-Sparks market has seen a rapid influx of new businesses and residents, particularly from California, due to the lower tax structure of the area, and the quality of life. This growth is not without problems however, as price increases in for-sale homes and rent increases in apartment projects has priced out many lower wage workers. However, the Reno-Sparks market continues to show positive growth in the various real estate sectors, including residential, office, retail and industrial.



NEIGHBORHOOD DESCRIPTION

The subject property is situated in northwestern Sparks. The subject neighborhood also includes a portion of northeast Reno along the eastern boundary.

Primary access is provided to the subject neighborhood by Interstate 580 (U.S. Highway 395). I-580 is a two-way, six and eight-lane, concrete surfaced limited access freeway which extends in a north-south direction through the central portion of the Reno-Sparks metropolitan area. I-580 extends south of the Reno-Sparks area and provides access to Carson City. Access to I-580/U.S. 395 in the subject neighborhood is from interchanges at Clear Acre Lane/North McCarran Boulevard and Oddie Boulevard.

North McCarran Boulevard, which bisects the northerly portion of the subject neighborhood, is a limited access; four-lane divided roadway with left center turn lanes at all intersections. McCarran Boulevard is a ring road which encircles the Reno-Sparks area.

Oddie Boulevard, which forms the southerly boundary of the subject neighborhood, is an east-west arterial roadway servicing the central portion of the City of Sparks and the northeast portion of the City of Reno. In the vicinity of the subject neighborhood, Oddie Boulevard is a six-lane, two-way, asphalt paved thoroughfare. The principal development along Oddie Boulevard to the east of the U.S. 395 Freeway is commercial utilizations. To the west of the U.S. 395 Freeway there are residential uses along Oddie Boulevard.

Clear Acre Lane is a major north/south roadway in the north-central portion of the subject neighborhood. Clear Acre Lane is a two-way, four-lane asphalt paved roadway with left center turn lanes at most major intersections. This roadway connects Wedekind Road and McCarran Boulevard to the south, with the residential developments in the northern portion of the subject neighborhood as well as Sun Valley.

In addition to the major roadways, there are a number of secondary streets servicing the subject neighborhood including Wedekind Road and El Rancho Drive. These streets are typically two-lane, two-way, asphalt-paved roadways that are improved with concrete curbs, gutters, and sidewalks. Overall, the subject neighborhood is considered to have good accessibility to most portions of the Reno-Sparks area.

The development within the subject neighborhood involves a wide variety of commercial and residential utilizations. The commercial uses are confined primarily to North McCarran Boulevard and Oddie Boulevard. The majority of the remainder of the subject neighborhood involves residential uses including single family detached homes, condominium and townhouse projects, mobile home parks and apartment complexes.

The shopping centers situated along Oddie Boulevard within the subject neighborhood include Evergreen Plaza and Paradise Plaza. At the intersection of Oddie Boulevard and Silverada Boulevard is the Oddie Mall. The major anchor in this shopping center was a Sak-N-Sav supermarket. This anchor tenant permanently closed in November 2023 and the space is currently available for lease.

At the present time, the commercial utilizations on both sides of Oddie Boulevard are receiving average maintenance and repair. The shopping centers typically involve average quality construction and are in fair to average condition at the present time. However, The Oddie District is an urban infill redevelopment project located on the northeast corner of Silverada Boulevard and Oddie Boulevard. The project is the deconstruction of a former Lowe's home improvement store. The project is planned to open in the first quarter of 2024 and will include food and beverage space, retail space, and other mixed-use utilizations. This project is anchored by The Generator, a makerspace community.

The Northtowne Marketplace, a 327,900± square foot shopping center is located on the southeast corner of North McCarran Boulevard and the U.S. 395 Freeway. The anchor tenant in this shopping center is currently WinCo Foods. The center also includes in-line shopping space and restaurant pad sites. This project was completed in 1994 and is in average condition at the present time. The Northtowne Marketplace offers a number of pad sites, several of which have been improved. These improvements include a bank branch, fast food restaurants, and a fitness center.

In addition to the developments on the south side of North McCarran, the north side of North McCarran also has commercial development. Home Depot, Petco, Office Depot, and Del Taco are among the commercial stores that are located on the north side of the street.

University Village is located at the northeast corner of North McCarran Boulevard and Clear Acre Lane. This center includes a Jackson's gas station/market as well as several

restaurants. On the northwest corner of North McCarran Boulevard and Clear Acre Lane is a smaller strip center which includes a SuperPawn, O'Reilly Auto Store and a fast-food restaurant. Some retail development has occurred on the south side of North McCarran Boulevard, between Clear Acre Lane and Sutro Street, including a Jiffy Lube, a tire store and a fast food restaurant.

The subject neighborhood also includes a small amount of office utilizations which are interspersed throughout the neighborhood. The Wild Creek Office Park is situated a short distance to the east of the Northtowne Marketplace on North McCarran Boulevard and involves average quality condominium style office space. The Reno Medical Plaza and medical office building are located on Silverada Boulevard, in the eastern portion of the subject neighborhood. Another office condominium project is located at the intersection of North McCarran Boulevard and Sutro Street. There is also a small office/warehouse complex located on Sutro Street, just south of Hug High School.

While there is substantial commercial development in the subject neighborhood, the majority of the neighborhood involves residential uses including detached single-family residences, duplexes, townhomes, condominiums, mobile home parks and apartments.

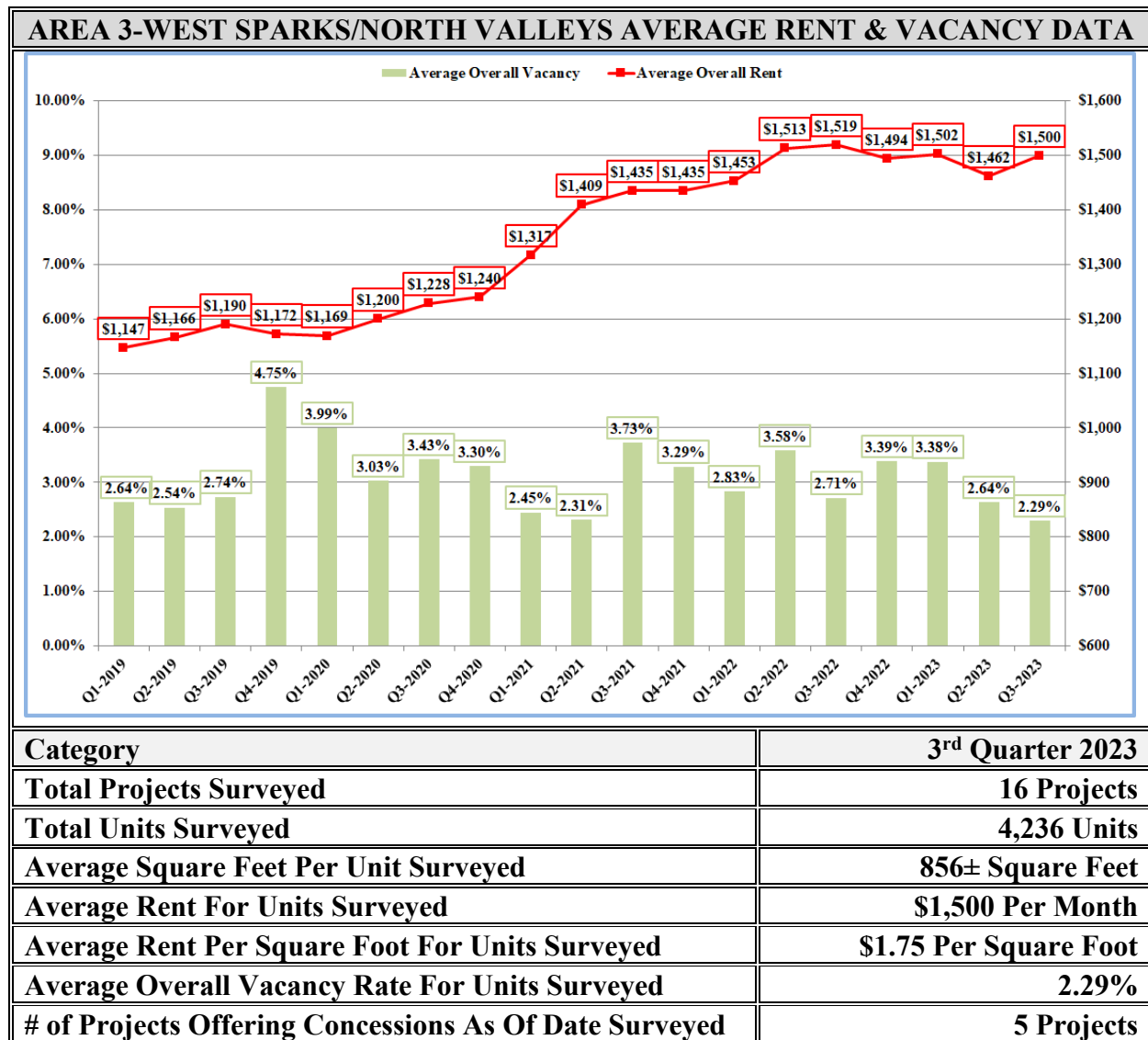
Overall, the subject neighborhood offers a wide variety of single-family residential utilizations. Most of the homes in the subject neighborhood are of average quality construction and range from newer homes in the northern portion of the neighborhood to older subdivisions in the southern portion of the neighborhood.

Over the last several years, the subject neighborhood has seen several multi-family residential developments including condominiums, townhouses and apartments.

Most of the larger apartment complexes are located in the northern portion of the subject neighborhood. These apartment complexes include Sand Pebble and Spanish Oak Village on El Rancho Drive, and the Northtowne Summit complex just south of Northtowne Marketplace. The Northgate Villas are located between Silverada Boulevard and the U.S. 395 Freeway and contain a total of 116 units. The newest apartment development within the subject neighborhood is Parq Crossing. The 288-unit apartment complex is currently being built by Guardian Capital at the northeast corner of Oddie Boulevard and El Rancho Drive.



The subject is located within the West Sparks/North Valleys Apartment market. This firm conducts a quarterly apartment survey. The data for the subject submarket, as of the 3rd Quarter of 2023, is set forth below.



All utilities are available to the subject neighborhood including electricity, natural gas, telephone service, sewer, water and cable television. Public services to the majority of the subject neighborhood are provided by the City of Reno. The eastern portion of the subject neighborhood has public services provided by the City of Sparks. Reno Fire Station No. 2 is located on Sutro Street, between Oddie Boulevard and North McCarran Boulevard in the subject neighborhood.

The topography of the subject neighborhood is gently to steeply sloping down to the south. The elevation of the subject neighborhood ranges from approximately 4,450± feet above sea level along the southerly boundary to approximately 4,650± feet above sea level along the northern boundary. As a result, some of the properties in the northern portion of the neighborhood do have good to excellent views of the Reno-Sparks area and Sierra Nevada Mountains.

The subject neighborhood is centrally located with access to a wide variety of educational facilities. The newly constructed Proctor Hug High School is located just north of and adjacent to the Wildcreek Golf Course. The Rita Cannan Elementary School is located on Cannan Street in the eastern portion of the subject neighborhood. The Glenn Duncan Elementary School and the Fred W. Traner Middle School are located just south of the subject neighborhood. The University of Nevada, Reno campus is located west of the subject neighborhood. Truckee Meadows Community College is located on Dandini Boulevard at the northernmost part of the subject neighborhood.

While recreational facilities within the neighborhood are somewhat limited, the Washoe County Fairgrounds are located just outside of the subject neighborhood on the southwest corner of Sutro Street and South Wells Avenue. Additional recreational facilities are available at Paradise Park, which is located just south of the subject neighborhood, at the intersection of Oddie Boulevard and El Rancho Drive.

In summary, the subject property is situated in northwestern Sparks and the subject neighborhood also includes a portion of northeast Reno. The subject neighborhood has excellent access to the entire Reno-Sparks area by means of North McCarran Boulevard and the U.S. 395 Freeway. The subject neighborhood is residential and commercial in nature. The commercial development can be found on the arterial roadways. The residential developments include single family homes, apartment complexes, condominiums, townhouses and mobile home parks. There is a wide variety of shopping facilities, which service the residential developments. There are a number of recreational facilities located in close proximity to the subject neighborhood including the Washoe County Fairgrounds and Paradise Park. The subject neighborhood has all utilities available and also has good access to educational facilities.



SUBJECT AERIAL PHOTOGRAPHS



Source: Washoe County WRMS



Source: Bing Maps



SUBJECT PHOTOGRAPHS



**VIEW OF THE 30± FOOT WIDE ACCESS EASEMENT ALONG THE SUBJECT'S
EAST PROPERTY LINE FACING SOUTH FROM NEAR ITS INTERSECTION WITH
EAST WEDEKIND ROAD**



**OVERALL VIEW OF THIS SUBJECT PROPERTY
FACING SOUTHWEST FROM THE SITE'S NORTHEAST CORNER**



JOHNSON | PERKINS | GRIFFIN
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SUBJECT PHOTOGRAPHS



**VIEW OF WEDEKIND ROAD ALONG THE SUBJECT'S NORTH PROPERTY LINE
FACING WEST FROM NEAR THE SITE'S NORTHEAST CORNER**



**VIEW OF WEDEKIND ROAD ALONG THE SUBJECT'S NORTH PROPERTY LINE
FACING NORTHEAST FROM NEAR THE SITE'S NORTHWEST CORNER**



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REAL ESTATE APPRAISERS & CONSULTANTS

SUBJECT PHOTOGRAPHS



**OVERALL VIEW OF THE SUBJECT PROPERTY
FACING SOUTHEAST FROM THE SITE'S NORTHWEST CORNER**



**VIEW OF EL RANCHO DRIVE ALONG THE SUBJECT'S WEST PROPERTY LINE
FACING SOUTHEAST FROM NEAR THE SITE'S NORTHWEST CORNER**



SUBJECT PHOTOGRAPHS



**VIEW OF EL RANCHO DRIVE ALONG THE SUBJECT'S WEST PROPERTY LINE
FACING NORTHWEST FROM NEAR THE SITE'S SOUTHWEST CORNER**



**OVERALL VIEW OF THIS SUBJECT PROPERTY
FACING NORTHEAST FROM THE SITE'S SOUTHWEST CORNER**



SUBJECT PHOTOGRAPHS



**VIEW ALONG THE SUBJECT'S SOUTH PROPERTY LINE
FACING NORTHEAST FROM THE SITE'S SOUTHWEST CORNER**



**VIEW ALONG THE SUBJECT'S SOUTH PROPERTY LINE FACING SOUTHWEST
FROM APPROXIMATELY 110± FEET EAST OF EL RANCHO DRIVE AND THE
SUBJECT'S SOUTHWEST CORNER**



SUBJECT PHOTOGRAPHS



OVERALL VIEW OF THS SUBJECT PROPERTY FACING NORTHWEST FROM APPROXIMATELY 110± FEET EAST OF EL RANCHO DRIVE AND THE SUBJECT'S SOUTHWEST CORNER



VIEW FACING NORTHEASTERLY ACROSS THE NORTH PORTION OF THE SUBJECT TAKEN FROM THE NORTHWEST PORTION OF THE PROPERTY



SUBJECT PHOTOGRAPHS



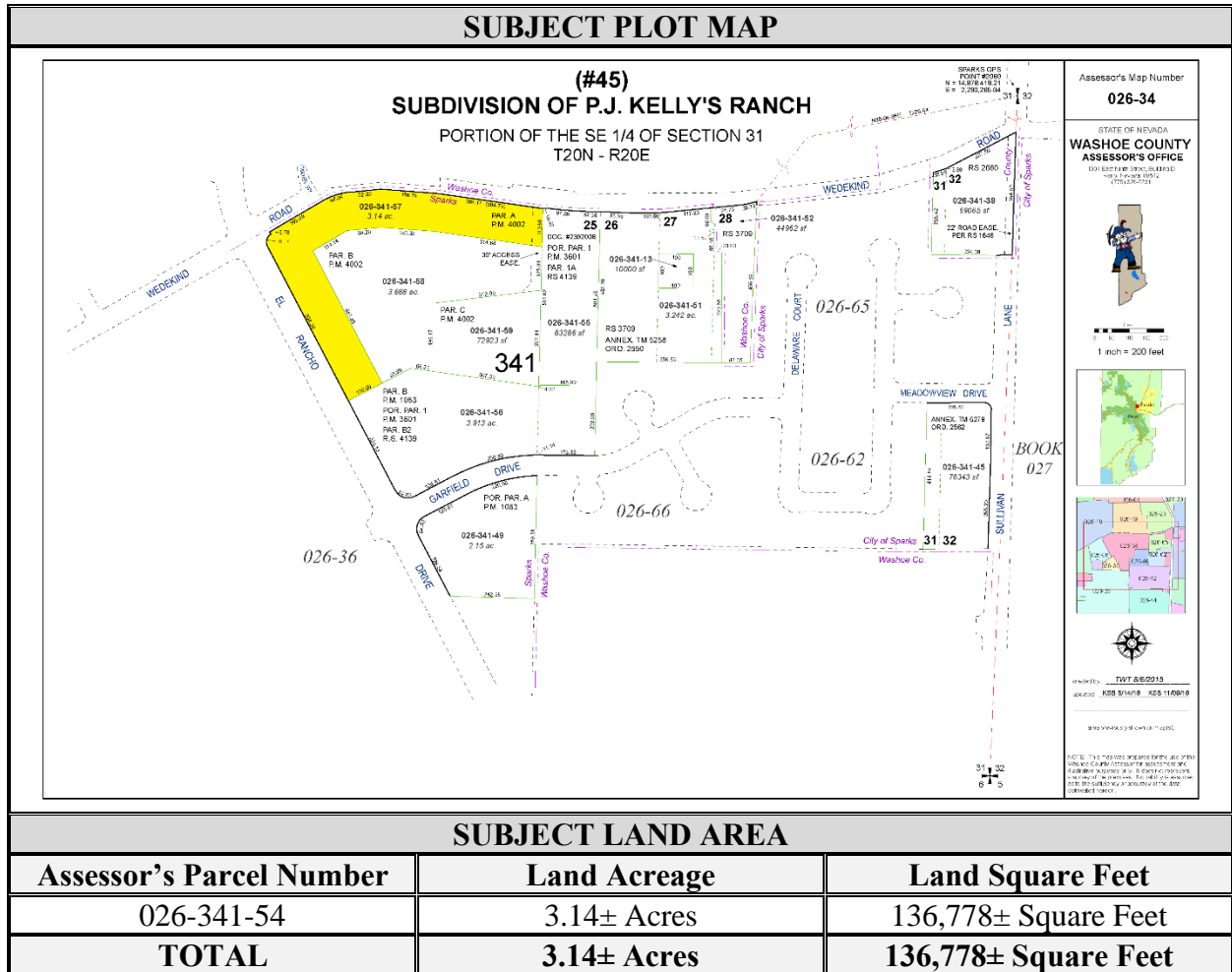
OVERALL VIEW OF THS SUBJECT PROPERTY FACING NORTHWEST FROM APPROXIMATELY 110.80± FEET SOUTH OF WEDEKIND ROAD AND THE SUBJECT'S NORTHEAST CORNER



VIEW OF THE 30± FOOT WIDE ACCESS EASEMENT ALONG THE SUBJECT'S EAST PROPERTY LINE FACING NORTH FROM APPROXIMATELY 110.80± FEET SOUTH OF WEDEKIND ROAD AND THE SUBJECT'S NORTHEAST CORNER



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[illegible]

A.P.N.

Recorded Parcel Map

026-341-57

Parcel A of Parcel Map 4002, filed in the Office of the County Recorder of Washoe County, State of Nevada on April 30, 2003, as File Number 2845732 of Official Records



PROPERTY IDENTIFICATION AND SITE DESCRIPTION


SUBJECT PROPERTY PARCEL SUMMARY			
A.P.N.	Current Owner	Existing Land Area	
		Land Acres	Land Square Feet
026-341-57	University of Nevada, Reno*	3.14± Acres	136,778± Square Feet
Total		3.14± Acres	136,778± Square Feet
* The subject ownership is vested as The Board of Regents of the University and Community College System of Nevada, a Political Subdivision of the State of Nevada, on behalf of the University of Nevada, Reno, Nevada Agricultural Experiment Station.			

SUBJECT PROPERTY SUMMARY	
Property Type	Vacant Land
Assessor's Parcel Number	026-341-57
Address	No Site Address
General Location	Southeast Corner of Wedekind Road & El Rancho Drive
City, County, State	Sparks, Washoe County, Nevada
Subject Ownership	The Board of Regents of the University and Community College System of Nevada, a Political Subdivision of the State of Nevada, on behalf of the University of Nevada, Reno, Nevada Agricultural Experiment Station
Total Gross Land Area	3.14± Acres (136,778± Square Feet)
Improvements	None-Vacant
Utilities	Reasonably Available
Water Rights	None Included
Shape	Irregular
Opportunity Zone	No

LOCATION		
Washoe County A.P.N.	Address	General Location
026-341-57	No Site Address	Southeast Corner of Wedekind Road & El Rancho Drive, Sparks, Washoe County, Nevada

SUBJECT PROPERTY LEGAL DESCRIPTION		
A.P.N.	Recorded Parcel Map	Section, Township & Range
026-341-57	Parcel A of Parcel Map 4002, filed in the Office of the County Recorder of Washoe County, State of Nevada on April 30, 2003, as File Number 2845732 of Official Records	A Portion of the Southeast ¼ of Section 31, Township 20 North, Range 20 East, M.D.B. & M.



ROADWAY FRONTAGES & ACCESS		
Washoe County A.P.N.	Roadway Frontage	Roadway Access
026-341-57	Wedekind Road & El Rancho Drive	Wedekind Road
<p>The subject property has 830.51± feet of frontage on Wedekind Road along the site's north property line and 549.49± feet of frontage on El Rancho Drive along the site's west property line. In the vicinity of the subject site, Wedekind Road is a secondary east-west, two-way, two-lane asphalt roadway. El Rancho Drive is a secondary north-south, two-way, four-lane asphalt roadway with a center median and is improved with concrete gutters, sidewalks and bike lanes.</p> <p>Currently, access onto the subject site is available from Wedekind Road, near the site's northeast property corner. The property is fenced along all of its frontage, prohibiting vehicular access from any other point. Access onto the subject property is depicted by the yellow arrow shown on the map below.</p>		
Access Aerial		
		

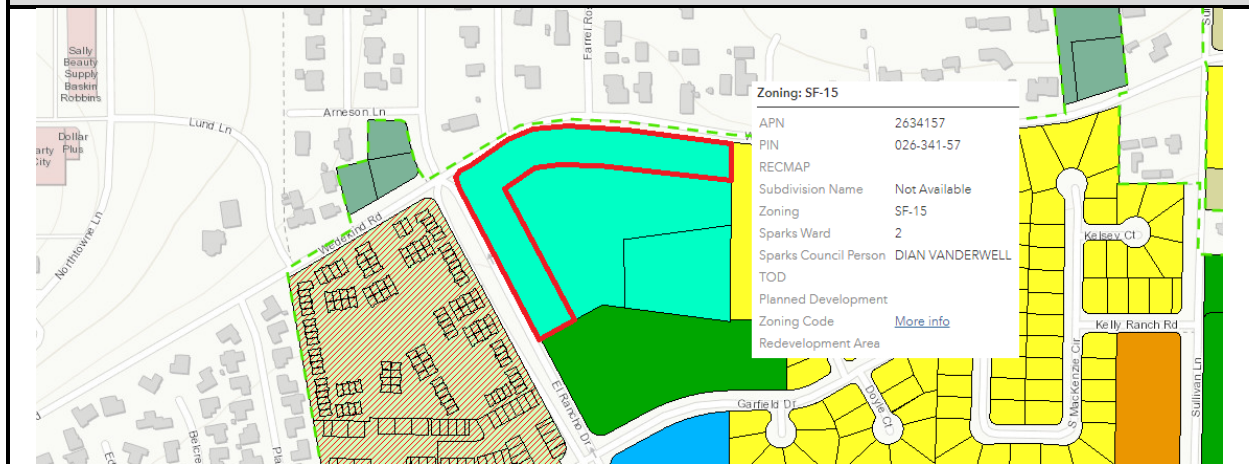


SUBJECT PROPERTY ZONING SUMMARY

Washoe County A.P.N.	City of Sparks Zoning Designation	Subject's Compliance
026-341-57	SF-15 (Single Family-15,000± SF Lot Minimum)	In Compliance

The purpose of the Residential Single-Family districts is to establish uses, densities and intensities that are compatible with neighborhoods that are primarily single-family in character. The districts accommodate a range of development types, from conventional large lot subdivisions to smaller lots with a more urban setting. This section establishes two development options: (1) conventional development that incorporates minimum lot size, setback, and coverage standards, and (2) design development that incorporates design and density standards.

SUBJECT ZONING MAP



SUBJECT PROPERTY ZONING DIMENSIONAL STANDARDS

		SF40	SF20	SF15	SF12	SF9	SF7	SF6	Small Lot
Lot (1 and 2 apply only to conventional development)									
1	Lot size (min)	40,000	20,000	15,000	12,000	9,000	7,000	6,000	*
2	Lot coverage (max)								N/A
	- entire lot	20%	30%	35%	35%	—	—	—	
	- inside required setbacks	—	—	—	—	100%	100%	100%	
	- outside required setbacks	—	—	—	—	10% ¹	11% ¹	13% ¹	
3	Lot frontage (min)	35'	35'	35'	35'	35'	35'	35'	20'
4	Lot width (min)	100'	100'	80'	80'	80'	70'	60'	35'
Setbacks (principal buildings - applies to conventional development)									
5	Front	20'	20'	20'	20'	15'	15'	15'	10'
	- garage / carport					20'	20'	20'	20'
6	Side	10'	10'	10'	10'	5'	5'	5'	5'
	Exterior Side	20'	20'	20'	15'	10'	10'	10'	10'
7	Rear	40'	30'	30'	20'	20'	20'	20'	10'
	Alley loaded garage**								
Density (maximum)									
8	Residential (du/acre)	1.1	2.2	3.0	3.6	4.8	6.2	7.3	*
Height (structures)									
9	Residential	30'	30'	30'	30'	30'	30'	30'	30'
10	Non-residential	35'	35'	35'	35'	35'	35'	35'	35'
11	*Small Lot development may be applied in any SF district. Small lot modifies the minimum lot size; the density of the underlying district does not change. The undeveloped portion of the site area used in the density calculation shall be deed restricted. **Alley loaded garages may be constructed within the rear setback and may utilize up to a four foot drive apron, whereas alley loaded driveway are prohibited.								



MASTER PLAN DESIGNATION DATA & MAP			
Washoe County A.P.N.	City of Sparks Master Plan Designation	Subject's Compliance	
026-341-57	LDR (Low Density Residential)	Legally Conforming	
MASTER PLAN MAP			
MASTER PLAN USES AND CHARACTERISTICS			
Land Use Category	Uses and Density	Characteristics and Location	Zoning Districts
LOW DENSITY RESIDENTIAL (LDR)	<p>Primary Uses: Single family detached residences, zero lot line single family residences</p> <p>Other Uses: Open Space, trails, schools, religious institutions, private recreational facilities, public facilities.</p> <p>Density Range: 3 to less than 6 DU/AC</p>	<ul style="list-style-type: none">• Suburban character with full range of urban services.• Locations are generally located adjacent to rural neighborhoods.• Supports principles of reinforcing existing neighborhoods.• Serves as appropriate transition between single family and mixed residential land uses.• Residences should be sited so as to provide privacy to the occupants while providing connectivity to adjoining commercial or other uses.• The LDR category contains a number of established neighborhoods—change is not anticipated or encouraged in these areas.	SF-9 SF-12 NUD PD



SUBJECT PROPERTY FLOOD ZONE INFORMATION

The subject property is located within an unshaded Zone “X”. The Zone “X” designation does not require flood insurance. The map below depicts the subject’s flood zone, as provided by FEMA.

SUBJECT FLOOD ZONE MAP

National Flood Hazard Layer FIRMette



Legend

- SEE FIS REPORT FOR DETAILED LEGEND AND INDEX MAP FOR FIRM PANEL LAYOUT
- SPECIAL FLOOD HAZARD AREAS**
 - Without Base Flood Elevation (BFE) Zone A, X, AE, AH
 - With BFE or Depth Zone AE, AO, AH, VE, AR
 - Regulatory Floodway
 - OTHER AREAS OF FLOOD HAZARD**
 - 0.2% Annual Chance Flood Hazard, Areas of 1% annual chance flood with average depth less than one foot or with drainage areas of less than one square mile. Zone X
 - Future Conditions 1% Annual Chance Flood Hazard Zone X
 - Area with Reduced Flood Risk due to Levee. See Notes. Zone X
 - Area with Flood Risk due to Levee. Zone D
 - OTHER AREAS**
 - NO SCREEN Area of Minimal Flood Hazard Zone X
 - Effective LOMRs
 - Area of Undetermined Flood Hazard Zone D
 - GENERAL STRUCTURES**
 - Channel, Culvert, or Storm Sewer
 - Levee, Dike, or Floodwall
 - OTHER FEATURES**
 - Cross Sections with 1% Annual Chance Water Surface Elevation
 - Coastal Transect
 - Base Flood Elevation Line (BFE)
 - Limit of Study
 - Jurisdiction Boundary
 - Coastal Transect Baseline
 - Profile Baseline
 - Hydrographic Feature
 - MAP PANELS**
 - Digital Data Available
 - No Digital Data Available
 - Unmapped

This map complies with FEMA's standards for the use of digital flood maps if it is not void as described below. The basemap shown complies with FEMA's basemap accuracy standards.

The flood hazard information is derived directly from the authoritative NFHL web services provided by FEMA. This map was exported on 2/9/2022 at 7:21 PM and does not reflect changes or amendments subsequent to this date and time. The NFHL and effective information may change or become superseded by new data over time.

This map image is void if the one or more of the following map elements do not appear: basemap imagery, flood zone labels, legend, scale bar, map creation date, community identifiers, FIRM panel number, and FIRM effective date. Map images for unmapped and unmodernized areas cannot be used for regulatory purposes.

ZONE	DESCRIPTION
C and X (unshaded)	Area of minimal flood hazard, usually depicted on FIRMs as above the 500-year flood level. Zone C may have ponding and local drainage problems that don't warrant a detailed study or designation as base floodplain. Zone X is the area determined to be outside the 500-year flood and protected by levee from 100-year flood.

Flood Zone Designation	FEMA Map #	Effective Date of Flood Zone Designation
Unshaded Zone “X”	32031C3045G	March 16, 2009

Source: FEMA



SUBJECT PROPERTY SOIL CHARACTERISTICS

A soil survey of the subject property was not provided to us. According to the United States Department of Agriculture (USDA), the subject soils are Idlewild clay loam and Fleischmann gravelly clay loam, with 4 to 8 percent slopes. Based upon surrounding utilizations, the subject soils are assumed to be sufficient for development.

SUBJECT SOILS MAP (SOURCE: USDA)



Map Unit Symbol	Map Unit Name	Acres in AOI	Percent of AOI
600	Idlewild clay loam, drained	1.0	33.1%
631	Fleischmann gravelly clay loam, 4 to 8 percent slopes	2.1	66.9%
Totals for Area of Interest		3.1	100.0%



UTILITIES AND PUBLIC SERVICES		
Utility & Public Service	Provider	Availability On Subject Parcel
Electricity	NV Energy	Reasonably Available
Natural Gas	NV Energy	Reasonably Available
Telephone	Various Carriers	Reasonably Available
Water	TMWA	Reasonably Available
Sewer	City of Sparks	Reasonably Available
Waste Disposal	Waste Management	Reasonably Available
Cable	Various Carriers	Reasonably Available
Internet	Various Carriers	Reasonably Available
Fire Protection	City of Sparks Fire Department	Covered
Police Protection	City of Sparks Police Department	Covered
Public Transportation	RTC Ride	Stops In Vicinity
The subject property has reasonable access to all utility services, including electricity, water service, natural gas service, cable and phone service, and sewer and waste removal services. Development of the site will require the extension of utilities onto the site, which are all located in close proximity to the property. The subject property is located within the City of Sparks and has access to all typical public services, including police and fire protection.		

EASEMENTS			
Washoe County A.P.N.	Title Company	Order Number	Date of Report
026-341-57	N/A	N/A	N/A
Prior to issuance of this appraisal, a Preliminary Title Report was not provided on the subject property, and as such, we are unaware of any easements or other encumbrances affecting the subject property's use potential. Based upon our review of Parcel Map 4002, we are aware of a 30± foot wide private and emergency access easement located at the northeast corner of the subject site. The easement provides access to adjacent parcels to the south. Additionally, a 10± foot wide Public Utility Easement is located around the perimeter of the subject property, along the north and west property lines and a portion of the south property line. The subject is encumbered by easements which are felt to be typical of other properties in the area, and are not felt to materially impact the development potential of the subject property. For the purposes of this appraisal, it is being assumed that there are no easements on the subject property limiting the future development potential of the subject property.			

TOPOGRAPHY	
Washoe County A.P.N.	Topographical Features
026-341-57	The subject property gently slopes uphill towards the northeast property corner, and it is generally at grade with Wedekind Road, El Rancho Drive, and the surrounding parcels. Overall, the subject property is considered to have adequate topography for development, and appears to provide adequate drainage.



SEISMIC ZONE

The subject property, as well as the entire Reno-Sparks area, falls within a Seismic Risk Zone 3, an area identified as being subject to moderate seismic activity. As a result, building plans are typically reviewed by a structural engineer to assess earthquake hazards. This appraisal report and the market value conclusions set forth in the report, assume that the subject property is not adversely impacted by earthquake hazards to a greater degree than is typical for the Reno-Sparks area.

ENVIRONMENTAL DATA

Prior to issuance of this appraisal report, we were not provided with an Environmental Assessment on the subject property. Our standard on-site inspection of the subject property did not reveal any readily apparent evidence suggesting the presence of contaminants or hazardous wastes on any portion of the subject site. Based upon each of the surrounding property's improvements, it is our opinion that the subject site has adequate soil features for development. This appraisal report assumes that the subject's soils are sufficient for development with uses compatible with the highest and best use of the property.

SUBJECT SALES & USE HISTORY

Washoe County A.P.N.	Recorded Sales- Last 10 Years	Currently Under Contract	Currently Listed For Sale
026-341-57	No	Discussed Below	No

The subject property was gifted to the current ownership on December 30, 2003. The grantor was Mary Gray and the grantee was the current ownership, The Board of Regents of the University and Community College System of Nevada, a Political Subdivision of the State of Nevada, on behalf of the University of Nevada, Reno, Nevada Agricultural Experiment Station. The value of the gift was set by an MAI appraisal which included adjacent Washoe County A.P.N.s 026-341-58 and 59. The total value for all three parcels was \$1,300,000, or \$3.51 per square foot of land area. The value attributed to the subject parcel was \$480,000.

A Purchase and Sale Agreement between the subject ownership and Chalets II, LLC, was agreed upon in August 2022. It is noted that the potential purchaser of the subject property (Chalets II, LLC) owns property in the vicinity of the subject's east property line. It is our understanding that the potential purchaser plans to purchase the property for a residential development.

The potential purchase price for the subject property in the original agreement was \$860,000. An Amendment to the Purchase and Sale Agreement was signed in June 2023. This amendment increased the original purchase price from \$860,000 to \$890,000 as consideration for the extension of closing. The potential purchase price for the subject was subject to a Project Approval Contingency which required the potential purchaser to obtain a use permit and tentative map for its proposed use. However, as a result of difficulty in obtaining approvals for the development of the subject property from the City of Sparks, the Purchase Agreement has expired. It is our understanding, nevertheless, that the potential purchaser is pursuing the purchase of the subject property.



SPECIAL ASSESSMENTS	
Washoe County A.P.N.	Special Assessments
026-341-57	None Noted
A review of Special Assessments on the subject property was conducted through Assessment Management Group. No Special Assessments owing on the subject property were indicated.	

SUBJECT ASSESSMENTS, TAXABLE VALUES & REAL PROPERTY TAXES							
Washoe County A.P.N.	Taxable Values (2023-24)			Assessed Values (2023-24)			Real Property Taxes (2023)
	Land	Improvements	Total	Land	Improvements	Total	
026-341-57	\$254,340	\$0	\$254,340	\$89,019	\$0	\$89,019	\$36.81
TOTAL	\$254,340	\$0	\$254,340	\$89,019	\$0	\$89,019	\$36.81
The taxable value of the property is based upon the Assessor's estimate of the full cash value of the site. The taxable value of the improvements is based upon the replacement cost new of the improvements which the Assessor estimates utilizing <i>Marshall Valuation Service</i> a nationally recognized and accepted cost estimating publication. Straight line depreciation of 1.5% per year is deducted from the replacement cost new of the improvements.							
At the present time the subject property is owned by the University of Nevada, Reno and is exempt from taxation. However, if the subject were to be transferred to private ownership, the owner would be required to be pay Real Estate Taxes. Because of this, the Washoe County Assessor's Office is required to appraise the property for tax purposes.							

HIGHEST AND BEST USE ANALYSIS

Highest and best use is defined in the 7th Edition of *The Dictionary of Real Estate Appraisal* (Appraisal Institute, Chicago, 2022) as “The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.”

Highest and best use is a three-step process. The first step is to determine the highest and best use of the subject site as vacant and available to be developed to its highest and best use. The determination must be made to leave the site vacant or to improve it. If the conclusion is to improve the site, the second step is to determine the ideal improvement.

The final step is a comparison between the ideal improvement on the site and the existing improvement. A determination must be made to maintain the property in its present form, or to modify the improvements with a more ideal development.

HIGHEST AND BEST USE AS THOUGH VACANT

Physically Possible

The subject site is a vacant parcel which contains a total land area of 3.14± acres or 136,778± square feet. The subject site is generally located at the southeast corner of Wedekind Road and El Rancho Drive in Sparks, Nevada. The subject property has 830.51± feet of frontage on Wedekind Road along the site’s north property line and 549.49± feet of frontage on El Rancho Drive along the site’s west property line. The subject property is irregular in shape. Utility services are located adjacent to the subject property. The subject parcel’s topography gently slopes uphill towards the northeast property corner, and it is generally at grade with Wedekind Road, El Rancho Drive and the surrounding parcels.

Overall, it is our opinion that the subject property has adequate physical features to support a variety of improvements. The subject’s size, access, topography, location and availability of utilities are not felt to be physically limiting to the development of the subject site; however, subject’s narrow, dog-legged shape is somewhat prohibitive to the development potential.



Legally Permissible

Zoning and Master Plan designations on the subject property are for single-family development. Surrounding development includes primarily a mixture of single-family and multi-family residential utilizations with some commercial and retail developments.

The following summarizes the subject's current zoning and master plan designations, which were researched and verified through the City of Sparks Planning Department:

SUBJECT PARCEL ZONING DESIGNATION	
Washoe County A.P.N.	City of Sparks Zoning Designation
026-341-57	SF-15 (Single Family-15,000± SF Lot Minimum)
The purpose of the Residential Single-Family districts is to establish uses, densities and intensities that are compatible with neighborhoods that are primarily single-family in character. The districts accommodate a range of development types, from conventional large lot subdivisions to smaller lots with a more urban setting. This section establishes two development options: (1) conventional development that incorporates minimum lot size, setback, and coverage standards, and (2) design development that incorporates design and density standards.	
Comments: The subject's SF-15 zoning designation permits one single-family residence per 15,000± square feet of land area. Based upon the subject's 3.14± acres of land area, a total of nine single-family residences would be allowed.	

SUBJECT PARCEL MASTER PLAN DESIGNATION	
Washoe County A.P.N.	City of Sparks Master Plan Designation
026-341-57	LDR (Low Density Residential)
Comments: The Low Density Residential Master Plan designation is primarily intended to include single-family detached residences and zero lot line single-family residences. Secondary uses include open space, trails, schools, religious institutions, private recreational facilities and public facilities. The permitted density ranges from three to less than six dwelling units per acre.	

The subject's current zoning and master plan designations allow residential development, with a maximum density of three units to the acre. Based upon the subject's 3.14± acres of land area, the subject site would be allowed up to nine detached single-family units.



Financially Feasible

The highest and best use of the subject site must be financially feasible. To be financially feasible, there must be adequate demand to support the highest and best use of the subject property.

In order to determine if it would be financially feasible to develop the subject lots, we have analyzed the submarket's recent home sales history, as provided by *Multiple Listing Service*. The chart below summarizes stick-built home sales within the Sparks submarket, between 2019 and 2023.

SPARKS (AREA 180) STICK-BUILT HOME HISTORICAL SALES DATA					
Year	# of Sales	Sale Price Data		Marketing Time	
		Average	Median	Average	Median
2019	236	\$267,076	\$273,750	77	67
2020	221	\$299,838	\$300,000	74	54
2021	246	\$357,863	\$355,000	75	43
2022	168	\$385,542	\$397,000	60	49
2023	163	\$384,278	\$385,000	71	55

The average and median home prices in the Sparks submarket increased between 2019 and 2022. Prices reduced slightly and stabilized to close out the year in 2023.

In assessing financial feasibility, consideration is given to the subject's infill location in the west Sparks. Consideration is also given to surrounding utilizations, which include primarily a mixture of single-family and multi-family residential utilizations with some commercial and retail developments.

Development of the subject site would require extensive planning, approval, engineering, grading, utility and other costs prior to development with homes. Due to the subject's irregular shape, the property could be subdivided so that each lot would have frontage along either Wedekind Road or El Rancho, which would eliminate the need for installation of interior roadways.

Based upon current costs and current market conditions, the development of the subject property with single-family residential lots, or with finished homes, is feasible. Overall, it is our



opinion that the most financially feasible use of the property is for developing the site with a single-family residential subdivision.

Maximally Productive

To be maximally productive, the highest and best use of the subject must be the most intense use to which the site could be developed and remain financially feasible. Based upon the physically possible, legally permissible and financially feasible uses for the subject site, it is our opinion that the maximally productive use of the property would be for development of the site with up to nine detached homes. Consideration is also given to a possible assemblage with the parcels to the east.

Conclusion

Overall, it is our opinion that the highest and best use of the property is for developing the site with a single-family residential subdivision or possible assemblage with adjacent parcels.



INTRODUCTION TO VALUATION ANALYSIS

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

Methodology

The purpose of this appraisal report is to estimate the Market Value of the Fee Simple Interest of the subject property. As the subject is a vacant parcel, the Sales Comparison Approach to Value was determined to be the best indicator of value for the subject. Therefore, the Sales Comparison Approach to Value will be the only approach utilized in this analysis. The Cost Approach and Income Approach to Value were not deemed accurate approaches to utilize in the valuation of the subject property.

The Sales Comparison Approach is based upon the principal of substitution which holds that the value of a property tends to be set by the price that would be paid to acquire a substitute property of similar utility and desirability. The subject property is compared to vacant land parcels which have recently sold or which are currently available for sale.



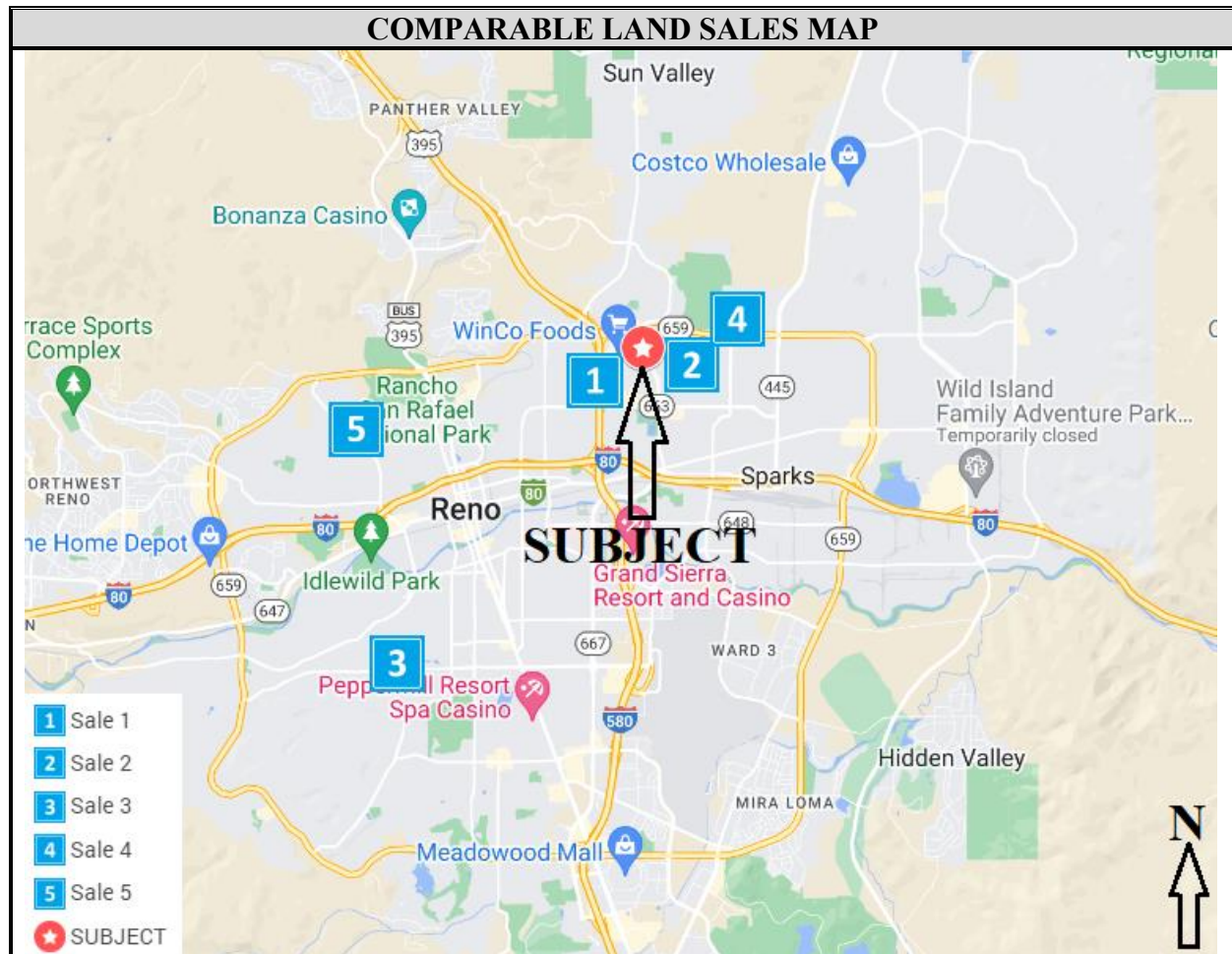
SALES COMPARISON APPROACH TO VALUE

To arrive at an estimate of the Market Value of the subject property, the Official Records of Washoe County were searched for recent sales of similar properties. Additional resources, including *CoStar* and *Multiple Listing Service*, were also utilized. Additionally, numerous brokers, buyers and sellers of similar types of property were interviewed. The chart on the following page summarizes the most comparable land sales and sales in the market which have occurred. The chart is followed by profile sheets discussing the sales. This is followed by a correlation of the sales to the subject.



COMPARABLE LAND SALES CHART

Sale Number	A.P.N. Location City, State	Recording Date Sale Price	Zoning	Topography Flood Zone	Land Acres Land SF	Price/SF
Sale 1	004-300-02 & 13 E/S Clear Acre Lane, East Terminus of Citron Street Reno, Washoe County, Nevada	8/24/2021 \$331,000	SF-15 (Single-Family Residential)	Level "X"	2.452 Acres 106,809 SF	\$3.10
Sale 2	026-341-13, 51, & 55 S/S of Wedekind Road, 3550/3650 Wedekind Road Sparks, Washoe County, Nevada	10/7/2021 \$1,700,000	SF-6 (Single-Family Residential)	Sloping "X"	5.384 Acres 234,527 SF	\$7.25
Sale 3	010-374-42, 43, & 44 1133 West Phumb Lane Reno, Washoe County, Nevada	6/17/2022 \$548,000	SF-3 (Single-Family Residential)	Level "X"	1.080 Acres 47,053 SF	\$11.65
Sale 4	027-042-12 SWC of Wedekind Road and Malapi Way Sparks, Washoe County, Nevada	7/29/2022 \$435,000	A1 (Agricultural) (Rezoned to LDS After Sale)	Gentle/Sloping "X"	4.10 Acres 178,596 SF	\$2.44
Sale 5	002-233-10 W/S Coleman Drive, E/S of Bonneville Avenue Reno, Washoe County, Nevada	12/30/2022 \$600,000	SF-8 (Single-Family Residential)	Level/Gentle "X"	1.240 Acres 54,014 SF	\$11.11
Subject	026-341-57 SEC of Wedekind Road and El Rancho Drive Sparks, Washoe County, Nevada	Date of Value 1/8/2024	SF-15 (Single-Family Residential)	Gently Sloping "X"	3.14 Acres 136,778 SF	---





COMPARABLE LAND SALE PROFILE SALE 1



Property Type:	Vacant Single-Family Land	City:	Reno
Address:	East Side of Clear Acre Lane, at the Easterly Terminus of Citron Street	County:	Washoe
A.P.N.:	004-300-02/13	State:	Nevada
Topography:	Level	Flood Zone:	Zone "X" (Unshaded)
Zoning:	SF-15	Utilities:	Adjacent to Property
Site Acreage:	2.452± Acres	Shape:	Slightly Irregular
Site Square Feet:	106,809± Square Feet	Proposed Use:	Residential
Recording Date:	August 24, 2021	Price Per Acre:	\$134,992
Sale Price:	\$331,000	Price Per Square Foot:	\$3.10
Document #:	5218442	Conditions of Sale:	None Noted
Grantor:	The Smith Intervivos Trust	Terms of Sale:	Cash to Seller
Grantee:	Lokman H. Babu	Verification:	Mary Mentaberry, Dickson
<p>This sale property is located on the east side of Clear Acre Lane, at the easterly terminus of Citron Street in east Reno. The property contains 2.452± acres (106,809± square feet) of land area and is zoned SF-15 (Single-Family, 15,000± square foot minimum lot size). This site has level topography and all utilities were located adjacent to the property line. The property is vacant. According to the listing agent, Ms. Mary Mentaberry with Dickson Realty, the sale included 12.52± AFA of water rights, valued at \$5,000 per acre foot, for a total of \$62,600. Deducting the value of the water rights results in an adjusted sale price for the vacant land of \$268,400, or \$2.51 per square foot of land area.</p>			



COMPARABLE LAND SALE PROFILE SALE 2



Property Type:	Single-Family Land	City:	Sparks
Address:	3550 & 3650 Wedekind Road	County:	Washoe
A.P.N.:	026-341-13/51/55	State:	Nevada
Topography:	Sloping	Flood Zone:	Zone "X" (Unshaded)
Zoning:	SF-6	Utilities:	On-Site
Site Acreage:	5.384± Acres	Shape:	Slightly Irregular
Site Square Feet:	234,527± Square Feet	Proposed Use:	39 Detached Single-Family Homes
Recording Date:	October 7, 2021	Price Per Acre:	\$315,750
Sale Price:	\$1,700,000	Price Per Square Foot:	\$7.25
Document #:	5235027	Conditions of Sale:	None Noted
Grantor:	Lisha Liu	Terms of Sale:	Cash to Seller
Grantee:	Chalets, LLC	Verification:	Fred Jayet, RE/MAX
<p>This sale property is located on the south side of Wedekind Road, approximately 831± feet east of El Rancho Drive in Sparks. The property contains 5.384± acres (234,527± square feet) of land area and is zoned SF-6 (Single-Family, 6,000± square foot minimum lot size). This site has sloping topography and all utilities were on-site. The property is improved with several older single-family residences and some supporting structures. The property sold for land value only. At the time of sale, there was an approved tentative map in place for development of the site with 39 detached single-family residences, which is the maximum permitted density on the site per zoning.</p>			



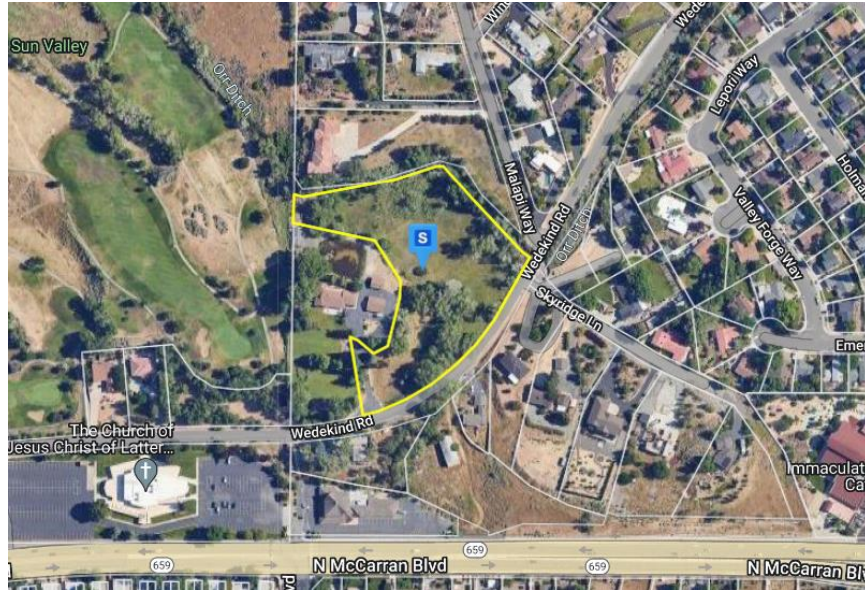
COMPARABLE LAND SALE PROFILE SALE 3



Property Type:	Vacant Land	City:	Reno
Address:	1133 West Plumb Lane	County:	Washoe
A.P.N.:	010-374-42, 43 & 44	State:	Nevada
Topography:	Level	Flood Zone:	Zone "X" (Unshaded)
Zoning:	SF-3	Utilities:	All Available
Parcel Acreage:	1.080± Acres	Shape:	Basically Rectangular
Parcel SF:	47,053± Square Feet	Proposed Use:	Single-Family
Recording Date:	June 17, 2022	Grantor:	Joel & Tierney Korotkin
Sale Price:	\$548,000	Grantee:	Brian Park, LLC
Document #:	5311565	Terms Of Sale:	Cash to Seller
Sale Price/Acre:	\$507,407	Conditions Of Sale:	None Known
Sale Price/SF:	\$11.65	Verification:	Public Records
This comparable is the June 2022 sale of three adjoining parcels containing a total land area of 1.08± acres. This property is located on the north side of W. Plumb Lane at the south terminus of Fairfield Avenue in southwest Reno. Properties within the immediate neighborhood have been improved with single-family homes. This property is zoned SF3 which allows 3 dwelling units per acre. This site is of rectangular shape and has level topography.			



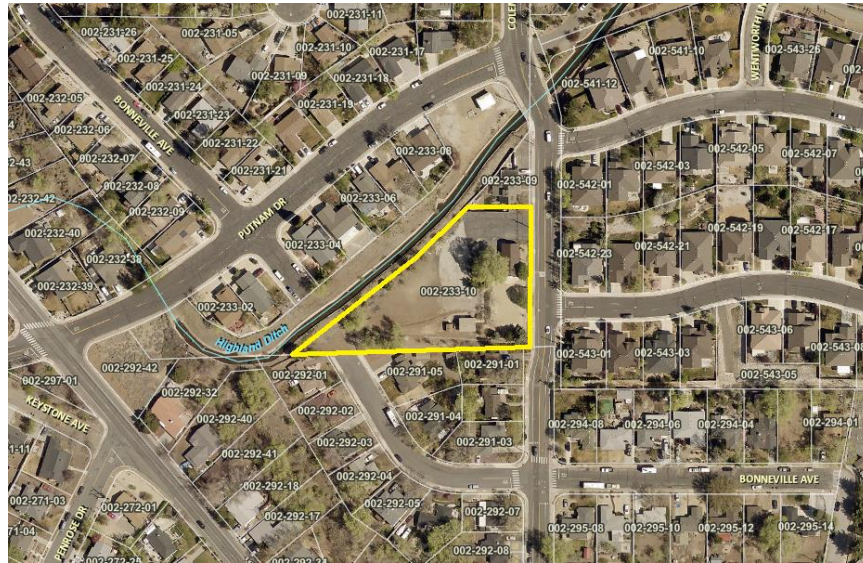
COMPARABLE LAND SALE PROFILE SALE 4



Property Type:	Single-Family Land	City:	Sparks
Address:	N/A	County:	Washoe
A.P.N.:	027-042-12	State:	Nevada
Topography:	Gentle/Sloping	Flood Zone:	Zone "X" (Unshaded)
Zoning:	A-1	Utilities:	Adjacent to Site
Site Acreage:	4.10± Acres	Shape:	Irregular/Trapezoidal
Site Square Feet:	178,596± Square Feet	Proposed Use:	4 Detached Single-Family Homes
Recording Date:	July 29, 2022	Price Per Acre:	\$106,098
Sale Price:	\$435,000	Price Per Square Foot:	\$2.44
Document #:	5321738	Conditions of Sale:	None Noted
Grantor:	Capurro Living Trust, et al.	Terms of Sale:	Cash to Seller
Grantee:	Suresh Kuma	Verification:	Tim Lambdin – Selling Agent
<p>This sale property is located at the southwest corner of Wedekind Road and Malapi Way, Sparks, Washoe County, Nevada. The property is further located adjacent to the Wildcreek Golf Course. The property contains 4.10± acres (178,596± square feet) of land area and was zoned A-1 (Agricultural) at the time of sale. However, according to Tim Lambdin (Selling Agent), the property had zoning overlays allowing for up to four detached single-family residences to be constructed on the site. The site has gentle to sloping topography and all utilities are adjacent to the property. The property sold on July 29, 2022, for \$435,000, or \$2.44 per square foot of gross land area.</p>			



COMPARABLE LAND SALE PROFILE SALE 5



Property Type:	Conversion + Detached Garage & Shed	City:	Reno
Address:	1375 Coleman Drive	County:	Washoe
A.P.N.:	002-233-10	State:	Nevada
Topography:	Level to Gentle	Flood Zone:	Zone "X" (Unshaded)
Zoning:	SF-8	Utilities:	All Available (To The Site)
Parcel Acreage:	1.240± Acres	Shape:	Rectangular
Parcel SF:	54,014± Square Feet	Proposed Use:	Single-Family Residential
Recording Date:	December 30, 2022	Grantor:	Reorganized Church of Jesus Christ LDS
Sale Price:	\$600,000	Grantee:	NTJ Limited, LLC
Document #:	5354710	Terms of Sale:	Cash to Seller
Sale Price/Acre:	\$483,875	Conditions Of Sale:	None Known
Price/SF:	\$11.11	Verification:	Joe Wiczorek, Dickson Realty
<p>This comparable is the sale of a parcel located on the east side of Coleman Drive, approximately 205± feet south of Putnam Drive. The site was improved with a 1,664± square foot conversion building, which was previously utilized as a church, and detached garage and shed at the time of sale. The sale site has level to gently sloping topography and all utilities were extended to the site. This property was on the market for approximately one month and was advertised as developable land for a proposed nine unit apartment project (subject to a conditional use permit) or single-family subdivision. The sale property was originally offered at an asking price of \$599,900, or \$11.11 per square foot. The sale ultimately closed at \$100 over the asking price.</p>			

MARKET VALUE ANALYSIS & CONCLUSION

The comparable land sales utilized in this analysis range in date of sale from August 2021 to December 2022, in comparison to the subject's effective date of valuation of January 8, 2024. The comparable sales range in land area from 1.080± acres to 5.384± acres, in comparison to the subject property which contains 3.14± acres

Adjustments to Sales

Given the disparity in physical characteristics, dates of sale and minimal number of transactions of similar properties to the subject, analysis of quantitative adjustments to the comparable sales is not considered to be reliable for most criteria. Adjustments have been made to the comparable sales for market conditions, property rights, financing of the sale, conditions of sale, zoning, location, size, and other factors. The sales will be analyzed based upon a sale price per square foot basis.

Due to a lack of paired sales and market evidence supporting quantitative adjustments, qualitative adjustments have been utilized for a majority of the adjustment criteria. Quantitative adjustments are supported in adjusting Sales 5 and 6 for water rights.

Quantitative Adjustments-Water Rights

Sale 1 included 12.52-acre feet of water rights and has been adjusted downward by \$62,600, or \$0.59 per square foot, based upon an estimated value of \$5,000 per acre foot of water included in the sale. The remaining sales did not include water rights, and therefore no adjustments are warranted to these sales for this factor.

Property Rights Conveyed

In this report, we are estimating the fee simple market value of the subject property. Each of the sales analyzed involved the sale of the fee simple interest of the property; therefore, no adjustments for property rights are required to the sales when comparing them to the subject's fee simple estate.

Financing-Terms of Sale (Cash Equivalency)

Each of the sales involved cash to seller terms. Overall, no adjustments are necessary to the sale properties with respect to financing terms.

Conditions of Sale

Based upon interviews with the persons involved in each of the sales utilized in this analysis, no adjustments are necessary for conditions of sale for any of the sales.

Buyer Expenditures

Sales 2 and 5 included some improvements. We have made an upward adjustment to both of these sales, as they would require some demolition prior to development. Each of the remaining sales involved vacant parcels, and no immediate buyer expenditures were required.

Market Conditions

The comparable sales range in date of sale from August 2021 to December 2022, in comparison to the subject's effective date of value of January 8, 2024. In general, market conditions continually improved in the region between August 2021 and December 2022; however, softening in the market was observed in 2022, and this pattern continued throughout 2023. Sales 1 and 2 which occurred in 2021, require upward adjustments for improved market conditions. The remaining sales occurred in 2022, with market conditions considered similar to the subject's effective date of value; therefore, no adjustment has been made to the remaining sales.

General Location

The subject property is located in an older portion of west Sparks. The subject neighborhood involves primarily a mixture of single-family and multi-family residential utilizations with some commercial and retail developments. Overall, Sales 2 and 4 have similar general locations, which do not require adjustment. Sale 1, is located in an inferior residential area in East Reno, adjacent to the U.S. 395 overpass, and has been adjusted upward. Sale 3, is located in Southwest Reno which is a superior residential area. As a result, this comparable has been adjusted downward. Sale 5, is located in Northwest Reno and has been adjusted downward for its superior location.

Access/Frontage

The subject property is located at the southeast corner of Wedekind Road and El Rancho Drive, which are both secondary roadways. In its current configuration the property has access from Wedekind Road. Both the access and frontage are considered adequate to support the subject's highest and best use. Sales 1, 2, 4, and 5 are felt to have inferior frontage/access in comparison to the subject. As a result, these sales have been adjusted upward. Sale 3 is felt to

have adequate frontage/access which is similar in comparison to the subject. As a result, no adjustment has been made.

Zoning

The subject property and Sale 1 are both zoned SF-15, a single-family residential zoning designation, which permits one residence per 15,000± square feet of land area. Accordingly, Sale 1 requires no adjustment. Sale 2 has been adjusted downward for its superior zoning designation which allows for a higher density. Sale 3 has been adjusted upward for its inferior SF-3 zoning designation which allows 3-units per acre. Sale 4 was zoned A-1 (Agricultural) at the time of sale and has been adjusted upward. Sale 5's zoning designation allows for a similar density in comparison to the subject and has not been adjusted.

Approvals

Sale 2 had a tentative map in place at the time of sale which is superior in comparison to the subject. As a result, a downward adjustment has been made to this comparable. The remaining sales had no approvals beyond zoning and have not been adjusted.

Topography

The subject property has gently upsloping topography. Sales 1, 3 and 5 are all level or generally level and have been adjusted downward for their superior topography. Sales 2 and 4 have similar overall topographies to the subject property and have not been adjusted.

Utilities

The subject property and Sales 1, 3, 4, and 5 all have utilities located adjacent to their property lines, which would require extension prior to development. These sales do not require adjustment. Sale 2, which has utilities on-site, has been adjusted downward.

Size

Generally, a relationship exists between the size of the parcel and the price per unit or the price per square foot paid. The comparable sales range in land area from 1.08± acres to 5.38± acres in comparison to the subject property which contains 3.14± acres. Sales 1, 3, and 5 have been adjusted downward for their smaller sizes, while Sales 2 and 4 have been adjusted upward for their larger sizes.



Shape

The subject property has a dog-leg shape, which ultimately limits the development potential of the site. Each of the comparable sales have been adjusted downward as they involve superior shapes, which are less restrictive to development potential.

Easements

The subject property and comparables analyzed are encumbered by typical easements which are not felt to impact their highest and best use or development potential. As a result, no adjustments have been made for this factor.

Other Adjustments

None.

Adjustment Summary

The chart on the following page summarizes the adjustments considered in the valuation of the subject property. A minus sign (-) indicates that in comparison to the subject, the comparable property is superior, and the price per square foot requires downward adjustment to achieve comparability with the subject for a particular criterion. Conversely, a plus sign (+) indicates that in comparison to the subject, the comparable property is inferior, and the price per square foot requires upward adjustment to achieve comparability with the subject for a particular criterion. An equal (=) sign indicates that the comparable is similar to the subject for a particular adjustment criterion.



COMPARABLE LAND SALES ADJUSTMENT SUMMARY CHART						
Sale Number	Subject	1	2	3	4	5
Sale Price	N/A	\$331,000	\$1,700,000	\$548,000	\$435,000	\$600,000
Sale Price/Acre	N/A	\$132,992	\$315,750	\$507,407	\$106,098	\$483,875
Sale Price/SF	N/A	\$3.10	\$7.25	\$11.65	\$2.44	\$11.11
Quantitative Adjustments						
Water Rights/SF	None	(\$0.59)	\$0.00	\$0.00	\$0.00	\$0.00
Adjusted Price/SF	None	\$2.51	\$7.25	\$11.65	\$2.44	\$11.11
Qualitative Adjustments						
Property Rights	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
		=	=	=	=	=
Financing/Cash Equ.	Assumes Cash	Cash Equ.	Cash Equ.	Cash Equ.	Cash Equ.	Cash Equ.
		=	=	=	=	=
Conditions of Sale	None	None	None	None	None	None
		=	=	=	=	=
Expenditures	None	None	Demolition	None	None	Demolition
		=	+	=	=	+
Market Conditions	1/8/2024	8/24/2021	10/7/2021	6/17/2022	7/29/2022	12/30/2022
		+	+	=	=	=
General Location	West Sparks	E. Reno	W. Sparks	SW. Reno	W. Sparks	NW. Reno
		+	=	-	=	-
Access/Frontage	Adequate	Inferior	Inferior	Adequate	Inferior	Inferior
		+	+	=	+	+
Zoning	SF-15	SF-15	SF-6	SF-3	A1	SF-8
		=	-	+	+	=
Approvals	None	None	Tentative	None	None	None
		=	-	=	=	=
Topography	Gentle Upslope	Level	Upslope	Level	Gentle/Sloping	Level/Gentle
		-	=	-	=	-
Utilities	Adjacent	Adjacent	On-Site	Adjacent	Adjacent	Adjacent
		=	-	=	=	=
Size (Acres)	3.14 AC	2.45 AC	5.38 AC	1.08 AC	4.10 AC	1.24 AC
		-	+	--	+	--
Shape	Irregular	Superior	Superior	Superior	Superior	Superior
		-	-	-	-	-
Easements	Typical	Typical	Typical	Typical	Typical	Typical
		=	=	=	=	=
Other	N/A	None	None	None	None	None
		=	=	=	=	=
Overall Indication of Value		Low	High	High	Low	High

Current Listings

In addition to the comparable sales considered in this analysis, consideration is given to the active listing of a 2.452± acre property located on the east side of Clear Acre Lane. This property is profiled in this report as Sale 1. The property is currently listed for \$699,000. However, the property includes 12.52-acre feet of water rights and has been adjusted downward by \$62,600, or \$0.59 per square foot, based upon an estimated value of \$5,000 per acre foot of water included in the sale. As a result, the active adjusted listing price equates to \$5.95 per square foot.

Overall, this listing is felt to provide a slightly high indication of value for the subject. This is primarily due to the balancing of adjustments and due to the fact that it involves an active listing which has not yet sold.

Summary

Sale 1, at an adjusted price of \$2.51 per square foot, is considered to be a very low indication of a per square foot value applicable to the subject property, primarily due to its older date of sale, inferior location, and its inferior accessibility and frontage.

Sale 2, at \$7.25 per square foot, is considered to be a high indication of a per square foot value applicable to the subject property, primarily due to its superior zoning, superior tentative approvals, its on-site utilities, and due to its superior shape.

Sale 3, at \$11.65 per square foot, is considered to be a very high indication of a per square foot value applicable to the subject property, primarily due to its superior location, zoning, topography, smaller size, and its superior shape.

Sale 4, at \$2.44 per square foot, is considered to be a very low indication of a per square foot value applicable to the subject property, primarily due to its inferior accessibility/frontage, inferior zoning, and due to its larger size.

Sale 5, at \$11.11 per square foot, is considered to be a very high indication of a per square foot value applicable to the subject property, primarily due to its superior location, zoning, topography, smaller size, and its superior shape.



In arriving at an indication of the per unit value applicable to the subject property, consideration is given to the subject size, location, zoning designation, topography and availability of utilities. In addition, consideration is given to current market conditions and the mixed-use character of the subject neighborhood.

Further consideration is given to the expired Amended Purchase Agreement for the subject at \$890,000 which equates to a potential purchase price per square foot of \$6.51. This potential purchase price for the subject was subject to a Project Approval Contingency which requires the potential purchaser to obtain a use permit and tentative map for its “proposed use”. Based upon a review of this expired purchase agreement, its requirements, and the comparables analyzed, it is felt to provide a high indication of value for the subject property.

Based upon a review of the available data, and with consideration given to the analysis as set forth above, it is our opinion that a per unit value of \$5.50 per square foot would be applicable to the subject property. Applying the indicated per unit value to the subject’s 136,788± square feet results in an indicated value of \$752,334, which is rounded to \$750,000. It is our opinion that the fee simple market value of the subject property as of the January 8, 2024, effective date of value is \$750,000.

FINAL MARKET VALUE CONCLUSION				
Property Description	Value Addressed	Property Rights Appraised	Date Of Value	Value Conclusion
3.14± Acres of Vacant Land (Washoe County A.P.N. 026-341-57)	Market Value	Fee Simple Interest	January 8, 2024	\$750,000



EXPOSURE AND MARKETING TIME

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

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

In arriving at an estimate of an appropriate exposure and marketing time for the subject property, consideration is given the subject property's physical characteristics. Consideration is also given to the exposure and marketing times of other properties in the Reno-Sparks area, particularly the comparable land sales, as well as on interviews with brokers and property managers familiar with similar properties.

Based upon a review of the available data, it is our opinion that an appropriate exposure and marketing time for the subject property, assuming it is marketed at its final property value conclusion, would be as follows:

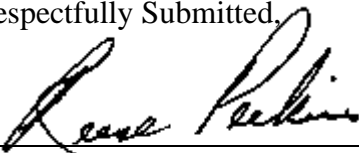
EXPOSURE & MARKETING TIME CONCLUSION		
Property Description	Exposure Time	Marketing Time
3.14± Acres of Vacant Land (Washoe County A.P.N. 026-341-57)	Approximately 6 Months-1 Year	Approximately 6 Months-1 Year

CERTIFICATION


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

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- Reese Perkins has performed services and Carson T. Cooke has not as an appraiser, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the *Code of Professional Ethics & Standards of Professional Appraisal Practice* of the Appraisal Institute, which include the *Uniform Standards of Professional Appraisal Practice*.
- I have made a personal interior and exterior inspection of the property that is the subject of this report.
- No one provided significant real property appraisal assistance to the person signing this certification.
- The Appraisal Institute conducts a mandatory program of continuing education for its designated members. As of the date of this report, Reese Perkins has completed the requirements under the continuing education program of the Appraisal Institute.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

Respectfully Submitted,



Reese Perkins, MAI, SRA
Nevada Certified General Appraiser
License Number A.0000120-CG



Carson T. Cooke
Nevada Certified General Appraiser
License Number A.0208551-CG

STANDARD ASSUMPTIONS AND LIMITING CONDITIONS

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

LIMITS OF LIABILITY

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

COPIES, PUBLICATION, DISTRIBUTION AND USE OF REPORT

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

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

CONFIDENTIALITY

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

INFORMATION SUPPLIED BY OTHERS

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

TESTIMONY, CONSULTATION, COMPLETION OF CONTRACT FOR APPRAISAL SERVICE

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

EXHIBITS AND PHYSICAL DESCRIPTIONS

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

TITLE, LEGAL DESCRIPTIONS, AND OTHER LEGAL MATTERS

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

ENGINEERING, STRUCTURAL, MECHANICAL, ARCHITECTURAL CONDITIONS

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

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

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

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

TOXIC MATERIALS AND HAZARDS

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

adversely affected and a re-appraisal at an additional cost may be necessary to estimate the effects of such circumstances.

SOILS, SUB-SOILS, AND POTENTIAL HAZARDS

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

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

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

ARCHEOLOGICAL SIGNIFICANCE

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

LEGALITY OF USE

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

COMPONENT VALUES

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

COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT

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

AUXILIARY AND RELATED STUDIES

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

DOLLAR VALUES AND PURCHASING POWER

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

ROUNDING

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

QUANTITATIVE ANALYSIS

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

VALUE CHANGE, DYNAMIC MARKET, ALTERATION OF ESTIMATE BY APPRAISER

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

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

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



ECONOMIC AND SOCIAL TRENDS

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

EXCLUSIONS

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

SUBSURFACE RIGHTS

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

PROPOSED IMPROVEMENTS, CONDITIONED VALUE

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

MANAGEMENT OF PROPERTY

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

FEE

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

LEGAL EXPENSES

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



CHANGES AND MODIFICATIONS

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

DISSEMINATION OF MATERIAL

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

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



QUALIFICATIONS OF APPRAISER REESE PERKINS

Professional Designations

MAI - Member of the Appraisal Institute

SRA - Senior Residential Appraiser

MAI - Member American Institute of Real Estate Appraisers	1983
SRPA - Senior Real Property Appraiser; Society of Real Estate Appraisers	1982

License

State of Nevada, Certified General Real Estate Appraiser, #A.0000120-CG,
Expiration date 4/30/25

Membership

Member, Nevada State Board of Equalization	1992 - 1999
Chairman	1999
Member, Nevada Commission of Real Estate Appraisers	1995 - 2001
President	2000

Offices Held

President - Reno/Carson/Tahoe Chapter No. 189, Society of Real Estate Appraisers	1983 - 1984
Admissions Committee - Sierra Nevada Chapter #60, AIREA	1984 - 1988
Vice-Chairman	1987 - 1988
Southwest Region Review and Counseling Panel, AIREA	
Admissions Chairman - Sierra Nevada Chapter No. 60, American Institute of Real Estate Appraisers	1989 - 1990
Admissions Chairman - Reno/Carson/Tahoe Chapter of the Appraisal Institute	1991
Board of Directors - Sacramento-Sierra Chapter of the Appraisal Institute	1991 - 1995
President - Sacramento - Sierra Chapter of The Appraisal Institute,	1996

Appraisal Experience

Appraiser - Johnson Perkins Griffin, LLC	03/2015 - present
Principal Appraiser - Johnson-Perkins & Associates	2006 - 02/2015
Vice President - Johnson-Perkins & Associates	1994 - 2006
Owner - Real Estate Appraisal and Consulting Firm	1987 - 1994
President and Chief Operating Officer - Eagle Service Corporation;	
Senior Vice President - First Federal Savings and Loan Association	1985 - 1987
Vice President-Chief Appraiser - Eagle Service Corporation	1983
Independent Fee Appraiser	1980 - 1983
Assistant Vice President - First Western Service Corporation;	
Northern Division Manager, Master Appraisals	1977 - 1980
Staff Appraiser - Eagle Service Corporation, First Federal Savings and Loan	1975 - 1977
Associate Appraiser - Washoe County Assessor's Office	1972 - 1975



QUALIFICATIONS OF APPRAISER REESE PERKINS

Appraisal Education

Society of Real Estate Appraisers:

Course 101	Introduction to Appraising Real Property, Santa Clara, California	1973
Course 201	Principles of Income Property Appraising, Santa Clara, California	1974

American Institute of Real Estate Appraisers:

Course 2	Urban Properties, San Francisco, California	1978
Exam 1B	Capitalization Theory and Techniques	1979
Course 6	Introduction to Real Estate Investment Analysis, Oakland, California	1982
Course 2-3	Standards of Professional Practice, Sacramento, California	1985
Course 10	Market Analysis, Boulder, Colorado	1987

Appraisal Institute:

Standards of Professional Appraisal Practice,		
Parts A and B, Reno, Nevada		1992
Part C, Reno, Nevada		1997
National USPAP Update Course		2003
National USPAP Update Course		2004
National USPAP Update Course		2006
National USPAP Update Course		2007
National USPAP Update Course		2008
National USPAP Update Course		2010
National USPAP Update Course		2013
National USPAP Update Course		2014
National USPAP Update Course		2015
National USPAP Update Course		2017
National USPAP Update Course		2019
National USPAP Update Course		2021

Appraisal Foundation

1999 USPAP Review	1998
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Appraisal Seminars

Various Appraisal and Continuing Education Seminars	1974 - 2021
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Formal Education

Tonopah High School Graduate	1967
Bachelor of Arts Degree in Political Science - University of Nevada, Reno,	1972



**QUALIFICATIONS OF APPRAISER
REESE PERKINS**

Types of Property Appraised

Single Family Residences
Condominiums
Vacant Residential Lots
Professional Office Buildings
Warehouses and Industrial Buildings
Shopping Centers
Communication Sites
Motels
Residential Subdivisions
Vacant Land
Commercial Buildings
Apartment Complexes
Subdivisions
Hotels
Hotel/Casinos
Aggregate Quarries
Mortuaries and Cemeteries
Water Companies
Open Pit Mines
Fire Science Academies

Admitted as Expert Witness

United States District Court, District of Nevada
United States Bankruptcy Court, District of Nevada
United States Bankruptcy Court, District of Northern California
Washoe County District Court
Washoe County Board of Equalization
Douglas County Board of Equalization
Clark County Board of Equalization
White Pine County Board of Equalization
Nevada State Board of Equalization
Plumas County California Superior Court



QUALIFICATIONS OF APPRAISER REESE PERKINS

Representative Appraisal Clients

AEGON USA Realty Advisors, Inc.	Nevada Department of Transportation
Airport Authority of Washoe County	Nevada Mining Association
Alliance Bank of Arizona	Nevada State Bank
AMB Institutional Realty Advisors	P.W. Funding
American Federal Savings Bank	Redevelopment Agency of the
ARCS Commercial Mortgage Corp.	City of Reno
AT&T Communications	Regional Transportation Commission
Bank of America	Reno Housing Authority
Bank of the West	Shelter Properties
BHP Copper	Shelter Properties
California Department of Justice	Sierra Pacific Power Company
Carson City	St Mary's Regional Medical Center
Caughlin Ranch Partnership	Summit Engineering Corporation
Centex Real Estate Corporation	Texaco, Inc.
CitiBank	The CIT Group
City of Reno	The Howard Hughes Corporation
City of Sparks	The Rouse Company
Coates Field Services, Inc.	Truckee Meadows Community College
Colonial Bank	Umpqua Bank
Department of the Navy	U.S. Bank
Dermody Properties	U.S. Department of Commerce
Douglas County	U.S. Forest Service
Douglas County Assessor's Office	U.S. Postal Service
Federal Deposit Insurance Corporation	Union Oil Company
First Federal Lincoln	University Of Nevada
First Independent Bank of Nevada	Various Private Clients, Law and
First Merit Bank, N.A.	Accounting Firms
GMAC Commercial Mortgage Co.	Washoe County
Great Western Bank	Washoe County School District
Granite Construction Co.	Washoe Medical Center
Guardian Life Insurance Co.	Wells Fargo Bank
Home Federal Savings Bank	Williams Communications, Inc.
Internal Revenue Service	
KeyBank	
McDonald's	



QUALIFICATIONS OF APPRAISER CARSON TAYLOR COOKE

State Licensing and Certification

Certified General Appraiser – State of Nevada 2022
License Number A.0208551-CG (Certified Through 5/31/2024)

Appraisal Education and Technical Training

Appraisal Institute and McKissock Learning
Appraisal Principles 2018
Appraisal Procedures 2018
15-Hour National USPAP Course 2018
General Appraiser Sales Comparison Approach 2019
Uniform Appraisal Standards for Federal Land Acquisitions 2019
General Appraiser Site Valuation & Cost Approach 2020
General Appraiser Income Approach/Part 1 2021
General Appraiser Income Approach/Part 2 2021
General Appraiser Market Analysis Highest and Best Use 2021
General Report Writing and Case Studies 2022

Formal Education

University of Nevada, Reno 2016
Bachelor of Marketing
Minor in Economics

Occupational History

Johnson Perkins Griffin, LLC 05/2018-Present
CA Ventures 08/2017-/2018
United Parcel Service 08/2011-/2016

EXHIBIT 5

RESOLUTION NO. ____

A RESOLUTION PERTAINING TO THE APPROVAL OF THE SALE OF REAL PROPERTY LOCATED AT WEDEKIND ROAD, SPARKS, NEVADA IDENTIFIED WITH WASHOE COUNTY ASSESSOR'S PARCEL NUMBER 026-341-57 AND TO THE AUTHORIZATION OF THE CHANCELLOR, TO EXECUTE THE SALE AGREEMENT, any NON-MATERIAL OR CORRECTIVE AMENDMENTS TO THE SALE AGREEMENT, AND ANY OTHER ANCILLARY AGREEMENTS, DOCUMENTS, OR APPLICATIONS THAT MAY BE REQUIRED TO IMPLEMENT THE SALE AGREEMENT, PROVIDED THAT ALL SUCH AMENDMENTS AND ANCILLARY DOCUMENTS SHALL BE REVIEWED AND APPROVED BY THE CHANCELLOR, AND NSHE CHIEF GENERAL COUNSEL, OR, AT THE NSHE CHIEF GENERAL COUNSEL'S REQUEST, NSHE SPECIAL REAL PROPERTY COUNSEL, TO CONFIRM THAT THEY ARE NECESSARY IN ORDER TO IMPLEMENT THE TERMS AND CONDITIONS REQUIRED TO FINALIZE THE SALE, AS APPROVED BY THE BOARD OF REGENTS.

BE IT RESOLVED that the Board of Regents approves the sale of the Real Property located on Wedekind Road with the Washoe County Assessor's parcel #026-341-57 in Sparks, Nevada.

BE IT FURTHER RESOLVED that the Board of Regents hereby authorizes and grants to the Chancellor the authority to execute the sale agreement, any non-material or corrective amendments to the sale agreement, and any other ancillary agreements, documents, or applications that may be required to implement the sale agreement, provided that all such amendments and ancillary documents shall be reviewed and approved by the Chancellor, and NSHE Chief General Counsel, or, at the NSHE Chief General Counsel's request, NSHE Special Real Property Counsel, to confirm that they are necessary in order to implement the terms and conditions required to finalize the sale, as approved by the Board of Regents.

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PASSED AND ADOPTED on _____, 2024.

Chairman
Board of Regents of the
Nevada System of Higher Education

(SEAL)
Attest:

Chief of Staff and Special Counsel
To the Board of Regents