

OFFICIAL RECORD  
Requested By:  
DC/DISTRICT ATTORNEY

Assessor's Parcel Number: N/A

Date: DECEMBER 10, 2008

Recording Requested By:

Name: CYNTHIA GREGORY, DA'S OFFICE

Address: \_\_\_\_\_

City/State/Zip: \_\_\_\_\_

Real Property Transfer Tax: \$ N/A

Douglas County - NV  
Karen Ellison - Recorder  
Page: 1 Of 145 Fee: 0.00  
BK-1208 PG- 2462 RPTT: 0.00



AGREEMENT FOR PURCHASE & SALE #2008.266  
(Title of Document)

**AGREEMENT FOR PURCHASE AND SALE  
OF REAL PROPERTY AND ESCROW INSTRUCTIONS**

Escrow No. \_\_\_\_\_

Date of Opening of Escrow  
\_\_\_\_\_, 2008

To: Marquis Title & Escrow, Inc.  
("Escrow Holder")  
1520 US Highway 395 North  
Gardnerville, NV 89410  
Attention: Vicky Morrison  
Escrow Officer  
Telephone: (775) 782-5042

*[Signature]*  
TED THIRAN  
CLERK

2008 DEC 10 PM 2:33

NO. 2008. 2266

FILED

THIS AGREEMENT FOR PURCHASE AND SALE OF REAL PROPERTY AND ESCROW INSTRUCTIONS (this "Agreement") is made this 4<sup>th</sup> day of December, 2008, by and between DOUGLAS COUNTY ("Seller"), and COLONIAL BANK, an Alabama Corporation ("Buyer").

**RECITALS**

A. Seller is the owner of that certain improved real property consisting of approximately 4,694 square feet of land area located in the County of Douglas, State of Nevada, commonly referred to as APN 1220-04-002-018, more particularly described in Exhibit "A" attached hereto and by this reference incorporated herein (the "Land"), together with all improvements now or hereafter constructed thereon, all easements, licenses and interests appurtenant thereto. There are no known water rights appurtenant to his land. The Land, such improvements, appurtenant easements, licenses and interests are collectively referred to herein as the "Property". The Property is being sold for economic development consistent with Nevada Revised Statutes, Section 244.2815 to the Buyer, as an adjacent property owner, for the establishment, support or expansion of commercial enterprises or facilities within Douglas County.

NOW THEREFORE, the parties hereto agree as follows:

**TERMS AND CONDITIONS**

1. PURCHASE AND SALE OF PROPERTY. Buyer hereby agrees to purchase from Seller, and Seller agrees to sell to Buyer the Property, upon the terms and conditions hereinafter set forth.
2. OPENING OF ESCROW. Within five (5) business days after the execution of this Agreement by Seller and Buyer, the parties shall open an escrow ("Escrow") with the Escrow Holder by causing an executed copy of this Agreement to be deposited with Escrow Holder.

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Escrow shall be deemed open on the date that Seller delivers this executed Agreement to Escrow Holder. The purchase and sale of the Property will be completed through the Escrow.

3. PAYMENT OF PURCHASE PRICE. The purchase price for the Property will be \$65,011.00, sixty-five thousand and eleven dollars ("Purchase Price"). On the Close of Escrow, Buyer shall deposit the entire Purchase Price with Escrow Holder in the form of cash, bank cashier's check or confirmed wire transfer of funds, payable to Seller.

4. ADDITIONAL FUNDS AND DOCUMENTS REQUIRED FROM BUYER AND SELLER.

4.1 Buyer. Buyer agrees that on or before 12:00 noon on the date preceding the Closing Date, Buyer will deposit all documents, including a document consolidating, merging or deed restricting for lot consolidation purposes the Property, lot APN 1220-04-002-018, into lot 1220-04-602-014, (executed and acknowledged, if appropriate) which are necessary to comply with the terms of this Agreement.

4.2 Seller. Seller agrees that on or before 12:00 noon on the day preceding the Closing Date, Seller will deposit with Escrow Holder an executed and recordable grant, bargain and sale deed in the form provided by Marquis Title & Escrow Inc. Title Company ("Grant Deed") conveying the Property to Buyer, a Certificate of Non-Foreign Status, and such other items and instruments as may be necessary in order for the Escrow Holder to comply with this Agreement. Escrow Holder will cause the Grant Deed to be recorded when (but in no event after the date specified in Section 5.1 below) it holds for the account of Seller the items described above to be delivered to Seller through Escrow, less costs, expenses and disbursements chargeable to Seller pursuant to the terms hereof.

5. CLOSING DATE: TIME OF ESSENCE.

5.1 Closing Date. Escrow shall close on or before fifteen (15) days after the opening of escrow ("Closing Date"). The terms "the Close of Escrow", and/or the "Closing" are used herein to mean the time Seller's Grant Deed is filed for record by the Escrow Holder in the Office of the County Recorder of Douglas County, Nevada.

5.2 Time of Essence. Buyer and Seller specifically understands that time is of the essence and Buyer and Seller specifically agrees to strictly comply and perform its obligations herein in the time and manner specified and waives any and all rights to claim such compliance by mere substantial compliance with the terms of this Agreement.

6. INSPECTIONS AND REVIEW.

6.1 Due Diligence Review. Buyer acknowledges and agrees that prior to the execution of this Agreement, Buyer had the opportunity to thoroughly inspect, investigate and exercise due diligence, and the opportunity to fully and independently become familiar with, and fully satisfy itself regarding, any and all matters relating to the Property. By executing this

Agreement, Buyer shall be conclusively deemed to have approved all matters relating to the property.

6.2 Approval of Title. Buyer acknowledges and agrees that prior to the execution of this Agreement, Buyer had the opportunity to thoroughly inspect, investigate and exercise due diligence, and independently become familiar with, and fully satisfy itself regarding, any and all title matters relating to the Property. By executing this Agreement, Buyer shall be deemed to have approved of the condition of title to the Property.

7. CONDITIONS PRECEDENT TO CLOSE OF ESCROW. The obligations of Buyer under this Agreement shall be subject to the satisfaction or written waiver, in whole or in part, by Buyer that Escrow Holder holds and will deliver to Buyer the instruments and funds, if any, accruing to Buyer pursuant to this Agreement. The obligations of Seller under this Agreement shall be subject to the satisfaction or written waiver, in whole or in part, by Seller that Escrow Holder holds and will deliver to Seller the instruments and funds accruing to Seller pursuant to this Agreement.

8. ESCROW PROVISIONS.

8.1 Escrow Instructions. This Agreement, when signed by Buyer and Seller, shall also constitute escrow instructions to Escrow Holder, and such instructions shall consist of the provisions of Sections 1 through 8, inclusive, and Section 12. The terms and conditions of this Agreement not set forth in the preceding sections are additional matters for the information of Escrow Holder, but about which Escrow Holder need not be concerned. If required by Escrow Holder, Buyer and Seller agree to execute Escrow Holder's standard escrow instructions, provided that the same are consistent with and do not conflict with the provisions of this Agreement. In the event of any such conflict, the provisions of this Agreement shall prevail.

8.2 General Escrow Provisions. Escrow Holder shall instruct the Douglas County Recorder to mail the Grant Deed to Buyer at the address set forth in Section 13.3 after recordation. All funds received in this Escrow shall be deposited in one or more general escrow accounts of the Escrow Holder with any bank doing business in Douglas County, Nevada, and may be disbursed to any other general escrow account or accounts. All disbursements shall be made by Escrow Holder's check. This Agreement and any modifications, amendments, or supplements thereto may be executed in counterparts and shall be valid and binding as if all of the parties' signatures were on one document.

8.3 Proration of Real Property Taxes. All non-delinquent general and special real property taxes shall be prorated to the Close of Escrow on the basis of a thirty (30) day month and a three hundred sixty (360) day year. In the event that property taxes are assessed on a parcel of real property which includes land other than the Property, such proration shall include only taxes attributable to the Property, calculated in terms of total gross square feet of land assessed pursuant to the tax statement versus total gross square footage of the Property. All tax prorations shall be based upon the latest available tax statement. If the tax statements for the fiscal tax year during which Escrow closes do not become available until after the Close of Escrow, then the rates and assessed values of the previous year, with known changes, shall be



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used, and the parties shall re-prorate said taxes outside of Escrow following the Close of Escrow when such tax statements become available.

8.4 Rents, Other Income and Operating Expenses. Rents and all other fees and miscellaneous income arising out of the operation of the Property shall be prorated as of the Close of Escrow.

8.5 Deposits. There are no deposits or prepaid rents.

8.6 Payment of Costs. Seller shall pay one-half (1/2) of the Escrow fee, state transfer taxes, premium charges for an CLTA standard owner's title policy, and the charge for drawing the Grant Deed. Buyer shall pay one-half (1/2) of the Escrow fee, charges for recording the Grant Deed, and a standard CLTA title policy. All other costs of Escrow not otherwise specifically allocated by this Agreement shall be apportioned between the parties in a manner consistent with the custom and usage of Escrow Holder.

8.7 Termination and Cancellation of Escrow. Time is of the essence in this Agreement. If Escrow fails to close as provided above, Escrow shall terminate automatically without further action by Escrow Holder or any party, and Escrow Holder is instructed to return all funds and documents then in Escrow to the respective depositor of the same with Escrow Holder. Buyer and Seller shall diligently attempt to achieve the satisfaction of these conditions without undue delay. If any of these conditions cannot be met, then, unless waived by Buyer, Escrow Holder, upon receipt of notification from Buyer or from Seller that it cannot or will not be able to satisfy a condition, shall immediately cancel the escrow and return the respective documents to Seller and Buyer, and each party shall be responsible for one-half (1/2) of the escrow costs incurred, and thereafter neither Party shall have any further obligation, rights, or liability under this Agreement.

9. BROKERAGE COMMISSIONS. Each party agrees to indemnify and hold the other harmless from and against all liabilities, costs, damages and expenses, including, without limitation, attorneys' fees, resulting from any claims or fees or commissions, based upon agreements by it, if any, to pay a broker's commission and/or finder's fee.

10. "AS-IS" PURCHASE: RELEASE

10.1 Purchase "AS-IS", Buyer expressly acknowledges and agrees, and represents and warrants to Seller, that Buyer is purchasing the Property "AS-IS", and "WITH ALL FAULTS", after such inspection, analysis, examination and investigation Buyer cares to make and expressly without Seller's covenant, warranty or representation as to physical condition, title, leases, rents, revenues, income, expenses, operation, access, zoning or other regulation, compliance with law, suitability for particular purposes or any other matter whatsoever. Seller has no obligation to make repairs, replacements or improvements to the Property, or to pay any fees, costs or expenses related to the Property. Buyer acknowledges and agrees that Seller has not made, does not make and specifically negates and disclaims any representations, warranties, promises, covenants, agreements or guaranties of any kind or character whatsoever, whether express or implied, oral or written, past, present or future, of, as to , concerning or with respect to (a) the

value of the Property; (b) the income to be derived from the Property; (c) the suitability of the Property for any and all activities and uses which Buyer may conduct thereon, including the possibilities for development of the Property; (d) the habitability, marketability, merchantability, profitability or fitness for a particular purpose of the Property; (e) the manner, quality, state of repair or lack of repair of the Property; (f) the nature, quality or condition of the Property, including without limitation, soils and geology; (g) the compliance of or by the Property or its operation with any laws, rules, ordinances or regulations of any applicable governmental authority or body; (h) compliance with any environmental protection, pollution or land use laws, rules, regulation, orders or requirements, including but not limited to, Title III of the Americans with Disabilities Act of 1990, the Federal Water Pollution Control Act, the Federal Resource Conservation and Recovery Act, the U.S. Environmental Protection Agency regulations at 40 CFR part 261, the Comprehensive Environmental Response Compensation and Liability Act of 1980, as amended, the Resources Conservation and Recovery Act of 1976, the Clean Water Act, the Safe Drinking Water Act, the Hazardous Materials Transportation Act and the Toxic Substance Control Act, as any of the foregoing may be amended from time to time and regulations promulgated under any of the foregoing from time to time ("Environmental Laws"); (i) the presence or absence of Hazardous Substances at, on, under, or adjacent to the Property; (j) the conformity of the Property to past, current or future applicable zoning or building requirements; deficiency of any drainage or undershoring; (k) that the Property may be located on or near earthquake faults; (l) the existence or non-existence of land use, zoning or building entitlements affecting the Property; (m) the land use status of the Property, including, but not limited to, general plan status, specific plan status, zoning status, subdivision status under the subdivision ordinance of the County; (n) the applicability of endangered species acts and the existence of any species protected thereunder; or (o) any other matter concerning the Property. Buyer further acknowledges and agrees that having obtained and examined such information and documentation affecting the Property as Buyer has deemed necessary or appropriate, Buyer is relying solely on its own investigations and review, and not on any information provided or to be provided by Seller.

10.2 Release. Buyer, on behalf of itself, its shareholders, officers, directors, employees, partners, members, subsidiaries, affiliates, consultants, contractors, agents, subcontractors, representatives, successors, and assigns and anyone claiming by, through or under Buyer (collectively, "Buyer's Representatives") fully and irrevocably releases Seller and its employees, officers, directors, representatives, agents, servants, attorneys, affiliates, members, managers, investors, partners, parents, subsidiaries, lenders, successors and assigns (collectively, the "Released Parties") from any and all claims that Buyer or any of Buyer's Representatives may now have or hereafter acquire against any of the Released Parties for any costs, fees, loss, liability, damage, expenses, demand, fine, penalty, action or cause of action arising from or related to any conditions existing or events occurring on, in or about the Property before or after the Closing, including without limitation any construction defects, errors, omissions or other conditions, latent or otherwise, including, without limitation, Hazardous Substances and environmental matters affecting the Property, or any portion thereof. This release includes claims of which Buyer is presently unaware or which buyer does not presently suspect to exist which, if know by Buyer, would materially affect Buyer's release of the Released Parties. This release by buyer shall constitute a complete defense to any claim, cause of action, defense, contract, liability, indebtedness or obligation released pursuant to this release. Nothing in this release shall be construed as (or shall be admissible in any legal action or proceeding as) an

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WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION TO NEUTRAL ARBITRATION.

Buyer's Initials MD

Seller's Initials EDK

ANY CONTROVERSY OR CLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY AGREEMENTS OR INSTRUMENTS RELATING HERETO OR DELIVERED IN CONNECTION HEREWITH, INCLUDING, BUT NOT LIMITED TO A CLAIM BASED ON OR ARISING FROM AN ALLEGED TORT WILL, AT THE REQUEST OF ANY PARTY BE DETERMINED BY ARBITRATION IN ACCORDANCE WITH THE FEDERAL ARBITRATION ACT (9 U.S.C. SECTION 1 ET. SEQ.) UNDER THE AUSPICES AND RULES OF THE AMERICAN ARBITRATION ASSOCIATION ("AAA"). THE AAA WILL BE INSTRUCTED BY EITHER OR BOTH PARTIES TO PREPARE A LIST OF THREE (3) JUDGES WHO HAVE RETIRED FROM THE DISTRICT COURT OF THE STATE OF NEVADA, A HIGHER NEVADA COURT OR ANY FEDERAL COURT OR, IF THERE ARE AN INSUFFICIENT NUMBER OF RETIRED NEVADA JUDGES ASSOCIATED WITH THE AAA, THEN A NUMBER OF JUDGES REQUIRED TO COMPLETE THE LIST OF THREE (3) JUDGES WHO HAVE RETIRED FROM THE SUPERIOR COURT OF THE STATE OF CALIFORNIA OR A HIGHER CALIFORNIA COURT. WITHIN 10 DAYS OF RECEIPT OF THE LIST, EACH PARTY MAY STRIKE 1 NAME FROM THE LIST. THE AAA WILL THEN APPOINT THE ARBITRATOR FROM THE NAME(S) REMAINING ON THE LIST. THE ARBITRATION WILL BE CONDUCTED IN DOUGLAS COUNTY, NEVADA, WHICHEVER IS THE CLOSEST CITY TO THE NEXUS OF THE DISPUTE. ANY CONTROVERSY IN INTERPRETATION OR ENFORCEMENT OF THIS PROVISION OR WHETHER A DISPUTE IS ARBITRABLE, WILL BE DETERMINED BY THE ARBITRATORS. JUDGMENT UPON THE AWARD RENDERED BY THE ARBITRATOR(S) MAY BE ENTERED IN ANY COURT HAVING JURISDICTION. THE INSTITUTION AND MAINTENANCE OF ANY ACTION FOR JUDICIAL RELIEF OR IN PURSUIT OF AN ANCILLARY REMEDY, DOES NOT CONSTITUTE A WAIVER OF THE RIGHT OF ANY PARTY, INCLUDING THE PLAINTIFF, TO SUBMIT THE CONTROVERSY OR CLAIM TO ARBITRATION.

13 MISCELLANEOUS.

13.1 Assignment. Buyer shall not have the right to assign this Agreement or any interest or right hereunder or under the Escrow without the prior written consent of Seller, which consent may be withheld in Seller's sole and absolute discretion. Regardless of Seller's consent, Buyer shall not be relieved of its responsibility and liability under this Agreement as a result of such assignment. Subject to the foregoing, this Agreement shall be binding upon and shall inure to the benefit of Buyer and Seller and their respective heirs, personal representatives, successors and assigns.

13.2 Attorneys' Fees. In any action between the parties hereto, seeking enforcement of any of the terms and provisions of this Agreement or the Escrow, or in connection with the Property, the prevailing party in such action shall be entitled, to have and to recover from the



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other party its reasonable attorney's fees and other reasonable expenses in connection with such action or proceeding in addition to its recoverable court costs.

13.3 Notices. Any notice which either party may desire to give to the other party or to the Escrow Holder must be in writing and may be given by personal delivery or by mailing the same by registered or certified mail, return receipt requested, to the party to whom the notice is directed at the address of such party hereinafter set forth, or such other address and to such other persons as the parties may hereafter designate:

To Seller: Douglas County  
Attn: County Manager  
P.O. Box 218  
Minden, NV 89423  
Ph# (775)782-9821  
Fax#

Copy To: Mark Jackson, D.A.  
District Attorney's Office  
P.O. Box 218  
Minden, NV 89423  
Ph# (775)782-9800  
Fax# (775)783-6490

To Buyer: Colonial Bank, an Alabama Corporation  
Attn: Michelle McKinney  
SVP, Nevada Regional Project Manager  
2330 S. Virginia Street  
P.O. Box 12937  
Reno, NV 89510

To Escrow Holder: Marquis Title & Escrow, Inc.  
1520 US Highway 395 North  
Gardnerville, NV 89410  
Attention: Vicky Morrison  
Escrow Officer  
Telephone: (775) 782-5042

13.4 Interpretation: Governing Law. This Agreement shall be construed according to its fair meaning and as if prepared by both parties hereto. This Agreement shall be construed in accordance with the laws of the State of Nevada in effect at the time of the execution of this Agreement. Titles and captions are for convenience only and shall not constitute a portion of this Agreement. As used in this Agreement, masculine, feminine or neuter gender and the singular or plural number shall each be deemed to include the others wherever and whenever the context so dictates.

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13.5 No Waiver. No delay or omission by either party hereto in exercising any right or power accruing upon the compliance or failure of performance by the other party hereto under the provisions of this Agreement shall impair any such right or power or be construed to be a waiver thereof. A waiver by either party hereto of a breach of any of the covenants, conditions or agreements hereof to be performed by the other party shall not be construed as a waiver of any succeeding breach of the same or other covenants, agreements, restrictions or conditions hereof.

13.6 Modifications. Any alteration, change or modification of or to this Agreement, in order to become effective, shall be made by written instrument or endorsement thereon and in each such instance executed on behalf of each party hereto.

13.7 Severability. If any term, provision, condition or covenant of this Agreement or the application thereof to any party or circumstances shall, to any extent, be held invalid or unenforceable, the remainder of this instrument, or the application of such term, provisions, condition or covenant to persons or circumstances other than those as to whom or which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

13.8 Merger of Prior Agreements and Understandings. This Agreement and other documents incorporated herein by reference contain the entire understanding between the parties relating to the transaction contemplated hereby and all prior contemporaneous agreements, understandings, representations and statements, oral or written, are merged herein and shall be of no further force or effect.

13.9 Covenants to Survive Escrow. The covenants and agreements contained herein shall survive the Close of Escrow and, subject to the limitations on assignment contained in Section 13.1 above, shall be binding upon and inure to the benefit of the parties hereto and their representatives, heir, successors and assigns.

13.10 Execution in Counterpart. This Agreement may be executed in several counterparts, and all so executed shall constitute one agreement binding on all parties hereto, notwithstanding that all parties are not signatories to the original or the same counterpart.

13.11 Representations of Authority.

a. Each party has the legal power, right and authority to enter into this Agreement and the instruments referenced herein, and to consummate this transaction.

b. All requisite action (corporate, trust, partnership or otherwise) has been taken by each party in connection with the entering into of this Agreement, the instruments referenced herein, and the consummation of this transaction. No further consent of any partner, shareholder, creditor, investor, judicial or administrative body, governmental authority or other party is required.

c. The individuals executing this Agreement and the instruments referenced herein on behalf of each party and the partners, officers or trustees of each party, if any, have the legal power, right, and actual authority to bind each party to the terms and conditions of those documents.

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d. This Agreement and all other documents required to close this transaction are and will be valid, legally binding obligations of and enforceable against each party in accordance with their terms, subject only to applicable bankruptcy, insolvency, reorganization, moratorium laws or similar laws or equitable principles affecting or limiting the rights of contracting parties generally.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement of Purchase and Sale of Real Property and Escrow Instructions as of the date set forth above.

DOUGLAS COUNTY,  
a political subdivision of the State of Nevada

By: *Kelly D. Kite*  
Kelly D. Kite, Chairman,  
Douglas County Board of Commissioners

"Seller"

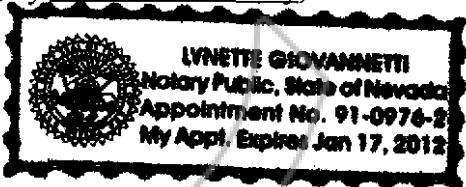
COLONIAL BANK, an Alabama Corporation

By: *Michelle McKinney*  
Michelle McKinney  
SVP, Nevada Regional Project Manager  
for Colonial Bank "Buyer"

ACKNOWLEDGEMENT

State of Nevada )  
 ) ss.  
COUNTY of Washoe )

This instrument was acknowledged before me on this 4 day of December,  
2008, by Michelle McKinney, on behalf of Colonial Bank.



*Lynette Giovannetti*  
Notary Public

ATTEST:  
TED THRAN, Douglas County Clerk

*Ted Thran*

# EXHIBIT A

DESCRIPTION OF PROPERTY (NEXT PAGE)

COPY

**DESCRIPTION**  
**A.P.N. 1220-04-002-018**

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

A parcel of land located within a portion of the Southeast one-quarter (SE¼) of Section 4, Township 12 North, Range 20 East, Mount Diablo Meridian, more particularly described as follows:

Commencing at the one-quarter corner common to Sections 3 and 4, T.12N., R.20E., M.D.M., a ¾" iron pipe with 2" aluminum cap "1995 Owens Eng. PLS 3090" as shown on the Record of Survey for Reno Orthopedic Clinic, LTC. Et al recorded October 28, 1998 in the office of Recorder, Douglas County, Nevada as Document No. 452854;

thence along the east line of said Section 4, South 00°39'29" West, 43.78 feet to the southeasterly corner of a parcel of land described in Grant, Bargain and Sale Deed between Douglas County and G.T.E.B. LLC recorded April 22, 2003 in said office of Recorder in Book 0403, at Page 10825, as Document No. 574312, the POINT OF BEGINNING;

thence continuing along said east line of Section 4, South 00°39'29" West, 180.49 feet;

thence along the arc of a nontangent curve to the left having a radius of 5060.00 feet, central angle of 00°11'03", arc length of 16.26 feet, and chord bearing and distance of North 37°43'44" West, 16.26 feet to a point on the easterly right-of-way of U.S. Highway 395, also being the westerly line of that portion of right-of-way abandoned in Resolution of Abandonment of a Portion of State Highway Right-of-Way recorded November 20, 2002 in said office of Recorder in Book 1102, at Page 8530, as Document No. 558501;

thence along said easterly right-of-way, along the arc of a curve to the left, having a radius of 5060.00 feet, central angle of 01°05'16", arc length of 96.07 feet, and chord bearing and distance of North 38°21'53" West, 96.06 feet to the southwesterly corner of said parcel of land described in Grant, Bargain and Sale Deed, Document No. 574312;

thence along the southerly line of said parcel of land the following two courses:

Along the arc of a curve to the left, nontangent to the preceding curve, having a radius of 47.50 feet, central angle of 24°58'27", arc length of 20.70 feet, and chord bearing and distance of North 73°45'43" East, 20.54 feet;

Along the arc of a compound curve having a radius of 100.00 feet, central angle of 60°37'00", arc length of 105.80 feet, and chord bearing and distance of

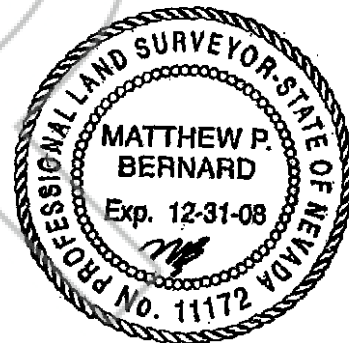


North 30°57'59" East, 100.93 feet to the POINT OF BEGINNING, containing 4,694 square feet (0.11 acres), more or less.

The Basis of Bearing of this description is South 00°21'36" West, the east line of Adjusted Parcels 1 and 2 as shown on the Boundary Line Adjustment for Colonial Bank, NA recorded December 27, 2007 in the office of Recorder, Douglas County, Nevada as Document No. 715367.

Note: Refer this description to your title company before incorporating into any legal document.

Prepared By: R.O. ANDERSON ENGINEERING, INC.  
P.O. Box 2229  
Minden, Nevada 89423



11-24-08

**CERTIFICATE OF CORPORATE AUTHORITY AND INCUMBENCY**

I, David B. Byrne, Jr., the undersigned duly elected Secretary of Colonial Bank, (the "Bank") hereby execute this Certificate of Corporate Authority and Incumbency and certify to the corporate authority set forth in the Bank's Bylaws pursuant to Article VI, Section 4 and Article VII, Section 1, authorizing the Bank's regional presidents and chief executive officers to execute deeds, mortgages, bonds, contracts and other instruments which may be lawfully executed on behalf of the Bank's respective regions and to authorize any regional officer within its geographic area to execute the same, and which state as follows:

**Article VI  
Officers**

**4. Powers and Duties of Regional Officers**

**Regional President/Chief Executive Officer.** . . . The Regional President and Chief Executive Officer of a Region shall have authority to sign such contracts, documents or instruments as authorized by Article VII of these Bylaws or by the Bank Board.

**Article VII  
Contracts, Checks, Deposits and Loans**

**1. Contracts.** . . . any Regional President and Chief Executive Officer shall have the authority to execute contracts or other agreements, deeds, mortgages, or any other legal instruments on behalf of the Bank, except where required by law to be otherwise signed and executed and except where the signing and execution thereof shall be delegated by the Bank Board to some other officer or agent. . . . [T]he Regional President and Chief Executive Officer may authorize any Regional Officer within its geographic area to enter into any contract or execute and deliver any instrument on behalf of the Bank . . .

\* \* \* \* \*

I further certify that Michelle McKinney is a Senior Vice President-Regional Project Manager within the Nevada Region of the Bank, and has been authorized by Mark Daigle, the Regional President and Chief Executive Officer of the Nevada Region of the Bank, as provided for in the Bank's Bylaws as set forth above, to execute any and all documents relating to business license applications and all other instruments which may be lawfully executed on behalf of the Bank relating to this transaction.

Done this 25<sup>th</sup> day of August, 2008.

[SEAL]



*David B. Byrne, Jr.*  
David B. Byrne, Jr.  
Secretary  
Colonial Bank



**COLONIAL BANK**, N.A.

Member FDIC

RECEIVED  
AUG 27 2008  
Douglas County Manager

August 25, 2008

Michael Brown  
Douglas County Manager  
PO Box 218  
Minden NV 89423

RECEIVED  
SEP 02 2008  
DOUGLAS COUNTY  
DISTRICT ATTORNEY

Re: Parcel purchase APN 1220-04-002-018

Dear Mr. Brown;

I am writing this letter to express the interest of Colonial Bank to purchase the above referenced parcel owned by Douglas County for economic development pursuant to NRS 244.2815. Colonial Bank currently owns the parcel adjacent to this small piece.

Pursuant to NRS, Chapter 244, an agenda item to sell the property must be brought before the Board of County Commissions and I would like to request to be included on the agenda for the September, 2008.

Per county code I have obtained the two appraisals necessary to move forward with this purchase, enclosed herein, and am prepared to offer payment of a weighted rate of the two appraisals. Further, I am also prepared to place \$10,000.00 into escrow at Stewart or First American Title on good faith.

Please contact me if there is anything else I must comply with in order to move forward on this issue.

Thank you,

Michelle McKinney  
SVP, Nevada Regional Project Manager



BK- 1208  
PG- 2477  
0734442 Page: 16 Of 145 12/11/2008

An Affiliate of The Colonial BancGroup, Inc.  
2330 S. Virginia Street, P.O. Box 12937, Reno, Nevada 89510-2937  
Telephone 775/827-7220 • Fax 775/827-7219  
Corporate Fax 775/827-7219  
[www.colonialbank.com](http://www.colonialbank.com)

AN EQUAL OPPORTUNITY EMPLOYER



An Appraisal of

**Assessor's Parcel Number**

**1220-04-002-018**

(Douglas County Surplus Property)

**Owned By  
Douglas County**

**Located on the east side of U.S. Highway 395  
287' South of Stodick Parkway  
Douglas County, Nevada**

**Prepared For  
Ms. Michelle McKinney  
Senior Vice President  
Regional Project Manager  
Colonial Bank**

**For the Purpose of Estimating the Value of a  
4,694±sf Surplus Property Parcel  
for Sale to the Adjoining Property Owner**

**As of  
July 3, 2008**

**Date of Report  
July 9, 2008**

**Warren & Schiffmacher LLC**

*REAL PROPERTY CONSULTANTS*

85 Keystone Avenue, Suite C • Reno, Nevada 89503  
Phone (775)686-2622 • Fax (775)688-4681



An Appraisal of

**Assessor's Parcel Number  
1220-04-002-018**

(Douglas County Surplus Property)

**Owned By  
Douglas County**

**Located on the east side of U.S. Highway 395  
287' South of Stodick Parkway  
Douglas County, Nevada**

**Prepared For  
Ms. Michelle McKinney  
Senior Vice President  
Regional Project Manager  
Colonial Bank**

**For the Purpose of Estimating the Value of a  
4,694±sf Surplus Property Parcel  
for Sale to the Adjoining Property Owner**

**As of  
July 3, 2008**

**Date of Report  
July 9, 2008**

**Submitted By  
Robert E. Schiffmacher, MAI**

**Warren & Schiffmacher LLC**  
REAL PROPERTY CONSULTANTS

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ROBERT SCHIFFMACHER, MAI  
[robws@gbis.com](mailto:robws@gbis.com)

July 9, 2008

Ms. Michelle McKinney  
Senior Vice President  
Regional Project Manager  
Colonial Bank  
2330 S. Virginia St.  
Reno, NV 89502

RE: APN: 1220-04-002-018 (Douglas County Surplus Property)

Dear Ms. McKinney:

At your request, I have completed an appraisal and prepared the following appraisal report for the property referenced above. The subject is identified by the Douglas County Assessor as APN 1220-04-002-018. The parcel was created through a combination of events including the abandonment of land by NDOT, the abandonment by Douglas County of the former Elges Avenue right of way and the acquisition of a portion of the abandoned properties (both NDOT's and Douglas County's) by the predecessor in interest to Colonial Bank.

The assessor's records indicate that the surplus parcel contains 1,306±sf. The land area reported by the assessor is significantly smaller than is reported in an access and public utility easement between Douglas County (the current owner) and Herbig Properties LTD, the owner of the adjoining property to the east. The easement purportedly encumbers the entire subject and identifies a site containing 4,694±sf. A third map drawn by G C Wallace Inc. identifies a 4,693±sf site. Because it represents the only "recorded" description of the site, I have chosen and analyzed the site, assuming it contains 4,694±sf.

The purpose of the appraisal is to determine the value of the site, for assemblage with the adjoining property. Because Douglas County does not have a policy regarding the valuation and sale of surplus property to an adjoining property owner, I have spoken to municipal property managers regarding their policies and because it is codified there, I have referred to looked to the Nevada Department of Transportation Right of Way Manual for guidance. The manual provides the following policy regarding such a valuation:

**Section 1.419 B.**

If the direct sale [of surplus property to the adjoining property owner] is the most economically favorable option, the appraiser shall estimate the value as if the subject were part of the adjoining ownership, considering its contributory value. Should an estimate of value for public auction be the more favorable option, the appraiser shall appraise the property as a separate parcel.

In this case, Douglas has determined that the direct sale of the subject to the adjoining property owner is the most economically favorable option and, as a result this analysis will address the subject's contributory value as part of a hypothetical assemblage with the adjoining property.

On the date of value, the subject was vacant, other than the remnants of road infrastructure, and underground utility infrastructure.

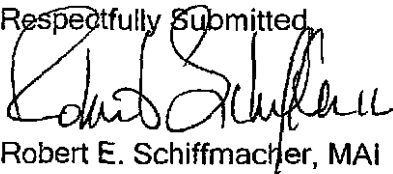
Based on my inspection of the subject, my research of the market and analysis, my conclusions and value conclusions are summarized as follows.

Market Value of the Assembled Tract (The subject and the Adjoining property) \$1,280,000

Value of the subject as part of the assembled tract \$60,022

The following is a complete appraisal, reported in a summary format. It has been prepared in conformance with the reporting requirements of the Appraisal Foundation as set forth in the Uniform Standards of Professional Appraisal Practice (USPAP). My conclusions, and the data and analysis upon which they are based, are summarized in the attached appraisal.

Respectfully Submitted,

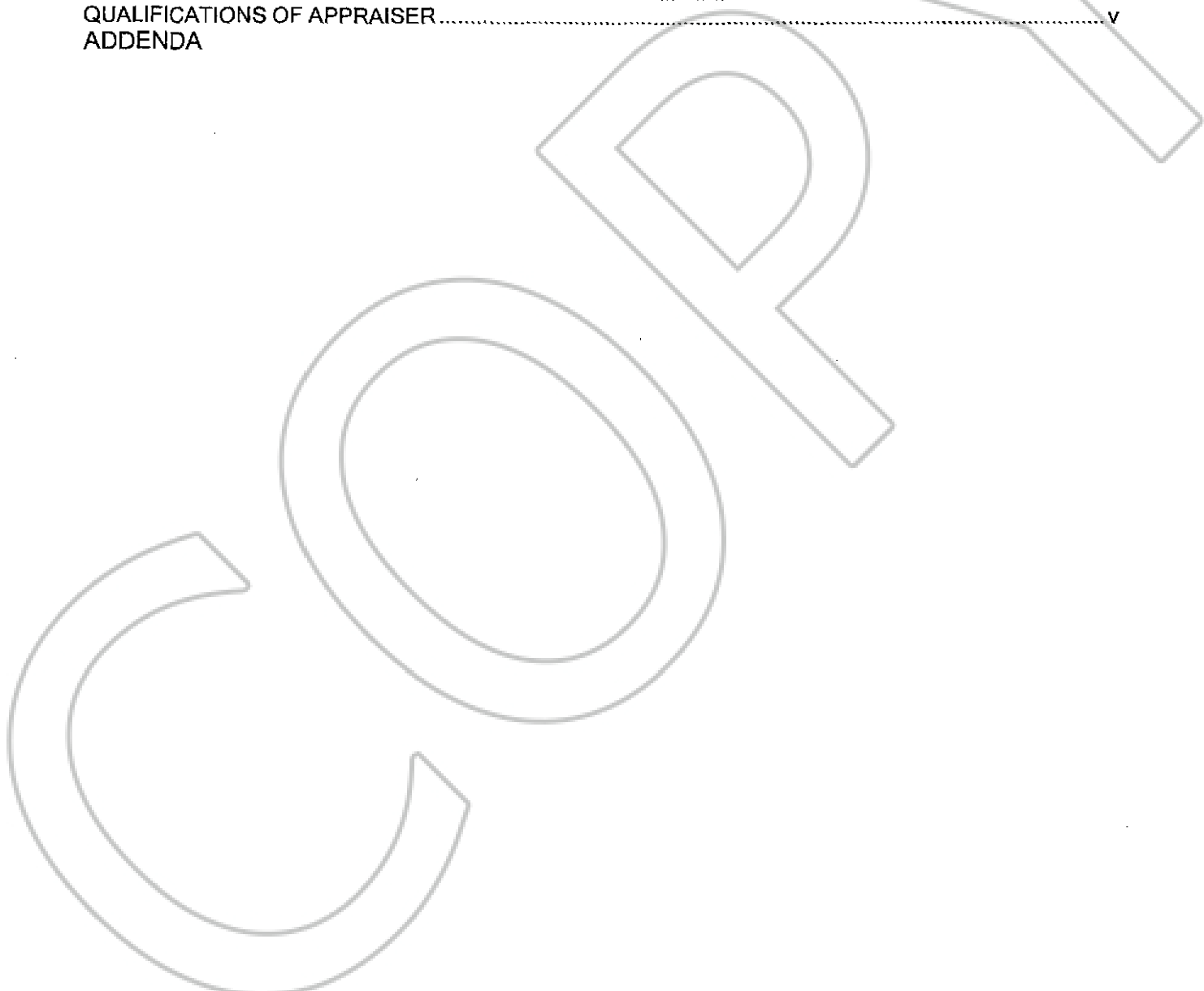


Robert E. Schiffmacher, MAI



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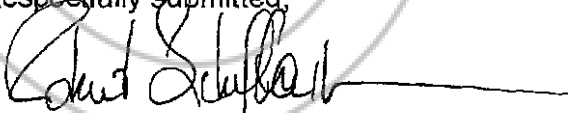


## APPRAISER'S CERTIFICATION

I certify that, unless otherwise noted in this appraisal report:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, conclusions, and recommendations.
- I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest with respect to the parties involved.
- I have no bias with respect to any 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.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- I have made a personal inspection of the property that is the subject of this report.
- No one provided significant real property appraisal or appraisal consulting assistance to the person signing this certification.
- The appraisal was not based upon a requested minimum valuation, a specific valuation, or the approval of a loan.
- This appraisal report has been made in conformity with, and is subject to, the requirements of the Code of Professional Ethics and Standards of Professional Practice 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.
- As of the date of this report, I have completed the requirements of the continuing education program of the Appraisal Institute.

Respectfully submitted,



Robert E. Schiffmacher, MAI  
Nevada Certified General Appraiser # A.00002492-CG

7-9-08  
Date

## INTRODUCTION

## Client

Ms. Michelle McKinney  
Senior Vice President  
Regional Project Manager  
Colonial Bank  
2330 S. Virginia St.  
Reno, NV 89502

## Appraiser

Robert E. Schiffmacher, MAI  
Nevada Certified General License #A.0002492-GC  
Warren & Schiffmacher, LLC  
85 Keystone Avenue, Suite C  
Reno, Nevada 89503

## Subject

Douglas County Assessor's Parcel Number 1220-04-002-018,  
Surplus property; formerly a portion of the Elges Avenue right of Way.

## Intended Use/Users of the Report

This appraisal was prepared for use by the client in negotiating an equitable price for the acquisition of 4,694±sf of surplus land owned by Douglas County Nevada.

## Identification of the Appraisal Problem

The purpose of the appraisal is to determine the value of the parcel, as assembled with the adjoining property. Because Douglas County does not have a policy regarding the valuation and sale of surplus property to an adjoining property owner, I have spoken to several municipal property managers and have looked to the Nevada Department of Transportation Right of Way Manual for guidance. The manual provides the following instructions:

## 1.419 B.

If the direct sale [of surplus right of way to the adjoining property owner] is the most economically favorable option, the appraiser shall estimate the value as if the subject were part of the adjoining ownership, considering its contributory value. Should an estimate of value for public auction be the more favorable option, the appraiser shall appraise the property as a separate parcel.

In this case, Douglas has determined that the direct sale of the subject to the adjoining property owner is the most economically favorable option, and as a result this analysis will address the subject's contributory value as part of the adjoining ownership.

## Owner of Record/Sale History

Title APN 1220-04-002-018 is vested in the name of Douglas County. Douglas County acquired the property when it was abandoned by the Nevada Department of Transportation as part of a 17,068±sf tract on November 14, 2002.

The adjoining property: currently identified by the Douglas County Assessor as APNs 1220-04-602-014 and 015 were acquired by Colonial Bank as APNs 1220-03-202-002, 008, 010, from GTEB LLC on July 17, 2006. The acquisition site contained 2.18±ac or 94,960±sf and included the majority of the former Elges right of way south of Stodick Parkway, east of US 395. The sale price was \$1,430,445 or \$15.06/sf.

**Intended Use/Users**

This appraisal is being prepared for use by Colonial Bank and Douglas County in negotiating an equitable price for the acquisition by Colonial Bank of a small surplus property parcel owned by Douglas County.

**Purpose of the Appraisal**

To develop an opinion of the subject's market value in it's as-is condition as of the July 3, 2008 effective date of value:

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

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

**Interest Appraised** Fee Simple, as encumbered by an access and utility easement

**Effective Date of Value** July 3, 2008

**Date of Report** July 9, 2008

**Appraisal Development and Reporting Process (Scope)**

This is a complete appraisal, communicated in a summary format. The report is intended to conform with Section 2-2(b) of the Uniform Standards of Professional Appraisal Practice.

In the course of conducting this appraisal, I undertook the following activities.

- a) Performed an inspection of the subject and its neighborhood;
- b) Researched appropriate valuation methodology for a small surplus property parcel to be sold to an adjoining property owner;
- c) Researched the subject's current physical and legal condition, as well as its background and history;
- d) Examined the market area to determine the existing and proposed inventory, demand, and marketability of properties similar to the subject;
- e) Researched and investigated relevant market data including recent sales, leases, and other transactions.
- f) Prepared the following summary appraisal report.

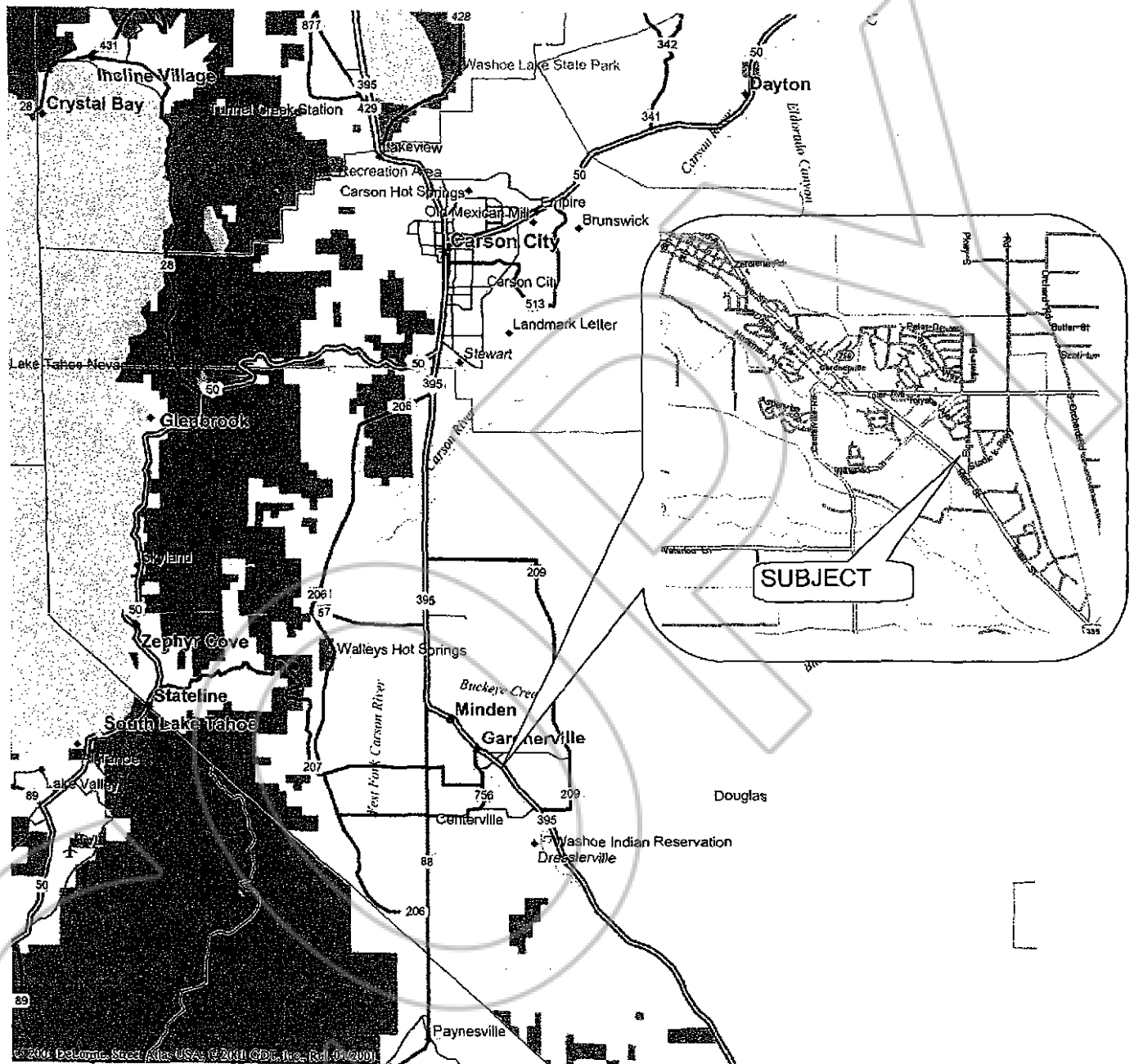
<sup>1</sup> Office of the Comptroller of the Currency under 12 CFR, Part 34, Subpart C-Appraisals, 34.42 Definitions (f)







AREA MAP



Mag 11.00  
 Mon Jul 07 13:47 2008  
 Scale 1:250,000 (at center)  
 5 Miles  
 5 km

- |                     |                         |                      |
|---------------------|-------------------------|----------------------|
| — Local Road        | ▲ Park/Reservation      | ■ Indian Reservation |
| — Major Connector   | ◆ Locale                | ■ National Park      |
| — State Route       | ● City                  | ■ State Park/Forest  |
| — US Highway        | ✈ Sched Service Airport | — River/Canal        |
| ● Point of Interest | — County Boundary       | — Intermittent River |
| ● County Seat       | — State Boundary        | — Intermittent Lake  |
| ★ State Capital     | ● Population Center     |                      |
| ◆ Small Town        | — Water                 |                      |

### DOUGLAS COUNTY AREA DESCRIPTION

The subject is located in the northern portion of Douglas County, but on the southern fringe of the Minden/Gardnerville urban area. While there is some retail and commercial development in the area, the larger, neighborhood shopping centers, anchored by Smiths, Scolari's and Raley's are all located to the north of the subject.

The subject's location in Douglas County, at the southern end of the Minden/Gardnerville communities, makes it part of those communities. While portions of Douglas County function as the suburbs of Carson City; the state's capital the subject is on the far side of Minden/Gardnerville from Carson City and as a result, with the exception of the general county wide benefit associated with its proximity the subject does not get any direct benefit from the Carson City area. Minden and Gardnerville are the primary population centers of Douglas County and are somewhat isolated from the community of South Shore at Lake Tahoe (also part of Douglas County).

#### Physical Data

Carson City is a consolidated city-county municipal entity with a total jurisdictional area of approximately 153 square miles. It is bounded on the north by Washoe County, on the east by Lyon County, south by Douglas, and by California on the west. Most of the county's area is in Eagle Valley, an intermountain basin traversed by the Carson River.

Douglas County contains approximately 751 square miles. It borders Carson City on the north, Lyon on the east and California to the south and west. Both Douglas County and Carson City border on Lake Tahoe.

Central Douglas County contains Carson Valley; an intermountain valley drained by the Carson River, which flows north through the valley. Carson Valley is the major population center in Douglas County. It contains the county seat; Minden, and its sister community of Gardnerville. Carson Valley is also the heart of Douglas County's agricultural economy, with large tracts of irrigated lands dedicated to pasture, irrigated field crops, and open space.

#### Population

Rapid population growth has been a hallmark of Northern Nevada including both Carson City and Douglas County since at least 1970. The table below is illustrative:

Carson/Douglas Population Estimates

Year	Carson	Douglas	Total	Annual % Increase
1970	15,468	6,882	22,350	----
1980	32,022	19,421	51,443	8.7%
1990	40,950	28,070	69,020	3.0%
2000	53,208	41,674	94,882	3.2%
2004	56,146	47,803	103,949	2.3%
2005	57,104	50,108	107,212	3.1%
2006	57,701	51,770	109,741	2.1%
2007	57,723	52,386	110,109	0.3%

Source: State Demographer (06/19/2008)

The population densities of the two counties vary significantly. Carson City's population is estimated at approximately 57,723 and the county contains 153 square miles suggesting an



average population density of 377 people per square mile. By contrast, the population of Douglas County is estimated at 52,386, and the county contains a total land area of 751 square miles. This suggests a population density of below 70 people per square mile, one-fifth the density of Carson City.

#### Communities

Douglas County has two main population areas. The larger is Carson Valley. Minden and Gardnerville are side-by-side towns near the center of Carson Valley. Other population clusters in the Carson Valley are large rural subdivisions, including Gardnerville Ranchos at the south end of the valley, and the Johnson Lane area at the north end. The Indian Hills/Jacks Valley neighborhood is at the north end of the county abutting Carson City.

The second main focus of population is at Lake Tahoe. South Lake Tahoe, California is the largest community on the Lake, and much of the community spills over onto the Nevada side at Stateline. Stateline houses the big high-rise hotel casinos at Tahoe, including Harvey's, Harrah's and others.

#### Transportation

U.S. Highway 395 is the main transportation corridor through Carson City and Douglas County. Highway 395 runs north-south through the west coast interior, linking Southern California to Eastern Washington. It traverses all three of Northern Nevada's major population centers, including Reno, Carson City and Minden - Gardnerville.

The Nevada Department of Transportation reports strong traffic counts in the area.

Traffic Station Location	Location relative to the subject.	Traffic Counts		
		2004	2005	2006
U.S. 395, .10' S of Toler Road	.78 Mi. North	24,000	25,900	256,100
U.S. 395, 200' S of the N leg of Industrial	.25 Mi. South	23,000	24,000	24,100
U.S. 395, .5 miles south of Pinenut Rd.	2 Mi. South	11,800	12,300	11,900

Source: NDOT 2006 Annual Traffic Report

U.S. Highway 50 links Carson City directly with Sacramento via South Lake Tahoe. Highway 50 connects with Highway 395 just north of the Douglas County/Carson City boundary. The Department of Transportation reports average daily traffic counts on U.S. Highway 50, 3.4 miles west of U.S. 395 at 12,200 vehicles per day. Highway 50 and Highway 395 are co-located for about two miles to the center of Carson City, at which point Highway 395 continues north, and Highway 50 departs to the east. U.S. Highway 395 links Douglas County with remote central Nevada communities scattered along its length.

There is no rail service in Douglas County. It does have an airport capable of handling multi-engine craft. There is no scheduled airline service and local residents rely on the Reno-Tahoe International Airport in Reno for commercial air service.



**Employment/Economy**

Carson City is the state capital, and government employees comprise the largest single sector of its work force. Douglas County employment is dominated by service jobs at the Stateline casinos. In the Carson Valley itself, where the bulk of the population lives, casino employment is fairly low, but the single largest casino employer in the Carson Valley is the Carson Valley Inn. The area's employment has been strong and growing fairly steadily.

	Carson City		Douglas County	
	Jan 2005	Dec 2007	Jan 2005	Dec 2007
Total Labor Force	26,850	28,920	21,790	23,080
Unemployment	5.8%	5.9%	5.3%	6.2%
Total employment	25,300	27,200	20,630	21,640
Annual Employment Growth		2.48%		1.63%

Carson City and Douglas County are affluent counties by Nevada standards. In 2006, the latest year for which statistics are available, Douglas County ranked first among Nevada's 17 counties with per capita income reported at \$54,870 and, Carson City ranked third in per capita personal income at \$41,478. Douglas County's income statistics are skewed, with a significant portion of its employees, particularly in the leisure and hospitality industries at the low end of the range, and extremely high income earners in and around the Lake Tahoe Basin at the high end of the range. These higher income individuals frequently obtain their income from sources outside the local community.

Carson City's high per capita income reflects the large number of mid-level wage-earners employed by the state and federal governments in the capital city.

Carson Valley's major growth industry in the last few years has been real estate. Much of the valley's west-side foothill region has been subdivided and covered with estate-quality home.

**Trade**

Retail trade is an increasingly important part of the region's economic picture. In the mid-1990's, Carson City's population reached a threshold where it attracted attention from national retailers. Carson City hosted Northern Nevada's first Wal-Mart in 1993 (now closed and moved to north Douglas County), and a Super K-Mart in 1995 (now closed). Two Albertson's-anchored neighborhood centers opened in 1996, one at the south end of town on U.S. Highway 395, and one on the east side of town on U.S. Highway 50. During that same period, there was considerable infill along the south Highway 395 retail strip as well, with national restaurant chains (Applebee's), fast food restaurants, and similar users.

About the same time that Carson City began to attract national retailers and big-box retailers arrived in Reno. The first of these was Costco, which opened its first store in Reno in the 1980's. Home Depot was the next to arrive; shortly thereafter Firecreek Crossing in South Reno opened a local version of a power center. As these big-box retailers became familiar with the Northern Nevada market, some began to look for sites in Carson City as well.

Carson City traditionally had been considered part of the Reno retail market, but the growth of Carson City and its surrounding communities, particularly Douglas County, began to attract the interest of these retailers in Carson City as a market unto itself. With the exception of Super K-mart, which built at the north end of Carson, most of the big-box retailers viewed south Carson



as the place to be, because this enabled them conveniently to serve not only Carson City, but also Carson Valley and Lake Tahoe.

Development of the South Carson highway strip, just south of the Carson City line, but well north of the Minden/Gardnerville areas, has identified that as the most desirable retail area and has sparked competition between Carson City and Douglas County for retail users. The Douglas County line is very near the Carson City urban area, and suitable large sites in Carson City itself with highway frontage are difficult to find. Costco built a 100,000 square-foot store in south Carson City in the Carson City limits in 2000, but the site does not have highway frontage. Costco was preceded in 1999 by Home Depot and Target, both located on large highway-frontage sites at the intersection of Jacks Valley Road and Highway 395 in Douglas County.

Wal-Mart which had occupied a store in the southern portion of the Carson City urban area moved to a new superstore location just south of the Carson City/Douglas County line in 2002. Immediately to the south of the Wal-Mart is the Carson Valley Plaza, an AIG Baker Project tenanted by Borders Books, Bed Bath & Beyond, Cost Plus World Market, PetCo and others. This is a 308,000± square foot center on a 40 acre site.

All of the major retail sites in the Minden - Gardnerville area are in the heart of these communities or north, between there and Carson City.

Until the recent market slow down, the retail sector had seen strong growth in Douglas/Carson market. However, this growth was not without a certain degree of turbulence. As mentioned the area's first Wal-Mart closed in favor of a new location at the north end of Douglas County. A second major blow to the Carson City retail market was the closure of the new Super K-Mart at the north end of town. The closure was not related to demographics or performance of the Carson City market but to the restructuring of the K-Mart Corporation. Until 2006-2007, taxable sales in the region had been growing as a good rate. However with the onset of the credit crunch and rising gas prices, the region saw a 4.6% decline in taxable sales between fiscal 2006 vs. fiscal 2007. As of March 2008 the decline continues. In Carson City, March 2008 taxable sales dropped by 10.8% from March 2007 and in Douglas, the decline during the same period was 13.7%. The region's taxable sales history and the impact of the recent economic turmoil are demonstrated in the statistics set forth below.

Historic Retail Sales Data, Carson City and Douglas County			
	Carson	Douglas	Total
1990	\$416,818,732	\$298,424,406	\$715,243,138
2000	\$788,163,431	\$554,408,628	\$1,342,572,059
2001	\$866,484,703	\$572,745,080	\$1,439,229,783
2002	\$873,743,770	\$610,217,023	\$1,483,960,793
2003	\$863,676,767	\$649,379,504	\$1,513,056,271
2004	\$925,500,050	\$751,262,023	\$1,676,762,073
2005	\$979,049,456	\$805,333,654	\$1,784,383,110
2006	\$1,024,709,599	\$818,057,923	\$1,842,767,482
2007	\$991,893,429	\$765,218,511	\$1,757,111,940

### Industry

Northern Nevada has a strong industrial market, centered primarily on the warehouse distribution sector in Reno/Sparks. Both Carson City and Douglas County make up an important part of the total industrial picture in Northern Nevada, but development in these areas has focused on light manufacturing rather than distribution centers. The Reno/Sparks market is well served by major road and rail transportation corridors, and by Reno-Tahoe International Airport. These services are not as convenient to the Carson/Douglas market, and thus the emphasis on light manufacturing over distribution.

Carson City's industrial district is in the northeast part of town, centered on the municipal airport. Small to mid-sized assembly plants and similar facilities dominate. Typical industrial occupants in Carson City include a manufacturer of ski lifts, electronics component assembly, metallurgical works, and so forth. Another important part of Carson City's industrial inventory is industrial flex, otherwise known as incubator office-warehouses. Many blocks of industrial flex have been constructed on the east side of Carson City south of the airport industrial area. New developments are clustered around the to-be-constructed interchange of College Parkway and the U.S. Highway 395 freeway.

Douglas County's industrial sector is similar to Carson City's. Most of Douglas County's industrial development has occurred around the Douglas County Airport north of Minden/Gardnerville. Two major parks are the Carson Valley Business Park and Meridian Business Park. Tenants are typically light industrial owner-occupants in buildings of 10,000-30,000 square feet. A major new departure from the former emphasis on small light industrial facilities is the new Starbucks Coffee roasting facility in Carson Valley Business Park. Starbucks selected this site after an intense search for a west coast location. Starbucks acquired a 100-acre site, and phase one of their facility, included a 300,000 square-foot coffee roasting plant.

### Future Developments

Both Carson City and Douglas County are expected to see continued population growth. In Carson City, job growth will come from the industrial sector and from continued growth in the important governmental sector. In Douglas County, industrial growth and migration of large retailers from Carson City will create new jobs and the area will continue to attract retirees, entrepreneurs, and persons of independent means. In both counties, the attention of governmental officials is occupied largely with planning for, accommodating, and financing the growth of infrastructure to accommodate population growth.



In Carson City, one of the major public works projects that will have an impact on the shape of growth in the area is the extension of the U.S. Highway 395 freeway. This will provide a freeway bypass of Business 395, which is frequently congested on its traverse through Carson City. The first leg of this project extended the existing freeway south from Washoe Valley through northeast Carson City to terminate at Highway 50 on the east side of town. The second phase will connect this segment to Highway 50's westward extension at the south end of Carson City, and will tie freeway 395 with the existing surface route south of Highway 50. This project is funded by the State of Nevada and the Federal Highway Administration, but the local jurisdiction is engaged in improving connecting streets and redesigning circulation to accommodate two major new interchanges to be constructed at College Parkway and Highway 50. If NDOT is able to proceed as planned, within 10 years there will be freeway-quality access north to Interstate 80 into Reno. This may have a positive effect on both Douglas County and Carson City's suitability as a distribution district, leading to a further diversification of the local economies.

Douglas County has allowed, and in fact promoted, rapid retail growth along the Carson City/Douglas County municipal border. Clearly, this is to the advantage of Douglas County. Douglas County can reap the rewards of sales tax revenues, while not having to bear a proportionate share of the infrastructure burden. With the closure of the Super K-Mart and the move of Wal-Mart out of Carson City into Douglas County, many of the employees and customers of these retail establishments end up living in Carson City while being employed in and, doing at least a portion of their retail shopping in Douglas County.

The Carson Valley, watered by the forks of the Carson River, has long been one of Nevada's most important agricultural districts, and certainly is one of its oldest agricultural areas. Much of the valley floor is flood-prone, and much is also consumed by wet meadows and wetlands. This area has traditionally used to produce pasture and hay in support of livestock operations.

Large, long-established agricultural holdings have a major influence on land use in the area. Until the 1960's, Minden and Gardnerville were simply small agricultural hamlets, and the county's main industry was agriculture. Much of the valley floor was irrigated, and irrigation keeps the valley floor green and productive, in contrast to the stark desert to the east. Thus, although agricultural production is no longer an important part of Douglas County's total economy, agricultural land use, and the desire by a local residents and planning officials to preserve that land use, is an important part of the county's planning process. Douglas County's recently enacted general plan is designed to preserve most of the agricultural use on the valley floor, especially since much of this land is not really suitable for high density development in the first place.

The county established a growth strategy that promotes the transfer of development rights from sensitive agricultural lands and lands in the flood plain to less aesthetically impacted lands. This Transferable Development Right (TDR) program provides significant incentives for the transfer of development rights off the sensitive lands. TDR incentives are available for lands zoned A-19 and FR-19. These bonuses can only be used if the "sending" parcel is encumbered with a permanent conservation or open space easement. In Douglas County, TDRs are a marketable property right.

Some development in Carson Valley is infill development in Minden and Gardnerville, but most new residential development is taking place on the valley's fringes, either in the Foothill Road area on the west side, or in the Buckeye and Johnson Lane areas on the east side of the valley.





**Summary and Conclusion**

The subject is located in the northern portion of Douglas County, but the on the southern fringe of the Minden - Gardnerville urban area. The area's economy is tightly tied to Carson City and counties are growing urban and suburban areas with fairly economies diversified by government employment, industry, gaming, and retail services. Both Douglas County and Carson City have seen considerable population growth, accompanied by expanding retail base and ongoing industrial development.

**Subject's Area**

The subject is located on the southern fringe of the Minden - Gardnerville urban area. As the communities have developed, the majority of retail development has occurred in the urban areas or in the area of Douglas County just south of the Carson City Line. The area surrounding the subject has not benefited from that retail growth. The subject is one of several vacant tracts of land fronting U.S. Highway 395 south of the Minden - Gardnerville area. While there is commercial development along some of this stretch of U.S. Highway 395, much of it is older, and is typical of a secondary commercial district.

Nearby uses include a carwash, tire store and several smaller grocery anchored neighborhood shopping centers (closer to town). The relative desirability of the area is reflected in the limited recent commercial development and the character of the area. Clearly, the focus of commercial development in the region is at the northern end of the Minden - Gardnerville urban area, near the intersection of US 395 and State Route 88 and north, just south of the Carson City line. As the community grows, the area surrounding the subject will become an increasingly important component of the region's commercial inventory. At present there is a large amount of land currently being marketed for future development but, to date, there have been few sales.

The current regional and national economic slowdown will delay increases in residential density and the need for additional commercial inventory.

ASSESSOR'S PARCEL MAP

**Douglas County, Nevada**  
 Assessor's Parcel Map  
 Douglas County Assessor

**Map Legend**

- Parcel Boundary
- Sub'd Boundary
- Easements
- Town Boundary
- Township/Range/Section
- Open Space/Conserv. Eas.
- Receiving Area

Parcel Number	110
Parcel Sub/Seq Number	130
Parcel Acreage	3.13 A
Parcel Block Number	110
Parcel Lot Number	110
Parcel Address	

**T12N R20E**  
 T12N R20E S12E S13E S14E S15E S16E S17E S18E S19E S20E  
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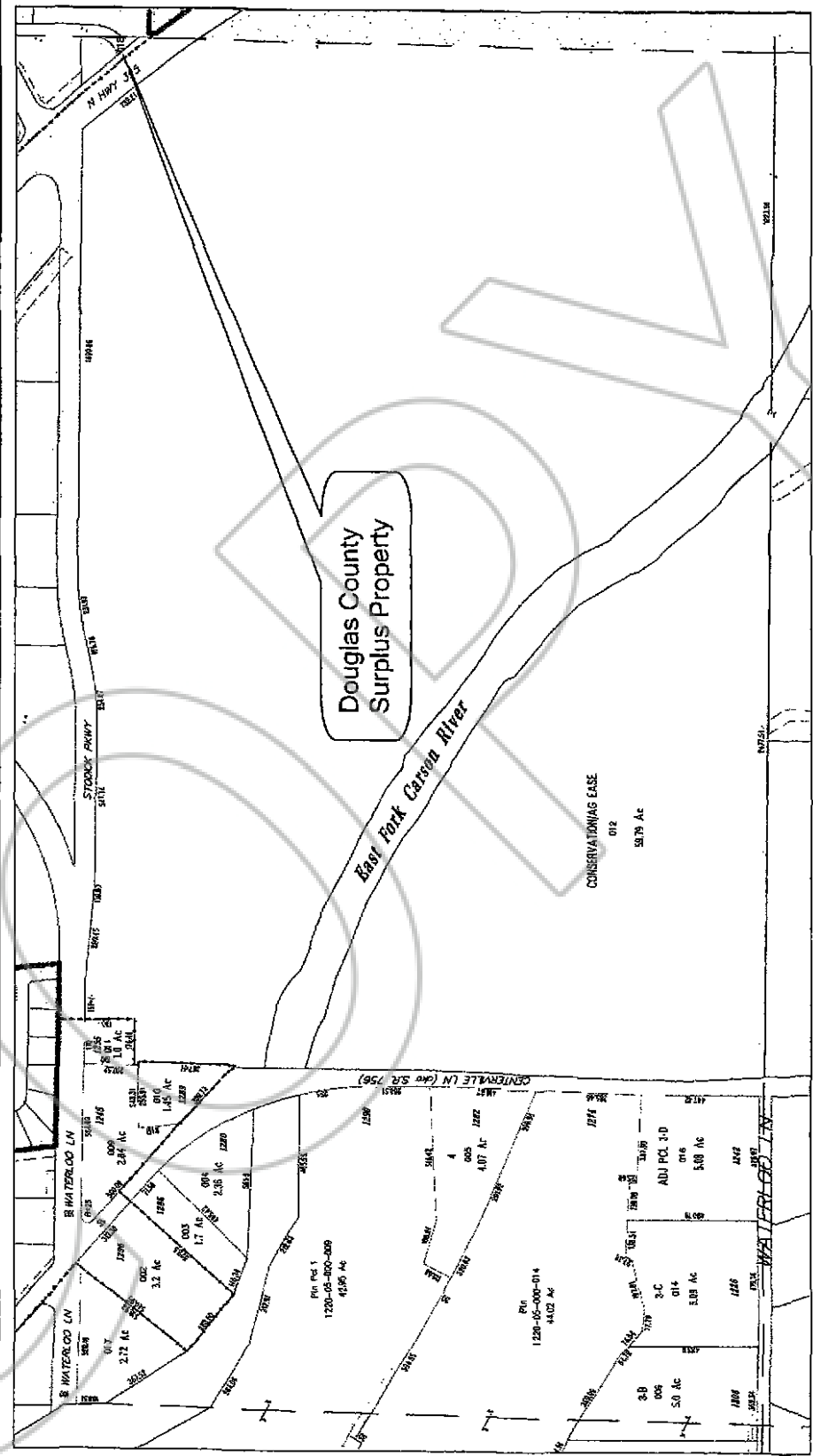
**SEC. 4**

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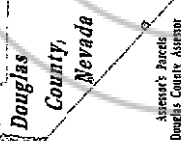
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1220-04-002

**M.A.G.I.C.**  
 MAPPING ASSOCIATES, INC.  
 SCALE: 1" = 400'  
 REVISED: 08/05/2007



NOTE: This map is prepared for the use of Douglas County Assessor, for assessment and illustrative purposes only. It does not represent a survey of the premises. No liability is assumed as to the sufficiency or accuracy of the data delineated hereon.



Douglas County, Nevada  
Assessor's Office  
Douglas County Assessor

**Map Legend**

- Parcel Boundary
- Subd Boundary
- Easements
- Town Boundary
- Township/Range/Section
- Open Space/Conserv. Eas.
- Receiving Area

Parcel Number

Parcel Sub/Seq Number

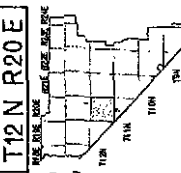
Parcel Acreage

Parcel Block Number

Parcel Lot Number

Parcel Address

**T12 N R20 E**




**SEC. 4**

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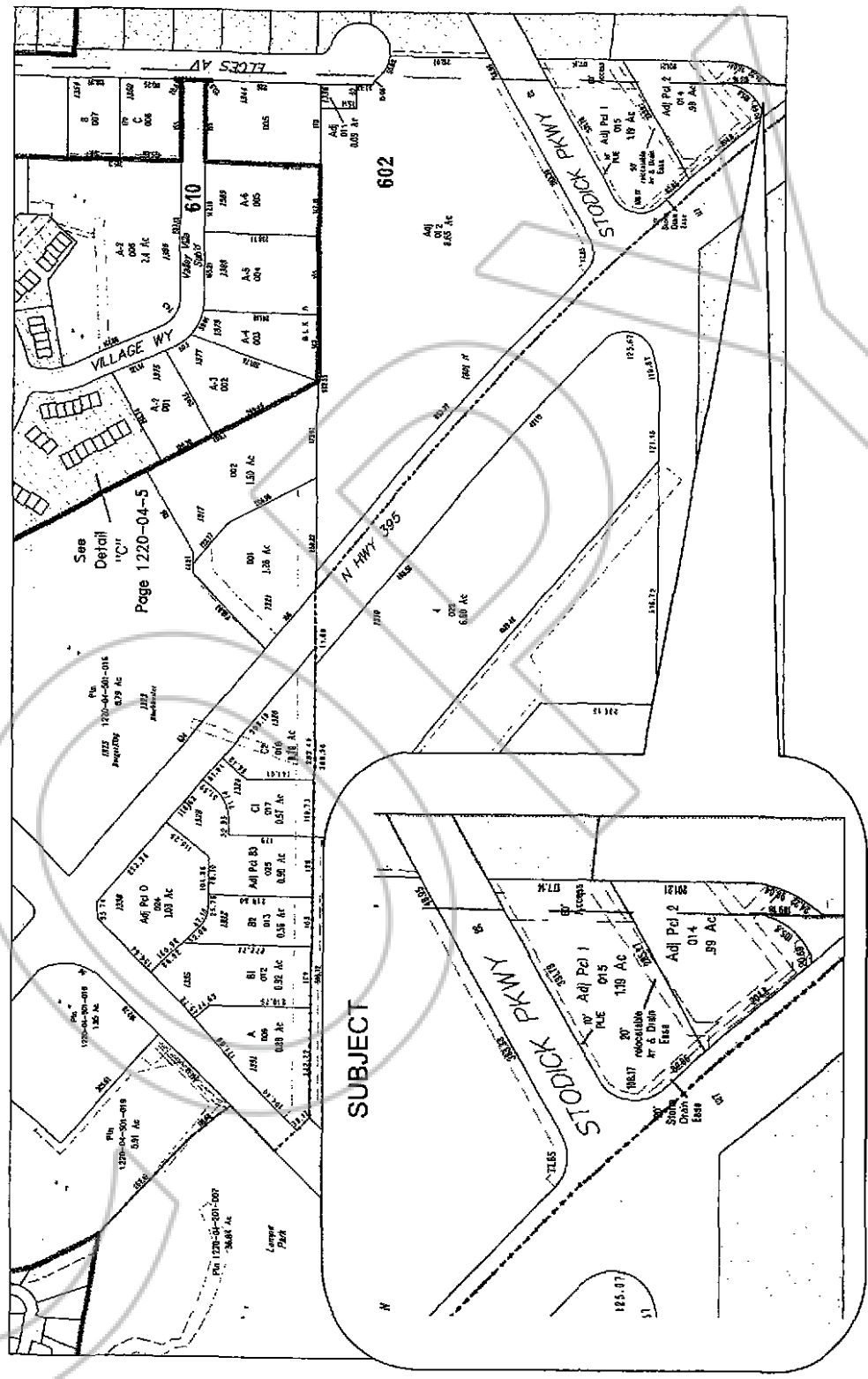
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**1220-04-6**

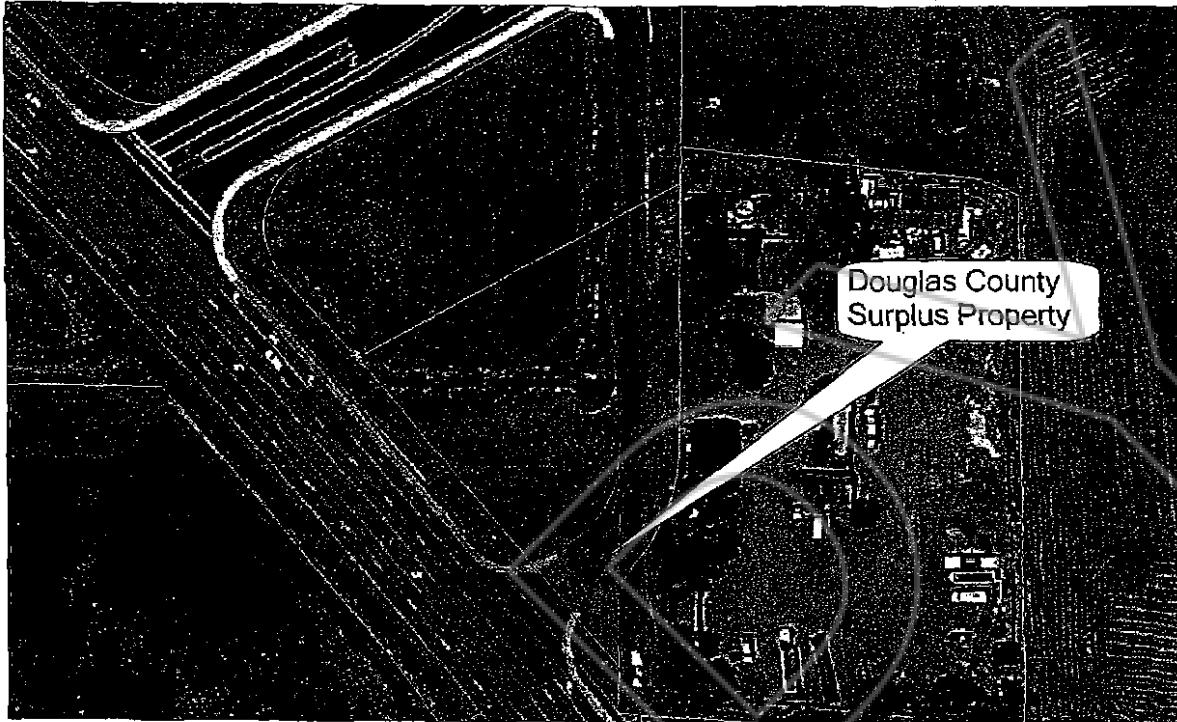


SCALE: Not to Scale  
REVISED: 01/09/2008



NOTE: This map is prepared for the use of Douglas County Assessor, for assessment and illustrative purposes only. It does not represent a survey of the premises. No liability is assumed as to the sufficiency or accuracy of the data delineated hereon.

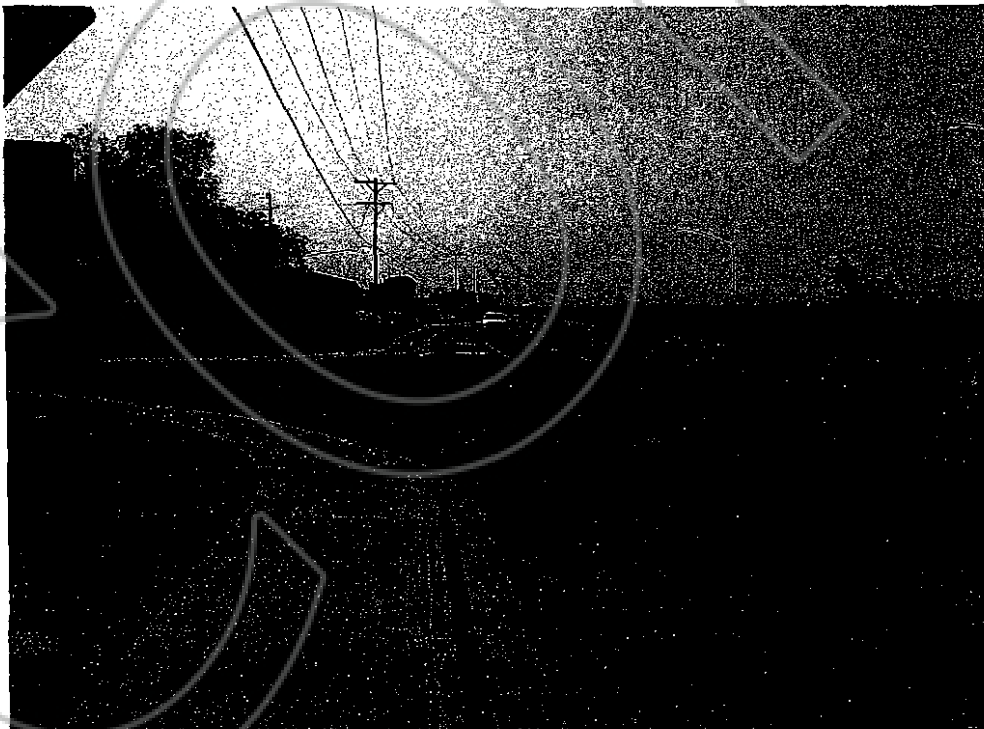
AERIAL PHOTOGRAPH



SUBJECT PHOTOGRAPHS



View looking north along US 395 from south of the former Elges right of way  
And the subject



View looking south along US 395 from north of the former Elges right of way  
And the subject

t

SUBJECT PHOTOGRAPHS



View looking north easterly from the southern tip of the surplus land parcel

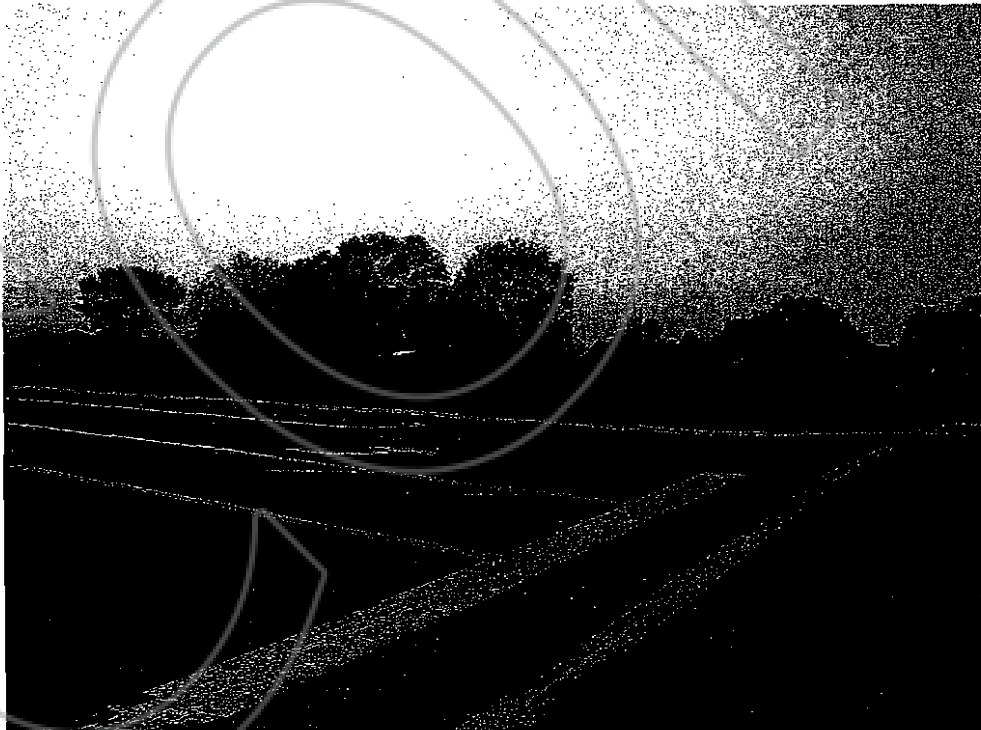


View looking north along the former Elges right of way and across the surplus land parcel,

SUBJECT PHOTOGRAPHS



View looking north westerly across the Colonial Bank property from the Surplus land parcel



View of the Colonial Bank property, looking south easterly from Stodick Parkway

### "LARGER" PARCEL ANALYSIS

In the valuation of surplus municipal property, the available literature suggests two valuation models. Because it is codified there, I have referred to the Nevada Department of Transportation Right of Way Manual for primary guidance.

The first valuation model contemplates a direct sale to an adjoining property owner. In this model, the surplus property is valued as if it were a part of the adjoining ownership, and its contributory value to the assemblage is estimated. This model is used in cases where the property; has no access, has value or an increased value only to a single adjoining property owner or the sale of the property would work an undue hardship upon a property owner as the result of a severance of the property of that owner or a denial of access. Some characteristics of these type parcels are their small size, irregular shape or of limited appeal to the market at large.

The second contemplates a sale at auction to the market at large. This model is used when the surplus property has characteristics that make it attractive to the general market. It is a parcel that could be put to an independent use. This model is used when the department or agency determines that sale at auction would represent the most economical method of disposal.

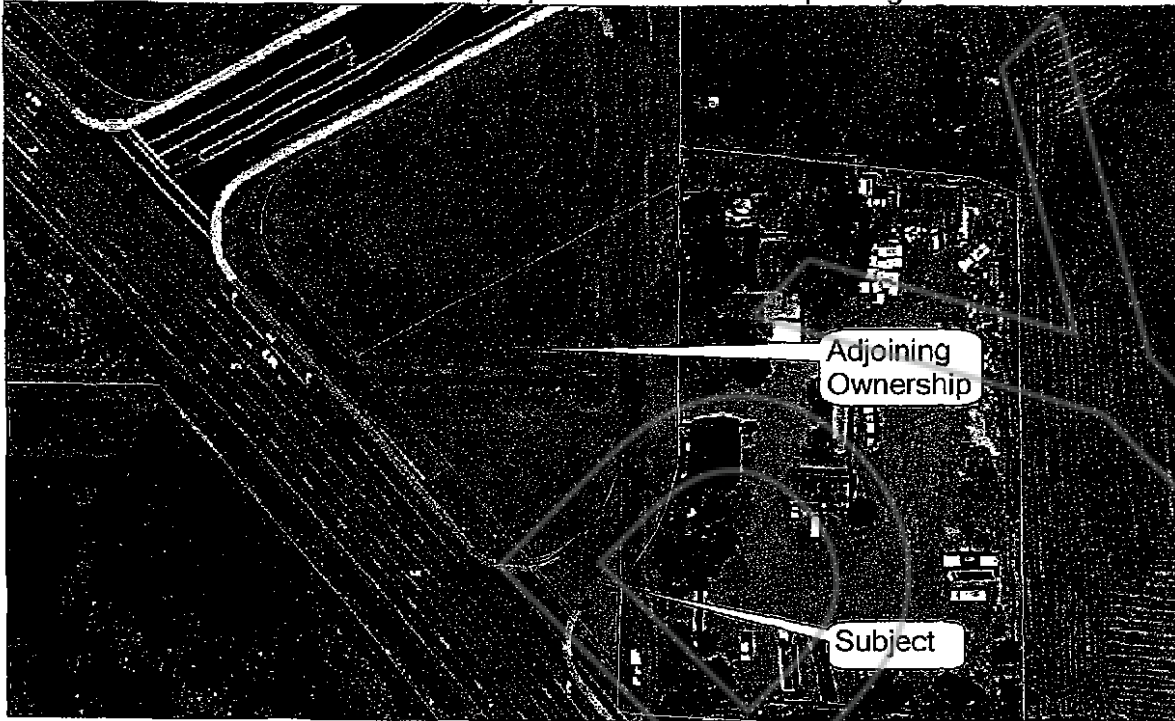
In the case of the subject, the determination has been made to sell the property directly to Colonial Bank; the owner of the adjoining 2.18±ac. Because of its physical characteristics and the determination of a direct sale, the subject will be valued using the first valuation model; as though it were a part of the adjoining ownership. Set forth following are an aerial photo and an assessor's parcel map depicting the assemblage being valued.

In the following property description the assemblage will be described, including the Douglas County surplus land parcel.

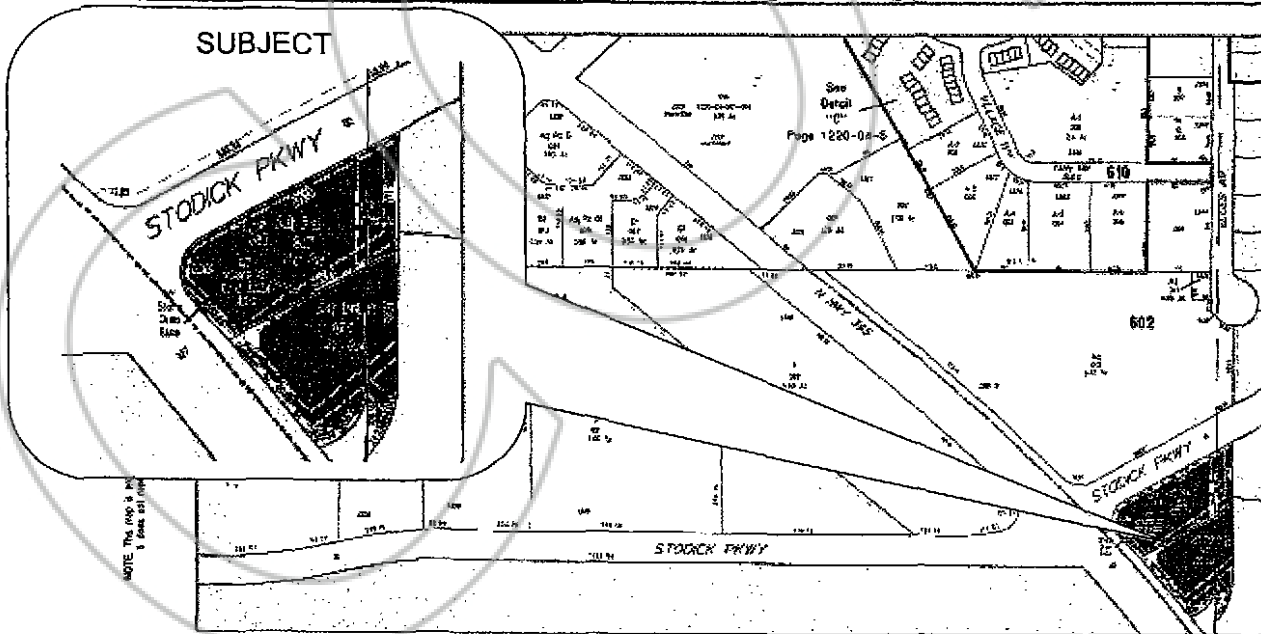




Aerial Photo Depicting the Subject (yellow) and the adjoining ownership (green)  
Which when combined, represent the ownership being valued



Douglas County, Kansas  <small>Joseph's Hack Realty Data Center</small>	<b>Map Legend</b> Parcel Boundary Subd Boundary Easement Town Boundary Township/Range/Section Open Space/Unimproved Area Recreating Area	Parcel Number 110	Parcel Block Number 110	T12N R20E	SEC. 4	S 2 NE 4	1220-04-6																																						
		Parcel Address Parcel Block Number Parcel Lot Number Parcel Address	<table border="1"> <tr><td>1</td><td>2</td><td>3</td><td>4</td><td>5</td><td>6</td></tr> <tr><td>7</td><td>8</td><td>9</td><td>10</td><td>11</td><td>12</td></tr> <tr><td>13</td><td>14</td><td>15</td><td>16</td><td>17</td><td>18</td></tr> <tr><td>19</td><td>20</td><td>21</td><td>22</td><td>23</td><td>24</td></tr> <tr><td>25</td><td>26</td><td>27</td><td>28</td><td>29</td><td>30</td></tr> <tr><td>31</td><td>32</td><td>33</td><td>34</td><td>35</td><td>36</td></tr> </table>	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	<table border="1"> <tr><td>1</td><td>2</td></tr> <tr><td>3</td><td>4</td></tr> <tr><td>5</td><td>6</td></tr> </table>	1	2	3	4	5
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## PROPERTY IDENTIFICATION AND SITE DESCRIPTION (ASSEMBLAGE)

Property Name Douglas County surplus property/Colonial Bank site, Douglas County, Nevada

Address Not assigned

Location Southeast corner of Stodick Parkway and US 395, Douglas County, Nevada

## Assessor's Parcel Number/Land Area

Douglas County APN	Land Area (acres)	Land Area (sf)
1220-04-602-014 (adjoining ownership)	0.99±ac	43,124±sf
1220-04-602-015 (adjoining ownership)	1.99±ac	51,836±sf
1220-04-002-018 (surplus property)	0.1078±ac	4,694±sf
Assemblage Total	2.29±ac	99,654±sf

There is a significant discrepancy in the estimated land area for APN 1220-04-002-018; the surplus property parcel. The Douglas County Assessor estimates its size at 1,306±sf.

R. Anderson, the engineering firm that crafted an access and utility easement across the site estimated its area at 4,694±sf. The easement, that will be described subsequently, purportedly encumbers the entire surplus property parcel was recorded and, represents the only recorded description of the site. Lacking any additional information, I have chosen the land area as calculated by R. Anderson and have analyzed the subject accordingly. If it is determined that the land area selected is incorrect it may be necessary to modify the conclusions developed in this appraisal.

## Street Frontage

The assemblage has extensive frontage on both US 395 (561±lf.) and Stodick Parkway (385±lf.). The eastern portion of the assemblage was, at one time was identified as Elges Avenue and used as part of the local surface street network. The original curb cuts and returns remain at the assemblage's southern and northeastern corners.

## Access

The surplus property parcel consists of the southern tip of the former Elges Avenue right of way, where it intersected U.S. Highway 395. Elges Avenue has been abandoned and much of the former road right of way has been acquired by adjoining property owners, including the predecessor to Colonial Bank. As part of this former road right of way, the surplus property parcel is improved with curb returns allowing access to the U.S. 395. This surplus property parcel and an adjoining portion of the Elges Avenue right of way are encumbered by a perpetual, non-exclusive access and public utility easement allowing the owners of the adjacent property to the east (Herbig Properties) to use a portion of the former Elges right of way to access several homes which abut it.

Representatives of Douglas County have indicated that, Colonial Bank or the owners of the property to which the subject is being appended do not have the right to use this access point. Because of the intersection separation requirements imposed by NDOT for US 395, it is very unlikely that Colonial Bank or any successor in interest could develop a new and separate access to US 395 along the remainder of the property's highway frontage. As a result, without



this surplus property parcel, the owners of the remaining 2.18± acres are limited in their access to the site to its Stodick Parkway frontage.

With the assemblage of the surplus property parcel with the adjoining ownership, Colonial Bank would then be able to upgrade and use the former Elges Avenue intersection and to access their the assemblage from U.S. 395. This access would have to be shared with the Herbig ownership, but, even with this remaining obligation, it would allow more flexibility in the development of the larger site. The assemblage is being valued assuming the site would be allowed access along its Stodick Parkway frontage and its U.S. 395 frontage where the former Elges Avenue right of way intersected both of those roads.

Site Shape and Dimensions

The assemblage is triangular in shape, with 561±lf. fronting south west on US 395, 385±lf. fronting northwest on Stodick Parkway and 570±lf. along a slightly irregular eastern property line. As assembled, the site has adequate area and dimensions to support fairly typical commercial development.

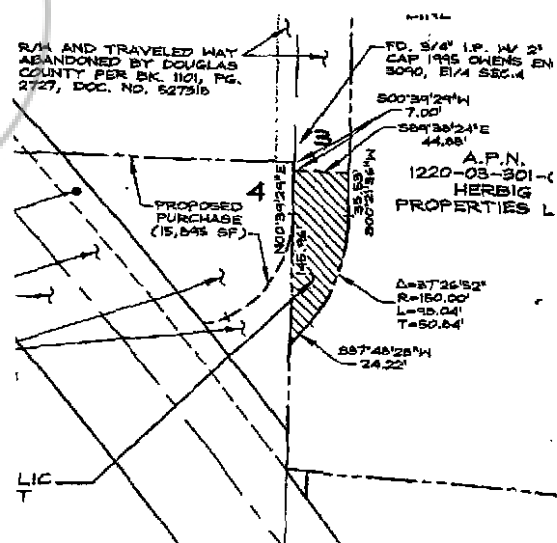
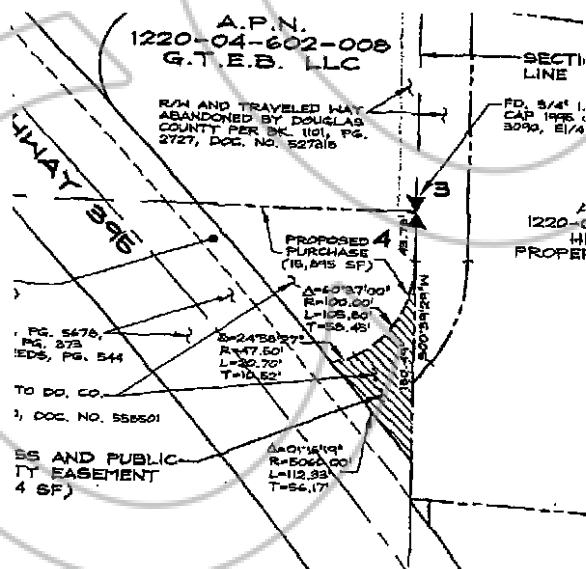
Topography

The site is generally level, with areas that are somewhat below grade with US 395. Development of the site will require the importation of some fill material to bring the entire site to grade.

Easements

A title report for neither the surplus property parcel or adjoining ownership was available.

I was however provided a copy of an access and utility easement benefiting the Herbig Properties ownership to the east (a copy of the easement is contained in the addenda). The intent of the easement appears to be the perpetuation of the physical access and utilities that were provided in the former Elges Avenue right of way, after its abandonment. The easement affects the entire surplus property parcel and approximately 4,973±sf of the adjacent ownership. Maps of the two areas encumbered follow:



The area encumbered by this easement would normally be incorporated into a larger development, providing circulation, set backs and landscaping and can be incorporated into the



development of the assembled parcel fairly easily. The existence of the easement has no detrimental impact on the developability of the assemblage.

A review of the available mapping indicates that there are several drainage, ditch and utility easements that cross the property. The easements appear to be typical of land that is in the path of development and, while they may have to be moved or modified they do not appear to have a detrimental impact on the site's development potential and, as long as the intent of the easement is perpetuated, they are likely relocatable.

During my inspection of the subject, I did not observe any overt evidence of other easements or encumbrances that would affect the developability of the site.

**Utilities**

Type of Utility	Purveyor	Availability
Electricity	Sierra Pacific Power Co.	In the vicinity
Natural Gas	Southwest Gas	In the vicinity
Water	Gardnerville Town Water	In the vicinity
Sewer	Minden-Gardnerville Sanitation District	In the vicinity

**Water Rights** None noted, none to be transferred.

The site is referred to as dry; that is with no irrigation or other surface water. It is, however, in the municipal water service area and is entitled to municipal water service.

**Environmental Observations**

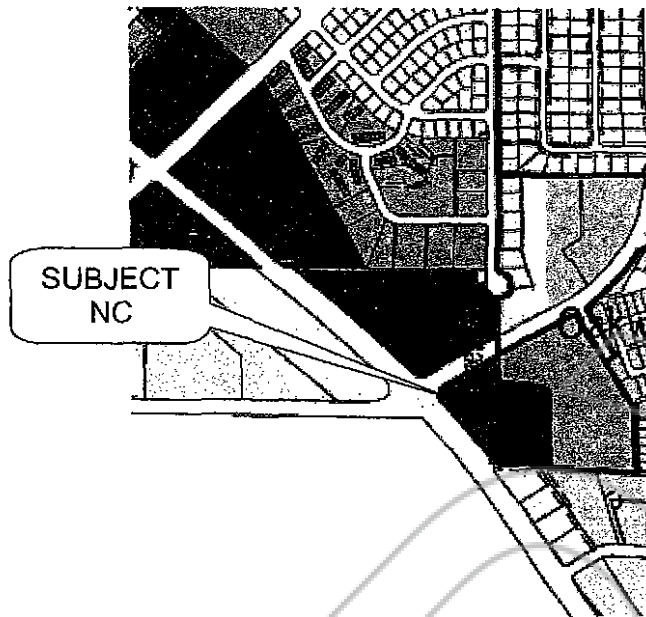
The subject is vacant, and there is no indication of prior development, with the exception that the eastern portion was, until recently, part of the Douglas County surface street network. Some of the street improvements remain in place but are beginning to deteriorate from age and neglect. The record indicates that this roadway was called Elges Ave. prior to its abandonment by Douglas County.

A physical inspection of the site did not reveal any overt signs of environmental contamination.

**Flood Zone** Flood Zone X, FEMA Community Panel Number 32005C0265F, effective November 8, 1999.

**Wetlands** None noted, none anticipated

**Zoning/Land Use Designation** NC, Neighborhood Commercial



**LEGEND**

A-15 Agriculture, 15 Acres	SFR-1 Single-Family Res., 1 Acre	NC Neighborhood Commercial	LI Light Industrial	<b>OVERLAY ZONING DISTRICTS SHOWN ONLY ON COMBINED AREA MAPS</b>
FR-60 Forest Range, 48 Acres	SFR-1/2 Single-Family Res., 1/2 Acre	OC Office Commercial	GI General Industrial	
FR-18 Forest Range, 18 Acres	SFR-12,000 Single-Family Res., 12,000 SF	GC General Commercial	SI Service Industrial	
RA-10 Rural Agril. 10 Acres	SFR-8000 Single-Family Res., 8000 SF	MUC Mixed Use Commercial	PF Public Facility	
RA-5 Rural Agril. 5 Acres	MFR Multi-Family Res. 500-12 Dwelling Units/Ac.	EC Tourist Commercial	AP Airport	
SFR-2 Single-Family Res., 2 Acres	Cannaville Area Boundary	Planned Development Overlay Boundary	PR Private Recreation	

**Development Approval/Entitlements**

Colonial Bank, the owner of the adjoining property, is pursuing approvals for development of a bank branch with a drive-up facility on the northern portion of the site, and is offering the southern portion of the site to the market as a retail development site. Site planning and development approval of the bank branch appear nearly complete. Site planning for the southern portion, that portion which Colonial Bank would like to sell, is, to a certain degree, dependent upon the successful acquisition of the surplus property parcel. Acquisition of the surplus property parcel will provide enhanced access and allow somewhat easier circulation around the development.

**Current Use**

Vacant, pending commercial development

**Assessed Values and Taxes**

Assessor's Parcel Number	1220-04-602-014	1220-04-602-015	1220-04-002-018
Assessed Values			
Land	\$165,900	\$199,500	\$350
Improvements			
Total Assessed Value	\$165,900	\$199,500	\$350

**Soil Conditions**

A soils report was not available. However, the character of the surrounding improvements, suggest that soil conditions onsite can accommodate development. Because of the site's



topography, fill material will have to be imported, raising the surface to street level. The importation and placement of the fill can be used to mitigate any soils problems that are identified during testing or development.

#### Seismic Hazards

According to the 1997 Uniform Building Code, much of northern Nevada falls within a seismic risk zone 3. The seismic risk zone 3 encompasses areas which are seismically active and where there is a relatively strong possibility of moderate seismic activity. Special construction techniques are necessary but these conditions are typical throughout northern Nevada.

#### Surrounding Uses

To the north of the subject the US 395 corridor is fronted by a number of highway commercial developments including several grocery anchored neighborhood shopping centers and free standing commercial buildings, with increasing density as the highway approaches Gardnerville.

To the east, urban density residential development is interspersed with some large vacant sites.

To the south, along the US 395 corridor, is a continuation of the highway commercial development. The further from the Gardnerville area, the development is older and less dense. The subject is at the southern fringe of the Minden-Gardnerville commercial area.

To the west, much of the land is vacant, being put to agricultural use. In many cases the development rights have been stripped from the sites, and they will remain in agricultural use into perpetuity.

#### Site Improvements

The subject is vacant, other than the residue of the Elges Avenue right of way and some minor fencing.

#### Conclusion

The assemblage is a vacant 2.29±ac site with good visibility and access from US 395 and Stodick Parkway. It has adequate size and dimensions to support development, of the character common along this stretch of US 395. The surplus property parcel that prompts this appraisal is a small piece at the southern end of the assembled site. It is a portion of the former Elges Avenue right of way.

Overall, the incorporation of the surplus property parcel into the adjoining ownership is logical, and smoothes the eastern and southern edges of the site. The encumbrance by the Herbig access and utility easement will have to be accommodated as the site is developed, but its location and use will not have a detrimental impact on the development of the assembled site.



## HIGHEST AND BEST USE

The concept of highest and best use is fundamental to the appraisal process. Generally, land is appraised at its highest and best use as if vacant. Highest and best use is a matter of opinion, not a finding of fact. It is based upon an analysis of the site's physical attributes, its legal entitlements, and its market environment.

The Appraisal Institute, in its standard text, the Appraisal of Real Estate, defines highest and best use as "the reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, and results in the highest value".

### Highest and Best Use of the Surplus Property Parcel

The surplus property parcel is a small (4,693± square foot) triangular shaped parcel that is the residue of the abandonment of Elges Avenue. As a freestanding parcel, this small tract of land has very limited utility. It is fully encumbered by an access and utility easement benefiting the adjoining property to the east. Given its limited utility, its highest and best use would be its assemblage with the adjoining ownership. Colonial Bank, the adjoining property owner, has expressed an interest in acquiring the site and, it is this action which prompts this appraisal

### Highest and Best Use of the Assemblage as if Vacant

#### Physical Possibilities

The assemblage is generally triangular in shape and contains approximately 2.29±ac. It is level with good visibility and is accessible from U.S. 395 along its southwestern property line and Stodick Parkway along its northwesterly property line.

Its location, size, dimensions and shape are conducive to development.

#### Legal Permissibility

The legally permissible uses of the subject are governed by the NC zoning classification. The purpose of this district is to provide areas for the development of restricted retail and business uses which have minimal impact on surrounding properties. The uses are oriented to provide services to the immediate neighborhood and in doing so reduce the amount of vehicle trips by providing local retail services.

This zoning suggests commercial development consistent with the development along this stretch of the US395 corridor. Neighborhood shopping centers and smaller free standing retail buildings of varying quality and condition are prevalent. Most of the recent development is north of the subject closer to town and includes a Walgreen's drug store and retail strips.

#### Financially Feasible/Maximally Productive

In the case of the subject, a small commercial development is indicated by the property's physical and legal characteristics. There has been commercial development undertaken along this segment of the US395 freeway and the enterprises that have been established appear to be prospering. The recent slow down in the residential real estate market has bleed over into the commercial market in the form of tightening credit and a slowdown in the anticipated population growth. Softening retail sales and a slowdown in the transaction volume appear to affect the more marginal properties first before the well located, easily developable properties. Depending on the enterprise, there does appear to be continued demand for commercial space along US395 in the area of the subject.

If the site is developed for owner occupancy, or on a build to suit for a specific tenant, immediate development with a commercial use would be financially feasible. Current economic conditions



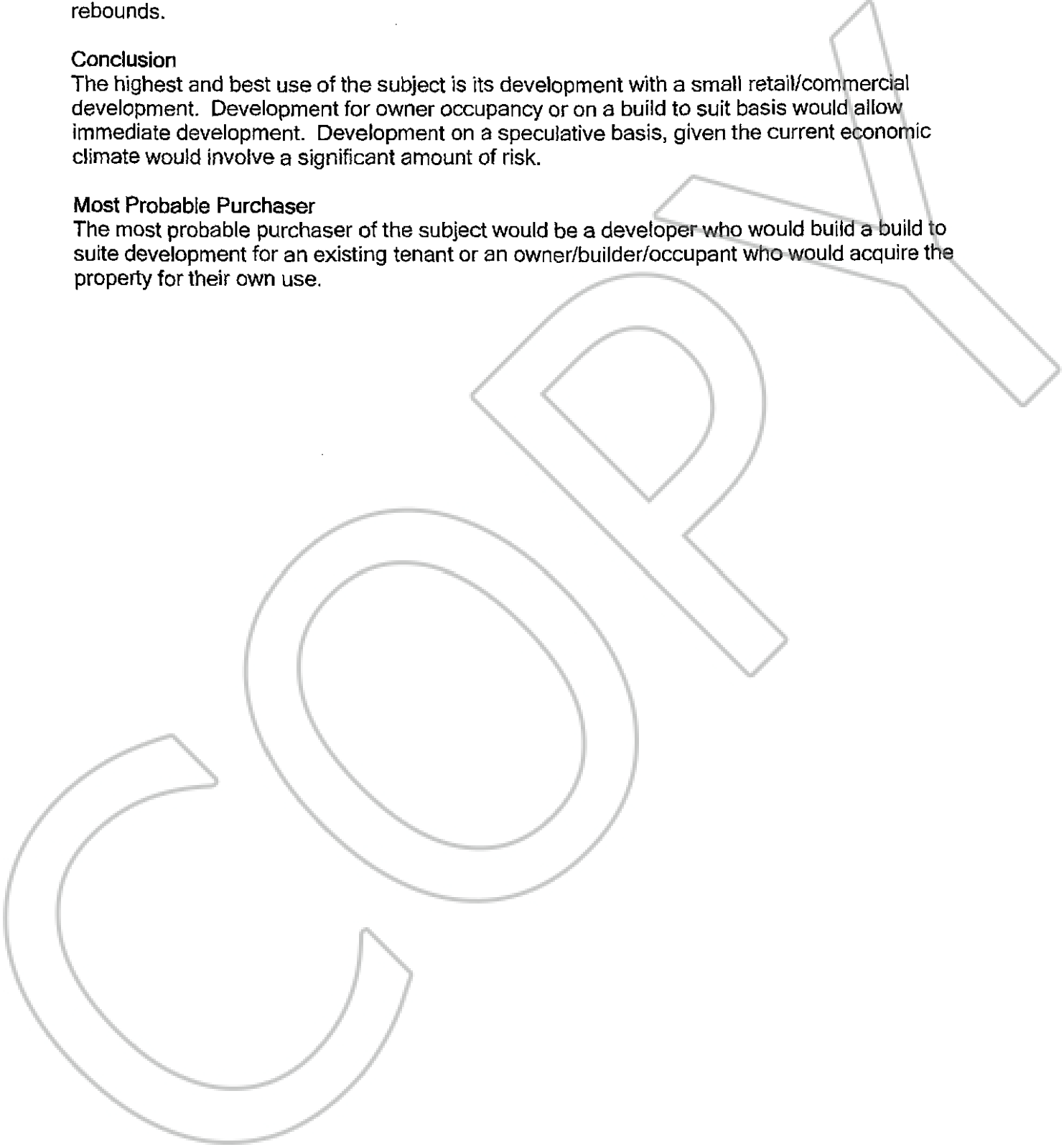
suggest that a small development, developed speculatively, would involve a significant amount of risk and a more logical course of action would involve delaying development until the market rebounds.

**Conclusion**

The highest and best use of the subject is its development with a small retail/commercial development. Development for owner occupancy or on a build to suit basis would allow immediate development. Development on a speculative basis, given the current economic climate would involve a significant amount of risk.

**Most Probable Purchaser**

The most probable purchaser of the subject would be a developer who would build a build to suite development for an existing tenant or an owner/builder/occupant who would acquire the property for their own use.





## APPRAISAL OVERVIEW

Appraisers generally use three techniques, called approaches, to estimate the value of real estate. These three approaches are viewed as independent, yet corroborative, and are known as the cost, income, and sales comparison approaches.

### Cost Approach

The cost approach is effective for evaluating new and proposed projects where the cost and value are likely to be similar. It is less effective when the improvements are old and their market value may be much less than the cost new. Since it is geared to improved properties, it is not appropriate for vacant land or minimally improved properties. In this analysis, it was determined that the larger parcel is the underlying site, and as a result, the cost approach is not appropriate.

### Income Approach

Many kinds of real estate yield periodic cash income through rent. The income approach converts the anticipated income from real estate to present value. This approach is appropriate for properties that typically produce income. In most cases it is not appropriate for vacant land or properties with non-cash benefits, such as owner-occupied residences. As it was determined that the underlying site represents the larger parcel, the income approach is not applicable to the subject.

### Sales Comparison Approach

The basis of this approach is that current values can be reasonably predicted from historic market activity. The appraiser surveys the market for sales of properties similar to the property being appraised. Through analysis, the comparable sales can then be used to value improved or unimproved properties, and this is often the most accessible way to estimate value. The sales comparison approach is the single appropriate approach to estimate the subject's value.

### The Subject

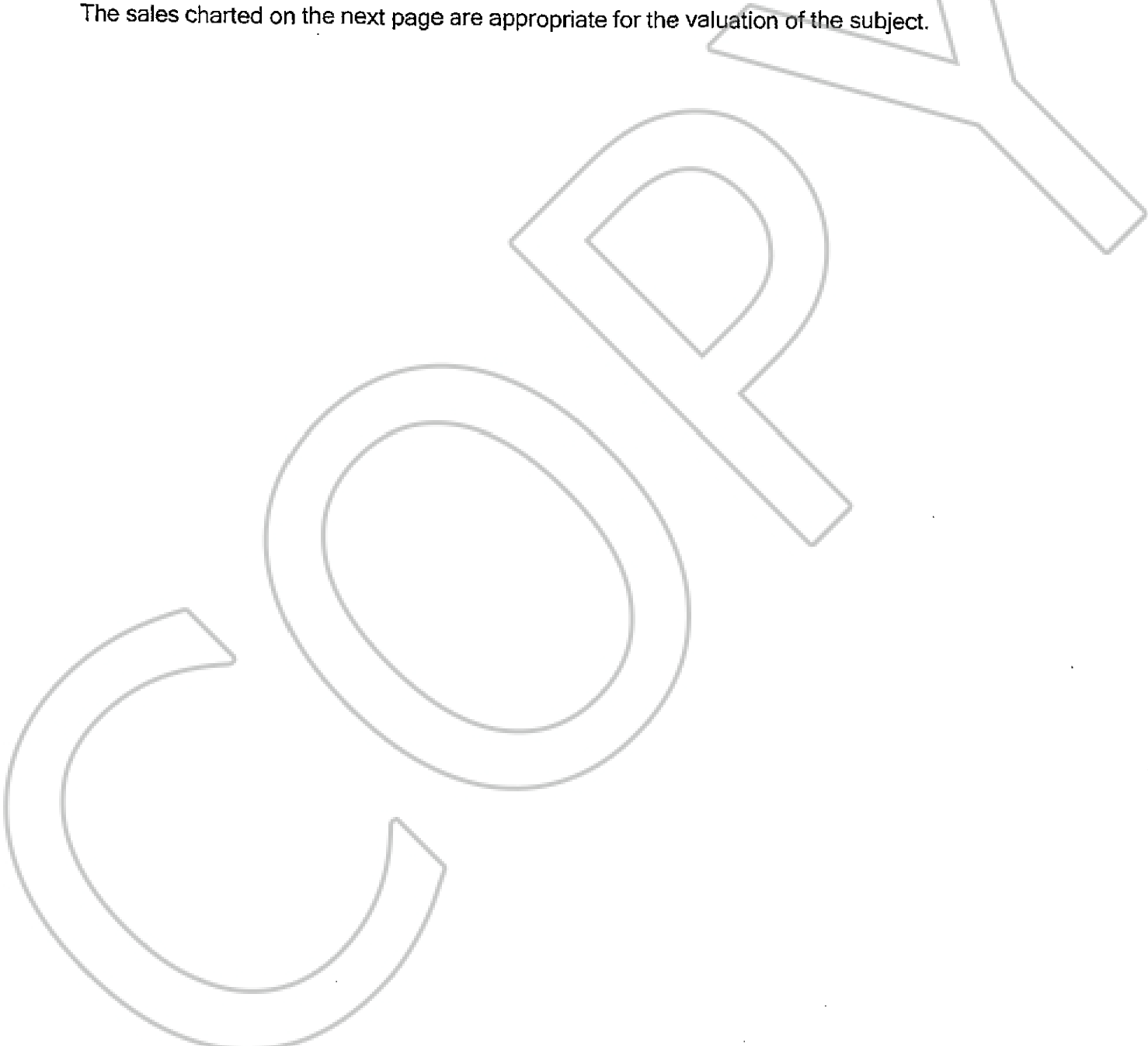
The assemblage, that I have identified as the subject is a 2.29±ac vacant, retail commercial site on the southern outskirts of the Minden-Gardnerville area. The only appropriate method of analysis is the sales comparison approach.



### SALES COMPARISON APPROACH TO VALUE

The first step in this approach is to identify the highest and best use of the subject. Then, the public record is canvassed for sales of properties with the same or a similar highest and best use. The appropriate sales are verified, and the sale prices are reduced to a consistent unit of measure, in this case a price per square foot. These prices can then be used to establish a typical range of value for a property of the subject's class. Individual elements of the sales are compared to the subject, and an overall judgment can be made as to how the subject compares with other properties in its class.

The sales charted on the next page are appropriate for the valuation of the subject.

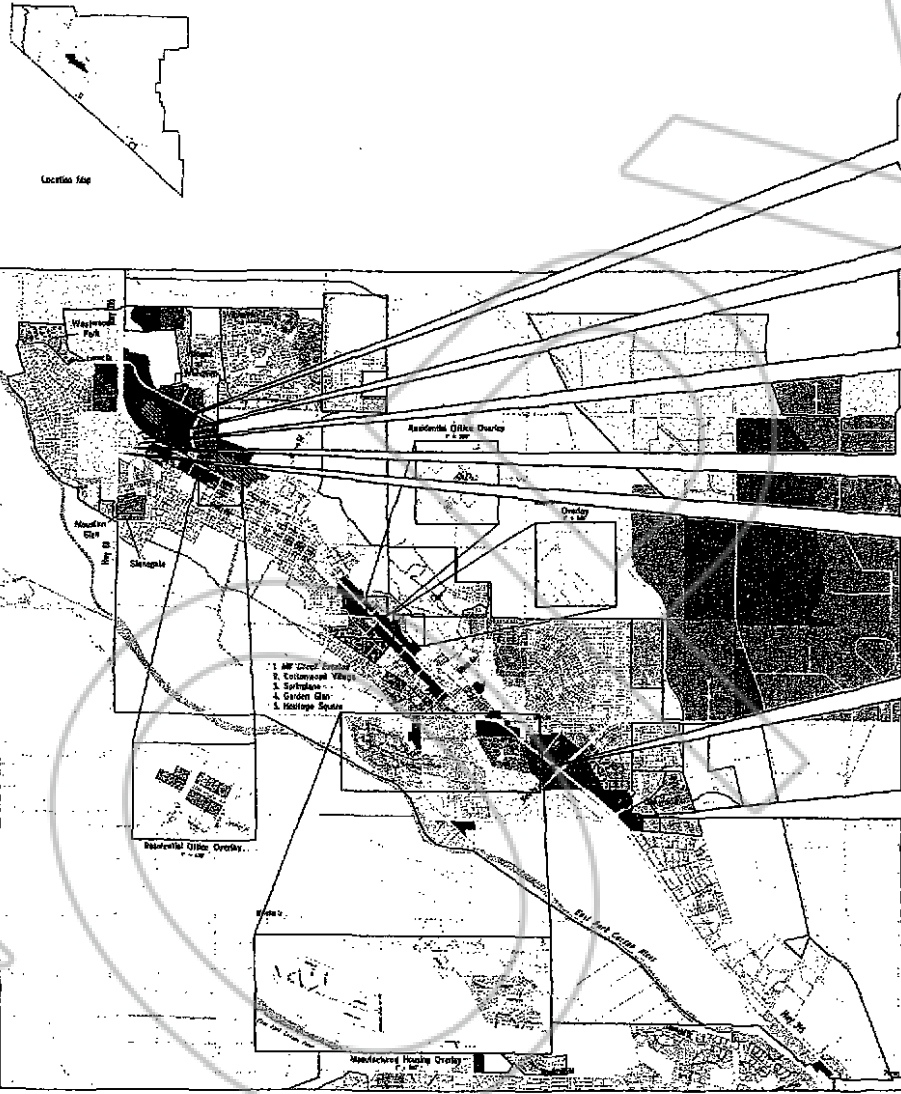


## COMPARABLE LAND SALE CHART

Sale Number	Parcel Location	Sale Date Sale Price	Land Use Zoning	Land Area	\$/sf	Grantor Grantee Document
LS-1	1320-30-701-014 A portion of the Minden Gateway Center (Arby's site)	12/29/2004 \$450,000	Vacant commercial GC	.67±ac 29,185±sf	\$15.42	Raymond May, et al. Dennis McDuffie 633290
LS-2	1320-30-701-015 A portion of the Minden Gateway Center site	7/8/2005 \$545,000	Vacant commercial GC	1.14±ac 49,658±sf	\$10.98	Raymond May, et al. Robert Anderson 649176
LS-3	1220-04-501-007, 008 NWC Waterloo Ln. and US 395 (Walgreen's site)	9/29/2005 \$1,872,500	Vacant commercial NC	1.95±ac 84,942±sf	\$22.04	Roy and Melinda Farrow Bencor/Waterloo Partnership 656267
LS-4	1220-03-202-002, 008, 010 SEC Stodick Parkway and US 395 (prior sale of the subject)	7/17/2006 \$1,430,445	Vacant commercial NC	2.18±ac 94,960±sf	\$15.06	GTEB LLC Colonial Bank 679837
LS-5	1320-30-701-012 A portion of the Minden Gateway Center site	5/25/2006 \$510,000	Vacant commercial GC	1.48±ac 64,468±sf	\$7.91	Vasey Family Trust Maddax LLC (Dennis McDuffie)
LS-6	1320-30-701-013 A portion of the Minden Gateway Center site	10/2/2006 \$475,000	Vacant commercial GC	.50±ac 21,780±sf	\$21.81	Caryn Elder, et al. Dennis McDuffie 685544
LS-7	1320-30-701-15 A portion of the Minden Gateway Center site	6/23/2007 \$650,000	Vacant commercial GC	1.14±ac 49,658±sf	\$13.09	Robert Anderson Maddax LLC (Dennis McDuffie) 697654
Subject (Assemblage)	1220-04-602-014, 015 & 1220-04-002-018 SEC Stodick Parkway and US395	6/20/2008 Date of Value	Vacant commercial NC	2.29±ac 99,752±sf		Colonial Bank/Douglas County

COMPARABLE LAND SALE MAP

OFFICIAL ZONING MAP, DOUGLAS COUNTY, NV  
MINDEN/GARDNERVILLE



- Sale LS-1  
\$15.42/sf
- Sale LS-2  
\$10.98/sf
- Sale LS-5  
\$7.91/sf
- Sale LS-6  
\$21.81/sf
- Sale LS-7  
\$13.09/sf
- Sale LS-3  
\$22.04/sf
- Subject  
Sale LS-4  
\$15.06/sf

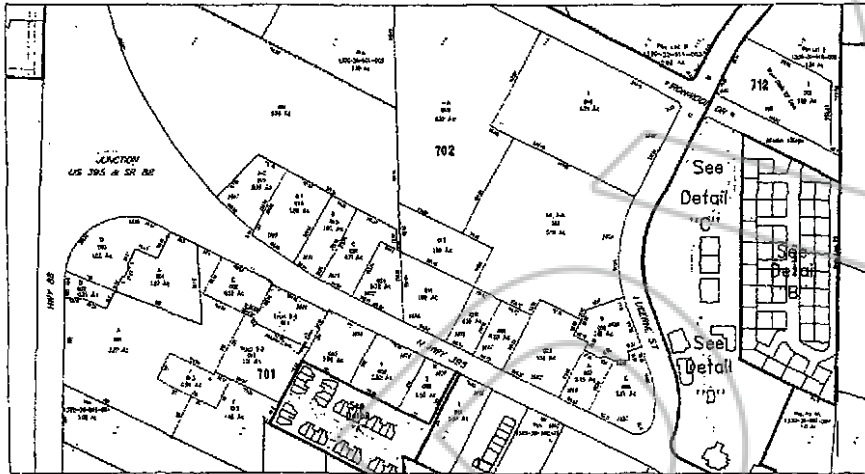
REVISIONS

See Revision 3 for Individual Component Area Maps

REVISIONS		LEGEND	
	A-10 Residential, 10 Acres		MC Metropolitan Commercial
	PR-40 Transit, 40 Acres		GC Office Commercial
	SO-10 Special Single-Family, 10 Acres		CC General Commercial
	RA-10 Rural Acreage, 10 Acres		SC Service Retail
	RA-5 Rural Acreage, 5 Acres		MLC Mixed Use Commercial
	SFR-2 Single-Family Residential, 2 Acres		TC Town-Center
	SFR-10 Single-Family Residential, 10 Acres		U Light Industrial
	SFR-12 Single-Family Residential, 12 Acres		GI General Industrial
	SFR-20 Single-Family Residential, 20 Acres		PL Public Facility
	SFR-2500 Single-Family Residential, 2500 SF		AP Airport
	SFR-40 Single-Family Residential, 40 Acres		PR Private Recreation
	SFR-60 Single-Family Residential, 60 Acres		
	SFR-80 Single-Family Residential, 80 Acres		
	SFR-100 Single-Family Residential, 100 Acres		
	SFR-150 Single-Family Residential, 150 Acres		
	SFR-200 Single-Family Residential, 200 Acres		
	SFR-300 Single-Family Residential, 300 Acres		
	SFR-400 Single-Family Residential, 400 Acres		
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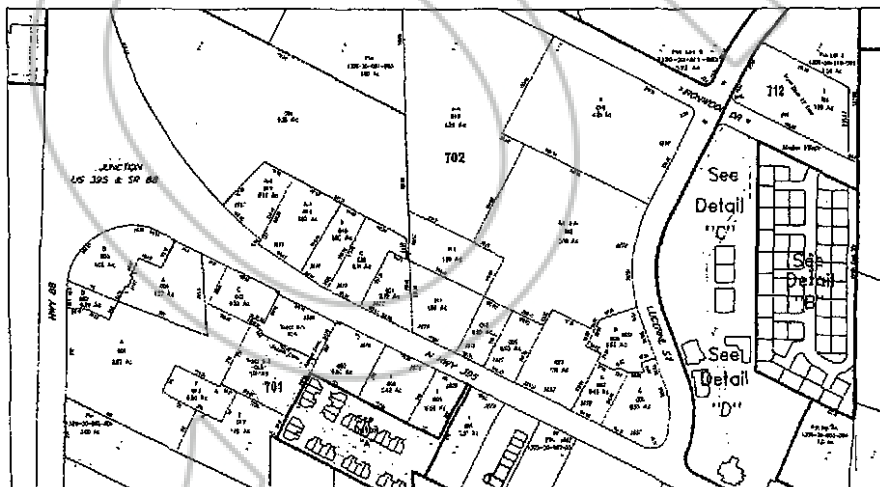
COMPARABLE LAND SALE MAPS

<b>Douglas County, Nevada</b> James' Book Douglas County Assessor	<b>Map Legend</b> Parcel Boundary Subd Boundary Easements Town Boundary Township/Division Open Space/Constr. Eas. Railway Area	Parcel Number Parcel Subd/Block Number Parcel Address Parcel Block Number Parcel Lot Number Parcel Address	Parcel Number Parcel Subd/Block Number Parcel Address Parcel Block Number Parcel Lot Number Parcel Address	T18 N R20 E SEC. 30 N 2 SE 4 1320-30-7		
		Parcel Number Parcel Subd/Block Number Parcel Address Parcel Block Number Parcel Lot Number Parcel Address	Parcel Number Parcel Subd/Block Number Parcel Address Parcel Block Number Parcel Lot Number Parcel Address	Parcel Number Parcel Subd/Block Number Parcel Address Parcel Block Number Parcel Lot Number Parcel Address	Parcel Number Parcel Subd/Block Number Parcel Address Parcel Block Number Parcel Lot Number Parcel Address	Parcel Number Parcel Subd/Block Number Parcel Address Parcel Block Number Parcel Lot Number Parcel Address



Sale LS-1  
 12/29/2004, .67±ac, \$450,000  
 \$15.42/sf

<b>Douglas County, Nevada</b> James' Book Douglas County Assessor	<b>Map Legend</b> Parcel Boundary Subd Boundary Easements Town Boundary Township/Division Open Space/Constr. Eas. Railway Area	Parcel Number Parcel Subd/Block Number Parcel Address Parcel Block Number Parcel Lot Number Parcel Address	Parcel Number Parcel Subd/Block Number Parcel Address Parcel Block Number Parcel Lot Number Parcel Address	T18 N R20 E SEC. 30 N 2 SE 4 1320-30-7		
		Parcel Number Parcel Subd/Block Number Parcel Address Parcel Block Number Parcel Lot Number Parcel Address	Parcel Number Parcel Subd/Block Number Parcel Address Parcel Block Number Parcel Lot Number Parcel Address	Parcel Number Parcel Subd/Block Number Parcel Address Parcel Block Number Parcel Lot Number Parcel Address	Parcel Number Parcel Subd/Block Number Parcel Address Parcel Block Number Parcel Lot Number Parcel Address	Parcel Number Parcel Subd/Block Number Parcel Address Parcel Block Number Parcel Lot Number Parcel Address

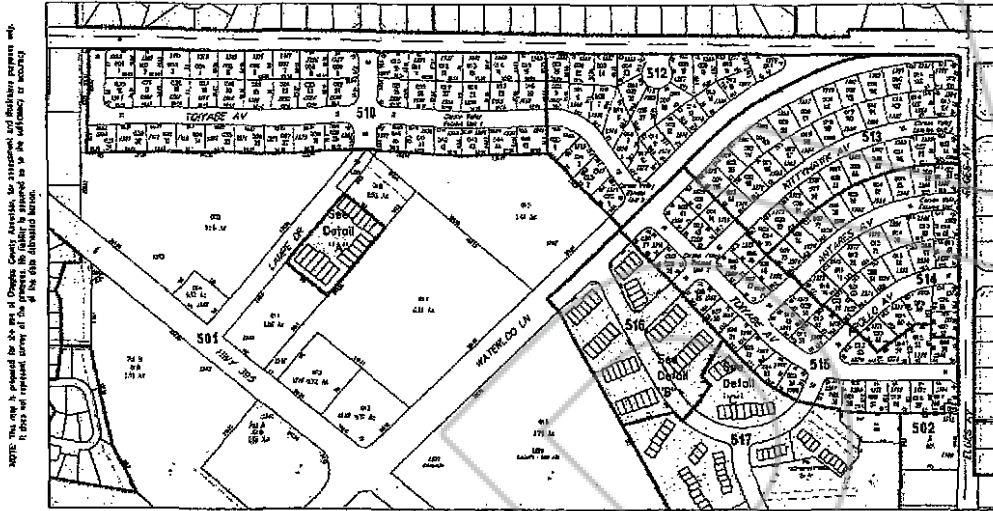


Sale LS-2  
 7/8/2005, 1.14±ac, \$545,000  
 \$10.98/sf



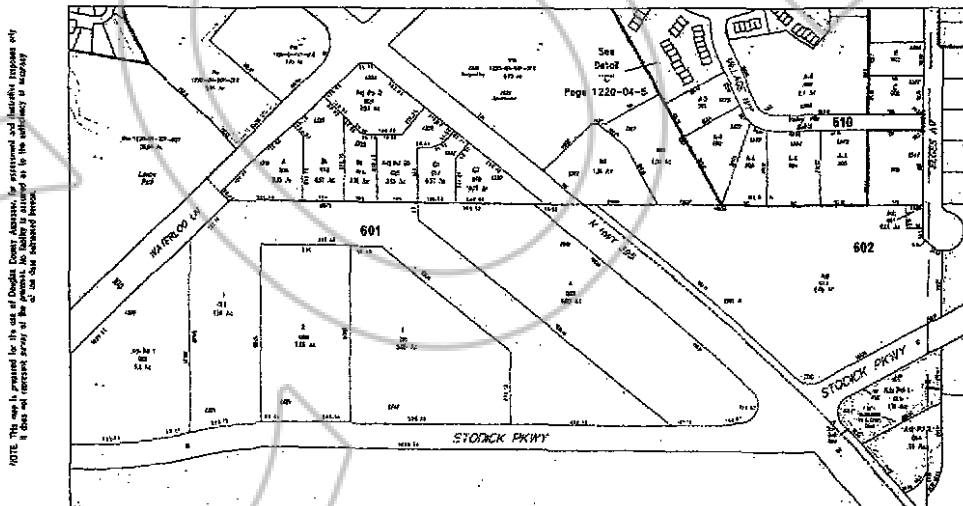
COMPARABLE LAND SALE MAPS

	<b>Map Legend</b> Parcel Boundary Sale Boundary Succession Town Boundary Township/Range/Section Open Space/Conserv. Easement Restoring Area	Parcel Number 110	Parcel Sub/Sec Number 110	T12 N R20 E SEC. 4 N 2 NE 4 1220-04-5	
		Parcel Acreage 1.95±ac	Parcel Block Number 501		



Sale LS-3,  
 9/29/2005, 1.95±ac, \$1,872,500  
 \$22.04/sf

	<b>Map Legend</b> Parcel Boundary Sale Boundary Succession Town Boundary Township/Range/Section Open Space/Conserv. Easement Restoring Area	Parcel Number 190	Parcel Sub/Sec Number 190	T12 N R20 E SEC. 4 S 2 NE 4 1220-04-6	
		Parcel Acreage 2.18±ac	Parcel Block Number 601		

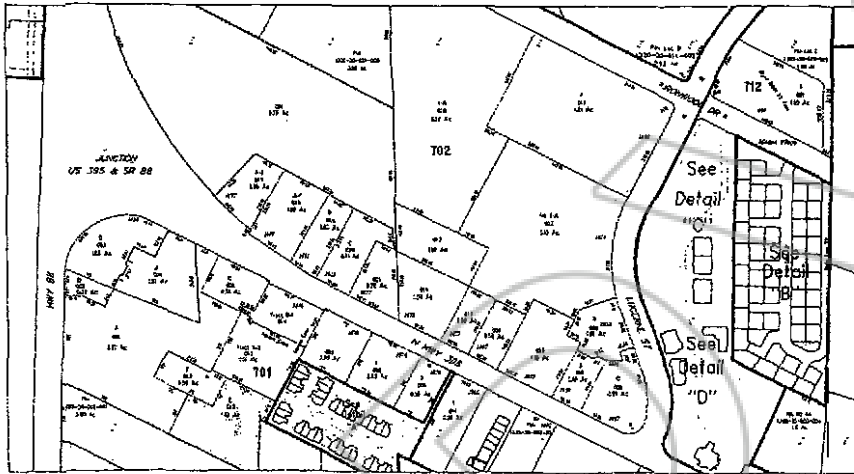


Sale LS-4  
 (prior sale of a portion of the subject assemblage)  
 7/17/2006, 2.18±ac, \$1,430,445  
 \$15.06/sf



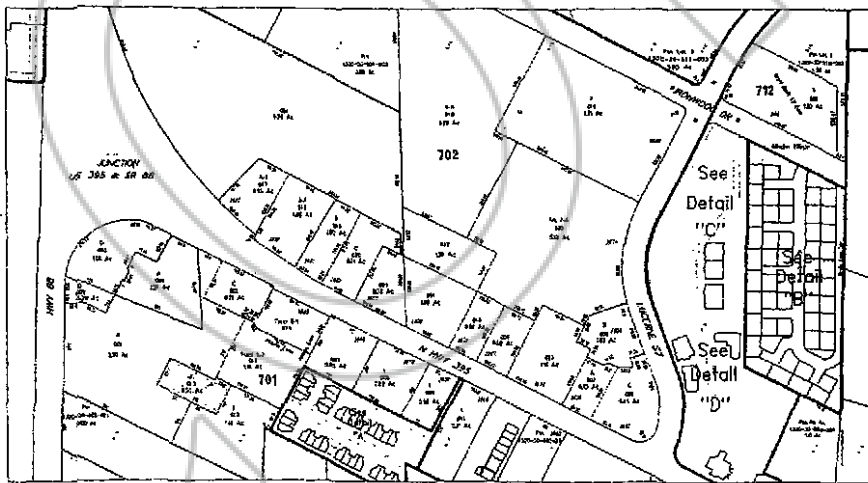
COMPARABLE LAND SALE MAPS

Douglas County, Nevada	Map Legend	Parcel Boundary	==	Parcel Number	110	T19 N R20 E	SEC. 30	N 2 SE 4	1320-30-7
		Subd Boundary	---	Parcel Sub/Seq Number	110				
		Easements	---	Parcel Acreage	1.48				
		Town Boundary	---	Parcel Block Number	110				
		Township/Range/Section	T19 N R20 E S30	Parcel Lot Number	110				
		Open Space/Conserv. Eas.	---	Parcel Address	110				
		Recording Area	---						



Sale LS-5  
5/25/2006, 1.48±ac, \$510,000  
\$7.91/sf

Douglas County, Nevada	Map Legend	Parcel Boundary	==	Parcel Number	110	T19 N R20 E	SEC. 30	N 2 SE 4	1320-30-7
		Subd Boundary	---	Parcel Sub/Seq Under	110				
		Easements	---	Parcel Acreage	1.48				
		Town Boundary	---	Parcel Block Number	110				
		Township/Range/Section	T19 N R20 E S30	Parcel Lot Number	110				
		Open Space/Conserv. Eas.	---	Parcel Address	110				
		Recording Area	---						

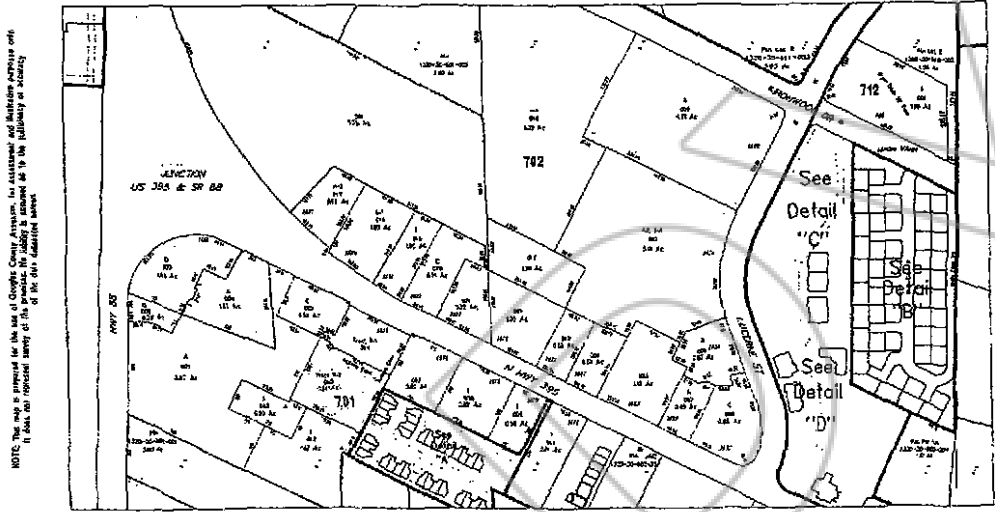


Sale LS-6  
10/2/2006, .50±ac, \$475,000  
\$21.81/sf



COMPARABLE LAND SALE MAPS

<b>Douglas County, Nevada</b> Survey's Book Survey County Interval	<b>Map Legend</b> Parcel Boundary Subd Boundary Easements Town Boundary Township/Range/Section Open Space/Contour, Etc. Resurvey Area	Parcel Number Parcel Single Number Parcel Acreage Parcel Quad Number Parcel Lot Number Parcel Address	T13 N R20 E SEC. 30 N 2 SE 4 1320-30-7



NOTE: This map is prepared for the use of Douglas County purposes. An assessment and maintenance purpose only. It does not represent any of its services. No liability is assumed by the County for any inaccuracy or omission of the data furnished herein.

Sale LS-7  
 6/23/2007, 1.14±ac, \$650,000  
 \$13.09/sf



## LAND SALE ANALYSIS, CORRELATION AND VALUE CONCLUSION

The sales presented on the preceding chart occurred in December 2004 and June 2007 and include the recent acquisition of the majority of the assemblage valued in this analysis. These sales represent the majority of the commercial land sales that have occurred in the Minden Gardnerville area in the past several years. Prior to adjustment, the sales indicate a price per square foot of \$7.91 to \$22.04.

The sales were selected primarily because of their size and commercial development potential.

If these transactions are to be valid indicators of market value, they must be examined to see if they meet the test of market value set forth in the definition used in this report. Market value implies a freewill transaction, where knowledgeable parties transact business without duress and in good faith. In a market value sale, it is assumed that the seller had a reasonable time and marketable title passes. Market value is time sensitive; it is always as of a specific point in time. In this case, the date of value is July 3, 2008. The primary elements of a market transaction are discussed below.

### Property Rights Conveyed

The subject is being valued in fee. It is zoned NC, which allows a wide variety of fairly intense retail and commercial uses. The comparable properties were either zoned NC or GC (general commercial) and were designated as vacant commercial properties by the Douglas County Assessor's office and were sold in fee subject to existing easements. No adjustments for property rights conveyed are necessary.

### Financing

Market value is typically based upon a cash sale, or sale at terms equivalent to cash. If financing or other terms are made available to the buyer which would influence the sale price, then an adjustment is appropriate. Each of the comparables sold in a cash transaction and no adjustments are necessary.

### Conditions of Sale

This element of comparison addresses the freewill and exposure aspects of the transaction. Sale LS-3 was acquired by a "selected" developer for Walgreen's drug stores. The company has built over 120 Walgreen's locations throughout the country. When verifying this transaction the buyer indicated that, frequently the properties they are interested in are not for sale. As a result, they are willing to and frequently do pay more than would be supported in the local market to motivate otherwise unwilling or disinterested sellers. As a result, this comparable will be adjusted downward.

Sale LS-6 was described by the buyer as a "gotcha" sale. The property is in the center of a larger assemblage, now identified as the Minden Gateway Center, and was crucial to the success of the assemblage, and the seller negotiated accordingly. Contemporary with this purchase the buyer had acquired three other sites as part of the assemblage (Sales LS-1, LS-5 and LS-7) with an average price per square foot of \$11.23. This suggests that a significant downward adjustment is necessary to this sale as well.

### Market Conditions

Market value is always established as of a specific date. In this case, the date of value is July 3, 2008. The market for commercial development parcels in the Minden Gardnerville area is thinly traded and there is insufficient information from which to draw direct conclusions. However, it is likely that the Douglas County commercial market cycles are similar to those experienced by



other northern Nevada markets. In the larger Truckee Meadows market and in the national market, the housing industry began to experience declining sales and stagnating prices in the latter portion of 2005 with home prices dropping as much as 20% to 35%. The trend appears to be in the early stages with commercial sites. The first indication of trouble in the market is typically a reduction in transaction volume. With the exception of the assemblage of the Minden Gateway Center, the purchase of the majority of the subject and the "Walgreen's" purchase there have been no sales of similar sites in the Minden-Gardnerville area in the past two years, even though there many properties along US 395 are listed for sale. This suggests that, depending on the motivation of the sellers, in order to differentiate themselves from the other listings, sellers will have to reduce asking prices to attract scarce buyers.

In the larger Truckee Meadows market, the peak appeared to come in the fall of 2006, approximately 12 months after the residential market began to retrench. Lacking any direct evidence in the local market, I believe, after talking with buyers, sellers and brokers active in the commercial real estate market in northern Nevada, that it is likely that commercial real estate values have retrenched significantly, probably to 2004 levels, and the sales that occurred between 2005 and 2007 should be adjusted downward to reflect the current economic climate. This includes the July 2006 sale of the subject.

#### Other Adjustments

The sales as presented are legitimate representations of the market for this type property. Having reached this conclusion, the next task in the comparison process is to compare the parcels to the subject in terms of their basic characteristics, that is, the characteristics which would have an impact on value.

**Sale LS-1** is one of the early acquisitions in the Minden Gateway Center. This site has been improved with an Arby's fast food restaurant. In comparison to the subject, this comparable will be adjusted downward because of its superior location. It is located at the northern entrance to the Minden-Gardnerville area, and is able to capitalize on the traffic between Minden-Gardnerville and Carson City to the north. This northern stretch of US 395 is clearly favored by retailers. An additional downward adjustment is necessary because of its smaller size, .67±ac as compared to the subject at 2.28±ac. Overall, this comparable which sold in December 2004 for \$15.42 per square foot is judged a high indication of an appropriate per square foot value applicable to the subject.

**Sale LS-2** is part of the Minden Gateway Center site. This sale did not involve the Minden Gateway developer, but the site was subsequently re-sold (see Sale LS-7) to the developer. In comparison to the subject, this comparable requires upward adjustment because of its inferior highway visibility, but downward adjustment because of its location in the northern Minden commercial area. Overall, this comparable which sold in July 2005 for \$10.98 per square foot is judged a low indication of an appropriate per square foot value applicable to the subject.

**Sale LS-3** is the September 2005 sale of the Walgreen's site at the corner of Waterloo and US 395 in Gardnerville. Waterloo is one of the major collectors that serve the residential development to the east. In comparison to the subject, this comparable requires downward adjustment due to its superior Waterloo location; closer to town and exposure to higher residential density and location in a newer commercial district. Overall, this comparable which sold in September 2005 for \$22.04 per square foot is judged very high indication of an appropriate per square foot value applicable to the subject.

**Sale LS-4** is the 2006 acquisition of the most of the subject by Colonial Bank. Although the subject is in the development and entitlement process, physically, it has not changed. This



analysis assumes a raw site, with no additional value given to the specific planning currently being undertaken by the owner. In comparison to the subject, as an assemblage including the Douglas County surplus right of way parcel, this comparable is similar in most regards. Overall, this comparable which sold in July 2006 for \$15.06 is judged a high indication of an appropriate per square foot value applicable to the subject, as of the date of value, primarily because of the slumping/softening of the real estate market.

Sale LS-5 is the May 2006 sale of a 1.48±ac portion of the Minden Gateway Center assemblage. This parcel is at the rear of the assemblage, well away from its US395 or Highway 88 frontage. In comparison to the subject this comparable requires a downward adjustment because of its northern Minden location. On the other hand an upward adjustment is necessary because of its interior location, well away from the street frontages. Overall, this comparable which sold for \$7.81 per square foot is judged a low indication of an appropriate per square foot value applicable to the subject.

Sale LS-6 is the October 2006 sale of a .50±ac portion of the Minden Gateway Center assemblage. This parcel was in the "middle" of the assemblage, and the buyer described the transaction as a "gotcha" sale. He needed this parcel to complete the assemblage and the seller negotiated accordingly. As a result, the property's physical characteristics had little or no impact on the sale price. Because of the nature of the transaction, this comparable with a sale price of \$21.81 per square foot is judged a very high indication of an appropriate per square foot value applicable to the subject.

Sale LS-7 is also a portion of the Minden Gateway Center assemblage. This 1.14±ac parcel sold in June 2007 for \$650,000 or \$13.09 per square foot. It is the resale of the property identified in Sale LS-2. In comparison to the subject, this comparable requires upward adjustment because of its inferior highway visibility, but downward adjustment because of its location in the northern Minden commercial area. Overall, this comparable which sold in June 2007 for \$13.09 per square foot is judged a good indication of an appropriate per square foot value applicable to the subject.

The preceding discussion can be summarized in tabular form as set forth below. The sales rated superior to the subject have features that make them more desirable and would be worth more than the subject on a price per acre basis. Conversely, the subject's per acre value is likely higher than those sales rated inferior.

**Sales Generally Superior to the Subject**

Sale LS-1	\$15.42
Sale LS-3	\$22.04
Sale LS-4	\$15.06
Sale LS-6	\$21.81

**Sales Generally Similar to the Subject**

Sale LS-7	\$13.09
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**Sales Generally Inferior to the Subject**

Sale LS-2	\$10.98
Sale LS-5	\$7.91

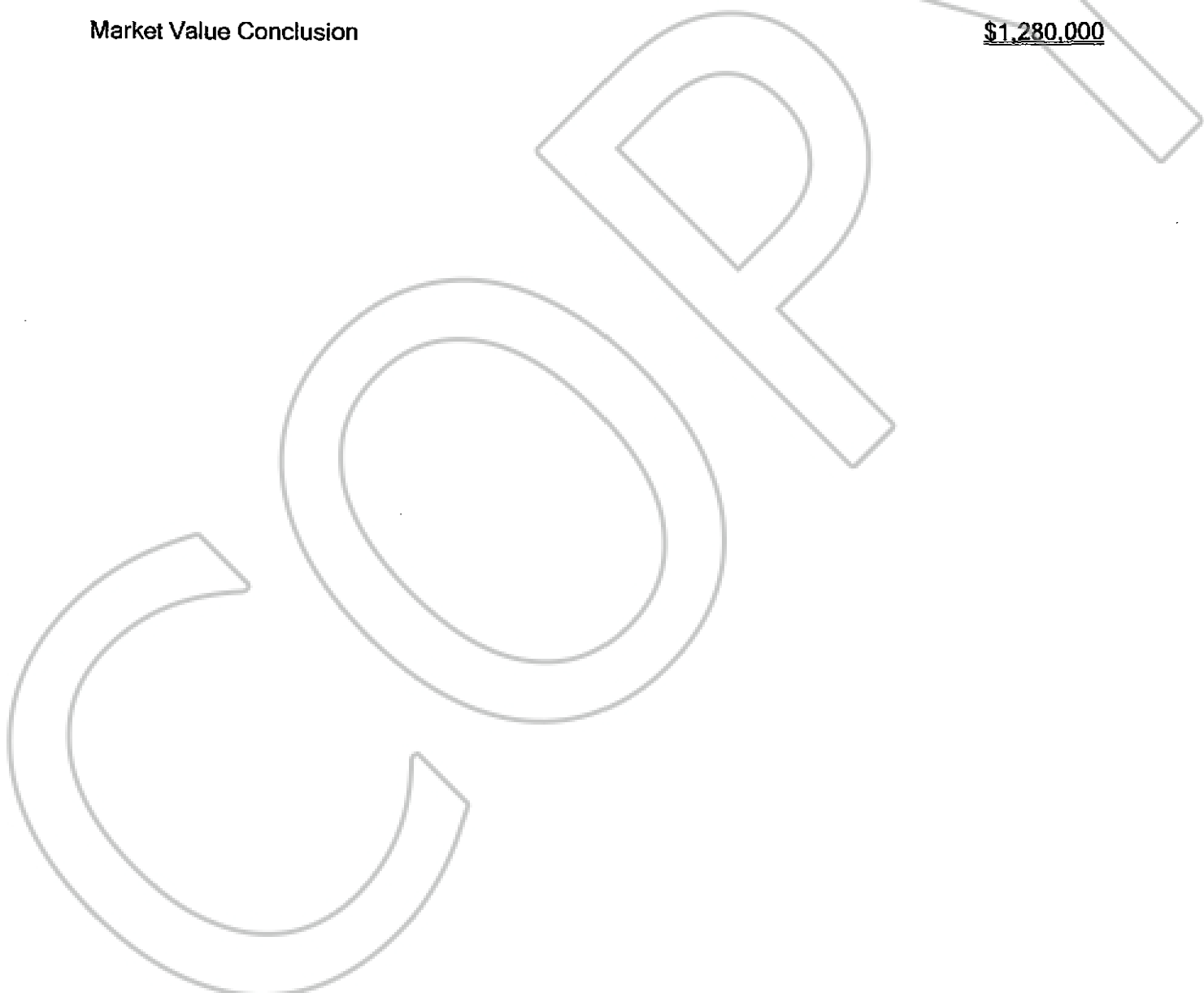


This analysis establishes a fairly broad range of values for the subject from \$10.98 to \$15.06 per square foot. When considering the subject's value as of the July 3, 2008 effective date of value, significant consideration must be given to the current economic conditions. Residential growth has slowed dramatically over the past two years with the collapse of the sub prime lending industry and the resulting credit crisis. This is being compounded by high fuel prices and broad based economic uncertainty. Additionally, over the past several years, commercial development in the Minden - Gardnerville area has been focused at the north end of the community. While there is commercial development in the area surrounding the subject much of it is older, and is somewhat secondary in the overall commercial mix of the region.

Overall, my analysis of the hypothetical assemblage of the subject; a 4,694±sf surplus property parcel and the adjoining 2.18±ac of privately held land leads me to conclude a value for the assemblage of \$13.00/sf or \$1,279,793, \$1,280,000 rounded

**Market Value Conclusion**

\$1,280,000



**VALUE OF THE SURPLUS PROPERTY PARCEL AS PART OF THE ASSEMBLAGE**

The purpose of this analysis is to determine the value of a 4,694±sf piece of land that is part of the former Elges Avenue right of way. This portion of the former right of way is owned by Douglas County and has been identified as surplus and marked for disposition. Colonial Bank who owns the adjoining 2.18±ac tract of land is interested in acquiring it. The valuation is based on the assumption that the surplus right of way parcel is most appropriately valued as part of the adjoining ownership. In this case, this assumption results in a hypothetical assemblage that was defined as a triangular, 2.29±ac tract of land with shared access along its US 395 frontage and access from Stodick Parkway on the north. The access evolved from the abandonment of a portion of Elges Avenue. The preceding analysis resulted in a value estimate for the hypothetical assemblage of \$1,280,000 or \$13.00 per square foot.

The southern portion of the former Elges Avenue right of way, including the "surplus property parcel" and an area of the privately held portion of the right of way are encumbered by a nonexclusive utility and access easement benefiting the adjoining ownership. This easement was granted by Douglas County as the result of the transfer of the former road right of way to private ownership. As a result, this US395 access point is likely to remain and the curb cuts on both US395 and Stodick Parkway remain.

The surplus land parcel is an integrated and useful portion of the hypothetical assemblage described and analyzed in the first portion of this report. Its unitary value is neither more nor less than the unitary value of the entire assemblage. This suggests that as part of the larger assemblage, its value would be \$61,022 (4,694±sf @ \$13.00/sf).

Indicated Value; As Part of the Adjoining Ownership  
4,694± sf Surplus Property Parcel

\$61,022

## ASSUMPTIONS AND LIMITING CONDITIONS

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

### LIMITS OF LIABILITY:

The liability of Robert E. Schiffmacher, MAI and Warren & Schiffmacher LLC 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 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 assignment. The appraiser is not 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.

### 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 fee represents compensation only for the analytical services provided by the appraiser. The report remains the property of the appraiser, though it may be used by the client in accordance with these assumptions and limiting conditions.

The By-Laws and Regulations of the Appraisal Institute require each Member to control the use and distribution of each report signed by such Member. Except as hereinafter provided, the client may distribute copies of this report in its entirety to such third parties as he may select. However, selected portions of this report shall not be given to third parties without the prior written consent of the appraiser. Neither all nor any part of this report shall be disseminated to the general public by use of advertising media, public relations media, news media, sales media, or any other media for public communication without the prior written consent of the appraisal firm.

This report 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 report, unless it is indicated that one or more of the appraisers was acting as "Review Appraiser." No change of any item in the report shall be made by anyone other than the appraiser. The appraiser shall bear no responsibility for any unauthorized changes.

### CONFIDENTIALITY:

Except as provided for subsequently, the appraiser may not divulge the analyses, opinions or conclusions developed in the assignment, nor may he give a copy of the report to anyone other than the client or his designee as specified in writing. However, this condition does not apply to any requests made by the Appraisal Institute or the State of Nevada for purposes of confidential ethics enforcement. Also, this condition does not apply to any order or request issued by a court of law or any other body with the power of subpoena.

The appraiser may be requested to submit copies of work to bona fide financial institutions in order to be approved to complete appraisal or consultation work for their institution. When requested, the appraiser will contact the client to obtain release to disseminate copies of the report to requesting institutions. Requests for dissemination will be controlled by the client; however, approval to disseminate the report will not be unreasonably withheld. Any reports disseminated to requesting financial institutions would be edited to remove specific references to the subject property's name, location and owner. Additionally, any specific reference to the client will also be deleted.



**INFORMATION SUPPLIED BY OTHERS:**

Information (including projections of income and expenses) provided by informed local sources, such as government agencies, financial institutions, Realtors, buyers, sellers, property owners, bookkeepers, accountants, attorneys, and others is assumed to be true, correct and reliable. No responsibility for the accuracy of such information is assumed by the appraiser. The appraiser is not liable for any information or the work product provided by subcontractors. The comparable data relied upon in this report has been confirmed with one or more parties familiar with the transaction or from affidavit or other sources thought reasonable. In some instances, an impractical and uneconomic expenditure of time would be required in attempting to furnish absolutely unimpeachable verification. The value conclusions set forth in the appraisal report are subject to the accuracy of said data. It is suggested that the client consider independent verification as a prerequisite to any transaction involving a sale, a lease or any other commitment of funds with respect to the subject property.

**TESTIMONY, CONSULTATION, COMPLETION OF CONTRACT FOR APPRAISAL SERVICE:**

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

**EXHIBITS AND PHYSICAL DESCRIPTIONS:**

It is assumed that the improvements and the utilization of the land are within the boundaries of the property lines of the property described in the report and that there is no encroachment or trespass unless noted otherwise within the report. No survey of the property has been made by the appraiser and no responsibility is assumed in connection with such matters. Any maps, plats, or drawings reproduced and included in the report are there to assist the reader in visualizing the property and are not necessarily drawn to scale. The reliability of the information contained on any such map or drawing is assumed accurate by the appraiser and is not guaranteed to be correct.

**TITLE, LEGAL DESCRIPTIONS, AND OTHER LEGAL MATTERS:**

No responsibility is assumed by the appraiser for matters legal in character or nature. No opinion is rendered as to the status of title to any property. The title is presumed to be good and merchantable. The property is analyzed as if free and clear, unless otherwise stated in the report. The legal description, as furnished by the client, his designee or as derived by the appraiser, is assumed to be correct as reported. The report 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 report should not be construed as a report on the physical items that are a part of any property described in the report. Although the report 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 analysis and not as a complete or detailed report on these physical items. The appraiser is not a construction, engineering, or architectural expert, and any opinion given on these matters in this report should be considered tentative in nature and is subject to



modification upon receipt of additional information from appropriate experts. The client is advised to seek appropriate expert opinion before committing any funds to the property described in the report.

Any statement in the report 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 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 analysis, any comments on observed conditions given in this appraisal report should not be taken as a guarantee that a problem does or does not exist. Specifically, no guarantee is given as to the adequacy or condition of the foundation, roof, exterior walls, interior walls, floors, heating systems, air conditioning systems, plumbing, electrical service, insulation, or any other detailed construction matters. If any interested party is concerned about the existence, condition, or adequacy of any particular item, it is strongly suggested that a mechanical and/or structural inspection be made by a qualified and licensed contractor, a civil or structural engineer, an architect or other experts.

This analysis is based on the assumption that there are no apparent or unapparent conditions on the property site or improvements, other than those stated in the report, which would materially alter the value of the subject. No responsibility is assumed for any such conditions or for any expertise or engineering to discover them. All mechanical components are assumed to be in operable condition and standard for the properties of the subject type. Conditions of heating, cooling, ventilating, electrical and plumbing equipment are considered to be commensurate with the condition of the balance of the improvements unless otherwise stated. No judgment is made in the analysis as to the adequacy of insulation, the type of insulation, or the energy efficiency of the improvements or equipment which is assumed to be standard for the subject's age, type and condition.

#### AMERICANS WITH DISABILITIES ACT:

The Americans With Disabilities Act became effective on January 26, 1992. Unless otherwise noted in this report, I have not made a specific compliance survey or analysis of this property to determine whether or not it is conformance with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, would reveal that the property is not in compliance with one or more requirements of the Act. If so, this fact could have a negative effect on the value of the property as derived in the attached report. Since I have no direct evidence relating to this issue, and since I am not an expert at identifying whether a property complies or does not comply with the ADA, unless otherwise stated in the report, I did not consider possible non-compliance with the requirements of ADA in estimating the value of the property. Before committing funds to any property, it is strongly advised that appropriate experts be employed to ascertain whether the existing improvements, if any, comply with the ADA. Should the improvements be found to not comply with the ADA, a reappraisal at an additional cost may be necessary to estimate the effects of such circumstances.



**TOXIC MATERIALS AND HAZARDS:**

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

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

It is assumed that there are no hidden or unapparent conditions of the soils or sub-soils which would render the subject property more or less valuable than reported in the appraisal. No engineering or percolation tests were made and no liability is assumed for soil conditions. Unless otherwise noted, sub-surface rights (minerals and oil) were not considered in completing this analysis. Unless otherwise noted, the land and the soil in the area being analyzed appeared to be firm, but no investigation has been made to determine whether or not any detrimental sub-soil conditions exist. The appraiser is not liable for any problems arising from soil conditions. Therefore, it is strongly advised that, before any funds are committed to a property, the advice of appropriate experts be sought.

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

The appraiser assumes no responsibility for any costs or for any consequences arising from the need or lack of need for flood hazard insurance. An Agent for the Federal Flood Insurance Program should be contacted to determine the actual need for flood hazard insurance.

**LEGALITY OF USE**

This analysis 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 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 analysis. It is assumed that all required licenses, consents, or other legislative or administrative authority from any local, state or national government, private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.

**COMPONENT VALUES**

If this assignment resulted in the development of an opinion of value and if the total property value set forth in this report is distributed between land and improvements, this distribution applied only under the existing program of utilization as set forth in the report. The separate valuations for land and buildings must not be used in conjunction with any other analysis and are invalid if so used.

**QUALIFICATIONS OF APPRAISER  
ROBERT E. SCHIFFMACHER**

**Professional Affiliations**

Member of the Appraisal Institute, MAI	93675
Nevada Certified General Real Estate Appraiser	#A.0002492-CG
Member of the International Right of Way Association	7898243

**Formal Education**

University of Northern Colorado, Greeley	1976-1978
Course work in Sociology and Police Science	
Community College of Denver, Golden Colorado	1977
Course work in Police Science	
University of Nevada, Reno	1978-1981
BS Business Administration	
Course work in Finance and Marketing	

**Appraisal Education and Technical Training**

Real Estate 101	1981
Real Estate Appraisal I	1989
Real Estate Appraisal Principles 1A-1	1991
Basic Valuation Procedures 1A-2	1991
Capitalization Theory and Techniques Part A	1992
Capitalization Theory and Techniques Part B	1992
Nevada Law (N.R.S. 645C)	1993
Standards of Professional Practice Parts A & B	1993
Advanced Applications	1993
Report Writing and Valuation Analysis	1995
Ethics, USPAP Statements	1996
Standards of Professional Practice Part C	1997
Comprehensive Appraisal Workshop	2000
Water Rights in Nevada	2001
Condemnation Appraising (Courses 710 and 720)	2001
Uniform Appraisal Standards, Federal Land Acquisitions	2002
Appraisal Litigation Practice & Courtroom Management	2003
Uniform Standards of Professional Appraisal Practice, 2003 Update	2003
Supporting Capitalization Rates	2004
Rates and Ratios: Making Sense of GIMs, OARs and DCF	2004
Uniform Standards of Professional Appraisal Practice	2006
Condominiums, Co-Ops, and PUD's	2006
Intro to GIS applications for Real Estate Appraisal	2006

**Offices Held**

Reno-Carson-Tahoe Chapter Appraisal Institute:	
Chapter President	2003
Chapter Vice President	1999, 2002
Chapter Secretary	1997
Chapter Treasurer	1998, 2000, 2001

**Related Seminars**

Real Estate Syndication	1986
Marshall Swift Commercial/Residential Workshop	1995

QUALIFICATIONS OF APPRAISER  
ROBERT E. SCHIFFMACHER  
(Continued)

Occupational History

Warren & Schiffmacher, LLC Principal	2002-Present
Wright, Warren & Schiffmacher, LLC Principal	1997-2002
Washoe County Assessor's Office Appraiser III	1995-1996
Johnson - Perkins & Associates Associate Appraiser	1991-1995
California Pacific Research Inc. Financial Manager	1985-1991
Paine Webber Inc. Registered Representative	1984
First Interstate Bank of Nevada Trust Administrator	1982-1984

Representative Appraisal Clients

Airport Authority of Washoe County	Mineral County
Bank of America	Nevada Department of Transportation
Bank of the West	Norwest Bank
California Federal Bank	Pioneer Citizens Bank
City of Reno	Regional Transportation Commission
Comstock Bank	Sierra Pacific Power Company
Dermody Properties	Southwest Gas Corporation
Dover House Capital, LLC	Truckee Meadows Water Authority
Financial Development Corp.	U. S. Bank
First Interstate Bank	University of Nevada
General Services Administration	Washington Mutual Bank
GMAC Commercial Mortgage	Washoe County Water Authority
Imperial Thrift & Loan	Washoe County Flood Control
Lowe Enterprises	Wells Fargo Bank

Types of Properties Appraised

Various Types of Vacant Land	Shopping Centers
Retail Buildings	Apartment Complexes
Hotel-Casinos	Office Buildings
Industrial Buildings	Motels
Special Use Properties	Rights of way
Easements	

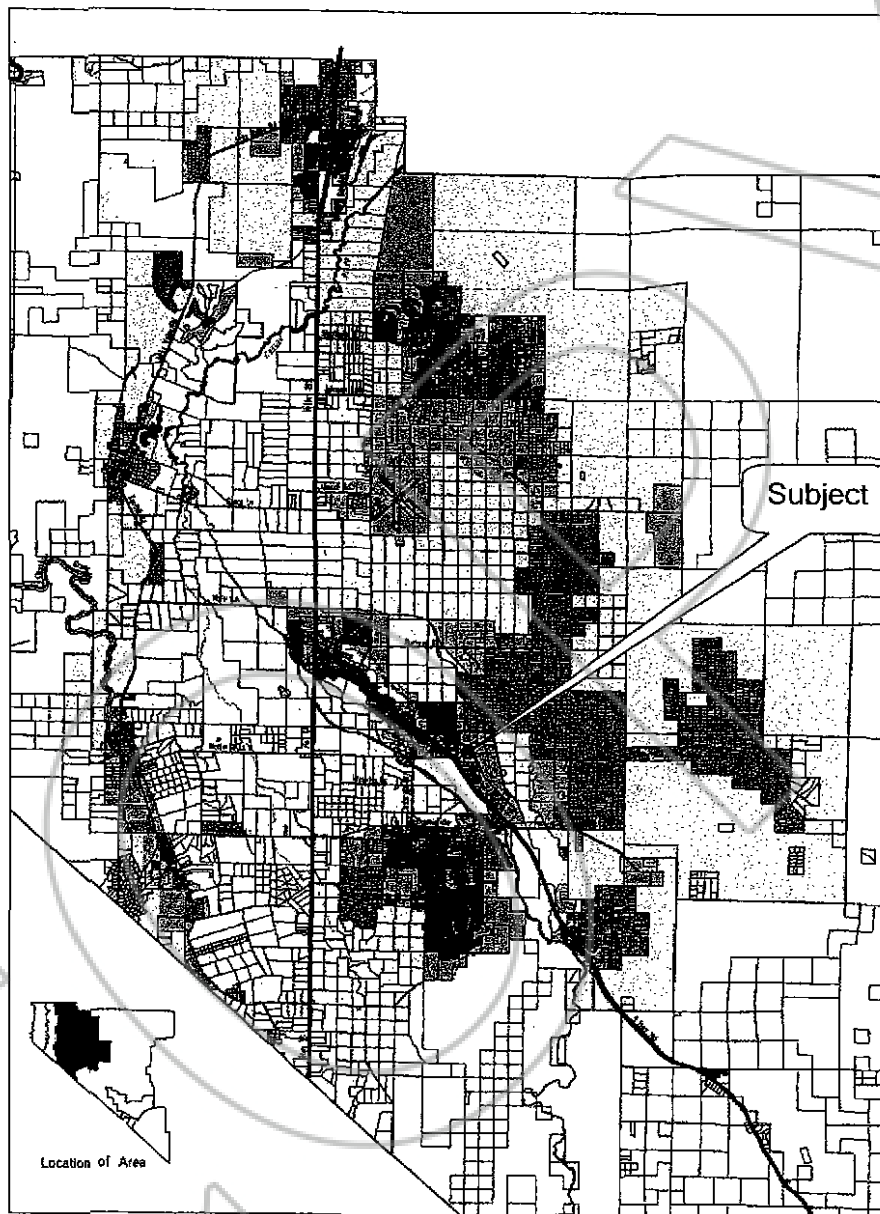


ADDENDA

COPY



# DOUGLAS COUNTY MASTER PLAN



REVISIONS		CARSON VALLEY - LAND USE AND TRANSPORTATION		TRANSPORTATION PLAN		
Refer to Community Area Maps for Abbreviations	Rural Residential Single-Family Estates Single-Family Residential Multi-Family Residential	<b>LAND USE</b> Commercial Industrial Community Facilities Agriculture	Recreation Forest and Range Rangeland Area Wetland Area	<b>ARTERIAL</b> Principal Minor	<b>COLLECTOR</b> Major Minor	
	<small>Best-approximate, latest use maps are available for review at the Community Development Dept. Planning Division</small>					
					Scale: P = 2 Miles Date: 08/20/08 Figure: 10A	

11.011



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PAGE 02/11

*No Fee*

When Recorded, Return to:

Scarpello, Huss & Oshinski, Ltd.  
600 East William St., Ste. 300  
Carson City, NV 89701

ACCESS AND PUBLIC UTILITY EASEMENT

This Access and Public Utility Easement is made on this 17 day of April, 2003, by and between DOUGLAS COUNTY, a political subdivision of the State of Nevada, (herein "Grantor") and HERBIG PROPERTIES, LTD., (herein "Grantee").

WITNESSETH:

For good and valuable consideration, the receipt of which is hereby acknowledged, Grantor hereby grants to Grantee the following easement for access and public utilities located and more particularly described in Exhibit "A" attached hereto and incorporated herein by this reference.

1. The easement granted herein includes the right to ingress and egress over a portion of the real property described more fully in the legal description attached hereto as Exhibit "A".

2. The easement granted herein includes the right to locate, construct, maintain, repair and replace utilities, including, but not limited to, water and sewer and necessary incidents on, over, across and through the real property situated in and being a portion of the real property described more fully in the legal description attached hereto as Exhibit "A".

3. The easement granted herein is appurtenant to the real property as described in Exhibit "A".

4. The easement granted herein is perpetual, non-exclusive, and runs with the land.

5. The easement granted herein is subject to the following restrictions:

(a) The installation, maintenance, rights and obligations noted in paragraph 2 above, except in the case of emergency, are subject to

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State of Nevada )  
County of Douglas )

On this 17<sup>th</sup> day of April, 2003, personally appeared before me, the undersigned Notary Public in and for the County and State aforesaid, Steve Weissinger known to be to be the person described in and who executed for the foregoing instrument, who acknowledged to me that he executed the same freely and voluntarily and for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in the certificate first above written.

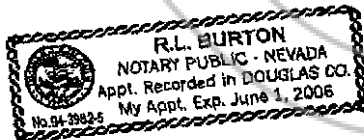
 **VICTORIA ANN BARRETT**  
Notary Public - Nevada  
Douglas County  
94-0610-5  
My Appointment Expires May 22, 2007


  
Notary Public

State of Nevada )  
County of Douglas )

On this 29<sup>th</sup> day of April, 2003, personally appeared before me, the undersigned Notary Public in and for the County and State aforesaid, Andrew Mackin known to be to be the person described in and who executed for the foregoing instrument, who acknowledged to me that he executed the same freely and voluntarily and for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in the certificate first above written.

 **R.L. BURTON**  
NOTARY PUBLIC - NEVADA  
Appt. Recorded in DOUGLAS CO.  
My Appt. Exp. June 1, 2006  
No. 94-3982-5

  
Notary Public

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396-23-99  
01/30/03  
Page 1 of 1

**DESCRIPTION**  
**Access and Public Utility Easement**  
**(Over portion Douglas County)**

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

A strip of land for access and public utility purposes located within a portion of the Southeast one-quarter (SE¼) of Section 4, Township 12 North, Range 20 East, Mount Diablo Meridian, more particularly described as follows:

Commencing at the one-quarter corner common to Sections 3 and 4, T.12N., R.20E., M.D.M., a found ¾" iron pipe with 2" aluminum cap "1995 Owens Eng. PLS 3090" as shown on the Record of Survey for Reno Orthopedic Clinic, LTC. Et al recorded October 28, 1998 in the office of Recorder, Douglas County, Nevada as Document No. 452854;

thence along the section line common to said Sections 3 and 4, also being the easterly line of a parcel of land abandoned by the State of Nevada per Resolution of Abandonment recorded November 20, 2002 in said office of Recorder in Book 1102, at Page 8530, as Document No. 558501, South 00°39'29" West, 43.78 feet to the POINT OF BEGINNING;

thence continuing along said section line, South 00°39'29" West, 180.49 feet to a point on the westerly line of said parcel of land abandoned by State of Nevada;

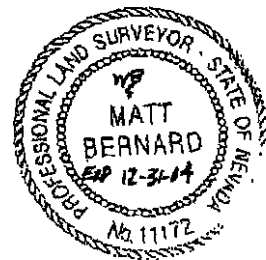
thence along said westerly line, along the arc of a curve concave to the southwest, nontangent to the preceding course, having a radius of 5060.00 feet, central angle of 01°16'19", arc length of 112.33 feet, and chord bearing and distance of North 38°16'21" West, 112.34 feet;

thence along the arc of a curve concave to the northwest, nontangent to the preceding curve, having a radius of 47.50 feet, central angle of 24°58'27", arc length of 20.70 feet, and chord bearing and distance of North 73°45'43" East, 20.54 feet;

thence along the arc of a compound curve having a radius of 100.00 feet, central angle of 60°37'00", arc length of 105.80 feet, and chord bearing and distance of North 30°57'59" East, 100.93 feet to the POINT OF BEGINNING, containing 4,694 square feet, more or less.

Note: Refer this description to your title company before incorporating into any legal document.

Prepared By: R.O. ANDERSON ENGINEERING, INC.  
P.O. Box 2229  
Minden, Nevada 89423



2-3-03

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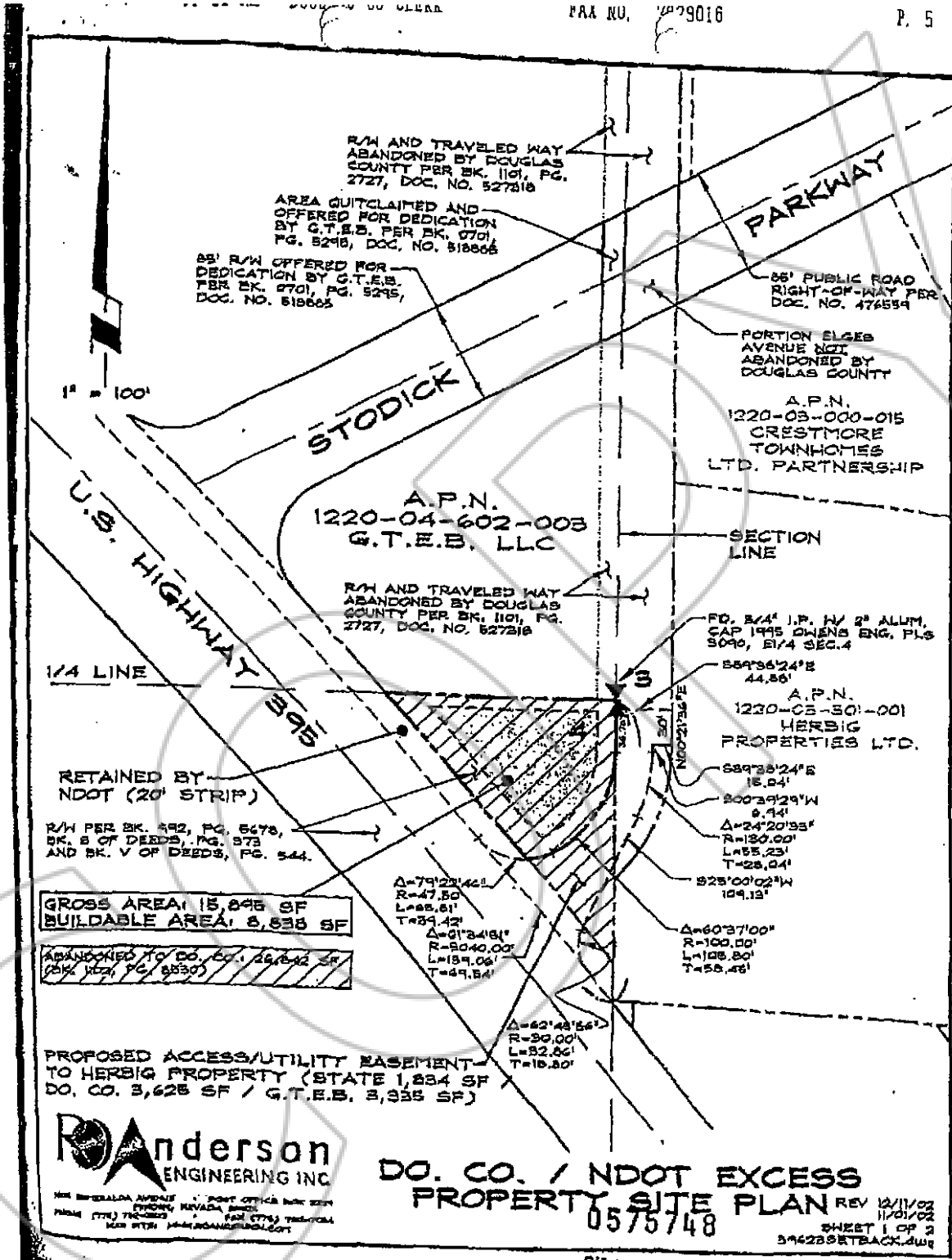
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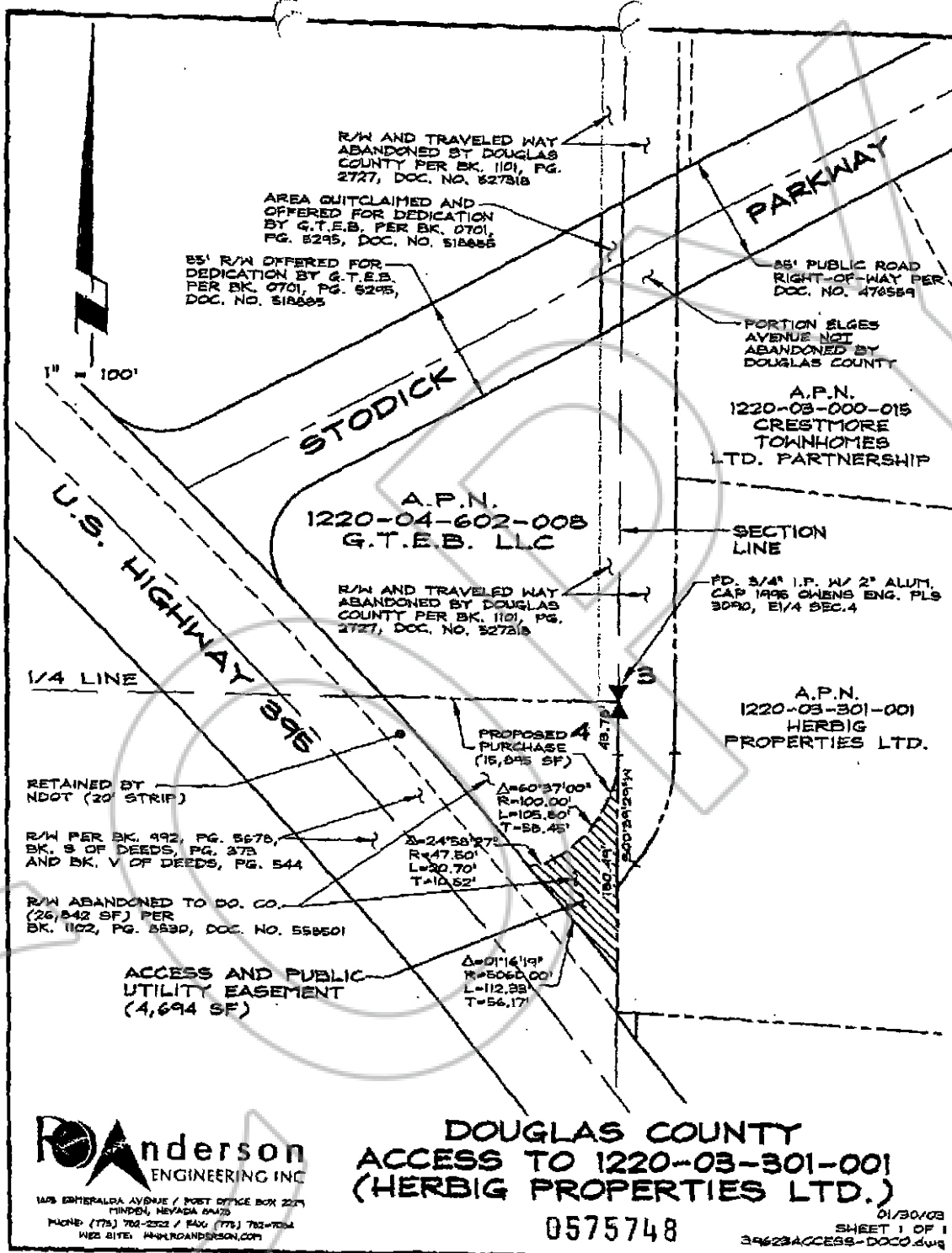


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**Anderson**  
ENGINEERING INC

1425 EMERALDA AVENUE / POST OFFICE BOX 2271  
HENDERSON, NEVADA 89025  
PHONE: (775) 782-2332 / FAX: (775) 782-7084  
WEB SITE: WWW.ANDERSON.COM

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REQUESTED BY  
**DOUGLAS COUNTY**  
IN OFFICIAL RECORDS OF  
DOUGLAS CO., NEVADA

2003 MAY -6 AM 8:59

WERNER CHRISTEN  
RECORDER

PAID 50 DEPUTY

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PAGE 09/11

396-23-99  
01/30/03  
Page 1 of 1

**DESCRIPTION**  
**Access and Public Utility Easement**  
**(Over portion GTEB 1220-04-602-008)**

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

A strip of land for access and public utility purposes located within a portion of the Southwest one-quarter (SW¼) of Section 3, Township 12 North, Range 20 East, Mount Diablo Meridian, more particularly described as follows:

Commencing at the one-quarter corner common to Sections 3 and 4, T.12N., R.20E., M.D.M., a found ¾" iron pipe with 2" aluminum cap "1995 Owens Eng. PLS 3090" as shown on the Record of Survey for Reno Orthopedic Clinic, LTC. Et al recorded October 28, 1998 in the office of Recorder, Douglas County, Nevada as Document No. 452854;

thence along the section line common to said Sections 3 and 4, South 00°39'29" West, 7.00 feet to the POINT OF BEGINNING;

thence South 89°38'24" East, 44.88 feet to a point on a line previously known as the easterly right-of-way of Elges Avenue as abandoned per Order of Abandonment DA 01-146 recorded November 9, 2001 in said office of Recorder in Book 1101, at Page 2727, as Document No. 527317;

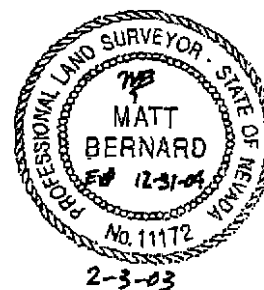
thence along said easterly line, South 00°21'36" West, 35.53 feet;  
thence continuing along said easterly line, along the arc of a curve concave to the northwest having a radius of 150.00 feet, central angle of 37°26'52", and arc length of 98.04 feet;

thence continuing along said easterly line, South 37°48'28" West, 24.22 feet to a point on said section line common to Sections 3 and 4, also being the easterly line of a parcel of land abandoned by the State of Nevada per Resolution of Abandonment recorded November 20, 2002 in said office of Recorder in Book 1102, at Page 8530, as Document No. 558501;

thence along said section line, North 00°39'29" East, 145.96 feet to the POINT OF BEGINNING, containing 4,973 square feet, more or less.

Note: Refer this description to your title company before incorporating into any legal document.

Prepared By: R.O. ANDERSON ENGINEERING, INC.  
P.O. Box 2229  
Minden, Nevada 89423



0575749

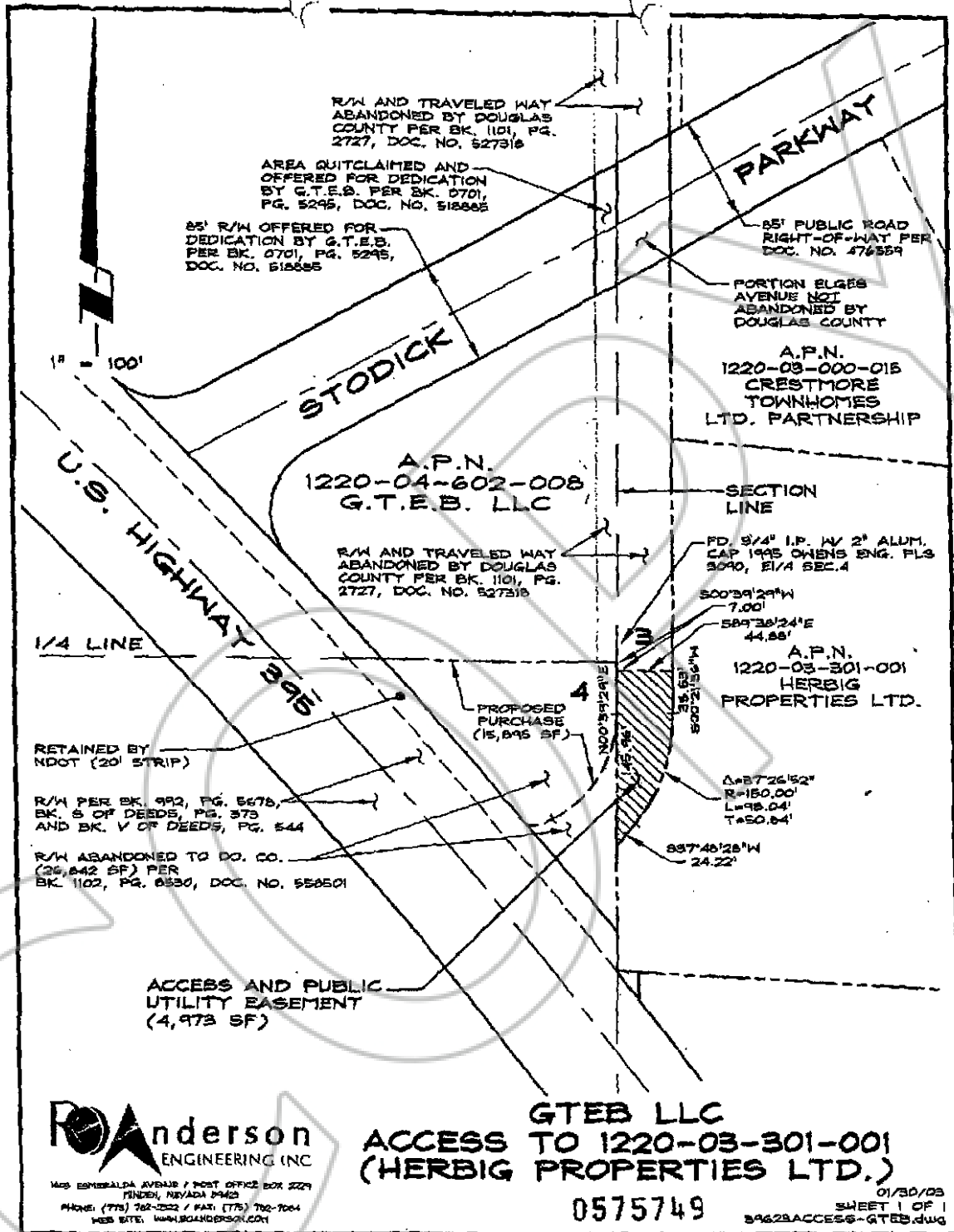
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PAGE 10/11



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REQUESTED BY  
**DOUGLAS COUNTY**  
IN OFFICIAL RECORDS OF  
DOUGLAS CO., NEVADA

2003 MAY -6 AM 9:00

WERNER CHRISTEN  
RECORDER

\$ PAID *K* DEPUTY

0575749

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A SUMMARY APPRAISAL  
OF A

4,694± SQUARE FOOT  
VACANT COMMERCIAL PARCEL

OWNED BY

DOUGLAS COUNTY

LOCATED AT

ELGES AVENUE (ABANDONED) AND  
U.S. HIGHWAY 395, GARDNERVILLE,  
NEVADA

PREPARED FOR

COLONIAL BANK

FOR THE PURPOSE OF  
ESTIMATING THE FEE SIMPLE MARKET VALUE  
OF THE SUBJECT PROPERTY  
AS OF  
JUNE 6, 2008



# JOHNSON-PERKINS & ASSOCIATES, INC.

REAL ESTATE APPRAISERS & CONSULTANTS

Main Office: 295 Holcomb Avenue, Suite 1 ■ Reno, Nevada 89502 ■ Telephone (775) 322-1155  
Lake Tahoe Office: P.O. Box 11430 ■ Zephyr Cove, Nevada 89448 ■ Telephone (775) 588-4787  
FAX: Main Office (775) 322-1156 ■ Lake Tahoe Office (775) 588-8295  
E-mail: [jpareno@johnsonperkins.com](mailto:jpareno@johnsonperkins.com) ■ [jpatahoe@johnsonperkins.com](mailto:jpatahoe@johnsonperkins.com)

Stephen R. Johnson, MAI, SREA  
Reese Perkins, MAI, SRA  
Cynthia Johnson, SRA  
Cindy Lund Fogel, MAI  
Scott Q. Griffin, MAI  
Daniel B. Oaks, MAI

Karen K. Sanders  
Denise Jahn  
Benjamin Q. Johnson  
Gregory D. Ruzzine  
Chad Gerken  
Karla Peuler

June 27, 2008

Principal Appraiser Emeritus  
Gilbert G. Wright, Ph.D., MAI

Ms. Michelle McKinney  
Colonial Bank  
2330 South Virginia Street  
Reno, NV 89502

Re: A Summary Appraisal of a Vacant Commercial Parcel, Located at the intersection of Elges Avenue (abandoned) and U.S. Highway 395, Douglas County, Nevada

Dear Ms. McKinney:

This is in response to your request for a summary appraisal report of a vacant commercial parcel located at the intersection of Elges Avenue (abandoned) and U.S. Highway 395, Gardnerville, Douglas County, Nevada. A majority of the subject property is improved with the abandoned roadway. The abandoned roadway across the subject property is encumbered by an access and public utility easement. The property is identified as Douglas County Assessor's Parcel Number 1220-04-002-018 and contains 4,694± square feet of land area. The subject parcel is owned by Douglas County. The subject property will be more completely described in the following report.

The intended use of this appraisal is for assisting in negotiating a purchase price for the subject property. The intended user of this appraisal report is Colonial Bank. The purpose of this appraisal is to estimate the unencumbered fee simple Market Value of the subject property.

Reno ■ Lake Tahoe



**JOHNSON-PERKINS & ASSOCIATES, INC.**  
REAL ESTATE APPRAISERS & CONSULTANTS

This report sets forth pertinent data, statistics, and other information considered necessary to establish the unencumbered fee simple Market Value of the subject property as of June 6, 2008, the date of our inspection of the subject property.

The Market Value estimate was derived through an analysis and correlation of the data set forth in the following report. The subject property and the comparable properties analyzed were personally inspected by these appraisers.

This appraisal report has been prepared in conformance with and subject to the requirements of the *Code of Ethics and Standards of Professional Practice* of the Appraisal Institute, and the Guidelines and Recommendations set forth in the *Uniform Standards of Professional Appraisal Practice (USPAP)* of the Appraisal Foundation.

After careful consideration of all data available, and upon thorough personal inspection of the subject property and comparable properties analyzed, we have estimated the Market Value of the subject property, as of June 6, 2008, to be:

**SEVENTY THOUSAND DOLLARS**  
**(\$70,000)**

Respectfully Submitted,



Daniel B. Oaks, MAI  
Nevada Certified General Appraiser  
License Number A.0003474-CG



Benjamin Q. Johnson  
Nevada Registered Intern Appraiser  
License Number A.0007242-INT

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**SUMMARY OF SALIENT FACTS AND IMPORTANT CONCLUSIONS**

<b>Assessor's Parcel Number</b>	1220-04-002-018
<b>Location</b>	Elges Avenue (abandoned) and U.S. Highway 395, Gardnerville, Douglas County, Nevada
<b>Owner of Record</b>	Douglas County
<b>Zoning</b>	GC (General Commercial)
<b>Land Area</b>	4,694± square feet (0.1078± acres)
<b>Improvements</b>	None
<b>Highest and Best Use</b>	Assemblage with the adjacent two parcels to the north (APNs 1220-04-602-014/15) and development with a general commercial utilization
<b>Property Rights Appraised</b>	Fee Simple
<b>Type of Report</b>	Summary
<b>Effective Date of Valuation</b>	June 6, 2008
<b>Completion Date of Report</b>	June 27, 2008
<b><u>FINAL MARKET VALUE CONCLUSION</u></b>	<b><u>\$70,000</u></b>

### PURPOSE OF APPRAISAL

This appraisal was prepared for the purpose of estimating the fee simple Market Value of the subject property as of the date of June 6, 2008.

### INTENDED USE OF APPRAISAL

The intended use of this appraisal is for negotiating a purchase price of the subject property. Any other use of this appraisal requires the prior written authorization by this appraisal firm.

### INTENDED USERS OF APPRAISAL

The intended user of this appraisal report is Colonial Bank.

### MARKET VALUE DEFINED<sup>1</sup>

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

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

<sup>1</sup> Source: Office of the Comptroller of the Currency under 12 CFR, Part 34, Subpart C-Appraisals, 34.42 Definitions [f].



**SCOPE OF APPRAISAL**

The preparation of this appraisal included:

- Identification, inspection and analysis of the subject property;
- Identification and analysis of the subject neighborhood;
- Completion of a Highest and Best Use Analysis for the subject property;
- Research, inspection and analysis of comparable land sales;
- Verification of sales data;
- Completion of a Sales Comparison Approach analysis;
- Reconciliation and final property value conclusion; and
- Preparation of a summary appraisal report.



**EFFECTIVE DATE OF VALUATION**

The effective date of valuation of this report is June 6, 2008, the date of our inspection of the subject property.

**COMPLETION DATE OF REPORT**

This report was completed on June 27, 2008.

**PROPERTY RIGHTS APPRAISED**

The subject property is appraised as held in fee simple ownership. Fee simple ownership is defined as absolute ownership, unencumbered by any other estate or interest subject only to the limitations of eminent domain, police power, taxation and such typical encumbrances as mortgages and easements.



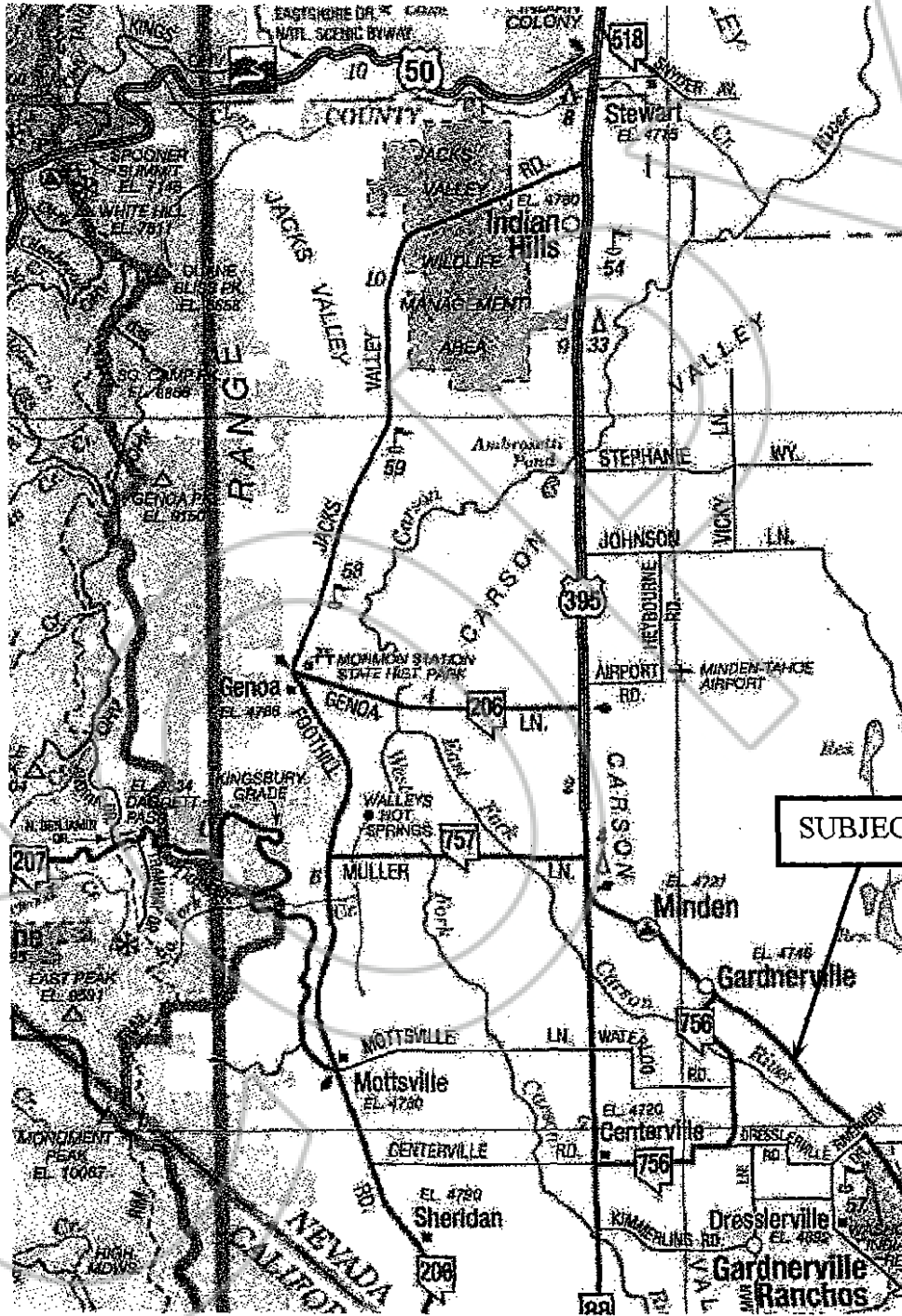
**EXTRAORDINARY ASSUMPTIONS**

This appraisal is predicated upon the following extraordinary assumptions. If any of the extraordinary assumptions are subsequently proved to be incorrect it may affect conclusions reached in this appraisal.

1. The location of the subject property as indicated by the Douglas County Assessor's Aerial Map is correct; and
2. The subject's land area as indicated by R.O. Anderson Engineering and as recorded in Douglas County Records as Document Number 0575748 is correct; and



**CARSON VALLEY AREA MAP**



Reno ■ Lake Tahoe



BK- 1208  
 PG- 2549



### CARSON VALLEY AREA DESCRIPTION

The Carson Valley is a picturesque verdant valley located at the easterly base of the Sierra-Nevada mountain range in Douglas County, Nevada. The twin towns of Minden and Gardnerville are located in the center of this large agricultural valley. Minden is the County Seat of Douglas County, which encompasses portions of Lake Tahoe to the west and Topaz Lake to the south. Minden is located approximately 15 miles south of Carson City, 45 miles south of Reno and 18 miles east of Lake Tahoe.

#### History

The Carson Valley is considered the birthplace of Nevada. The first settlement, Mormon Station, was founded in 1851. Mormon Station was established as a trading post to serve the wagon trains as a resting place between the deserts of the Great Basin and the granite barricade of the Sierra. The original settlement was renamed Genoa in 1856. In 1861, Nevada's territorial government was established at Genoa. Over the old road skirting the west bank of the Carson River, thousands of immigrants moved southward to cross the Sierra. Pony Express riders used this route in 1860, switching in 1861 to the shorter Daggett Trail, now known as Kingsbury Grade.

Gardnerville is the elder of these two sibling towns, founded to serve the agricultural population of Carson Valley.

Minden, the seat of Douglas County since 1916, was named for a town in Westphalia, Germany, where the founder of the H.F. Dangburg Land and Livestock Company was born in 1829. The company established Minden in 1905 to provide terminal facilities for the Virginia and Truckee Railroad, which was then extending a branch line southward from Carson City.

#### Size and Climate

Carson Valley encompasses 751± square miles of land area and is bordered by the Sierra-Nevada mountain range to the west. The southerly and easterly borders of the Carson Valley are generally formed by the Pine Nut mountain range. The northerly bordered area of



the Carson Valley is formed by the foothills, which separate the Carson Valley from Carson City at Eagle Valley.

The valley floor elevation generally ranges from 4,625 feet to 4,750 feet above sea level. The Sierra-Nevada mountain range, situated to the west, rises to elevations exceeding 10,000 feet above sea level. The Pine Nut Mountains generally range in elevation from 7,000 feet to 9,450 feet above sea level.

The climate of the Carson Valley is considered to be mild. Seasonal summer temperatures involve warm days and cool nights. Winter days typically involve cool daytime weather with cold night temperatures. The average year-round temperature is 49.6 degrees.

The average annual precipitation is 9.37 inches. Occasional snows may be expected from December to April, but the ground accumulation is usually light and generally not long lasting. The average annual snowfall is 19.40 inches.

### Population

The 2002 to 2006 population of Douglas County as estimated by the Nevada State Demographer is set out on the following table:

#### Douglas County Population 2002 - 2006

Year	Population	% Inc.
2002	44,212	-
2003	45,603	3.1%
2004	47,803	4.8%
2005	50,108	4.8%
2006	51,770	3.3%
CAG		4.0%

As indicated from the table, the population has increased at reasonably strong levels in recent years, with a compound average annual growth of 4.0%. This population increase has



been consistent over the last 26 years. In 1980, the population was 19,421, which represents an increase of 3.84%.

### **Government**

Douglas County, established in 1862, is governed by a five member Board of County Commissioners who are elected for a term of four years. A County Manager is hired on a contract basis by the Commissioners. Advisory Boards have been created in Minden, Genoa, Gardnerville and the Kingsbury areas of Douglas County. Land development is regulated by means of a seven person Planning Commission. Law enforcement is provided by the Douglas County Sheriff's Department. Fire protection is provided by the East Fork Fire Protection District. Douglas County has 11 volunteer fire stations in the Carson Valley, which are supervised by the East Fork Fire Protection District.

### **Transportation**

Regional access to the Minden-Gardnerville area is provided by means of two major arterials, namely U.S. Highway 395 and State Route 88. U.S. Highway 395 runs centrally through the cities of Minden and Gardnerville in a northwesterly to southeasterly direction. U.S. Highway 395, between Minden and Carson City, is a four-lane, two-way divided asphalt-paved highway. The majority of U.S. Highway 395 south of Gardnerville involves a two-lane, two-way asphalt paved roadway. U.S. Highway 395 also serves as the main access street through Minden and Gardnerville. State Route 88 is a two-lane, asphalt paved roadway leading over the Carson Pass to the State of California to the west.

Access to the Lake Tahoe area from the Carson Valley is provided by State Route 207, the Kingsbury Grade. Kingsbury Grade is a two-lane, two-way asphalt paved roadway. U.S. Highway 395, State Route 88 and the Kingsbury Grade provide the Carson Valley with good accessibility to the surrounding region.

The Minden-Tahoe Airport is located approximately four miles north of the Town of Minden, and has three runways. The Airport has one 7,395-foot long runway, which is 100



feet wide and is lit to medium density with a beacon, which allows for fair weather night landings. One runway is 5,289 feet long and 75 feet wide and is unlit. The third runway is a dirt strip intended for glider use and is 2,600 feet long and 20 feet wide. There is no regularly scheduled air service to the Minden-Tahoe Airport; however, other services available include fuel, lubrication, aircraft repair, tie downs and charter rentals, including helicopters.

### **Industry**

The principal industry in the Carson Valley is agriculturally based and includes dairies, the raising of livestock and the growing of livestock feed. However, the Carson Valley is also developing an industrial base. Industrial users established in the area include Bently-Nevada, Aervoe-Pacific Company, and other Bently family companies. The Bently-Nevada Corporation, the first electronics firm to move to the Carson Valley, is located in the Town of Minden. This firm, which manufactures precision electronic parts and employs over 1,000 people, was purchased by General Electric in 2001. Aervoe-Pacific Company, which purchased the former Xebec facility, employs approximately 80 people.

Several areas in the Carson Valley have been designated for industrial development. Approximately 80 acres are zoned industrial in the vicinity of Warehouse Way at the extreme northerly end of the Carson Valley area. Approximately 800 acres surrounding the Douglas County Airport have been zoned Industrial and an assessment district has been created to provide municipal water and sewer service to the area. The Bently Science Park is located on Buckeye Road, east of Minden.

The Carson Valley Industrial Park is located approximately 10 miles south of Carson City on the north side of U.S. Highway 395 South. The Carson Valley Industrial Park is a 340-acre development with CC & Rs, and which are divided into smaller sites. The sites are sold with off-site improvements in place, including paved streets and curbs, municipal sewer and water, power, natural gas and telephone services stubbed inside the curb line of each parcel. The majority of the parcels developed in the Carson Valley Industrial Park involve light industrial and industrial/commercial utilizations. In March of 2003, a Starbucks



manufacturing plant, containing approximately 365,000 square feet, was completed near the north end of the Minden-Tahoe Airport within the Carson Valley Industrial Park.

The Meridian Business Park is a 166-acre development located near the Carson Valley Industrial Park on the east side of U.S. 395 along Airport Road. Warehouse rents in this park range from \$.25 to \$.27 per square foot for larger buildings of 150,000 square feet and up.

#### **School District**

The Douglas County School District provides primary and secondary education for the majority of the Douglas County students. The District provides occupational and technological education. The Valley supports one high school, two middle schools and four elementary schools. Remedial instruction and classes for the mentally disabled are also provided by the School District. Western Nevada Community College has provided courses to the Carson Valley for over 20 years and Douglas County campus opened in the fall of 1997. Full time collegiate level educational facilities are also located in Carson City at the Western Nevada Community College and in Reno at the University of Nevada.

#### **Lodging/Gaming and Entertainment**

The Carson Valley is served by eight motels and two bed and breakfast inns. The Carson Valley Inn, located along U.S. Highway 395 in Minden, provides 230 guest rooms, a casino, three restaurants and convention facilities. The only other casino in the Minden-Gardnerville area is Sharkey's Nugget. The Carson Valley Inn also has a recreational vehicle overnight park adjacent to their facility and a motor lodge. The Carson Valley Inn also includes a convenience store and self-service gas facility adjacent to their motor lodge.

Gross gaming revenues within the Carson Valley have shown reasonably strong growth over the last several years as evidenced in the following table.



**Carson Valley\***  
**Historical Gaming Win**

<u>Fiscal Year</u>	<u>Gaming Win</u>	<u>% Inc.</u>
2000/2001	\$ 90,382,151	---
2001/2002	\$ 96,501,478	6.77%
2002/2003	\$ 99,878,143	3.50%
2003/2004	\$ 106,920,957	7.05%
2004/2005	\$ 119,396,032	11.67%
2006/2007	\$ 124,697,367	4.44%
CAGR		6.65%
07/06 to 12/06	\$ 63,867,750	---
07/07 to 12/07	\$ 60,643,680	-5.05%

\* Includes Carson City, Minden, Gardnerville, and all areas of Douglas County except South Lake Tahoe

Source: Nevada Gaming Control Board

The strong growth rates is partially attributable to the opening of new neighborhood casinos in the market area, such as Casino Fandango at the south end of Carson City, which opened approximately four years ago, and Slot World at Highway 50 and Edmonds Avenue, which opened in 1999. The Carson Valley gaming market could experience a spike again if the proposed Jethro's Casino Hotel is constructed. This Beverly Hillbillies-themed project is just south of Carson City along U.S. 395 near Jacks Valley Road. The developers recently received Douglas County conditional approvals, but the project is still in the approval and entitlement stages. The development timing of this proposed casino is presently uncertain.

Bodine's casino recently opened at the southwest corner of Clear Creek Road and U.S. Highway 395, this is a good quality neighborhood casino.

In addition to gaming, there are several restaurants located in Minden and Gardnerville, as well as in Genoa, a short distance to the west. The area is noted for its Basque food and there are three restaurants featuring this cuisine. The two towns of Minden and Gardnerville have several parks, playground and recreational areas.



Douglas County also has an indoor swimming pool, which benefits all age groups within the community. This swimming pool features handicap facilities. Other recreational amenities include Walley's Hot Springs, a luxury spa located near Genoa. Topaz Lake, located approximately 20 miles south of Gardnerville, provides excellent fishing, boating and water-skiing.

Heavenly Mountain Resort, one of the largest ski resorts in the country, is located approximately 15 miles west of the Carson Valley at Lake Tahoe. Ski resorts in the Tahoe Basin offer opportunities for both beginning and expert alpine and cross-country skiers. The Carson Valley is also located relatively close to the central and northeastern parts of the State, which offer excellent bird and big game hunting.

#### **Utilities**

In the Carson Valley area, Sierra Pacific Power Company provides electrical service. Natural gas service, where available, is provided by Southwest Gas. Municipal sewer service, where available, is provided by the Minden-Gardnerville Sewer District facility and various general improvement districts.

Water service for the Minden area is provided by the Town of Minden Water Company and for the Gardnerville area by the Gardnerville Town Water Company. Both the Towns of Gardnerville and Minden provide garbage collection within their respective City limits. Garbage collection is provided for the rural areas by the Douglas Disposal Company. Telephone service is provided by Verizon Communications. Charter Communications provides cable television service to most of the residents of the Carson Valley.

#### **Government Taxation**

The State of Nevada has no corporate franchise tax, no personal income tax, no inheritance tax and no gift tax. There is a 6.75% sales and use tax on all consumer items except food. Property tax rates within Douglas County vary from \$2.6309 to \$3.6600 per



\$100 of assessed valuation. Assessed valuation is 35% of the taxable value of the land and improvements.

### Recent Development

The growth patterns of the area are primarily in north Douglas County where several commercial projects have opened within the last ten years. The first of these projects are in a Target and Home Depot center located along the west side of U.S. Highway 395 and Jacks Valley Road. Target opened in October of 1999, and the Home Depot store opened in the beginning of 2000. In addition, a Costco store opened shortly thereafter at the Spooner Summit junction. Wal-Mart relocated from Carson City and opened a large store, including a grocery component, at the north end of Douglas County in proximity to Home Depot and Target. One of the newest retailers to enter the market area is Trader Joe's, which opened in 2007 in the Carson Valley Plaza between the Home Depot/Target center and Wal-Mart. Some of the retailers in the Carson Valley Plaza include Cost Plus World Market, Bed, Bath & Beyond, Borders, Best Buy, Marshall's and many others. A Chili's Restaurant and an In-N-Out Burger are also located in this center. Additional retail stores and restaurants are planned for the near future. Other developments within the last ten years in the Carson Valley include the Williams Ridge Technology Park with 104,000± square feet of office and warehouse space, the Western Nevada Community College satellite campus in Gardnerville, and the Bently Science Park.

Retail development within the last ten years includes the Cinema 8 Theaters near the junction of Highway 88 and Highway 395 in the Ironwood Center. This project was completed in the spring of 1998. There are numerous other retail stores that opened near the cinemas. Developers at Walley's Hot Springs, near Genoa on Foothill Road, have completed at least 80 timeshare units in Phases One, Two, and Three. Eventual plans call for a total of 150 timeshare units.

The Minden Medical Center, with over 36,000 square feet of medical office space, opened in 1998. Adjacent to the Carson Valley Medical Center at the northwest corner of





U.S. Highway 395 and Virginia Ranch Road is 17,408± square foot medical office building, which was purchased by Barton Memorial Hospital. This building is used for physician office space and is managed by the administrator of the adjacent medical center.

Finally, there have been no new hotels that have opened in the Carson Valley within the last several years. The newest lodging facility is the 35-unit Historian Inn in Gardnerville, at the northeast corner of U.S. Highway 395 and Eddy Street. This property opened in 2000. An 83-unit Best Western Minden at 1795 Ironwood Drive opened in approximately 1992. There is also a Courtyard by Marriott that opened in April of 2008 near the south end of Carson City. The Carson Valley Inn in Minden originally opened in 1984 with 100 hotel rooms and a small casino with 150 slot machines and six table games. In 1994, the Carson Valley Inn completed an expansion that now includes a much larger casino with 650 slot machines, 11 table games, a sports book, three restaurants, three lounges and 228 hotel rooms (including the 76-room Carson Valley Lodge).

#### **Residential Real Estate Market**

From 2002 to mid-2005 the residential real estate market experienced significant appreciation. The Reno Sparks Association of Realtors has compiled data regarding sales of improved residential properties in the Carson Valley area in recent years. The following table represents sales data by year throughout the valley since 2000.



**Carson Valley Improved Residential Sales**

Year	Number of		Average Sales		Marketing	
	Sales	Increase	Price	Increase	Time	Increase
2000	682	N/A	\$212,344	#REF!	155	NA
2001	1055	54.69%	\$217,449	2.40%	114	-26.45%
2002	1056	0.09%	\$247,243	13.70%	109	-4.39%
2003	1136	7.58%	\$290,643	17.55%	110	0.92%
2004	1213	6.78%	\$367,118	26.31%	131	19.09%
2005	926	-23.66%	\$444,892	21.19%	119	-9.16%
2006	633	-31.64%	\$466,154	4.78%	146	22.69%
2007	505	-20.22%	\$422,442	-9.38%	173	18.49%
Jan-June 4, 2008	184	N/A	\$360,375	-14.69%	167	-3.47%

\* Data not available

The average sale price indicates an appreciating trend in Douglas County from 2002 through 2006. The peak building period in the valley took place from 2001 to 2004. During this time there was rapid growth in the Indian Hills, Johnson Lake, and Downtown areas. The average sales price reached a peak in 2006 at \$466,152 after steady growth since 2000. Number of sales peaked in 2004 at 1,213 sales. Since 2004 the number of sales has significantly decreased to 505 sales in 2007 while the marketing time has increased to the highest number of days since 2000. Thus far in 2008 the marketing time has remained high while the average sale price has decreased to \$360,375. The continued decrease in 2008 highlights the continuing soft market countrywide as a result of an unstable economy, the mortgage crisis, and substantially low consumer confidence. The softness seen in the above table is further supported by the number of residential building permits issued by Douglas County since 2000.



**Douglas County Residential Building Permits**

Year	Single Family	Duplex	Tri/Four-plex	Five +	Total	% Change
2000	542	0	0	104	646	N/A
2001	571	6	28	17	622	-3.72%
2002	672	4	0	0	676	8.68%
2003	527	4	71	27	629	-6.95%
2004	539	0	24	50	613	-2.54%
2005	539	0	24	50	613	0.00%
2006	588	2	0	0	590	-3.75%
2007	160	0	0	28	188	-68.14%
Jan - April 2008	19	0	0	5	24	-87.23%

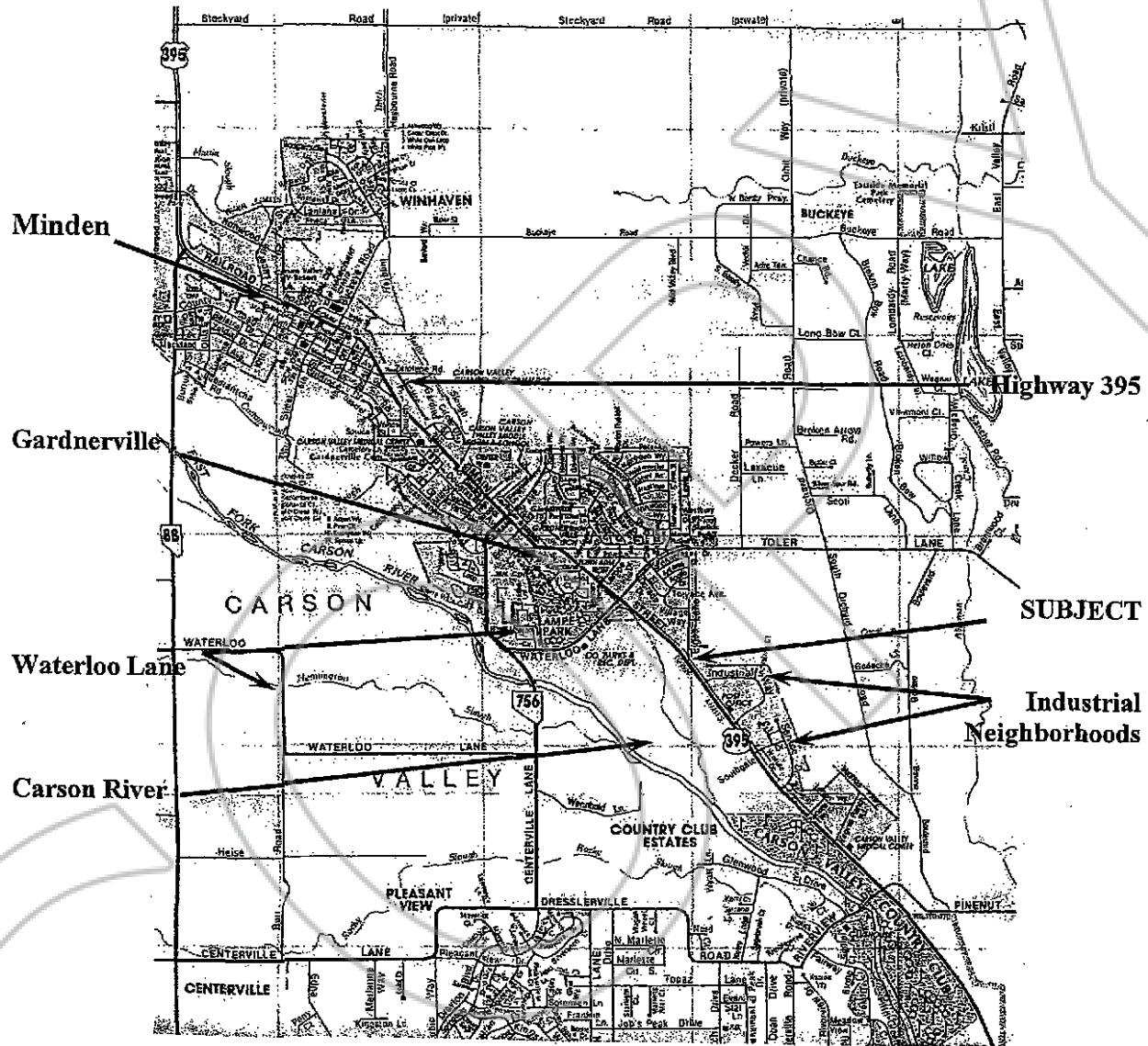
Generally, the number of building permits issued by Douglas County has remained stable during the 2000 to 2005 period. In 2006 there was a 3.75% decrease from 2004 and 2005 with the number of permits decreasing below 600. Although this decrease was minimal, it is believed to have been the start of the slowdown in building. In 2007 residential permits dwindled to 188 showing a drastic decrease of 68.14%. Thus far in 2008 it appears that the slowdown continues as there have only been 19 single family and one five-plex permits issued.

**Conclusion**

In summary, the Carson Valley involves a high desert area lying at the base of the Sierra Nevada Mountains, approximately 15 miles south of Carson City and approximately 45 miles south of Reno. The valley is primarily developed with agricultural and residential utilizations. The primary commercial utilizations are located in the towns of Gardnerville and Minden. Several areas in the Carson Valley also involve industrial utilizations. The Carson Valley area has experienced increases in population, which are substantially above the national average over the past several years. Given the significant new commercial development in the area, it is anticipated that economic growth will continue into the foreseeable future.



**NEIGHBORHOOD MAP**



Reno ■ Lake Tahoe



BK- 1208  
 PG- 2561

**NEIGHBORHOOD DESCRIPTION**

The subject property is located in the Town of Gardnerville, a twin city with the Town of Minden. The Towns of Minden/Gardnerville are located on both sides of Highway 395 extending from its intersection with State Route 88 near the northwest end of Minden to the southern end of the Gardnerville Ranchos. While there is single-family and multi-family residential development within the two towns, the Highway 395 corridor is predominantly commercial in terms of existing development and future planning under the proposed revised Master Plan. The heart of the two communities consists of older facilities, though some have been redeveloped with modern professional offices, retail shops and other consumer services.

The Town of Gardnerville contains many old buildings dating to its early agricultural days. Some of the buildings have been remodeled; some have been maintained in average condition; and others are in poor condition. The areas to the east and west of State Highway 395 are predominantly residential and agricultural. Chichester Estates, east of the highway, is a 210-acre, 900-unit, good quality single-family residential subdivision. It is the largest residential subdivision in Gardnerville.

Toward the southeastern end of town, near Waterloo Lane and Highway 395 is another area of commercial/retail development. One of the developments in this area is the Carson Valley Fair Shopping Center, which opened in July of 1990 and contains 117,542± square feet of retail space. Major tenants within this shopping center include Scolari's Market and Payless Drugs along with newer smaller tenants such as Starbucks. Nearby is an older shopping center known as the Valley Crescent V Center. This center was constructed in 1978. This incorporates Raley's as an anchor store, which was enlarged and substantially expanded in 1983. Smith's Food King, which contains 53,990± square feet of gross building area, is located on a site between Raley's and Scolari's Super Markets.

The southeast corner of Highway 395 and Waterloo Lane has also been developed with new office/retail uses. Lampe Plaza is located at the southwest corner of this intersection. It contains an AM/PM service station, Coyote Grill Restaurant, a tire store, and



several other retail businesses. It is a newer development, constructed in 2003. The northwest corner was developed in the past couple of years with a Walgreen's Drug Store.

This part of Gardnerville has been growing and expanding in recent years. In addition to the above described improvements, additional projects are planned with some currently under construction.

The newest lodging development is located in the Town of Gardnerville. This is the 35-room Historian Inn. This lodging facility has an attractive exterior décor that blends in well with the old architectural design of adjacent buildings, it was constructed in 2000.

At the southeast end of the Town of Gardnerville, there is industrial development along the east side of Highway 395. The Carson Valley Industrial park is older and incorporates structures of varying ages, quality and condition. The adjacent Southgate Service Park to the south is a more recent development with newer buildings and several lots still to be developed. The subject property is located adjacent to the Carson Valley Industrial park.

Located on Highway 395 near the southerly end of Industrial Way is the Meadowdale Center. This center includes a Post Office, theater and various other retail and commercial uses.

Further south along Highway 395, on the east side, is the Carson Valley Medical Center. Located adjacent to the medical center are medical office buildings and the Virginia Creek Continuing Care Retirement Community. Carson Valley Medical center purchased an adjacent property of about 35 acres in 2006 for future development of medical uses.

A 7-11 Convenience Store is located further south at the signaled intersection of Highway 395 and Riverview Drive. This intersection provides the main access to the



Gardnerville Ranchos residential subdivisions containing the largest concentration of single and multi-family residences in the Carson Valley.

Minden is the County seat for Douglas County and contains the county offices. Southwest of Highway 395 is an area of older Victorian style homes, many of which have been remodeled into office buildings. One of the more popular establishments in Minden is the Carson Valley Inn. This is a reasonably good quality, attractive casino with 152 hotel rooms. It was constructed in 1984 and expanded in 1993. As part of its expansion, the property owners constructed the Carson Valley Lodge, a 76-room motel located approximately 100 feet north of the Carson Valley Inn. A service station separates the Carson Valley Inn from the Carson Valley Lodge. Both properties are under the same ownership and management. In addition to the hotel rooms, the Carson Valley Inn has an RV park.

Other development at the northwest end of Minden includes an AM/PM service station and convenience store, a McDonald's fast food restaurant, an Arby's fast food restaurant (constructed in 2005), a branch office of Bank of America, a recently constructed branch office of Nevada State Bank, The Taco Maker fast food outlet, and two good quality professional office buildings.

The Ironwood Shopping Center is a newer development, located just north of the Town of Minden at the intersection of Highway 395 and State Route 88. This retail center includes a Big 5 store, a design shop, Dairy Queen, Wendy's, a bar and grill, other retail stores, and the Cinema 8 Theaters. Across Highway 395 is the Minden Medical Center, which opened approximately nine years ago.

Plans are currently underway to build a mixed-use center called the Minden Gateway Center, which is also at the junction of State Highway 88 and U.S. Highway 395. The project has received County design review approvals. The site contains 13.32± acres and is planned to involve a Holiday Inn Express & Suites, a grocery store, drug store, in-line retail space, and office space. According to the R.O. Anderson site plan, the project will include seven



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buildings with a total of nearly 200,000 square feet of gross building area. Construction has not yet started on this project, but it is anticipated that the proposed Holiday Inn Express & Suites will commence construction soon.

There is a variety of different style homes in the neighborhood, ranging from older homes, which are located between State Highway 88 and U.S. Highway 395, to newer modern subdivisions. Winhaven is a newer good quality single-family residential subdivision that is located to the northeast of the intersection of Highway 395 and Highway 88. Extending northwesterly toward Foothill Road from the junction of U.S. Highway 395 and State Highway 88, the development is primarily residential, ranging from newer very good quality homes to older average quality homes. Similar to most market areas throughout the nation, the residential market has slowed considerably over the last couple of years. However, given the extremely high home values and relatively finite supply of single-family and multi-family housing in the Tahoe Basin, the Carson Valley is a much more affordable alternative. Thus, as the demand for services increases on Lake Tahoe's south shore, the Carson Valley housing market should benefit.

There is a mix of professional office and multi-family land uses located along State Highway 88 near the U.S. 395/S.R. 88 junction. Commercial land values in this area generally range between \$14.00 to \$18.00 per square foot, depending on location and size.

In terms of locational advantages, the commercial area at the northwest end of Minden enjoys the advantage of being located on the main commuter routes to Carson City and Reno. Additionally, this area is closer to the most direct commuter routes to Lake Tahoe. On the other hand, the area at the southeast end of Gardnerville has the advantage of being closer to the main concentration of residential housing units in the Carson Valley. The Carson Valley incorporates a total of 9,223 residential units including single family, multiple family and mobile home residences. Approximately 59% of these are located to the south of this newly developing Gardnerville commercial area.





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Schools and busing are provided by the Douglas County School District. All utilities are immediately available within the subject neighborhood. Electricity is provided by Sierra Pacific Power Company and natural gas is provided by Southwest Gas. Water service is provided by the Gardnerville Town Water Company and sewer service is provided by the Minden-Gardnerville Sanitation District. Douglas Disposal provides solid waste disposal. Cable television service is provided by Charter Communications and telephone service is provided by AT&T. Fire protection is provided by the East Fork Fire Protection District, while police protection is provided by the Douglas County Sheriff's Department.

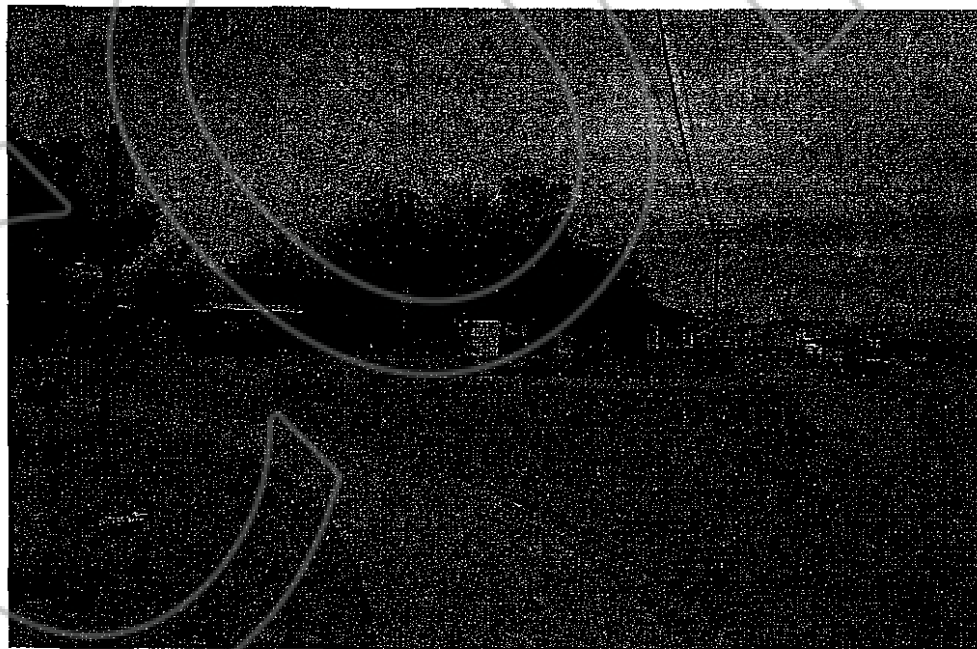
In summary, the subject neighborhood is located in the Minden/Gardnerville area, along U.S. Highway 395. The subject neighborhood is characterized by residential, commercial and industrial development interspersed with agricultural and undeveloped land.



**SUBJECT PROPERTY PHOTOGRAPHS**



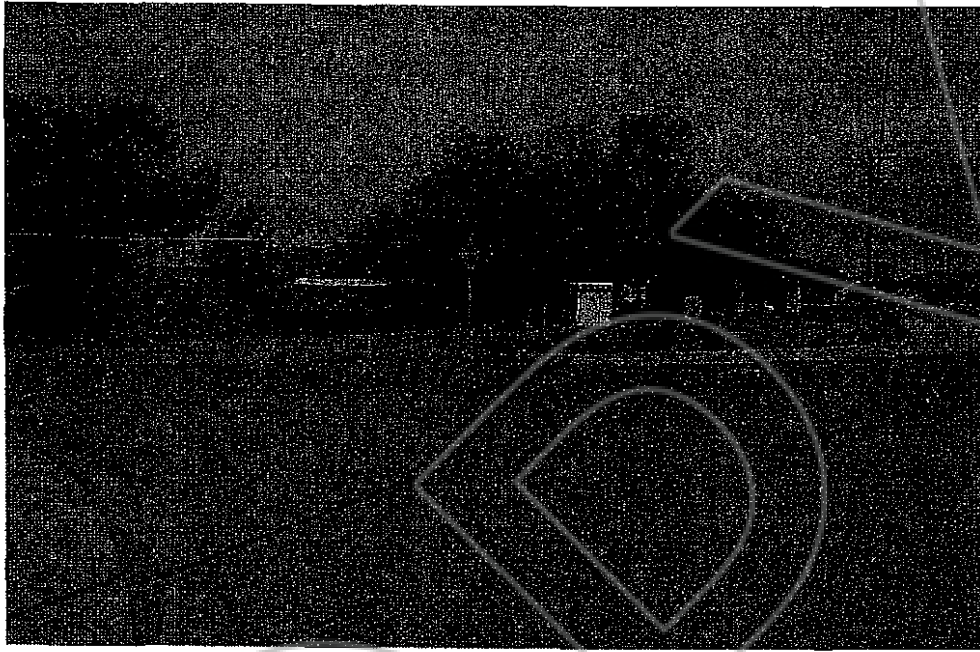
**STREET SCENE, LOOKING NORTHWESTERLY ALONG U.S. HIGHWAY 395,  
SUBJECT AT RIGHT OF PHOTO**



**STREET SCENE, LOOKING SOUTHEASTERLY ALONG U.S. HIGHWAY 395, THE  
SUBJECT IS TO THE LEFT OF THE HIGHWAY**



**SUBJECT PROPERTY PHOTOGRAPHS**



**VIEW OF SUBJECT PROPERTY LOOKING SOUTHERLY FROM NEAR THE  
NORTHERN BORDER OF THE SUBJECT**

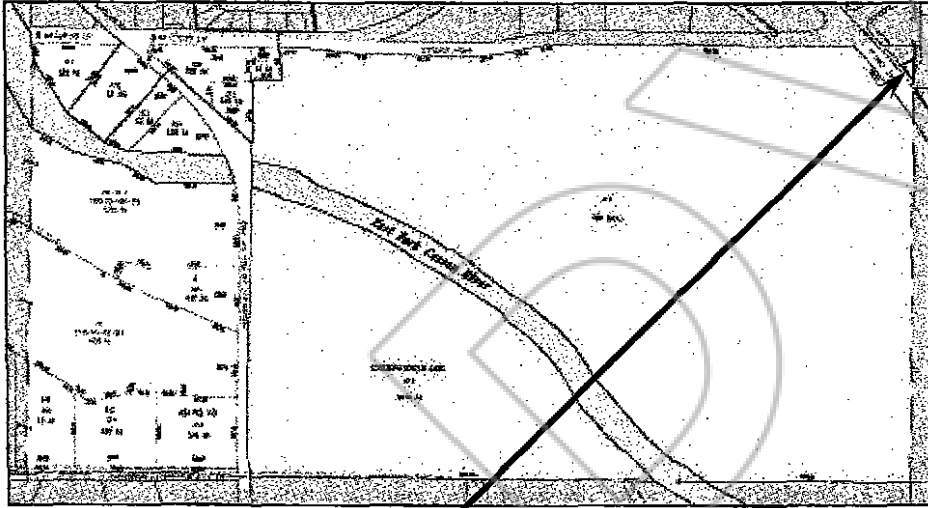


**VIEW OF SUBJECT PROPERTY LOOKING NORTHERLY FROM NEAR THE  
SOUTHERN BOUNDARY OF SUBJECT PROPERTY**



**ASSESSOR'S PARCEL MAP**  
**Douglas County A.P.N. 1220-04-002-018**

<p>Douglas County Assessor</p>	<p><b>Map Legend</b></p> <ul style="list-style-type: none"> <li>Parcel Boundary</li> <li>Parcel Number</li> <li>Highway</li> <li>Road Boundary</li> <li>Traverse/Property Line</li> <li>Open Space/Unimproved Land</li> <li>Shading Area</li> </ul>	<ul style="list-style-type: none"> <li>DC</li> <li>100</li> <li>20</li> <li>100</li> <li>1</li> <li>100</li> </ul>	<ul style="list-style-type: none"> <li>Parcel Name</li> <li>Parcel Address Number</li> <li>Parcel Address</li> <li>Parcel Lot Number</li> <li>Parcel Address</li> </ul>	<p>TOWN RANGE</p>	<p>SEC. 4</p>	<p>S 2 SEC.</p>	<p>1220-04-002</p>
				<p>Scale: 1" = 100'</p>			



**SUBJECT PROPERTY**

**AERIAL MAP<sup>2</sup>**



**SUBJECT PROPERTY**

<sup>2</sup> Aerial Map was provided by the Douglas County Assessor's Office and is assumed to be correct



**SITE MAP<sup>3</sup>**

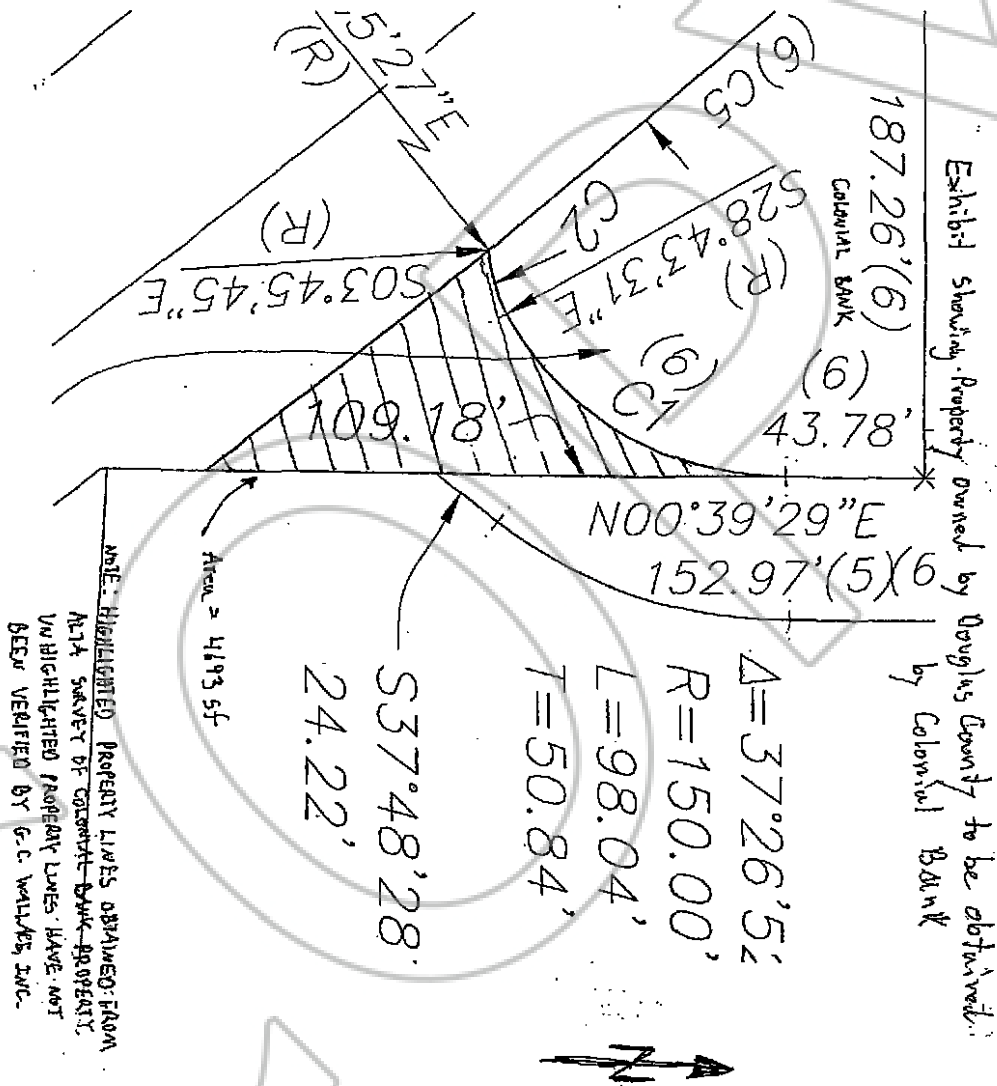


Exhibit showing Property owned by Douglas County to be obtained by Colonial Bank

**Total Land Area: 4,694± square feet**

<sup>3</sup> Provided by G.C. Wallace, Inc.



**SUBJECT PROPERTY IDENTIFICATION AND DESCRIPTION**

**Assessor's Parcel Number** 1220-04-002-018

**Location** Elges Avenue (abandoned) and U.S. Highway 395, Gardnerville, Douglas County, Nevada

**Legal Description** A Portion of the South ½ of Section 4, Township 12 North, Range 20 East, Douglas County, Nevada

**Owner of Record** Douglas County

**Total Land Area** 4,694± square feet (0.1078± acres)<sup>4</sup>

**Zoning**  
**Carson City** GC (General Commercial)

Land use in Douglas County, outside the Lake Tahoe Basin, is regulated by Douglas County authorities. According to the Douglas County Planning office, the subject property is located in a General Commercial District. The purpose of this district is to provide areas of development for a broad range of commercial, business wholesale, retail and service uses of a local and regional nature. Commercial uses allowed under this district include building contracting shops, car washes, pawn shops, printing and publishing establishments, thrift shops, used appliance shops, professional offices, banks, bars, building material and garden stores, convenience stores with gasoline sales, indoor theaters, mortuaries, restaurants, retail or personal service facilities, vehicle rental, vehicle service centers, veterinary clinics without holding facilities, bed and breakfast facilities, overnight lodging and resort lodge, conference center or guest ranches. Additional uses allowed include agricultural products retail outlets, animal keeping, commercial nurseries, limited agricultural uses, open agricultural uses, churches, community centers, day care centers, emergency care facilities, educational facilities, hospitals, post offices, health clubs, indoor recreation, membership clubs, parks and playing fields, public recreation centers, boarding houses, various utility and public service

<sup>4</sup> Land area was provided by G.C. Wallace, Inc. and is assumed to be correct.



uses, accessory agricultural retail sales, accessory dwellings, accessory outside storage, and other accessory structures.

**Topography**

The topography is basically level and at street grade. The property enjoys good views of the Sierra Nevada Mountains and the agricultural land across the highway.

**Vegetation**

The site has been leveled, cleared, paved (portion) and graveled (portion).

**Flood Zone**

According to the Federal Emergency Management Agency's Flood Insurance Map, Community Panel Number 32005C0265F, with an effective date of November 8, 1999, the subject property is located in Flood Zone AO. Flood Zone AO designates areas of 1% annual shallow flooding where average depths are between 1 and 3 feet. Mandatory flood insurance requirements apply.



### **Hazardous Substances**

Our standard on-site inspection of the subject property did not reveal any readily apparent evidence which would suggest the presence of contaminants or hazardous wastes on the subject property. However, it should be noted that these appraisers are not qualified to determine the presence of contamination. For the purposes of this appraisal, it is assumed that the value of the subject property is not negatively impacted by the existence of toxic materials or hazardous waste.

### **Earthquake Zone**

According to the most recent Uniform Building Code, the Carson Valley is located in Seismic Risk Zone 3. This zone encompasses areas which have a number of local faults and where there is a relatively strong probability of moderate to strong seismic activity. Seismic Risk Zone 3 is characteristic of the entire area. The Uniform Building Code requires special construction techniques as a result of earthquake hazards. Additionally, a structural engineer typically reviews plans for residential and commercial building in order to assess earthquake hazards.

For the purposes of this appraisal, it is assumed that the subject property is not affected by earthquake hazards to a greater degree than is typical for the Carson Valley.

### **Access and Exposure**

The property is located on the east side of U.S. Highway 395. A majority of the subject property consists of a portion of Elges Avenue (abandoned) which intersects with U.S. Highway 395 at the western border of the subject property. Access to the subject property is directly from U.S. Highway 395, which is a four-lane, two-way asphalt paved highway and the main thoroughfare through the subject neighborhood, as well as being an interstate highway which extends through California, Nevada, Oregon and Washington. Accordingly, the subject is considered to have good access. The property has good exposure, although due to its outlying location at the south end of Gardnerville, the exposure is somewhat inferior to





that of highway frontage properties in the more core neighborhoods of Gardnerville and Minden.

### **Encumbrances and Restrictions**

These appraisers were not provided with a *Preliminary Title Report* referencing the subject property.

Elges Avenue was abandoned in a resolution of abandonment filed in the official records of Douglas County as Document Number 0558501 in November of 2002. The abandonment included 17,068± square feet of land area of which 4,694± square feet is the subject property. Current access to Assessor's Parcel Number 1220-03-301-001 is installed through the subject property. We are aware of an access and public utility easement recorded as document number 0575748 in the official records of Douglas County. This easement encumbers a portion of the subject property. The easement is to the benefit of the adjacent property owner.

This appraisal report has been prepared based upon the assumption that there are no easements, encumbrances, or restrictions that would preclude utilization of the subject property in accord with its highest and best use. It is also assumed that title to the subject property is free, clear, and marketable.

### **Encroachments**

We observed no encroachments during our inspection of the subject property.

### **Improvements**

A majority of the subject property is improved with the abandoned Elges Avenue, which is a two lane asphalt paved street. The remainder of the subject has been graveled. A sidewalk and curb have been installed at Elges Avenue's (abandoned) intersection with U.S. Highway 395.



### **Utilities**

All utilities are immediately available to the subject property.

### **Surrounding Development**

The immediately surrounding development involves varied commercial utilization. A car wash/lube center and small car sales lot are located to the south. Additional surrounding development includes auto body shops, machine shops, a feed and supply company and similar utilizations. On the northeast corner of the southerly intersection of U.S. Highway 395 and Industrial Way is the Meadowdale Center which is a shopping center containing various retail outlets, a post office and a movie theater. The southeastern corner of this intersection is improved with a United Rentals business.

This area is located toward the southern end of Gardnerville. The area across U.S. Highway 395 from the subject neighborhood involves vacant agricultural land. A short distance to the south is the Carson Valley Medical Center and Virginia Ranch Professional Center. A short distance to the north of the subject, at the intersection of Waterloo Lane, are two shopping centers with supermarkets, fast food outlets and various other retailers. Overall, the quality of the surrounding development is average and is in average condition.

### **Subject Sales History**

The subject property has not transferred ownership in the last three years.

### **Tax Data**

As the subject property is owned by Douglas County, property taxes are not levied against this parcel. If the subject was to be sold to a private owner, the Douglas County Assessor's Office would assess the value of the subject property and levy property taxes against the subject property in accordance with applicable law(s).

Under Nevada State Law, the Douglas County Assessor's Office estimates the taxable value of the subject site through direct comparison with recent land sales in the area. A 35%

assessment ratio is then applied to the taxable value to arrive at the assessed value of the property.

In the 2005 Legislative session, a new law regulating increases in real property taxes was signed into law. The Governor signed AB 489 into law on April 6, 2005. This bill provides for a partial abatement of property taxes. The level of abatement is based on the type and use of the property.

For primary residences, the abatement equals the amount of taxes that exceed last year's tax bill plus 3%. If the property contains rental units and the rent on all units within the property are at or below the Market rent for the county in which the dwelling is located, as most recently published by the United States Department of Housing and Urban Development (HUD), the abatement equals the amount of taxes which exceed last year's tax bill plus 3%.

Most other properties (rental units where the rent exceeds the HUD guidelines, commercial, industrial, vacant land, mixed use, etc.) are subject to abatement at a higher level, which is calculated by comparing the lesser of;

1. The average percentage of change in the assessed valuation of all taxable property in the county as determined by the Department of Taxation, over the fiscal year in which the levy is made and the nine immediately preceding fiscal years; or
2. Eight percent; or
3. Twice the percentage of increase in the Consumer Price Index (All Items) for the immediately preceding calendar year, whichever is greater.

#### Summary

The subject property is a 4,694± square foot (0.1078± acre) vacant parcel located at the intersection of Elges Avenue (abandoned) and U.S. Highway 395, at the south end of Gardnerville. The subject property was created when Elges Avenue was abandoned in a resolution of abandonment filed in the official records of Douglas County as Document



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Number 0558501 in November of 2002. The subject property is a portion of the abandoned right-of-way area.

The subject enjoys frontage along U.S. Highway 395. It has good access and exposure. The topography is basically level. It has General Commercial zoning. The surrounding development involves varying commercial utilizations on the east side of the highway and agricultural land on the west side of the highway. The quality of the surrounding development is generally average. The property enjoys good views of the Sierra Nevadas and the agricultural land across the highway.



**HIGHEST AND BEST USE ANALYSIS**

Highest and best use is defined as that reasonable and probable use that will support the highest present value as of the effective date of valuation. Implicit in this definition is that the highest and best use must be physically possible, legally permissible, financially feasible and maximally productive. As the subject property is vacant, the highest and best use of the subject property as vacant will be analyzed.

The subject property involves a 4,694± square foot (0.1078± acre) parcel. It enjoys a good location on the corner of U.S. Highway 395 and Elges Avenue (abandoned) in the Town of Gardnerville, north of the Gardnerville Ranchos. It has level topography and is considered to have good access and exposure. All utilities are available. However, the subject property lacks sufficient depth and size to support most commercial utilizations.

With respect to legally permissible uses, the allowable land use for the subject property falls under the jurisdiction of Douglas County. The subject parcel is zoned GC (General Commercial). The purpose of the General Commercial district is to provide areas of development for a broad range of commercial, business, wholesale, retail and service uses of a local and regional nature. Accordingly, many such uses are allowed under this zoning. Commercial uses allowed under this district include building contracting shops, car washes, pawn shops, printing and publishing establishments, thrift shops, used appliance shops, professional offices, banks, bars, building material and garden stores, convenience stores with gasoline sales, indoor theaters, mortuaries, restaurants, retail or personal service facilities, vehicle rental, vehicle service centers, veterinary clinics without holding facilities, bed and breakfast facilities, overnight lodging and resort lodge, conference center or guest ranches. Additional uses allowed include agricultural products retail outlets, animal keeping, commercial nurseries, limited agricultural uses, open agricultural uses, churches, community centers, day care centers, emergency care facilities, educational facilities, hospitals, post offices, health clubs, indoor recreation, membership clubs, parks and playing fields, public recreation centers, boarding houses, various utility and public service uses, accessory



agricultural retail sales, accessory dwellings, accessory outside storage, and other accessory structures.

Consideration is also given to the access and public utility easement across the subject property for the benefit of the adjacent parcel (APN 1220-03-301-001). Accordingly, the development potential of the subject property is extremely limited. However, the adjacent property owner to the north, Colonial Bank, is interested in purchasing the subject property and utilizing it in conjunction with the two adjacent parcels to develop a bank building.

In analyzing an appropriate highest and best use for the subject property, consideration is given to the subject's location fronting on U.S. Highway 395 at the south end of Gardnerville. The surrounding development is primarily commercial/retail. Also nearby is medical utilizations associated with the Carson Valley Medical Center. The commercial/retail base is continuing to grow, most notably at the Waterloo Lane - U.S. Highway 395 area located a short distance north of the subject, and at the north end of Minden. Carson Valley Medical Center acquired an adjacent vacant parcel in 2006 (approximately 30 acres) for future medical related development. The subject is also located in reasonably close proximity to residential neighborhoods, which would provide a customer base for commercial utilizations of the site. As discussed in the *Area Description*, the population of Douglas County has been growing at a compound annual growth rate of 4.0%. Although the housing market has softened in the last year, the population is continuing to grow. The area is popular both with young families and retirees. Accordingly, there is a positive expectation for continued future growth in the subject neighborhood.

Based upon a review of the available data, and with consideration given to the subject's limited size, surrounding development, and zoning, it is our opinion that the highest and best use for the subject site is for assemblage of the adjacent two parcels (APNs 1220-04-602-014/15) and the subject property into one project area, and utilizing the site for commercial development. The subject project area is depicted on the following map.



**AERIAL MAP OF PROJECT AREA**

Red Line Indicates Boundary of Project Area



The subject project area is also identified in the below chart.

**Summary of Project Area**

Component	Assessor's Parcel Number	Land Area
Adjacent Parcels	1220-04-602-014	51,836 ± Square Feet
	1220-04-602-015	43,124 ± Square Feet
Subject	1220-04-002-018	4,693 ± Square Feet
<b>Total Subject Project Area</b>		<b>99,653 ± Square Feet</b>

As indicated on the above map and chart, the subject project area is composed of 99,654± square feet of land area, has frontage along and access from U.S. Highway 395 and Stodick Parkway.



**INTRODUCTION TO VALUATION ANALYSIS**

There are three Approaches to Value that are considered in valuing real property. These Approaches include the Cost Approach to Value, the Income Approach to Value and the Sales Comparison Approach to Value. As the subject property involves vacant land, the Cost Approach is not considered to be applicable and has not been utilized. Furthermore, because vacant land is not typically bought and sold based upon its income-producing capabilities, the Income Approach to Value has not been utilized.

In order to determine an appropriate Market Value for the subject property, the Sales Comparison Approach has been utilized. In the Sales Comparison Approach analysis, comparable vacant land sales will be analyzed and compared to the subject's project area. The subject's project area is composed of the subject property and two adjacent parcels. Previously, it was determined that the Highest and Best Use for the subject property was for assemblage with two adjacent parcels and development as one project area. The three parcels that compose the project area are summarized below.

**Summary of Project Area**

Component	Assessor's Parcel Number	Land Area
Adjacent Parcels	1220-04-602-014	51,836 ± Square Feet
	1220-04-602-015	43,124 ± Square Feet
Subject	1220-04-002-018	4,694 ± Square Feet
<b>Total Subject Project Area</b>		<b>99,654 ± Square Feet</b>

As indicated above, the project area is composed of 99,654± square feet. It has frontage along and access from both U.S. Highway 395 and Stodick Parkway. Market Value for the project area will be determined based upon Market Value per square foot of land area.

Once market value is determined for the subject project area, the subject property's land area will be multiplied by the market value per square foot of the project area to arrive at Market Value of the subject property.





**SALES COMPARISON APPROACH TO VALUE**

The project area involves 99,654± square feet (2.29± acre) parcel of undeveloped land located on the southeast corner of U.S. Highway 395 and Stodick Parkway, at the south end of Gardnerville. The property has General Commercial zoning. The highest and best use was determined to be for commercial development of the project area.

In order to establish an estimate of the unencumbered fee simple Market Value of the project area by the Sales Comparison Approach to Value, these appraisers researched the Official Records of Douglas County as well as the local multiple listing service for sales and listings of vacant commercial land. The comparables set forth on the following chart are felt to be the best indicators of an appropriate value for the subject property, as of June 6, 2008. All of the comparables are located along Highway 395 in Gardnerville and Minden, and have general commercial zoning. The sales will be compared to the subject on a price per square foot of land area basis.



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**COMPARABLE LAND SALES CHART**

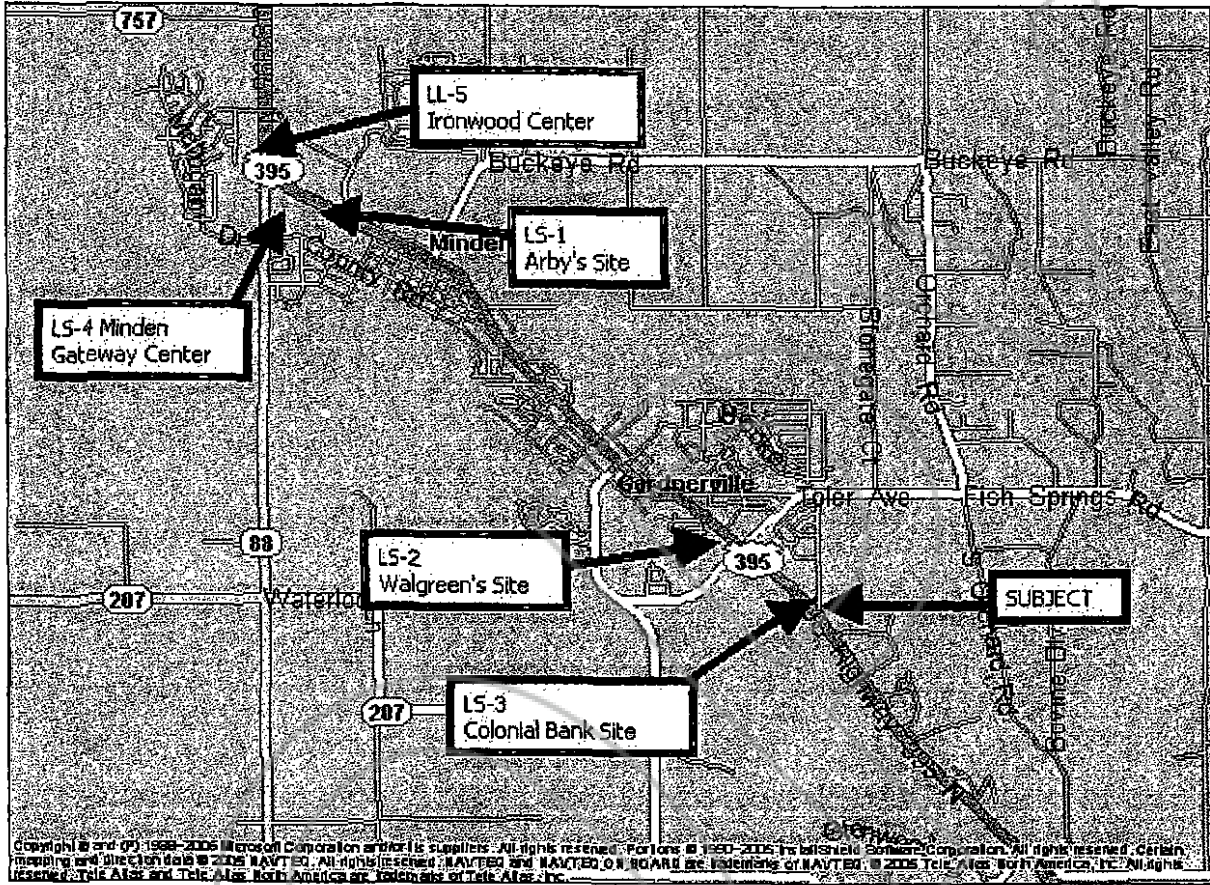
Sale No.	Property Identification	Sale Date	Sale Price	Land Area	Sale Price Per S.F.
LS-1	Arby's Site 1680 Hwy. 395 Minden, Nevada 1320-30-701-014	12-29-04	\$450,000	.67± ac. 29,185± s.f.	\$15.42
LS-2	Walgreen's Site 1346 U.S. Hwy. 395 Gardnerville, Nevada 1220-04-501-007 and 008 (now 018)	09-29-05	\$1,872,500	1.95± ac. 84,942± s.f.	\$22.04
LS-3	Colonial Bank Site 1299 Hwy. 395 Gardnerville, Nevada 1220-04-602-014 and 015	07-17-06	\$1,430,445	2.20± ac. 94,960± s.f.	\$15.06
LS-4	Minden Gateway Center Junction of State Highway 88 and U.S. Hwy. 395 Minden, Nevada 1320-30-701-001 to 005, 012, 013, 015 and 1320-30-802-001	08-15-07	\$7,265,000	13.30± ac. 579,348± s.f.	\$12.54
LL-5	Ironwood Center 1752 Hwy. 395 Minden, Nevada 1320-30-211-103	Current Listing	\$495,000	.58± ac. 25,265± s.f.	\$19.59
Project Area	Colonial Bank Site 1299 Hwy. 395 Gardnerville, Nevada 1220-04-602-014/015 and 1220-04-002-018	DOV 06-06-08	---	2.29± ac. 99,653± s.f.	---
Subject	Elges Avenue and Hwy. 395 Gardnerville, Nevada 1220-04-002-018	DOV 06-06-08	---	0.1078± ac. 4,694± s.f.	---

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BK- 1208  
PG- 2583

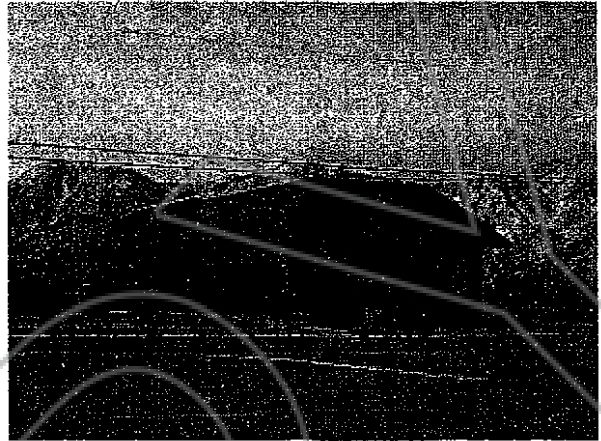
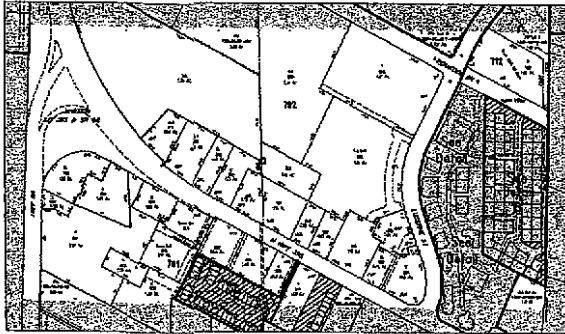
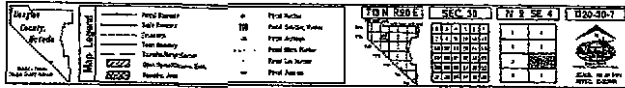
**COMPARABLE LAND SALES MAP**



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## COMPARABLE LAND SALE PROFILE SHEET (SALE LS-1)



<b>Property Address:</b>	1680 Highway 395	<b>City:</b>	Minden
<b>Location:</b>	600± feet east of the intersection of US 395 and SR 88	<b>County:</b>	Douglas
<b>A.P.N.s:</b>	1320-30-701-014	<b>State:</b>	Nevada
<b>Topography:</b>	Basically level	<b>Legal Description:</b>	A Portion of S 30, T 13, R 20 Douglas County, Nevada
<b>Total Land Area:</b>	29,185± s.f. .67± ac.	<b>Sale Price:</b>	\$450,000
<b>Zoning:</b>	General Commercial	<b>Sale Price per Square Foot of Land Area:</b>	\$15.42
<b>Sale Date:</b>	12-29-04	<b>Document Number:</b>	633290
<b>Grantor:</b>	Raymond D. May	<b>Terms of Sale:</b>	Cash to Seller
<b>Grantee:</b>	Dennis & Jolie McDuffee Et Al	<b>Verification:</b>	Dennis McDuffie, buyer

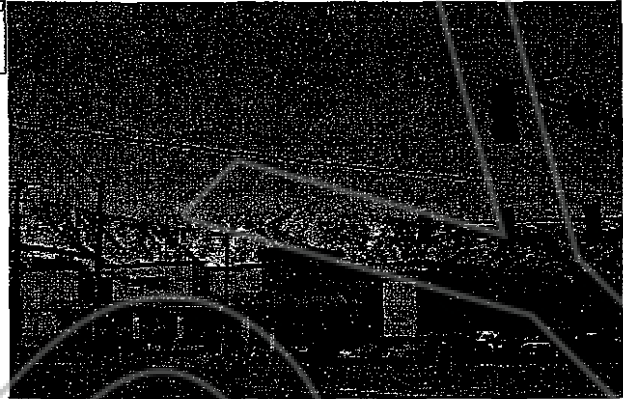
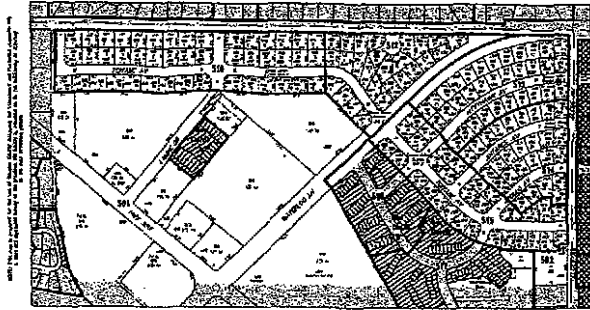
This site has been subsequently improved with an Arby's fast food restaurant. It is located along U.S. Highway 395, near the junction with State Highway 88. It enjoys very good highway visibility and convenient access. This site is within the 100-year flood plain, and the buyer paid an additional \$70,000 to elevate it above the 100-year flood plain.



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## COMPARABLE LAND SALE PROFILE SHEET (SALE LS-2)



<b>Property Address:</b>	1346 Highway 395	<b>City:</b>	Gardnerville
<b>Location:</b>	Southwest corner of Waterloo Lane and U.S. Highway 395	<b>County:</b>	Douglas
<b>A.P.N.s:</b>	1220-04-501-007 and 008 (now 018)	<b>State:</b>	Nevada
<b>Topography:</b>	Basically level	<b>Legal Description:</b>	A Portion of S 30, T 12, R 20 Douglas County, Nevada
<b>Total Land Area:</b>	84,942± s.f. 1.95± ac.	<b>Sale Price:</b>	\$1,872,500
<b>Zoning:</b>	General Commercial	<b>Sale Price per Square Foot of Land Area:</b>	\$22.04
<b>Sale Date:</b>	09-29-05	<b>Document Number:</b>	656267
<b>Grantor:</b>	Roy & Madelena Farrow	<b>Terms of Sale:</b>	Cash to Seller
<b>Grantee:</b>	Bencor/Waterloo LP	<b>Verification:</b>	County Records and interviews with several Realtors
<p>This site has subsequently been improved with a Walgreen's drug store. It enjoys level topography, and is located at the major intersection of Waterloo Lane and U.S. Highway 395. As such, this site enjoys excellent visibility from both commercial arteries.</p>			

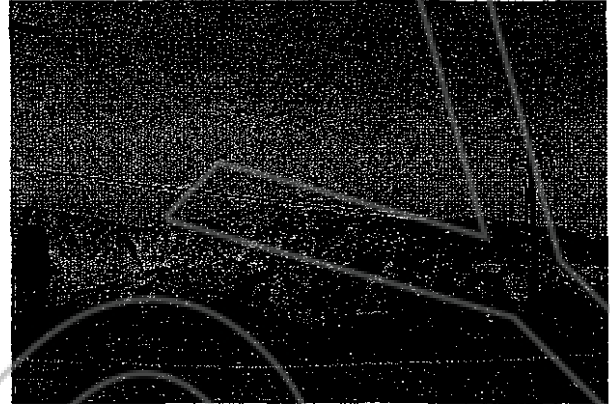
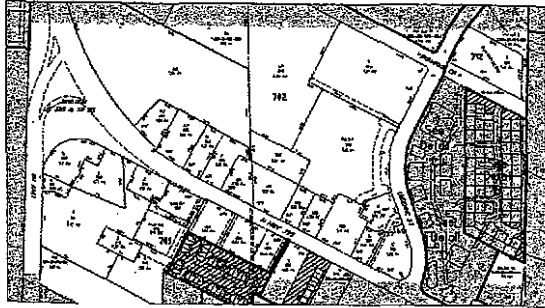




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## COMPARABLE LAND SALE PROFILE SHEET (SALE LS-4)



<b>Property Address:</b>	Various	<b>City:</b>	Minden
<b>Location:</b>	Junction of State Highway 88 and U.S. Highway 395	<b>County:</b>	Douglas
<b>A.P.N.s:</b>	1320-30-701-001 to 005, 012, 013, 015 and 1320-30-802-001	<b>State:</b>	Nevada
<b>Topography:</b>	Basically level	<b>Legal Description:</b>	A Portion of S 30, T 13, R 20 Douglas County, Nevada
<b>Total Land Area:</b>	579,348± s.f. 13.30± acres	<b>Sale Price:</b>	\$7,265,000
<b>Zoning:</b>	General Commercial	<b>Sale Price per Square Foot of Land Area:</b>	\$12.54
<b>Sale Date:</b>	08-15-07	<b>Document Number:</b>	707570
<b>Grantor:</b>	Maddax, LLC	<b>Terms of Sale:</b>	Cash
<b>Grantee:</b>	Minden Gateway Center, LLC	<b>Verification:</b>	Dennis McDuffie, seller
<p>The comparable is intended to be subdivided into ten building pads. Land uses are to include a Holiday Inn Express, a grocery store, drug store, retail, and office space. Although the comparable is within the 100-year flood plain, there was enough fill on the site to elevate it above the flood plain. The fill currently remains in dirt piles throughout the site.</p>			

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BK- 1208  
PG- 2588





**COMPARABLE LAND SALES DISCUSSION AND COMPARISON**

As indicated on the chart and sale profile sheets, we have identified five comparables, four of which are sales and one that is a listing. The dates of sale occurred between December of 2004 and August of 2007. The listing is current as of the date of value. The sale prices range from \$12.54 to \$22.04 per square foot. The following discussion analyzes and compares the comparables to the subject's project area. Qualitative adjustments are made for a number of factors, such as date of sale, size, highway frontage, and conditions of sale.

**Sale LS-1** is the Arby's site, at 1680 U.S. Highway 395. In comparison to the subject project area, a slight upward adjustment is made for the 2004 date of sale. An additional upward adjustment is made for the subject project area's superior corner location. On the other hand, a large downward adjustment is appropriate for the comparable's smaller size, at 0.67± acres, compared to the subject's 2.29± acres.

Overall, this comparable's \$15.42 sale price per square foot is a reasonable to slightly high indicator of value for the subject project area.

**Sale LS-2** is the Walgreens site located at 1346 U.S. Highway 395 in Gardnerville. In comparison to the subject project area, no upward adjustments are made. On the other hand, a downward adjustment is appropriate for the comparable's superior exposure at the fully signalized major intersection of Waterloo Lane and U.S. Highway 395. Finally, a strong downward adjustment is made for the conditions of sale. The buyer intended to construct a building for Walgreens and enter into a long term lease. Given the lucrative nature of Walgreens leases, the buyer was extraordinarily motivated to quickly purchase the site and construct the Walgreens building. In other market areas, Walgreens sites have sold at prices that are well above the market.

Overall, this comparable's \$22.04 sale price per square foot is a very high indication of value for the subject project area.



**Sale LS-3** is the Colonial Bank site at 1299 U.S. Highway 395 in Gardnerville. This sale composes a majority of the subject project area. In comparison to the subject project area a slight upward adjustment is made for the superior access enjoyed by the subject project area as a result of owning the access to U.S. 395 from Elges Avenue (abandoned). On the other hand, a slight downward adjustment is made for the comparable's 2006 date of sale. As we believe the market for commercial real estate in the Carson Valley has softened since 2006.

Overall, this comparable's \$15.06 sale price per square foot is a good indication of value for the subject project area.

**Sale LS-4** is the sale of the Minden Gateway Center. This sale is located near the intersection of Highway 88 and Highway 395. The buyer planned to develop a mixed use center including restaurant(s), a hotel, and retail utilizations. In comparison to the subject project area, a very large upward adjustment is made for the comparable's much greater size at 13.30± acres. On the other hand, a downward adjustment is made for the comparable's superior location near the intersection of Highway 88 and Highway 395.

Overall, this comparable's \$12.54 sale price per square foot is a low indicator of value for the subject project area.

**Listing LL-5** is the 0.58± acre site in front of the Ironwood Center in Minden. In comparison to the subject project area, no upward adjustments are made. On the other hand, downward adjustments are made for the comparable's much smaller size and status as a listing.

Overall, this comparable's asking price, at \$19.59 per square foot, is a high indication of value for the subject project area.

In summary, we have identified four sales and one listing. The sale prices range from \$12.54 per square foot to \$22.04 per square foot. Sale LS-2, at \$22.04 per square foot, is a



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very high indication of value, primarily due to the conditions of sale and its location at the major signalized intersection of Waterloo Lane and U.S. Highway 395. Listing LL-5, at \$19.59 per square foot, is a high indication of value for the subject, primarily due to its smaller size and status as a listing. Sale LS-4, at \$12.54 per square foot, is a low indicator of value for the subject, primarily due to its much larger size.

Sale LS-1, at \$15.42 per square foot, is a good to slightly high indicator of value for the subject due to mitigating upward and downward qualitative adjustments.

Sale LS-3, at \$15.06 per square foot, is a good indicator of value for the subject, because of offsetting minor upward and downward adjustments.

In the final analysis, consideration is given to the subject project area's good location at the southeast corner of Stodick Parkway and U.S. Highway 395, with access available from both U.S. Highway 395 and Stodick Parkway.

Based upon a careful review and analysis of comparable sales data, it is our opinion that the "As Is" Market Value of the subject Project Area is \$15.00 square foot.

**MARKET VALUE OF SUBJECT PROJECT AREA      \$15.00 PER SQUARE FOOT**

The subject property comprises 4,694± square feet of the 99,654± square foot project area which was valued in the previous analysis. It is felt that the subject property contributes an equal proportion of value to the overall project area due its frontage along, and access point from, U.S. Highway 395. Therefore, applying the \$15.00 per square foot value to the subject site's 4,694± square feet of land area results in a final value conclusion as of June 6, 2007 of \$70,410, which will be rounded to \$70,000.

**FINAL MARKET VALUE CONCLUSION      \$70,000**



**EXPOSURE TIME ANALYSIS**

Exposure time is defined in the Uniform Standards of Professional Appraisal Practice as "The length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of appraisal; a retrospective estimate based upon an analysis of past events assuming a competitive and open market."

In general, properties listed for sale at a price above market value will require an extended exposure time. Conversely, properties listed for sale at a price below market value will usually require a relatively short exposure time. Based upon the opportunity to develop a commercial utilization at a corner location along U.S. Highway 395, the estimated exposure time could be reasonably short. On the other hand, the current credit crunch and uncertainty in the national economy could extend the exposure time.

Based on these considerations, it is our opinion that a reasonable exposure time for this property is one year or less.

**EXPOSURE TIME**

**ONE YEAR OR LESS**



**APPRAISERS' CERTIFICATION**

Each of the undersigned does hereby certify that, to the best of his/her knowledge and belief:

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

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

The reported analyses, opinions, and conclusions in this review report are limited only by the reported assumptions and limiting conditions stated in this review report 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 appraisal report and no personal interest with respect to the parties involved.

I have no bias with respect to any property that is the subject of this appraisal 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 developing 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.

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

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*.

The Appraisal Institute conducts a mandatory program of continuing education for its designated members. As of the date of this report, Daniel B. Oaks has completed the requirements under the continuing education program of the Appraisal Institute.

The Appraisal Institute has the right to review this appraisal report.



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The property which is the subject of this appraisal report was valued as of June 6,  
2008, at:

**SEVENTY THOUSAND DOLLARS**  
**(\$70,000)**

Respectfully Submitted,

*Daniel B. Oaks*

Daniel B. Oaks, MAI  
Nevada Certified General Appraiser  
License Number A.0003474-CG

*Benjamin Q. Johnson*

Benjamin Q. Johnson  
Nevada Registered Intern Appraiser  
License Number A.0007242-INT



**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**

The liability of Johnson-Perkins & Associates, Inc. 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 law suit 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 law suits.

**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.

The Bylaws and Regulations of the Appraisal Institute require each Member and Candidate to control the use and distribution of each appraisal report signed by such Member or Candidate. Except as hereinafter provided, the client may distribute copies of this appraisal report in its entirety to such third parties as he may select. However, selected portions of this appraisal report shall not be given to third parties without the prior written consent of those signing the appraisal report. Neither all nor any part of this appraisal report shall be disseminated to the general public by use of advertising media, public relations media, news media, sales media, or other media for public communication without the prior written consent of the appraisal firm.

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



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**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. 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 & Associates, Inc. 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 because of any subpoena, 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. The reliability of the information contained on any such map or drawing is assumed accurate by the appraiser and is not guaranteed to be correct.





**TITLE, LEGAL DESCRIPTIONS, AND OTHER LEGAL MATTERS**

No responsibility is assumed by the appraiser(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 site 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 any toxic materials and/or conditions such as asbestos, urea-formaldehyde foam insulation, or soils or ground water contamination on any land or improvements described in the appraisal report. Before committing funds to any property, it is strongly advised that appropriate experts be employed to inspect both land and improvements for the existence of such toxic materials and/or conditions. If any toxic materials and/or conditions are present on the property, the value of the property may be adversely affected and a 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, sub-surface rights (mineral and oil) were not considered in making this appraisal. Unless otherwise noted, the land and the soil in the area being appraised appeared to be firm, but no investigation has been made to determine whether or not any detrimental sub-soil conditions exist. 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.

### **LEGALITY OF USE**

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

### **COMPONENT VALUES**

If the total property value set forth in this report is distributed between land and improvements, this distribution applied only under the existing program of utilization as set forth in the appraisal. The separate valuations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.



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**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.

**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. They 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.

**EXCLUSIONS**

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

**PROPOSED IMPROVEMENTS, CONDITIONED VALUE**

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



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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.

**CHANGES AND MODIFICATIONS**

The appraiser(s) reserves the right 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 when the appraisal report was prepared.



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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  
DANIEL B. OAKS**

**Professional Designations**

MAI – Member Appraisal Institute  
MAI Designation Number 12360

2005

**State Licensing and Certification**

Certified General Appraiser – State of Nevada  
License Number A.0003474-CG  
(Certified through February 28, 2010)

Certified General Appraiser – State of California  
License Number AG041360  
(Certified through October 12, 2008)

**Appraisal Education & Technical Training**

Appraisal Institute 1992  
Course 110 "Real Estate Appraisal Principles"  
(Challenged course)

University of Nevada, Las Vegas 1992  
Real Estate Finance (Finance 400 course)

Appraisal Institute 1994  
Course 410 "Standards of Professional  
Appraisal Practice-Parts A & B"

Appraisal Institute 1998  
Course 120 "Valuation Procedures"

Appraisal Institute 1998  
Course 310 "Basic Income Capitalization"

Appraisal Institute 1999  
Course 320 "General Applications"

Appraisal Institute 1999  
Course 510 "Advanced Income Capitalization"



**QUALIFICATIONS OF APPRAISER**  
**DANIEL B. OAKS cont.**

Las Vegas Chapter Appraisal Institute 1999  
Nevada Revised Statutes

Appraisal Institute 2000  
Course 520 "Highest and Best Use/Market Analysis"

**Appraisal Education & Technical Training Continued**

Appraisal Institute 2002  
Course 540 "Report Writing and Valuation Analysis"

Appraisal Institute 2003  
Course 550 "Advanced Applications"

Appraisal Institute 2004  
Course 530 "Advanced Sales Comparison and Cost Approaches"

**Formal Education**

University of Nevada, Las Vegas 1981  
Bachelor of Science, Hotel Administration

Capuchino High School 1977  
San Bruno, California

**Occupational History**

Johnson - Perkins & Associates, Inc. 1/97-Present  
Timed Resources of Northern California (Owner) 10/95-4/97  
Caesars World, Assistant Vice President 8/94-9/95  
Coopers & Lybrand, LLC, Managing Associate 11/90-08/94  
Laventhol & Horwath, Senior Consultant 1/90-11/90  
Pannell Kerr Forster, Manager 3/84-1/90



**QUALIFICATIONS OF APPRAISER  
BENJAMIN Q. JOHNSON**

**State Licensing and Certification**

Certified General Appraiser – State of California  
License Number AG043925  
(Certified through April 29, 2010)

Appraisal Intern-State of Nevada  
License #A.0007084-INT  
(Certified through November 30, 2008)

**Professional Experience**

General Electric Finance Intern	2002-2004 (Summers Only)
Johnson-Perkins & Associates, Inc.	2005-Present

**Formal Education**

George Whittell High School – Zephyr Cove, NV High School Diploma	2002
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Santa Clara University – Santa Clara, CA Bachelor of Science in Commerce; Majoring in Economics	2005
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**Appraisal Education**

Appraisal Institute <sup>1</sup>	
Basic Appraisal Principles	2006
Basic Appraisal Procedures	2006
15 Hour National USPAP Course	2006
Business Practices and Ethics	2007
Advanced Income Capitalization	2007
General Market Analysis and Highest & Best Use	2007
Advanced Sales Comparison & Cost Approaches	2007
Report Writing and Valuation Analysis	2007
Advanced Applications	2007

Kaplan Professional Schools Nevada Appraisal Law	2006
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<sup>1</sup> The exams for the following classes were successfully challenged: Advanced Income Capitalization, General Market Analysis and Highest & Best Use, Advanced Sales Comparison & Cost Approaches, and Advanced Applications.





COPY

**CERTIFIED COPY**

The document to which this certificate is attached is a full, true and correct copy of the original on file and on record in my office.

DATE: Dec 10, 2008

Tracy Clerk of the 4th Judicial District Court of the State of Nevada, in and for the County of Douglas.

By Carol M. Gulick Deputy



BK- 1208  
PG- 2606