

DOC # 0788701
08/29/2011 09:09 AM Deputy: SD
OFFICIAL RECORD
Requested By:
DC/COUNTY MANAGER

Assessor's Parcel Number: N/A

Date: AUGUST 26, 2011

Recording Requested By: _____

Name: LISA GRANAHAN, CO MANAGER'S OFFICE

Address: _____

City/State/Zip: _____

Real Property Transfer Tax: \$ N/A

Douglas County - NV
Karen Ellison - Recorder
Page: 1 Of 144 Fee: 0.00
BK-0811 PG- 5293 RPTT: 0.00



FUNDING AGREEMENT #2011.217
(Title of Document)

A Funding Agreement Between the State of Nevada
Acting By and Through Its Division of State Lands and the
Conservation and Resource Protection Grant Program
(Grantor)

901 S Stewart St., Suite 5003, Carson City, NV 89701
phone: (775) 684-2720
fax (775) 684-2721

And

Douglas County
(Grantee)

P O Box 218, Minden, NV 89423
phone (775) 782-6268
fax: (775) 782-6255

Handwritten signature
STATE LAND REGISTRAR

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FOR PURPOSES OF acquiring conservation land including undeveloped floodplain along the Martin Slough within the property known as the Seeman Ranch in the vicinity of Minden, Nevada; APN's 1320-29-301-007 and 1320-29-402-014

WHEREAS, at the general election on November 5, 2002 Nevada's voters approved a conservation initiative generated by Assembly Bill 9, Statutes of Nevada, 17th Special Session of the 2001 Nevada State Legislature, Chapter 104, referred to as Question 1, and authorized the issuance of general obligation bonds in the face amount of \$200,000,000 to carry out this program; and
WHEREAS, the Nevada legislature authorized the State Land Registrar to establish a conservation and resource protection grant program and administer the issuance of general obligation bonds in the face amount of \$65,500,000; and
WHEREAS, \$20,000,000 of the above \$65,500,000 is allocated to the acquisition of land and water, or interests in land and water to protect and enhance wildlife habitat, sensitive or unique vegetation, historic or cultural resources, riparian corridors, wetlands and other environmental resources pursuant to an adopted open-space plan.
WHEREAS, the State Land Registrar has determined this project is both necessary and in the best interests of the State of Nevada;

NOW, THEREFORE, in consideration of the aforesaid premises, the parties mutually agree as follows:

1. REQUIRED APPROVAL. This Funding Agreement shall not become effective until and unless approved by the State Land Registrar and the governing body of Douglas County.
2. DEFINITIONS. "Grantor" means the State of Nevada and the Division of State Lands, its officers and employees. "Grantee" means Douglas County. "Parties" means the Grantor and Grantee.
3. FUNDING AGREEMENT TERM. This Funding Agreement shall be effective from January 1, 2009 to December 31, 2011, unless sooner terminated by either party as specified in paragraph 10 herein.

4. NOTICE. All notices or other communications required or permitted to be given under this Funding Agreement shall be in writing and shall be deemed to have been duly given if delivered personally in hand, by telephonic facsimile with simultaneous regular mail, or mailed certified mail, return receipt requested, postage prepaid on the date posted, and addressed to the other parties at the addresses specified above.

5. INCORPORATED DOCUMENTS. The parties agree that the responsibilities and duties of each party as well as the scope of the project shall be specifically described; this Funding Agreement incorporates the following attachments in descending order of constructive precedence;

- ATTACHMENT A: Question 1 Adopted Regulations
- ATTACHMENT B: Project Summary and Special Conditions
- ATTACHMENT C: Scope of Work
- ATTACHMENT D: Project Budget
- ATTACHMENT E: Appraisal
- ATTACHMENT F: Title Report
- ATTACHMENT G: Non-revocable Deed Restriction
- ATTACHMENT H: DCNR General Requirements

6. COST: Grantor agrees to provide a maximum of 65.80 % (percent) of the total acquisition cost (the amount actually expended and necessary for completion of the described project), not to exceed a total grant amount of \$1,484,539.27, contingent upon Grantee's compliance with all of the terms and conditions herein. Grantee is required to provide a minimum of 34.20 % (percent) as its local share of the total qualifying project cost. The total qualifying project cost for the purchase of 34.94 acres is currently estimated at \$63,141.00. See Attachment B hereto, for description. The total acquisition cost is, in part, dependent on the amount of acreage purchased by the Grantee. The Grantee is anticipated to purchase 34.94 acres at a cost of \$63,141.00 per acre.

7. ASSENT. The parties agree that the terms and conditions listed on incorporated attachments of this Funding Agreement are also specifically a part of this Funding Agreement and are limited only by their respective order of precedence and any limitations specified.

8. INSPECTION & AUDIT.

a. Books and Records. Grantee agrees to keep and maintain under general accepted accounting principles (GAAP) full, true and complete records, contracts, books, and documents as are necessary to fully disclose to Grantor, or its authorized representatives, upon audits or reviews, sufficient information to determine compliance with all state and federal regulations and statutes.

b. Inspection & Audit. Grantee agrees that the relevant books, records (written, electronic, computer related or otherwise), including, without limitation, relevant accounting procedures and practices, financial statements and supporting documentation shall be subject, at any reasonable time, to inspection, examination, review, audit, and copying at any office or location of Grantee where such records may be found by Grantor's designated representative.

c. Period of Retention. All books, records, reports, and statements relevant to this Funding Agreement must be retained a minimum of six years. The retention period runs from the date of Grantor's last Funding Agreement payment, or from the date of termination of the Funding Agreement, whichever is later. Retention time shall be extended when an audit is scheduled or in progress for a period reasonably necessary to complete an audit and/or to complete any administrative and judicial litigation which may ensue.

9. FUNDING DISTRIBUTION: Question 1 funding in an amount not to exceed \$1,484,539.27 shall be disbursed to Grantee in the form of an advance or reimbursement(s). Original invoices, or a request for an advance, shall be submitted by Grantee to the Grantor to receive funds.

10. FUNDING AGREEMENT TERMINATION. Grantor may only terminate this project agreement as specified in section 11 of the incorporated Attachment B, and as further specified in this paragraph. If any state, county, city or federal license, authorization, waiver, permit, qualification or certification required by statute, ordinance, law, or regulation to be held by Grantee to provide the goods or services required by this Funding Agreement is for any reason denied, revoked, debarred, excluded, terminated, suspended, lapsed, or not renewed; or if Grantee becomes insolvent, subject to receivership, or becomes voluntarily or involuntarily subject to the jurisdiction of the bankruptcy court; or if it is found by the State that any quid pro quo or gratuities in the form of money, services, entertainment, gifts, or otherwise were offered or given by Grantee, or any agent or representative of Grantee, to any officer or employee of the State of Nevada with a view toward securing a Funding Agreement or securing favorable treatment with respect to awarding, extending, amending, or making any determination with respect to the performing of such Funding Agreement, then this Funding Agreement may be immediately terminated by the Grantor.

a. Time to Correct. Termination upon a declared default or breach may be exercised only after service of formal written notice as specified in paragraph 4 above, and the subsequent failure of the defaulting party within 30 calendar days of receipt of that notice to provide evidence, satisfactory to the aggrieved party, showing that the declared default or breach has been corrected.

b. Winding Up Affairs Upon Termination. In the event of termination of this Funding Agreement for any reason, the parties agree that the provisions of this paragraph survive termination:

i. The parties shall account for and properly present to each other all claims for fees and expenses and pay those which are undisputed and otherwise not subject to set off under this Funding Agreement. Neither party may withhold performance of winding up provisions solely based on nonpayment of fees or expenses accrued up to the time of termination;

ii. Grantee shall satisfactorily complete work in progress at the agreed rate (or a pro rata basis if necessary) if so requested by the Grantor;

iii. Grantee shall execute any documents and take any actions necessary to effectuate an assignment of this Funding Agreement if so requested by the Grantor;

11. REMEDIES. Except as otherwise provided for by law or this Funding Agreement, the rights and remedies of the parties shall not be exclusive and are in addition to any other rights and remedies provided by law or equity, including, without limitation, actual damages, and to a prevailing party reasonable attorneys' fees and costs. The State may set off consideration against any unpaid obligation of Grantee to any State agency.

12. LIMITED LIABILITY. The State will not waive and intends to assert available NRS chapter 41 liability limitations in all cases

13. FORCE MAJEURE. No party shall be deemed to be in violation of this Funding Agreement if it is prevented from performing any of its obligations hereunder due to strikes, failure of public transportation, civil or military authority, act of public enemy, accidents, fires, explosions, or acts of God, including, without limitation, earthquakes, floods, winds, or storms. In such an event the intervening cause must not be through the fault of the party asserting such an excuse, and the excused party is obligated to promptly perform in accordance with the terms of the Funding Agreement after the intervening cause ceases.

14. INDEMNIFICATION. To the fullest extent permitted by law, Grantee shall indemnify, hold harmless and defend, not excluding the State's right to participate, the State from and against all liability, claims, actions, damages, losses, and expenses, including, without limitation, reasonable attorneys' fees and costs, arising out of any alleged negligent or willful acts or omissions of Grantee, its officers, employees and agents for this Funding Agreement.

15. WAIVER OF BREACH. Failure to declare a breach or the actual waiver of any particular breach of the Funding Agreement or its material or nonmaterial terms by either party shall not operate as a waiver by such party of any of its rights or remedies as to any other breach.

16. SEVERABILITY. If any provision contained in this Funding Agreement is held to be unenforceable by a court of law or equity, this Funding Agreement shall be construed as if such

provision did not exist and the nonenforceability of such provision shall not be held to render any other provision or provisions of this Funding Agreement unenforceable.

17. ASSIGNMENT. Grantee shall neither assign, transfer nor delegate any rights, obligations or duties under this Funding Agreement without the prior written consent of the State.

18. PUBLIC RECORDS. Pursuant to NRS 239.010, information or documents received from Grantee may be open to public inspection and copying. The State will have the duty to disclose unless a particular record is made confidential by law or a common law balancing of interests.

19. FEDERAL FUNDING. In the event federal funds are used for payment of all or part of this Funding Agreement:

a. Grantee certifies, by signing this Funding Agreement, that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency. This certification is made pursuant to the regulations implementing Executive Order 12549, Debarment and Suspension, 28 C.F.R. pt. 67, § 67.510, as published as pt. VII of the May 26, 1988, Federal Register (pp. 19160-19211), and any relevant program-specific regulations. This provision shall be required of every subcontractor receiving any payment in whole or in part from federal funds.

b. Grantee shall comply with all terms, conditions, and requirements of the Americans with Disabilities Act of 1990 (P.L. 101-136), 42 U.S.C. 12101, as amended, and regulations adopted thereunder contained in 28 C.F.R. 26.101-36.999, inclusive, and any relevant program-specific regulations.

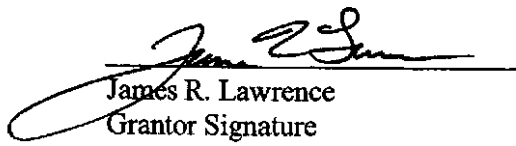
c. Grantee shall comply with the requirements of the Civil Rights Act of 1964, as amended, the Rehabilitation Act of 1973, P.L. 93-112, as amended, and any relevant program-specific regulations, and shall not discriminate against any employee or offer for employment because of race, national origin, creed, color, sex, religion, age, disability or handicap condition (including AIDS and AIDS-related conditions.)

20. PROPER AUTHORITY. The parties hereto represent and warrant that the person executing this Funding Agreement on behalf of each party has full power and authority to enter into this Funding Agreement. Grantee acknowledges that as required by statute or regulation this Funding Agreement is effective only after approval by the Division of State Lands Administrator and only for the period of time specified in the Funding Agreement. Any services performed by Grantee before this Funding Agreement is effective or after it ceases to be effective are performed at the sole risk of Grantee.

21. GOVERNING LAW; JURISDICTION. This Funding Agreement and the rights and obligations of the parties hereto shall be governed by, and construed according to, the laws of the State of Nevada. Grantee consents to the jurisdiction of the Ninth Judicial District Court, Douglas County, Nevada for enforcement of this Funding Agreement.


22. ENTIRE FUNDING AGREEMENT AND MODIFICATION. This Funding Agreement and its integrated attachment(s) constitute the entire agreement of the parties and such are intended as a complete and exclusive statement of the promises, representations, negotiations, discussions, and other agreements that may have been made in connection with the subject matter hereof. Unless an integrated attachment to this Funding Agreement specifically displays a mutual intent to amend a particular part of this Funding Agreement, general conflicts in language between any such attachment and this Funding Agreement shall be construed consistent with the terms of this Funding Agreement. Unless otherwise expressly authorized by the terms of this Funding Agreement, no modification or amendment to this Funding Agreement shall be binding upon the parties unless the same is in writing and signed by the respective parties hereto.

IN WITNESS WHEREOF, the parties hereto have caused this Funding Agreement to be signed and intend to be legally bound thereby.


James R. Lawrence
Grantor Signature

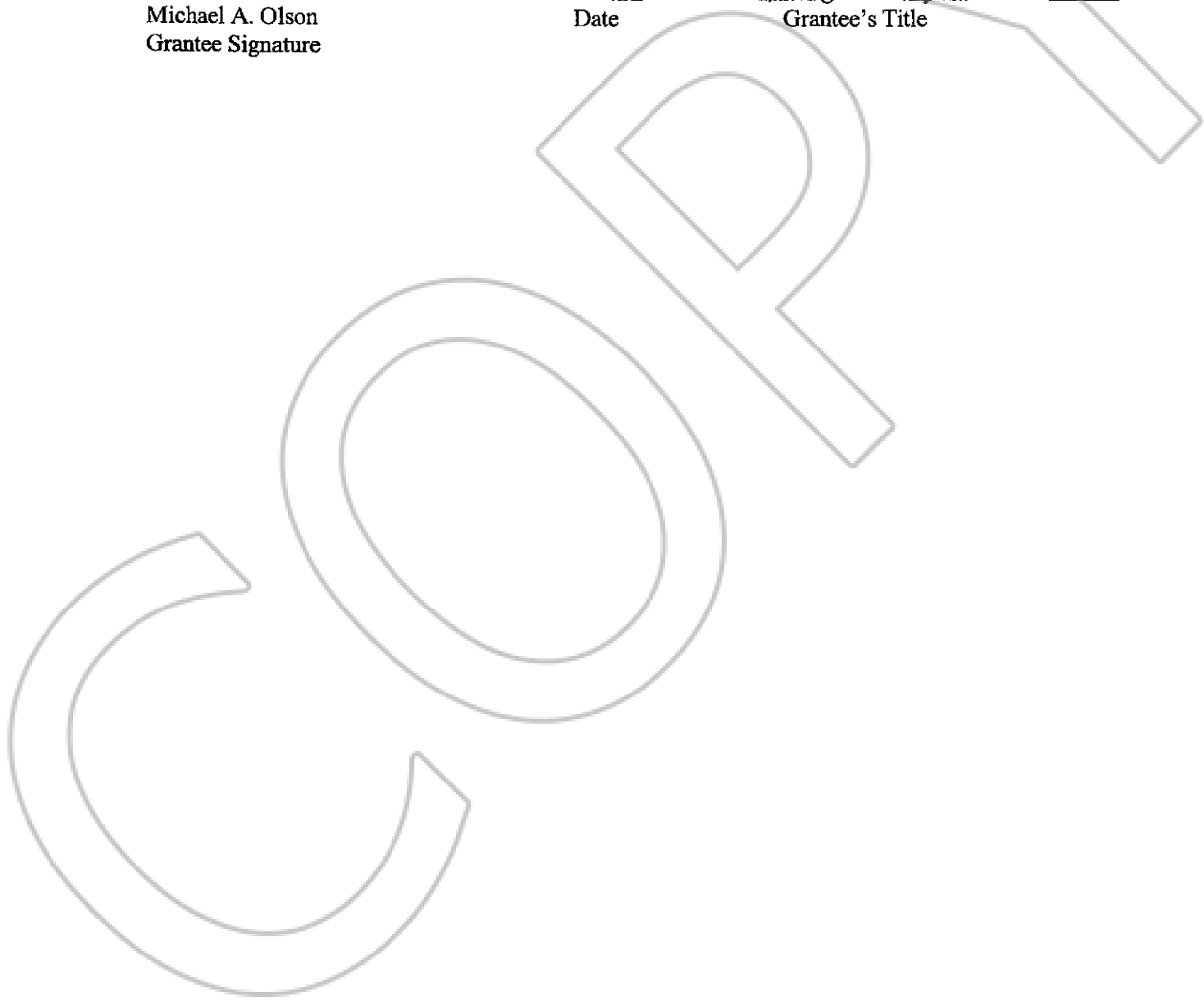
8/12/11
Date

Administrator/State Lands Registrar
Grantor's Title


Michael A. Olson
Grantee Signature

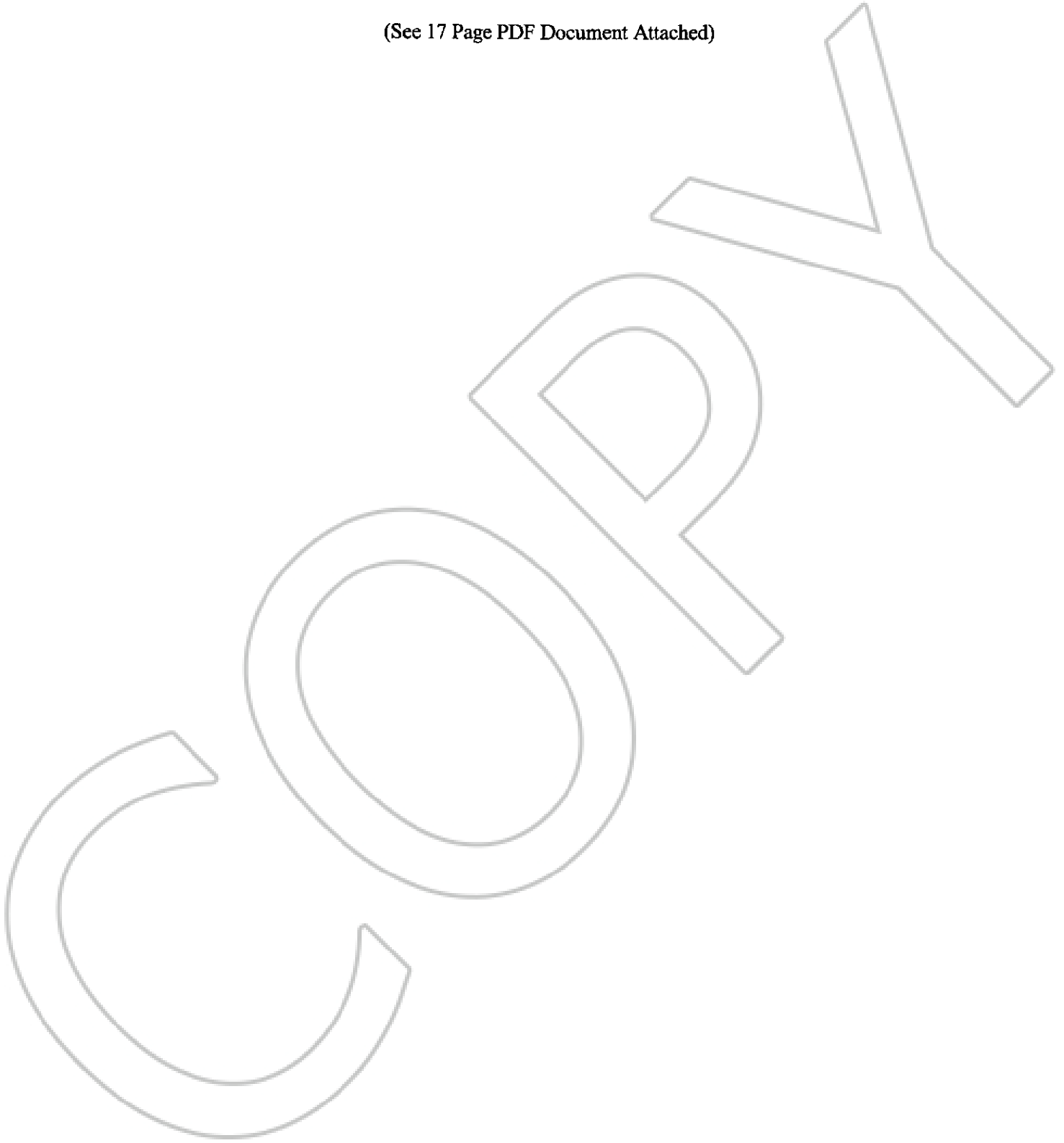
Aug. 24, 2011
Date

Chair, Douglas County Commissioners
Grantee's Title



ATTACHMENT A
Question 1 Adopted Regulations

(See 17 Page PDF Document Attached)



ATTACHMENT B
Project Summary & Special Conditions

Project Summary:

| |
|------------------------------------------------------------------------------------------------|
| Project Title and Identification Number: Seeman Ranch Title Acquisition, DO-LW-08054 |
|------------------------------------------------------------------------------------------------|

GRANTOR:.....Nevada Division of State Lands
GRANTEE:.....Douglas County
GRANT PROGRAM:.....Question 1

Project Type: Land and Water Acquisition, County-Municipality
 Question 1 Funding Source: Land and Water Acquisition, County-Municipality
 Minimum Match Required by the Question 1 Administrative Regulations: 25 % (Percent).

Period Covered By This Funding Agreement (Term):
 January 1, 2009 to December 31, 2011

Project Cost Sharing Estimates (Match Amount)

| | | |
|--------------------------------------------------|------------------------|----------------|
| Grantee's (Douglas County) Share of Project Cost | 34.20% of Project Cost | \$771,607.27 |
| Grantor's (State Lands) Share of Project Cost | 65.80% of Project Cost | \$1,484,539.27 |
| Estimated Total Project Cost* | | \$2,256,146.54 |

*See Attachment D, Project Budget for details.

GRANTEE is responsible for a minimum of 34.20% of the ACTUAL costs of the acquisition, currently estimated to be \$771,607.27

GRANTOR is responsible for a maximum of 65.80% of the ACTUAL costs of acquisition, not to exceed \$1,484,539.27, unless the funding agreement is amended by the State. In the event the total cost exceeds GRANTEE'S estimate of the total project cost, GRANTOR is not obligated to increase its share of the project cost. It is estimated that Grantor will be responsible for 65.80% of the total project cost (\$1,484,539.27).

ADMINISTRATIVE COSTS: The GRANTOR will reimburse GRANTEE for administrative costs of a maximum of 5% of the total project cost. Reimbursement of administrative and project costs together shall not exceed \$1,484,539.27

Project Scope (Description of Project elements funded by this agreement).

See Attachment C for details:

The purpose of the project is to acquire in fee title 34.94 acres of the Seeman Ranch to be set aside for open space, conservation, and public access purposes. Two parcels (APN's 1320-29-301-007 & 1320-29-402-014), primarily wetland and floodplain lands influenced by the Martin Slough the Conservation Area. Adjacent non-conservation lands will not be acquired. Grant funding will only be applied to the Conservation Area. The east parcel contains a 1.5 acre pond. The Conservation Area will be evaluated for the potential to receive and treat storm water.

Special Conditions:

Special Conditions:

In addition to the terms and conditions listed on pages 1-5 of this Funding Agreement, the GRANTOR and GRANTEE mutually agree to perform this Funding Agreement with the terms, promises, conditions, plans, specifications, estimates, procedures, project proposals, maps and assurances attached hereto and hereby made a part hereof.

1. The GRANTEE hereby promises, in consideration of the promises made by the GRANTOR herein, to execute the project described above in accordance with the terms of the Funding Agreement.
2. An incorporated Non-revocable Deed Restriction that runs with the land shall be recorded against the property (portions of APN's 1320-29-301-007 & 1320-29-402-014) in perpetuity.
3. Work performed after July 1, 2000 may be eligible for matching contributions provided:
 - a. The applicant provides documentation detailing the work performed;
 - b. The applicant provides documentation that the work performed related directly towards project implementation;
 - c. The work performed is considered eligible for reimbursement per NAC regulations, Chapter 321, Sections 2 to 35, inclusive; and
 - d. The total State Share specified in the Funding Agreement does not increase.
4. The GRANTOR shall receive a site plan and other relevant project plans and specifications, completed by the GRANTEE, if applicable, showing all interests in land and water, and showing all facilities and structures acquired as part of the project including a summary report with information requested by the GRANTOR.
5. A request for funds exceeding \$1,484,539.27 requires an amendment to this agreement and must be approved by the State Lands Registrar.
6. Question 1 funding in an amount not to exceed \$1,484,539.27 shall be disbursed to the GRANTEE in the form of an advance or reimbursement(s). Original invoices, or a request for an advance, shall be submitted by GRANTEE to the GRANTOR to receive funds.
7. Payments are on a reimbursement basis and can be advanced in certain circumstances. Requests for reimbursements or advances must contain the necessary information identified in the "Outlay Report and Request for Reimbursement and/or Advance" form, or equivalent form provided by the GRANTOR. All reimbursements or advances must include supporting documentation, including, but not limited to, invoices, receipts and details outlining the basis for the expenditures, and the signature of the official responsible for approving the expenditures. The GRANTOR reserves the right to request any additional information, related to project expenses, or a request for an advance, that the GRANTOR determines is necessary to process a payment.

8. The GRANTOR will be invited to attend all major project issue meetings.

Grantor: Nevada Division of State Lands
Attn: Kevin Hill, Question 1 Program Coordinator
901 S. Stewart St., Suite 5003
Carson City, NV 89701
(775) 684-2747

Grantee: Douglas County
Attn: Lisa Granahan
P.O. Box 218
Minden, NV 89423
(775) 782-6268

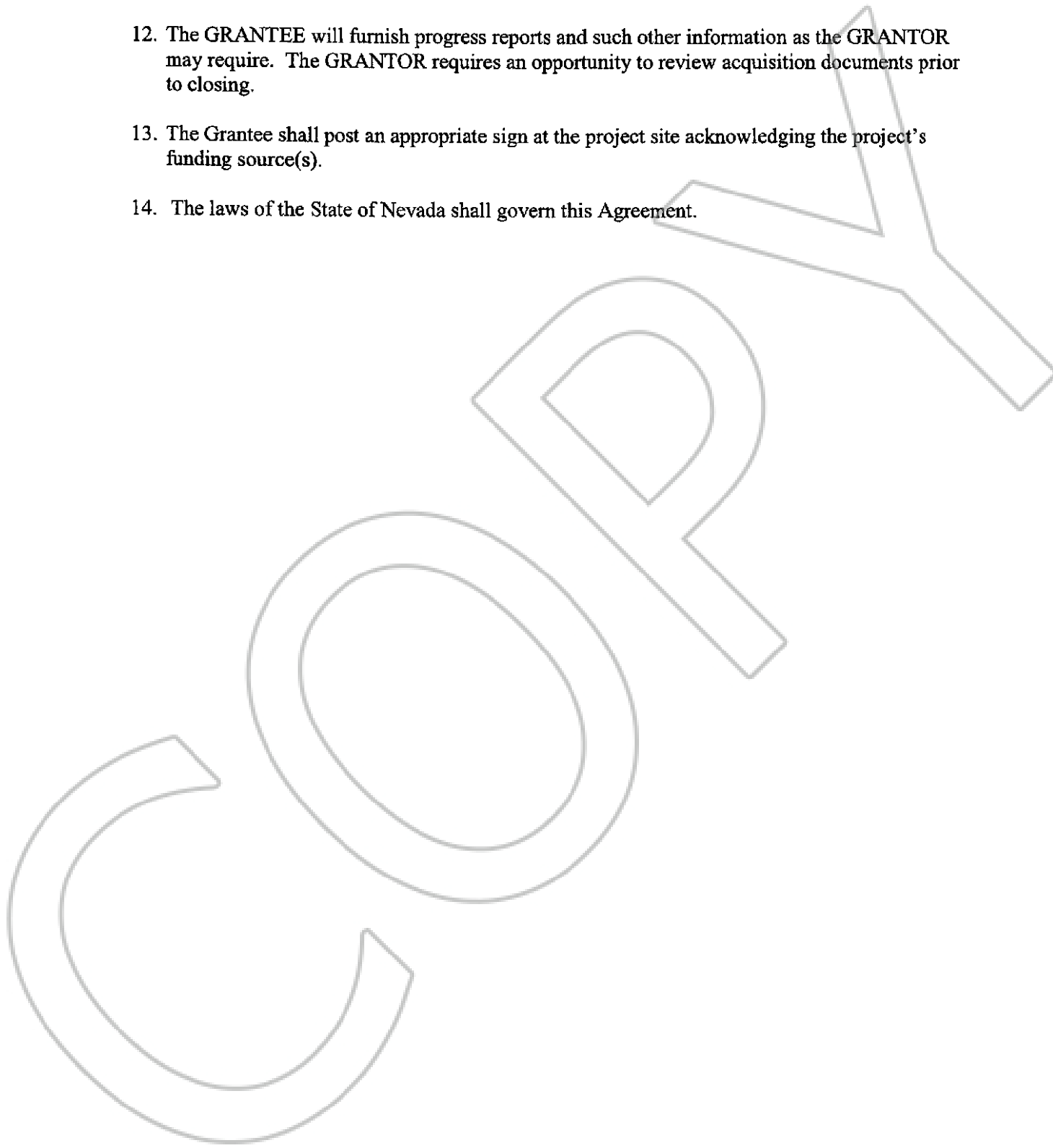
9. The GRANTOR will be notified immediately of any changes regarding the cost of the project or the scope of work.
10. The GRANTEE is responsible for obtaining all permits, easements and other private and governmental agency approvals required for the project prior to the closing of all relevant acquisition transactions.
11. Termination

The GRANTOR may terminate this Funding Agreement for reason of default by the GRANTEE. Any of the following events described in subparagraphs a through e inclusive shall constitute default:

- a. Termination of the grant by reason or fault of the GRANTEE;
- b. Failure by the GRANTEE to observe any of the covenants, conditions, or warranties of this Funding Agreement and its incorporated provisions;
- c. Failure by the GRANTEE to make progress on the project within the Period covered by this Funding Agreement;
- d. Unsatisfactory financial conditions of the GRANTEE which endanger the performance of the grant; and/or
- e. Delinquency by the GRANTEE in payments to contractors, except for those payments to contractors which are being contested in good faith by the GRANTEE.
- f. Conditions in the Event of Default:
 - i. If the Project is not completed, the GRANTEE is required to reimburse the GRANTOR for funds expended for those portions of the Project that will not stand on their own, as determined by the GRANTOR.
 - ii. The GRANTOR shall give notice to the GRANTEE if the GRANTEE is in default in the performance of any of the duties of the GRANTEE described in this Funding Agreement. The GRANTEE shall have 30 days from receipt of notice to remedy the default, and if the GRANTEE cannot remedy the default within such period of time, the GRANTOR may terminate this Funding Agreement. The right of the GRANTOR to terminate this Funding Agreement shall not impair any other rights or remedies at law or equity the GRANTOR may have against the GRANTEE under this agreement or under the law. No waiver of any default by the GRANTOR under this contract shall be held to be a waiver of any other subsequent default by the GRANTEE. All remedies afforded

under this Funding Agreement are cumulative; this is in addition to every other remedy provided therein or under the law.

12. The GRANTEE will furnish progress reports and such other information as the GRANTOR may require. The GRANTOR requires an opportunity to review acquisition documents prior to closing.
13. The Grantee shall post an appropriate sign at the project site acknowledging the project's funding source(s).
14. The laws of the State of Nevada shall govern this Agreement.



**ATTACHMENT C
Scope of Work**

Project Name: Seeman Ranch Fee Title Acquisition
Project Number: DO-LW-08054

Grantor: Nevada Division of State Lands
Grantee: Douglas County

The purpose of the project is to acquire in fee title 34.94 acres of the Seeman Ranch to be set aside for open space, conservation, and public access purposes. Two parcels (APNs 1320-29-301-007 & 1320-29-402-014), primarily wetland and floodplain lands influenced by the Martin Slough the Conservation Area will. Grant funding will only be applied to the Conservation Area. The east parcel contains a 1.5 acre pond. The Conservation Area will be evaluated for the potential to receive and treat storm water.

For a detailed description of the property, the conservation values protected, and the property rights granted and retained, see Attachments E, F, and G below.

**ATTACHMENT D
Project Budget**

Project Name: Seeman Ranch Fee Title Acquisition
 Project Number: DO-LW-08054
 Grantor: Nevada Division of State Lands
 Grantee: Douglas County

**Seeman Ranch Fee Title Acquisition
Question 1 Project Budget**

| Project Task/Item | Funding Source | | | Subtotal |
|--------------------------------------------------------------------|--------------------|--------------|---------------|-------------------------------|
| | Question 1 Request | Match, Cash | Match, Inkind | |
| Fee Title | \$1,434,539.27 | \$771,607.27 | | \$2,206,146.54 |
| Appraisal Update | \$1,000.00 | | | \$1,000.00 |
| Parcel Map, Major Variance, Land Use Application fees and expenses | \$49,000.00 | | | \$49,000.00 |
| | | | | \$0.00 |
| | | | | \$0.00 |
| | | | | \$0.00 |
| Subtotal | \$1,484,539.27 | \$771,607.27 | \$0.00 | \$2,256,146.54 |
| | | | | Total Project Cost |
| | | | | Total Qualifying Project Cost |

Percent of Total, Qualifying Costs: 0
 Total Match Percentage: 34.20022841
 Percentage Total (100?): 100
 Total Match: \$771,607.27
 Total Q1 Request: \$1,484,539.27

Total Qualifying Project Cost \rightarrow **\$2,256,146.54**

ATTACHMENT E
Appraisal including Preparer's Qualifications and References

Project Name: Seeman Ranch Fee Title Acquisition

Project Number: DO-LW-08054

Grantor: Nevada Division of State Lands

Grantee: Douglas County

(See Self-Contained Appraisal Report prepared by Lee B. Smith and Associates, Attached)

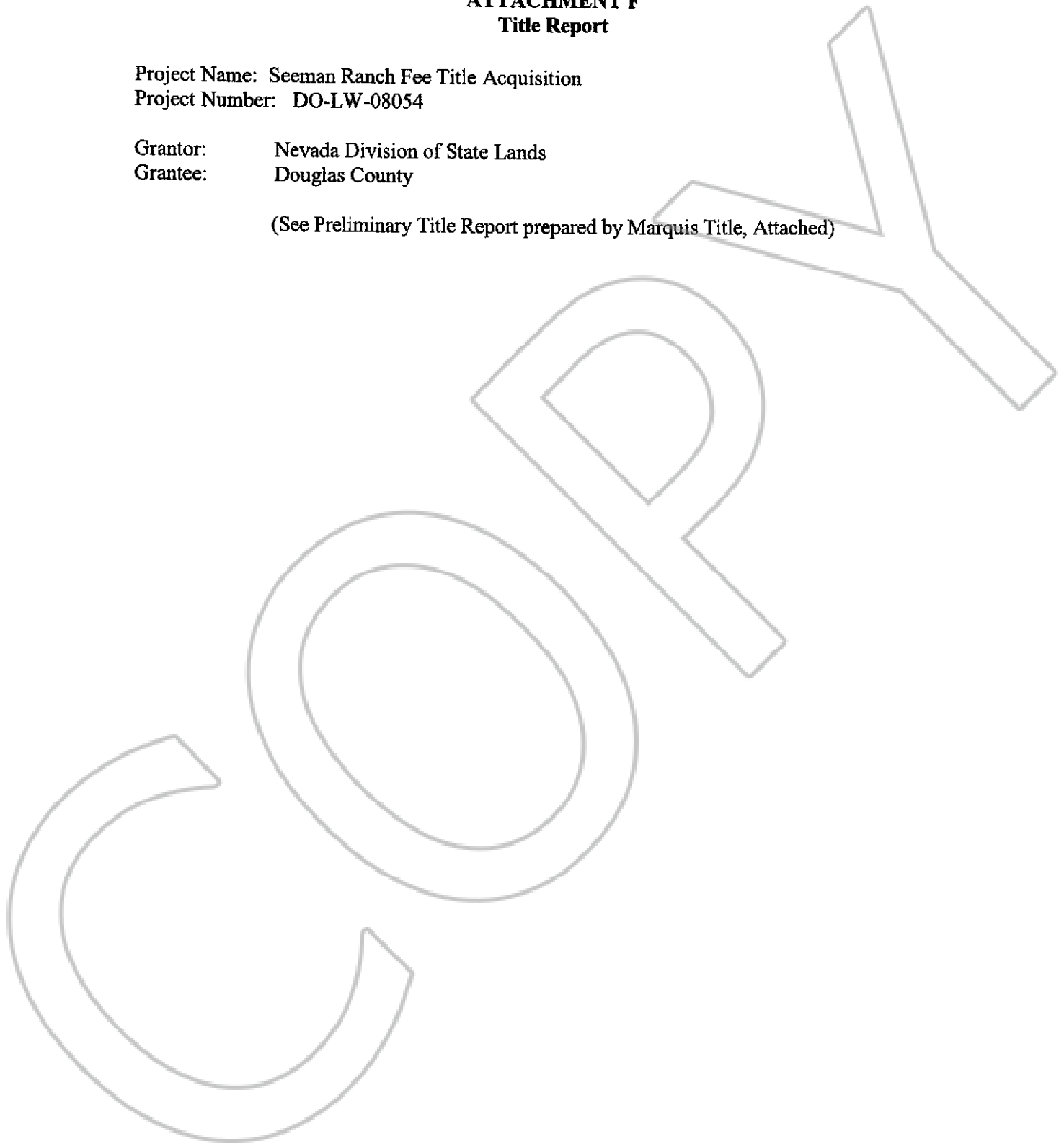
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**ATTACHMENT F
Title Report**

Project Name: Seeman Ranch Fee Title Acquisition
Project Number: DO-LW-08054

Grantor: Nevada Division of State Lands
Grantee: Douglas County

(See Preliminary Title Report prepared by Marquis Title, Attached)

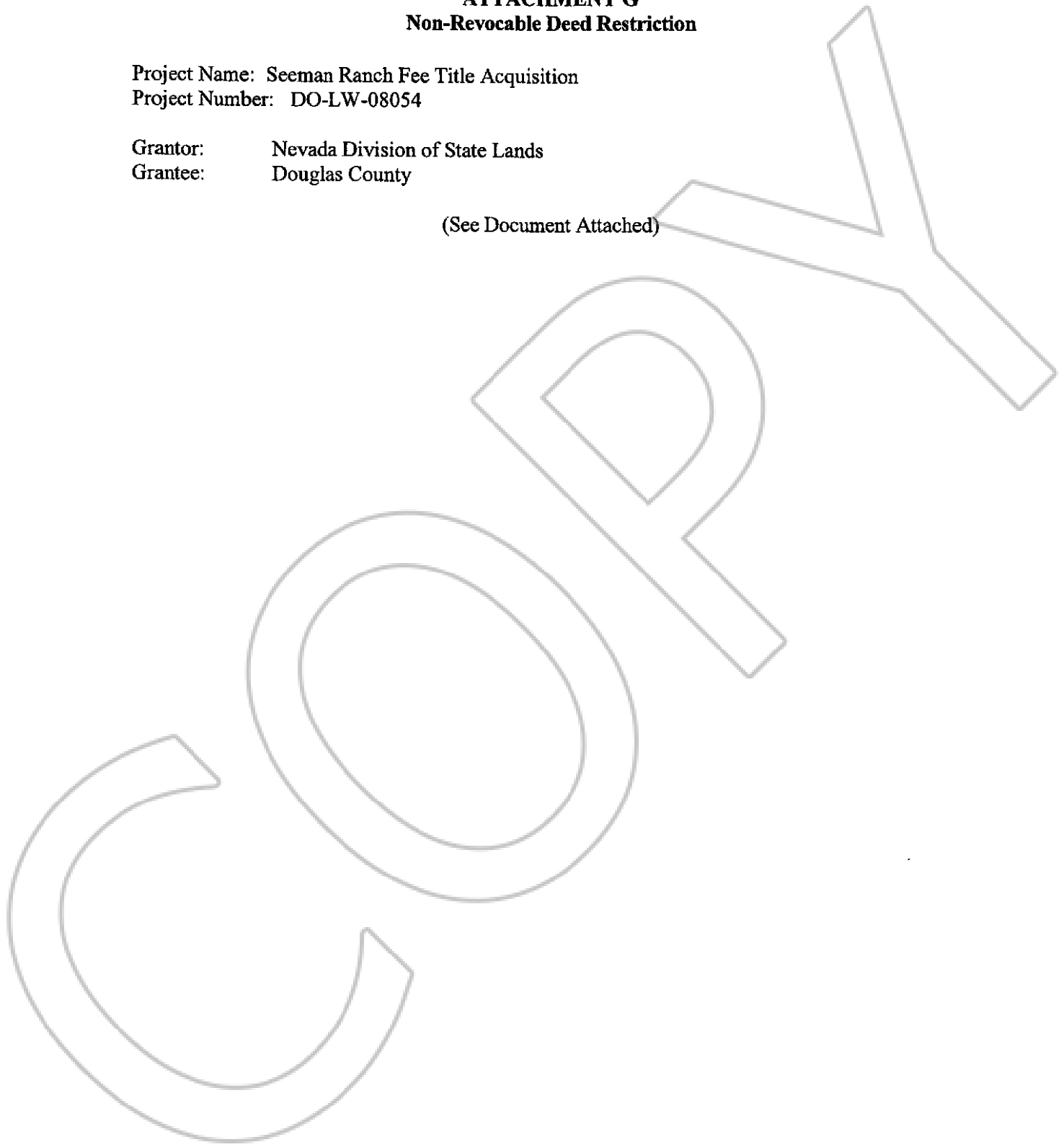


**ATTACHMENT G
Non-Revocable Deed Restriction**

Project Name: Seeman Ranch Fee Title Acquisition
Project Number: DO-LW-08054

Grantor: Nevada Division of State Lands
Grantee: Douglas County

(See Document Attached)



ATTACHMENT H
DCNR General Requirements

Project Name: Seeman Ranch Fee Title Acquisition
Project Number: DO-LW-08054

Grantor: Nevada Division of State Lands
Grantee: Douglas County

Regarding the eligibility of in-kind services, materials, and equipment offered by the Recipient to meet its match requirement, as well as other matters necessary to administer funding, the parties mutually agree as follows:

Definitions:

Eligible expenses: Expenses that are directly related to the project.

Cash reimbursement: Direct payment to the recipient in cash for eligible expenses incurred after execution of the funding agreement.

Bond Cash on Hand: Bond proceeds held, as unexpended, by the Grantee during any stage of a covered project.

Terms and Conditions:

1. Grantee will bear the full responsibility of properly administering funds allocated under AB 9. This responsibility includes complete and accurate accounting of all funds, both bond and matching; ensuring expenditures and procurement activities are in compliance with the enabling legislation, Generally Accepted Accounting Principles, and all other applicable laws and regulations.
2. This requirement also applies to the Grantee's contractors and their subcontractors. Prevention of project overruns/shortfalls is the responsibility of the Grantee. The Grantor, its Department of Conservation and Natural Resources, and the AB 9 program administered under this agreement will not be obligated to supplement project funds, beyond the approved project budget, due to cost overruns, shortfalls, unforeseen circumstances, or any other reason.
3. Advances may be requested by the Grantee, but the requested advance amount must be based on realistic expenditure projections and must be liquidated within 90 days from receipt. The Administrator retains discretion to grant advances.
4. Cash reimbursements to the Grantee will be by payment to the Grantee for eligible expenses incurred after execution of the Funding Agreement.

5. Advances and cash reimbursements are subject to the following conditions:

- a) If the Grantee requests an advance, the Outlay Report must be submitted on a quarterly basis until all advance amounts are spent;
- b) Requests for reimbursements may not outpace currently available bond proceeds specifically designated for their project(s);
- c) Requests for reimbursements/advance may not exceed the total amount approved (bond share) for the project(s);
- d) Funds will not be disbursed to any entity for the purpose of simply accruing interest; and
- e) Recipient should not commingle AB 9 expenditures/funds with non-AB 9 related expenditures and must separately account for these expenditures and revenue sources.

The above policies for cash management apply to not only the primary recipient of the bond funds, but also their contractors and subcontractors.

Bond Cash on Hand, Excess Balances:

1. Cash on hand, including amounts received as advances, must be spent within 90 days. The DCNR may require repayment of any unspent advance amount at the end of the 90-day period.
2. The above policies for cash management apply to not only the primary recipient of the bond funds, but also their contractors and subcontractors.

Retention and Record Keeping:

1. Grantee agrees to maintain all records relevant to its AB 9 project for which funds were allocated in accordance with NRS chapter 239; additionally, recipient must keep records at least six (6) years from the end of the state fiscal year (July-June) in which each project was completed.
2. If any litigation concerning the project is begun before the expiration of this six (6) year period, the individual file must be retained for six (6) calendar years from the date of resolution of the litigation; and
3. Before any files are destroyed, the Grantee must contact the Grantor to obtain and verify final disposition instructions. This requirement also applies to the Grantee's contractors and any subcontractors.
4. Examples of records subject to retention provisions are (list is not intended to be all inclusive): all fiscal/accounting records and reports; all drawings, blueprints, renderings, architect and/or engineering reports, financial estimates, fee schedules, site proposals, photos, maps, copies of easements, copies of building permits, copies of inspections, related correspondence; and all procurement activities, including contractors proposals and rates.

Other:

1. The Grantee may be subject to audit and must allow access to applicable AB 9 records, if so directed by the Grantor. If any audit finding reveals that either an overpayment was made, or ineligible costs were incurred (either match or bond proceeds), the overpayment or the ineligible expense must be repaid to the AB 9 Fund, DCNR, Carson City, Nevada.
2. It is the policy of the Board of Examiners and the DCNR to restrict contractors, as well as all other recipients of public funds, to the same (or less) travel rates and procedures allowed State employees. This requirement also applies to the Grantee's contractors and any subcontractors.

Certain disbursements will not be paid unless agreed to in advance. These include:

1. Secretarial or word processing services (normal, temporary, or overtime);
2. Any other staff charges, such as filing, proofreading, regardless of when incurred;
3. Photocopy expenses of more than 15 cents per page;
4. Photocopy expenses in excess of \$2,000.00 for a single job;
5. Computer time.
6. Equipment purchased for the project.

The State will not reimburse expenses for the following:

1. Local telephone expenses or office supply costs;
2. The costs of first-class travel;
3. Grant administrative costs in excess of 5 percent of the total project cost, and any undocumented administrative costs.

Seeman Ranch Acquisition

Attachment A

Question 1 Adopted Regulations

COPY

**ADOPTED REGULATION OF THE ADMINISTRATOR
OF THE DIVISION OF STATE LANDS OF THE STATE
DEPARTMENT OF CONSERVATION
AND NATURAL RESOURCES**

LCB File No. R186-03

Effective April 22, 2004

EXPLANATION – Matter in *italics* is new; matter in brackets [omitted-material] is material to be omitted.

AUTHORITY: §§1-35, section 2 of chapter 6, Statutes of Nevada 2001 Special Session.

A REGULATION relating to natural resources; providing a program for persons to apply for and receive proceeds from the sale of general obligation bonds to protect, preserve and obtain the benefits of the property and natural resources of this state; and providing other matters properly relating thereto.

Section 1. Chapter 321 of NAC is hereby amended by adding thereto the provisions set forth as sections 2 to 35, inclusive, of this regulation.

Sec. 2. *As used in sections 2 to 35, inclusive, of this regulation, unless the context otherwise requires, the words and terms defined in sections 3 to 28, inclusive, of this regulation have the meanings ascribed to them in those sections.*

Sec. 3. *“Acquisition” means the securing of the right of public use of real property by the purchase or donation of an interest in that real property.*

Sec. 4. *“Administrator” means the Administrator of the Division.*

Sec. 5. "Carson River corridor" includes, without limitation, the 100-year floodplain of the Carson River, land adjacent to the 100-year floodplain of the Carson River, sloughs or ponds of the Carson River and old meanders and oxbows of the Carson River.

Sec. 6. "Conservation and Resource Protection Grant Program" or "Program" means the conservation initiative that was created by chapter 6, Statutes of Nevada 2001 Special Session, and approved by the voters.

Sec. 7. "Construction" means those activities directly related to the creation of a new recreational trail or to improvements made to an existing recreational trail that cause the trail to comply with a desired standard as determined by the Administrator.

Sec. 8. "Division" means the Division of State Lands of the State Department of Conservation and Natural Resources.

Sec. 9. "Easement for conservation" has the meaning ascribed to it in NRS 111.410.

Sec. 10. "Greenbelt" means an open area of real property that is cultivated or maintained in a natural or seminatural state and used:

- 1. As a buffer between land uses;**
- 2. To mark the edge of an urban or developed area, or a natural feature, such as a stream or lake; or**
- 3. To create a linear corridor for the provision of trails or other amenities.**

Sec. 11. "Habitat conservation plan" means a plan to protect or enhance a wildlife habitat for an endangered species or other species that needs special protection, or a plan to protect or enhance essential habitat for biodiversity. The plan may include a procedure for compliance with the Endangered Species Act of 1973, 16 U.S.C. §§ 1531 et seq.

Sec. 12. "Historic or cultural resources" means any surviving evidence that relates to the history of the use of the land from the earliest human occupation to recent historical activities. Surviving evidence may include, without limitation, sites, structures, districts, objects, artifacts and historic documents associated with or representative of peoples, cultures, and human activities and events from any period of time, including, without limitation, the present.

Sec. 13. "Matching contribution" includes money or anything of value, including, without limitation, the use of personnel, materials or equipment that is expended on a project.

Sec. 14. "Municipality" means an incorporated city, an unincorporated town created pursuant to chapter 269 of NRS or a general improvement district created pursuant to chapter 318 of NRS.

Sec. 15. "Nonprofit conservation organization" means a nonprofit organization that has as part of the mission of the organization the acquisition of property for conservation purposes.

Sec. 16. "Nonprofit organization" means an entity or organization that is exempt from federal income taxation pursuant to 26 U.S.C. § 501(c)(3).

Sec. 17. "Open-space plan" means an inventory of undeveloped and semideveloped land or resources with a plan for the long-term preservation and conservation of that land. The plan may include a provision for dispersed recreational opportunities on the land.

Sec. 18. "Project" includes, without limitation, preparation of an open-space plan, preparation of a habitat conservation plan, acquisition of an interest in land or water for the purposes of protection or enhancement of a wildlife habitat, protection of sensitive or unique vegetation, protection of historic or cultural resources, protection of riparian corridors or

wetlands, construction of a recreational trail, enhancement and restoration of the Carson River corridor, development of the path system in the Lake Tahoe area and other environmental activities.

Sec. 19. *“Public benefit” means the outcome of a project or acquisition that obtains, protects or preserves the benefits of property or natural resources within the State of Nevada for the public.*

Sec. 20. *“Recreational facility” means a facility for the use and enjoyment of an outdoor recreation area that provides an opportunity for the observation, interpretation or enjoyment of natural resources.*

Sec. 21. *“Recreational trail” means a trail, pathway or similar area for walking, hiking, bicycling, horseback riding, exercising, paddling, swimming or any other recreational activity if the activity does not have an adverse impact on a threatened or endangered species, wetland, riparian corridor, wildlife habitat, sensitive or unique vegetation or other important natural resource.*

Sec. 22. *“Riparian corridor” means land related to or located on the bank of or adjacent to a natural or artificial waterway, including, without limitation, a river, an intermittent or permanent creek or stream, a gully where surface water collects, a wetland, a lake or a ditch, if the land exhibits plant types unique to areas with periodic or perennial water sources of a magnitude greater than the surrounding uplands.*

Sec. 23. *“Sensitive or unique vegetation” means any species, cluster of species or type of habitat designated as sensitive or unique vegetation by an appropriate federal or state agency, any species of vegetation in a declining trend, any species of vegetation that has*

characteristics that have been identified as worthy of special consideration or any species of vegetation that is highly restricted in distribution or that occurs only in a very specialized habitat.

Sec. 24. "State agency" means any agency, department or division of the Executive Department of this state and includes the University and Community College System of Nevada.

Sec. 25. "Urban park" means land located in a community of any size that provides an opportunity for casual recreational activity and includes, without limitation, any natural area, area of scenic value, area of physical or biological importance, wildlife area, land that provides outdoor community space and land that provides a connection to another public area.

Sec. 26. "Wetland" means land having a water table at, near or above the land surface, or land that has been saturated with water for a period of time long enough to promote wetland or aquatic processes indicated by hydric soil, hydrophytic vegetation and other biological activity adapted to a wet environment.

Sec. 27. "Wildlife habitat" means a diverse area with a combination of necessary resources and environmental conditions that promotes a population of at least one wildlife species and allows that species to flourish and reproduce.

Sec. 28. "Wildlife species" means any species of animal, including, without limitation, insects, amphibians, reptiles, and other vertebrates and invertebrates.

Sec. 29. 1. The Division will award grants of money from the sale of general obligation bonds of this state to counties, municipalities, state agencies or nonprofit organizations, or any combination thereof. The money will be distributed as follows:

(a) Not more than \$7,250,000 to a state agency, county, municipality or nonprofit organization, or any combination thereof, for the construction of recreational trails. A recreational trail constructed with money awarded pursuant to this paragraph may include signs, markings, access points, staging areas, trailheads and directly related improvements such as restrooms and shade structures. Such a recreational trail may also include landscaping or revegetation with any associated irrigation equipment but only in an area around an improvement that requires landscaping or revegetation for slope stabilization as a direct result of the construction of the improvement.

(b) Not more than \$5,000,000 to a state agency, county, municipality or nonprofit organization, or any combination thereof, for the acquisition of land and water or interests in land and water for urban parks or greenbelts.

(c) Not more than \$3,000,000 to a state agency, a county whose population is less than 100,000 or a municipality within a county whose population is less than 100,000, or any combination thereof, for the development of habitat conservation plans.

(d) Not more than \$250,000 to a county whose population is less than 100,000 or a municipality within a county whose population is less than 100,000, or any combination thereof, for the development and adoption of open-space plans.

(e) Not more than \$20,000,000 to a county or a municipality within a county, or any combination thereof, for the acquisition of land and water or interests in land and water to protect and enhance wildlife habitat, sensitive or unique vegetation, historic or cultural resources, riparian corridors, wetlands and other environmental resources pursuant to an adopted open-space plan.

(f) Not more than \$10,000,000 to Churchill County, Douglas County, Lyon County, Carson City or a municipality located within those counties, or any combination thereof, to enhance and restore the Carson River corridor. Money awarded pursuant to this paragraph must be used to:

- (1) Acquire and develop land and water rights;***
- (2) Provide recreational facilities;***
- (3) Provide access to and along the Carson River, including, without limitation, parking areas; or***
- (4) Restore the Carson River corridor.***

(g) Not more than \$5,000,000 to Douglas County, Washoe County, Carson City or a municipality located within those counties, or any combination thereof, to enhance and develop the path system in the Lake Tahoe area.

2. The Division may enter into contracts or agreements with nonprofit conservation organizations in an amount not to exceed \$15,000,000 to acquire land and water or interests in land and water for the public benefit to protect and enhance wildlife habitat, sensitive or unique vegetation, historic or cultural resources, riparian corridors, floodplains and wetlands and other environmental resources.

3. The Administrator may use advisory committees to make recommendations for grants awarded pursuant to subsection 1 or contracts or agreements entered into pursuant to subsection 2.

4. The Administrator will coordinate with the Division of State Parks of the State Department of Conservation and Natural Resources for any grant awarded pursuant to paragraph (b) of subsection 1.

5. The Administrator will coordinate with the Department of Wildlife and the Nevada Natural Heritage Program for any grant awarded pursuant to paragraph (c) of subsection 1.

6. The Administrator will determine the boundaries of the Carson River corridor for any grant awarded pursuant to paragraph (f) of subsection 1.

7. An urban park for which land and water or an interest in land and water was acquired pursuant to paragraph (b) of subsection 1 must be open to the public.

Sec. 30. 1. The Administrator will periodically:

(a) Solicit applications from counties, municipalities, state agencies and nonprofit organizations for grants of money from the sale of general obligation bonds issued pursuant to chapter 349 of NRS;

(b) Solicit applications from nonprofit conservation organizations to carry out contracts or agreements; and

(c) Establish deadlines for the submission of applications solicited pursuant to paragraphs (a) and (b).

2. An application for a grant, contract or agreement pursuant to subsection 1 or 2 of section 29 of this regulation must be submitted to the Administrator and must include, without limitation:

(a) A completed application on a form provided by the Administrator;

(b) The total projected cost of the project, including, without limitation, as appropriate, the estimated costs for planning, design, acquisition and construction, and a description of the manner in which each estimated cost was calculated;

(c) The amount of money requested for the project;

(d) A detailed description of the project and the manner in which the project meets the intent of the Program;

(e) Documentation that the project was commenced on or after July 1, 2000;

(f) A proposed schedule for the project that must include the planned phasing and implementation of the project;

(g) Documentation of the qualifications of the nonprofit organization, if applicable;

(h) A detailed description of matching contributions that will be provided by the applicant;

(i) Proof that the applicant has title to, or a lease or easement on, land that is required to carry out the project or a letter of intent between the property owner and the applicant concerning the acquisition of the property by the applicant;

(j) Proof that the applicant is willing to sell or donate land and proof that there is a person who is willing to purchase or receive the land, if applicable;

(k) If the application is submitted by a nonprofit conservation organization and includes the acquisition of land or water or an interest in land or water, the most current financial statement of the organization and specific details concerning the manner in which the money of the State will be secured by an interest in the property;

(l) A map of the location and a plan of the site of the project indicated in an appropriate scale;

(m) A statement from an appropriate local, regional, state or federal agency that the project conforms to all applicable local, regional, state and federal plans;

(n) Documentation and a statement by the applicant that the applicant notified all property owners within a 1-mile radius of the subject property boundary or the closest 10 property owners, whichever number of property owners is less, about the proposal before the submission of the proposal to the Division, unless the Administrator requires different information on a case-by-case basis;

(o) A statement from any local jurisdiction affected by the proposal that details any issues or concerns about the proposal and whether the local jurisdiction supports or opposes the proposal;

(p) A completed Environmental Impacts Checklist on the form provided by the Division and, if applicable as a result of a potential adverse impact to the environment, a summary of a proposed plan to mitigate the potential impact of the project on the environment; and

(q) A summary of the proposed plan for operation and maintenance of the project for a period of not less than 20 years, including, without limitation, the identity of the person who will operate the project and provide the maintenance.

Sec. 31. Before a county, municipality, state agency or nonprofit organization submits an application for a proposed project, the county, municipality, state agency or nonprofit organization may submit a preapplication to the Division for an initial determination of the eligibility of the project for a grant under the Program. In making a determination of the eligibility of a project, the Administrator will consider, without limitation, the following criteria:



1. *Whether the county, municipality, state agency or nonprofit organization is eligible to apply for a grant;*
2. *Whether the proposed project is eligible pursuant to section 29 of this regulation; and*
3. *Whether the proposed project provides a public benefit as determined by the Administrator.*

Sec. 32. 1. The Administrator will rank applications made pursuant to section 30 of this regulation in order of their importance. The Administrator will award grants for projects or acquisitions that, based on the application, are most appropriate for the receipt of a grant within the overall purpose of the Program. The Administrator will use a point system as outlined in the Administrative Guidelines of the Division to rank each application. The Administrator will award points based on the following factors:

- (a) The extent of environmental significance of the project and the degree of conservation and protection of natural resources, including, without limitation, the preservation of a natural, scientific, cultural, archaeological, agricultural, paleontological or historical site, or a wetland or riparian resource;*
- (b) The extent of the public benefit, including, without limitation, an overall advancement in the conservation and protection of the natural resources of the State, an enhancement to recreational opportunities, increased public access to lands and waters and the achievement of goals identified in adopted open-space plans;*
- (c) The objectives of the project are clearly stated in the proposal, and the applicant has the ability to carry out those objectives;*

- (d) The detail and design of the project is adequate and includes a detailed plan for management of the project that specifies the manner in which the project will be maintained and the manner in which the project will remain consistent with the purpose of the Program;**
- (e) The projected budget and associated costs of the project are reasonable and detailed, the amount and sources of matching contributions are listed and the project will meet the stated objectives in a cost-effective manner;**
- (f) The fact that the project is a cooperative effort with other agencies, organizations or persons and the extent of the support for the project from counties, municipalities and other public entities; and**
- (g) Any other factor that the Administrator considers to be important in the ranking process, including, without limitation:**
- (1) The urgency of the need for the project;**
 - (2) That the applicant provides for matching contributions that exceed the matching contributions required in section 33 of this regulation;**
 - (3) The application for acquisition of land includes the acquisition of water rights or another interest that will remain with the land in perpetuity;**
 - (4) The existence of a local need for the project that warrants special attention for the project due to a lack of similar opportunities in the local area; and**
 - (5) If the project does not include the acquisition of fee simple title to land, the applicant proposes an easement for conservation or a remainder after a life estate.**

2. The factors of environmental significance, as described in paragraph (a) of subsection 1, and public benefit, as described in paragraph (b) of subsection 1, are worth more points than the other factors in subsection 1.

3. The Administrator may use an advisory committee to review applications and make recommendations to the Administrator. The Administrator may consider a recommendation by an advisory committee when awarding points pursuant to subsection 1.

4. The decision of the Administrator is final. An application that is not selected by the Administrator to receive a grant may be resubmitted for a grant to be awarded at a future date.

Sec. 33. 1. To receive a grant pursuant to the Program, an applicant must provide for an eligible matching contribution as follows:

(a) For a grant awarded pursuant to paragraph (a) or (b) of subsection 1 of section 29 of this regulation, not less than 25 percent of the total cost of the project;

(b) For a grant awarded pursuant to paragraph (c) or (d) of subsection 1 of section 29 of this regulation, not less than 5 percent of the total cost of the project;

(c) For a grant awarded pursuant to paragraph (e) of subsection 1 of section 29 of this regulation:

(1) In a county whose population is 100,000 or more, not less than 50 percent of the total cost of the project; or

(2) In a county whose population is less than 100,000, not less than 25 percent of the total cost of the project;

(d) For a grant awarded pursuant to paragraph (f) or (g) of subsection 1 of section 29 of this regulation, not less than 50 percent of the total cost of the project; and

(e) For a grant awarded pursuant to subsection 2 of section 29 of this regulation, not less than 50 percent of the cost of the acquisition.

2. A matching contribution is eligible for the purposes of this section if the matching contribution is for a project initiated on or after July 1, 2000, if it is directly related to the project or acquisition and if it includes:

- (a) Cash;*
- (b) Planning, labor, including volunteer labor, appraisals, equipment rental and material costs;*
- (c) Federal contributions;*
- (d) Any costs associated with required environmental information for the project or acquisition, the documentation of which must be submitted with the application;*
- (e) Costs incurred for the establishment of a monitoring program to monitor the success of a project;*
- (f) Any other matching contribution not listed in subsection 3, subject to the approval of the contribution by the Administrator; or*
- (g) Any combination of paragraphs (a) to (f), inclusive.*

3. The following matching contributions, without limitation, do not qualify as eligible matching contributions for the purposes of this section:

- (a) Costs associated with the preparation of the application;*
- (b) In-kind services that do not relate to the project or the purpose of the Program;*
- (c) Money expended before the initiation of the project, or July 1, 2000, whichever is later;*
- (d) Other money granted pursuant to the Program; and*



(e) Any other matching contribution that the Administrator determines is an inappropriate matching contribution.

Sec. 34. The Division and the recipient of any money pursuant to a grant, contract or agreement made pursuant to section 29 of this regulation shall enter into an agreement that:

1. Authorizes the recipient to use the money from the grant, contract or agreement to pay for:

(a) All expenses related directly to the project or acquisition, including, without limitation, expenses related to the planning, design and construction of the project which must be calculated based on actual costs; and

(b) The documented administrative costs of the project, not to exceed 5 percent of the total cost of the project.

2. Prohibits the recipient from using the money from the grant, contract or agreement to pay for:

(a) Any planning activity that is not directly related to the design and engineering of the project;

(b) The purchase of new equipment, unless the Administrator has determined that the new equipment is necessary as a one-time purchase specific to the project;

(c) Any work required by a public agency as mitigation or as a condition of the approval of any other project;

(d) Any component of the project that the Administrator determines does not benefit the public;

(e) Any project or portion of a project that has already been completed; or



(f) Any other expenses that the Administrator determines are not necessary to carry out the purposes of sections 2 to 35, inclusive, of this regulation, or that are not in compliance with the intent of the Program.

Sec. 35. The Division and the recipient of any money pursuant to a grant, contract or agreement pursuant to section 29 of this regulation shall enter into an agreement that requires the recipient to:

- 1. Provide a matching contribution of not less than the amount specified in section 33 of this regulation.**
- 2. Provide a plan for the operation and maintenance of the project for not less than 20 years after the project is completed.**
- 3. Agree to:**
 - (a) Ownership of a full or partial interest in any property that is necessary for the project;**
 - (b) Include pertinent nonrevocable deed restrictions and appropriate reversionary clauses to ensure that at all times the land is maintained in a manner consistent with the purpose of the Program; and**
 - (c) Include a stewardship statement that addresses maintenance, monitoring and enforcement of weed control, dust control and other related issues.**
- 4. Agree to any additional conditions that the Administrator determines are necessary to carry out the purposes of sections 2 to 35, inclusive, of this regulation or the intent of the Program, including, without limitation, the posting of a performance bond by the recipient.**
- 5. Obtain such easements for conservation or other interests in land in perpetuity, or as otherwise approved by the Administrator, as are necessary to carry out the project. The**

Administrator must approve the easements. The Administrator may require that the easement for conservation or other interest in land be held by the State.

6. Acknowledge that any interest in land or water acquired by the State or a nonprofit organization pursuant to the Program must:

(a) Be acquired and held by the Division pursuant to chapter 321 of NRS; and

(b) Not be acquired by condemnation or the power of eminent domain.

7. Maintain an accurate accounting of all expenditures made from money received pursuant to the Program and allow the Division to review the accounting upon request.

8. If the recipient requests that the entire amount of the grant or a portion thereof be provided in advance, demonstrate an extraordinary need and enter into an agreement with the Division that delineates the specific reporting methods that will be used, including, without limitation, quarterly expenditure reports and a project status report that details the timeliness of the project.

9. Provide the Division with detailed invoices on a consistent basis as agreed upon by the Division and the recipient to ensure timely and accurate disbursement of grant money.

Seeman Ranch Acquisition

Attachment E

Appraisal

COPY

AN UPDATED APPRAISAL OF

**“THE SEEMAN RANCH”
±84.89 ACRES
IDENTIFIED AS
APNs 1320-29-301-001'
& 1320-29-301-003**

LOCATED ADJACENT TO
THE TOWN OF MINDEN
IN DOUGLAS COUNTY, NV

Prepared for:
MS. LISA GRANAHAN
ECONOMIC VITALITY MANAGER
P.O. BOX 218
MINDEN, NV 89423

FOR THE PURPOSE OF:
DEVELOPING AN OPINION
OF MARKET VALUE

Prepared by:
LEE B. SMITH AND ASSOCIATES
1761 EAST COLLEGE PARKWAY, SUITE 111
CARSON CITY, NEVADA 89706

EFFECTIVE DATE OF VALUE:
FEBRUARY 2, 2011

LEE B.
SMITH
... AND ASSOCIATES

1761 East College Parkway, Suite 111
Carson City, NV 89706
(775) 883-8008 Office
(775) 883-8594 Fax

February 14, 2011

Ms. Lisa Granahan
Economic Vitality Manager
P.O. Box 218
Minden, NV 89423

RE: An Updated Appraisal of The Seeman Ranch ±84.89 Acres
Located at 1650 Buckeye Road
Minden, Nevada 89423

Dear Ms. Granahan:

I have completed a re-inspection and an analysis of the above-referenced property which is more specifically identified in the following report.

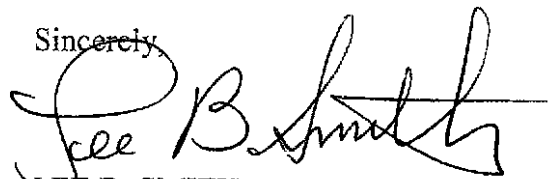
My purpose was to develop an opinion of the market value of the fee estate of the property subject to the limiting conditions and extraordinary assumptions referenced in the following report. This report assumes a leased fee estate affected by typical encumbrances such as easements, mortgages, right-of-way grants, and governmental restrictions. This appraisal may not be used or relied upon by anyone other than the addressee (client), for any purpose whatsoever, without the express written consent of the appraiser.

The following report, a report dated March 9, 2010 and the report dated December 2, 2008, present a review of all pertinent data analyzed and supporting descriptive material used in developing an opinion of market value for the subject property. The appraisal reports dated December 2, 2008 and March 9, 2010 must be used in conjunction with this appraisal report.

Based on the examination and study made subject to the limiting conditions and extraordinary assumptions contained herein, I have formed the opinion that on February 2, 2011, the effective date of valuation, the property had the following market value:

FIVE MILLION THREE HUNDRED SIXTY THOUSAND DOLLARS
(\$5,360,000)

Sincerely,



LEE B. SMITH, MAI, ARA

Certified General Appraiser NV License #00131

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DRAFT

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SMITH
... AND ASSOCIATES

SUMMARY OF FACTS AND CONCLUSIONS

VESTING

Seeman Trust Agreement, Dean Seeman Trustee.

ADDRESS

1650 Buckeye Road, Minden, Nevada 89423.

PROPERTY IDENTIFICATION

| <u>APN</u> | <u>ACRES</u> |
|-----------------|--------------|
| 1320-29-301-001 | 66.51 |
| 1320-29-301-003 | 18.38 |
| Total: | 84.89 |

PRESENT USE

Agriculture (Irrigated Pasture Ranch).

WATER RIGHTS

Carson River Decree: 69.72 Water Right Acres

IMPROVEMENTS

Single-family residence, bunkhouse/storage building, barn with attached storage, hog barn with attached hog shed, equipment shed with attached shed, food barn with attached shed, corrals, working chutes, livestock fencing, irrigation ditches with structures and landscaping.

UTILITIES

Full public utilities are available.

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FLOOD PLAINS

Zoned "AE". ±43.47 Acres.

ZONING

A-19 (±41.42 Acres) located outside of the "AE" flood zone is within a designated receiving area (RA).

HIGHEST AND BEST USE "AS VACANT"

Urban Development.

HIGHEST AND BEST USE "AS IMPROVED"

Urban Development with agriculture as an interim use.

DATE OF VALUE

February 2, 2011

DATE OF REPORT

February 14, 2011

MARKET VALUE

\$5,360,000



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... AND ASSOCIATES

FACTUAL DATA

CLIENT

Douglas County

PURPOSE OF THE APPRAISAL

The purpose of this appraisal is to develop an updated opinion of market value of the identified property.

INTENDED USERS OF THIS APPRAISAL

The intended user of this appraisal is Douglas County.

INTENDED USE OF THE APPRAISAL

The appraisal will be used for purchase negotiations of the subject property.

ESTATE APPRAISED

The property rights appraised are the fee simple estate subject to conditions and reservations of record. No preliminary title report was provided. Physical inspection found two overhead utility easements crossing the property and onsite irrigation water conveyance ditches.

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SCOPE OF THE APPRAISAL

This appraisal involved a comprehensive investigation and analysis of all factors considered pertinent in solving the appraisal problem, i.e., to develop opinions of the fee simple market value and the leased fee estate value of the subject property. This appraisal is an update to an appraisal with an effective date of value of December 2, 2008. Reinspection of the property found no changes in the physical condition of the property. This appraisal report will be an extension of the December 2, 2008 appraisal and is to be used in conjunction with that appraisal report. The following steps were followed in preparing this appraisal:

1. Determine the area and neighborhood pertinent to the subject.
2. Analyze the area and neighborhood demographics pertinent to the subject.
3. Inspect the subject.
4. Detail and analyze the physical features of the subject.
5. Determine governmental impacts on the subject.
6. Determine highest and best use.
7. Determine appraisal problem.
8. Determine how to solve the appraisal problem.
9. Collect and verify sales, rents, and costs used in the appraisal.
10. Apply appropriate valuation techniques to market data.
11. Estimate value from market analysis.

This appraisal is a value update. The property was initially appraised December 2, 2008 and was reappraised March 9, 2010. The physical elements and conditions of the property have not changed. To eliminate duplication, the earlier appraisals must be used in coordination with this appraisal. Investigation found no new comparable sales since the March 9, 2010 appraisal. Analysis of real estate listings in Douglas County found significant reductions in listing prices for a number of listings. The listings will be analyzed to estimate probable reduction in real estate values. The value reductions will be applied to the comparable sales used in the March 9,

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2010 appraisal. The adjusted comparable sale values will be incorporated into the same analysis used in the March 9, 2010 to develop current opinion of market value for the subject.

The following agencies, companies, and individuals were contacted in obtaining relevant information pertaining to the subject and the neighborhood. Douglas County Planning Department, Douglas County Recorder's and Assessor's Offices, and The Federal Water Master.

TYPE OF REPORT

This is a summary appraisal report that conforms to the Uniform Standards of Professional Appraisal Practice (USPAP) of The Appraisal Foundation; Nevada Revised Statutes, Chapter 645C; the Standards of Professional Practice and Code of Professional Ethics of the Appraisal Institute; and the American Society of Farm Managers and Rural Appraisers.

DEFINITION OF MARKET VALUE

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 best interests;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.¹

¹ The Appraisal of Real Estate, Eleventh Edition, Appraisal Institute

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DEFINITION OF FEE SIMPLE ESTATE

Absolute ownership unencumbered by any other interest or estate; subject only to the limitations of eminent domain, escheat, police power, and taxation.²

DEFINITION OF WATER RIGHTS

A right to a definite or conditional flow or quantity of water, usually for use at stated times and in stated quantities, e.g., for irrigation or for hydroelectric power development; may be a right acquired by prescription, e.g., arising from the open, notorious, and undisputed use of water for the statutory term of years; a right acquired by appropriation, e.g., a grant from an agency of government with the right to distribute the unappropriated surplus waters of the state; or a riparian right under the common law doctrine of riparian ownership of waters that wash land.³

EFFECTIVE DATE OF VALUE

February 2, 2011

DATE OF REPORT

February 14, 2011

DATE OF INSPECTION

The property was inspected December 2, 2008, by Lee B. Smith accompanied by Mr. Thomas E. Perkins. Mr. Lee B. Smith reinspected the property March 8, 2010.

THREE YEARS SALES HISTORY

There have been no market transactions of the property in the preceding three years.

APPRAISAL HISTORY

The property has been appraised by Lee B. Smith as follows; December 2, 2008 for \$6,470,000 and March 9, 2010 for \$6,285,000.

² The Dictionary of Real Estate Appraisers, Appraisal Institute.

³ The Dictionary of Real Estate Appraisers, Appraisal Institute

LIMITING CONDITIONS

In acceptance of this appraisal assignment and completion of the appraisal report submitted herewith, it has been assumed by the appraiser:

1. That the title to the property is marketable.
2. That no responsibility is assumed for matters which are legal in nature, and for the purpose of this appraisal report, it is assumed that the title is clear, merchantable, and unencumbered.
3. That the legal description, as given, is correct.
4. That those opinions, estimates, data, and statistics furnished by others in the course of investigation are correct.
5. That no survey was made, and the sketches in this report are for illustration only.
6. That no right to expert testimony is included without prior arrangements and proper compensation.
7. Disclosure of the contents of this report is governed by The Appraisal Foundation; Nevada Revised Statutes, Chapter 645C; the Bylaws and Regulations of The Appraisal Institute; and the Society of Farm Managers and Rural Appraisers. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which he is connected, or any reference to The Appraisal Institute and Society of Farm Managers & Rural Appraisers; the MAI or ARA designations) shall be disseminated to the public through advertising media, public relations, and/or news.

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8. That this appraisal report will not be used for any purposes by anyone but the specified client without written consent of the appraiser.
9. That information obtained for use in this appraisal is believed to be true and correct to the best of the appraiser's ability; however, no responsibility is assumed for errors or omissions nor for information not disclosed which might otherwise affect the valuation estimate.
10. That the value estimate in this report is as of the effective date of valuation and does not represent an estimate for another date.
11. That Lee B. Smith & Associates recommends the client consider testing the subject for environmental hazards and contamination. The values in this appraisal are based upon the property having no environmental contamination or having any sources of environmental contamination other than what is described in the report. If contamination or contaminants are found, the values in this appraisal are subject to change.
12. That Lee B. Smith & Associates recommends the client consider have the subject surveyed for endangered and threatened species. The values in this appraisal are based upon the property having no endangered or threatened species. If endangered or threatened species are found, the values in this appraisal are subject to change.
13. That the appraisal must be used in conjunction with the market value appraisals of the fee simple estate of the same property with dates of value of December 2, 2008 and March 9, 2010.

EXTRAORDINARY ASSUMPTIONS

1. That no legal description was provided for this appraisal. Acreages are based upon the Douglas County Assessor. If a formal survey finds acreages are different, values in this appraisal are subject to change.
2. The values are subject to change if the acreage within the Zone "AE" Flood Zone changes.
3. That the portable livestock panels are not valued in this appraisal.
4. That the interior of the residence was not inspected.
5. That the subject can be annexed to the Town of Minden with full access to town services.
6. That there is the potential that portions of the acreage within the designated "AE" Flood Zone may be developed.

CARSON VALLEY AREA DESCRIPTION

LOCATION

Douglas County is located in west central Nevada. The Carson Valley, located within Douglas County, is bordered by Carson City to the north, Lyon County to the east, Lake Tahoe to the west and the State of California to the west and south. Minden, the county seat of Douglas is located in Carson Valley.

Carson Valley is a picturesque mountain agricultural valley bordered by the Carson Range of the Sierra Nevada Mountains on the west which sharply rise to an elevation of 10,000 feet, and the Pinetop Mountains, rising to 9,450 feet to the east. Valley elevations average 4,700 feet. The Carson River bisects the valley providing water for the irrigated agriculture.

TRANSPORTATION/ACCESS

U. S. Highway 395, a major north/south transportation system extending from Mexico to Canada, is the primary access route to and within the valley. U.S. Highway 395 extends north to Carson City and the Reno/Sparks area. The east/west highways are Highways 50 and 88. Highway 88 runs from the U. S. Highway 395 intersection in Minden southwesterly over the Carson Pass to Central California and the Bay Area. State Route 207 (Kingsbury Grade) offers the valley access to U. S. Highway 50 at Lake Tahoe. U. S. Highway 50 extends west to Sacramento and the San Francisco.

Commercial air service is available at Reno-Tahoe International Airport. General aviation facilities are available at Douglas County Airport, four miles north of Minden/Gardnerville.

CLIMATE/TERRAIN

The Sierra Nevada Mountain Range is very effective in reducing the moisture content of storms moving easterly from the Pacific. As a result, Carson Valley has an arid-type climate with hot summers, moderate winters and cool night temperatures. The annual average temperature is 49° and there are 100 to 130 frost-free days. Precipitation is light except from December through

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February when nearly one-half of the yearly totals are received. December is the wettest month with 1.97" of rainfall. Average annual snow accumulation is 18.2", with the extreme being 83". Terrain in the valley is generally level to slightly undulating.

TAXATION

The Douglas County tax rate varies from approximately \$2.64/\$100 to \$3.65/\$100 of assessed value depending upon the taxing district. The lower rates are typical of rural areas, while the upper rates reflect tax districts at Lake Tahoe and those within new assessment areas. Real Estate assessed values are based on 35% of the cost of constructing a building, less depreciation at 1.5% per year, plus land value. There is a 3% per year appreciation limit on owner occupied residences and 8% per year for most other types of real estate. Qualified agriculture properties are assessed on a state provided agriculture valuation. The state imposes a 6.5% sales tax, with municipalities granted the option of levying an additional .50%. The state sales tax does not apply to food purchased for home consumption.

The state imposes no income, estate, inheritance, gift or business franchise taxes. Nevada's Freeport law provides for no tax on imported warehouse goods. Due to these tax advantages, Nevada and Douglas County are desirable locations in which to relocate industry.

POPULATION

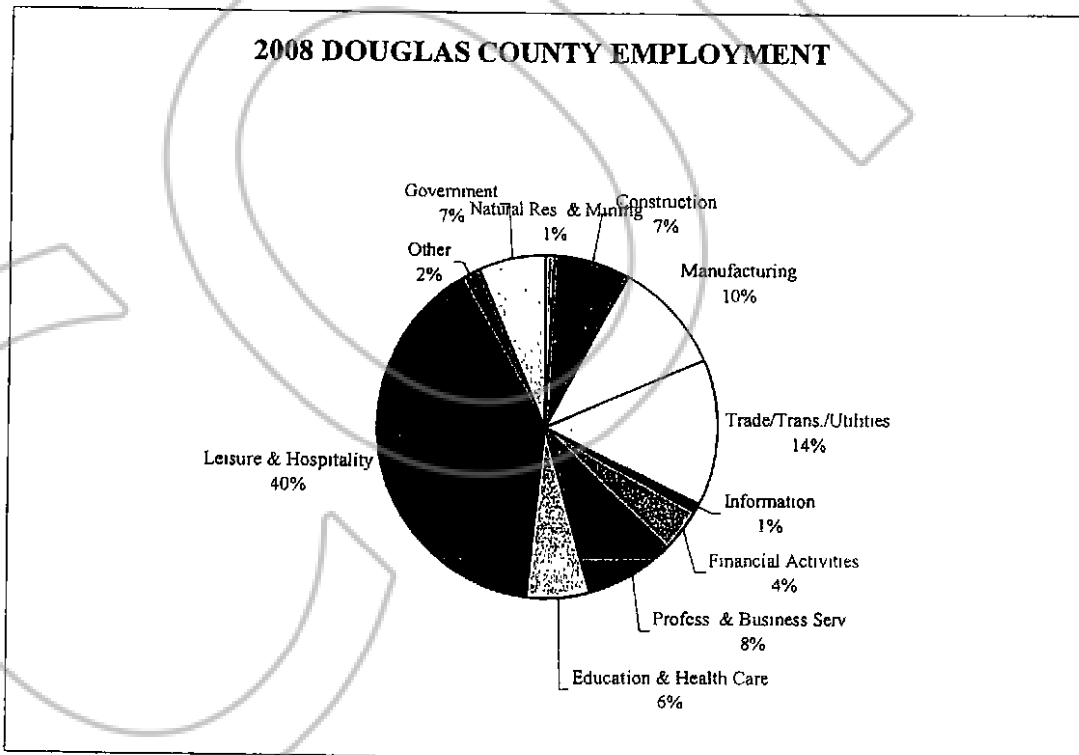
| Year | Population | Percent Change |
|------|------------|----------------|
| 1980 | 19,241 | 0.00% |
| 1990 | 27,637 | 30.38% |
| 2000 | 41,259 | 33.02% |
| 2001 | 43,450 | 5.04% |
| 2002 | 44,212 | 1.72% |
| 2003 | 45,603 | 3.05% |
| 2004 | 47,803 | 4.60% |
| 2005 | 50,108 | 4.60% |
| 2006 | 51,770 | 3.21% |
| 2007 | 52,386 | 1.18% |
| 2008 | 52,131 | -0.49% |
| 2009 | 51,390 | -1.44% |

Factors cited for the rapid population growth in the Carson Valley from 2000 to 2006 include the scenic location near Lake Tahoe, proximity to a major commercial airport, moderate climate, quality of life, employment availability, low taxes and clean air. Most of the population growth was to migration, primarily from California. The decline in population in 2008 and 2009 is due to the recession and job losses in the construction industry.

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AREA ECONOMY

| Catorgatories | Average No. Employees | Percent | Annual Payroll | Annual Avg. Wage | Percent |
|---------------------------|-----------------------|---------|----------------|------------------|---------|
| Natural Res. & Mining | 149 | 0.77% | 6,867,158 | \$ 46,088 | 116% |
| Construction | 1,423 | 7.32% | 57,471,521 | \$ 40,388 | 102% |
| Manufacturing | 2,029 | 10.44% | 107,536,139 | \$ 53,000 | 134% |
| Trade/Trans./Utilities | 2,642 | 13.59% | 79,926,080 | \$ 30,252 | 76% |
| Information | 169 | 0.87% | 7,286,727 | \$ 43,117 | 109% |
| Financial Activities | 797 | 4.10% | 39,340,262 | \$ 49,360 | 124% |
| Profess. & Business Serv. | 1,636 | 8.42% | 97,590,524 | \$ 59,652 | 150% |
| Education & Health Care | 1,216 | 6.26% | 47,722,210 | \$ 39,245 | 99% |
| Leisure & Hospitality | 7,690 | 39.56% | 211,588,239 | \$ 27,515 | 69% |
| Other | 369 | 1.90% | 11,113,478 | \$ 30,118 | 76% |
| Government | 1,318 | 6.78% | 104,776,283 | \$ 79,496 | 200% |
| Total | 19,438 | 100.00% | 771,218,621 | \$ 39,676 | 100% |



Leisure and Hospitality-oriented employment (tourism) is the primary employment in the Tahoe Basin. The economy of Carson Valley is more equally spread between trade, manufacturing, construction and government.

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The county's largest employers are as follows:

| Employer | City | Industry |
|--------------------------------|-----------|---------------|
| Harrah's | Stateline | Casino Hotels |
| Douglas County School District | County | Education |
| Harvey's Resort Hotel Casino | Stateline | Casino Hotels |
| MontBleu | Stateline | Casino Hotels |
| Bently Nevada | Minden | Manufacturing |
| Douglas County | Minden | Government |
| Tahoe Horizon Casino/Resort | Stateline | Casino Hotels |
| Carson Vally Inn | Minden | Casino Hotels |
| Lakeside Inn & Casion | Stateline | Casino Hotels |
| Ridge Resorts | Stateline | Hotels |
| Starbucks | Minden | Manufacturing |

| | 2000 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
|-------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Total Labor Force | 21,710 | 21,790 | 22,020 | 22,220 | 21,890 | 22,619 | 22,880 | 22,960 | 19,916 |
| Unemployed | 890 | 1,100 | 1,110 | 990 | 970 | 1,040 | 1,200 | 1,680 | 2,740 |
| Unemployment Rate | 4.10% | 5.05% | 5.04% | 4.46% | 4.43% | 4.60% | 5.24% | 7.32% | 13.76% |

(The county's unemployment rate had been consistent between 4.1% to 5.3% until 2009. Unemployment began to increase in 2008 and reached 13.76% in 2009.)

Residential construction and sales were a vital part of Douglas County's economy. The recession has dramatically reduced home construction and residential sales. The following charts show the change.

BUILDING PERMITS

| Year | Single Family Residences | Multi-family Units | Total | Percent Change |
|------|--------------------------|--------------------|-------|----------------|
| 2000 | 542 | 7 | 549 | 0.00% |
| 2001 | 571 | 13 | 584 | 5.99% |
| 2002 | 672 | 2 | 674 | 13.35% |
| 2003 | 527 | 25 | 552 | -22.10% |
| 2004 | 507 | 11 | 518 | -6.56% |
| 2005 | 539 | 16 | 555 | 6.67% |
| 2006 | 588 | 1 | 589 | 5.77% |
| 2007 | 160 | 4 | 164 | -259.15% |
| 2008 | 46 | 3 | 49 | -234.69% |

AVERAGE SINGLE FAMILY RESIDENCE PRICE

| Year | Number of Sales | Percent Change | Average Price | Percent Change |
|-------|-----------------|----------------|---------------|----------------|
| 2000 | 777 | 0% | \$ 198,516 | 0.00% |
| 2001 | 981 | 21% | \$ 203,392 | 2.40% |
| 2002 | 1048 | 6% | \$ 242,676 | 16.19% |
| 2003 | 1105 | 5% | \$ 285,219 | 14.92% |
| 2004 | 1331 | 17% | \$ 363,188 | 21.47% |
| 2005 | 1030 | -29% | \$ 444,234 | 18.24% |
| 2006 | 702 | -47% | \$ 459,519 | 3.33% |
| 2007 | 561 | -25% | \$ 417,279 | -10.12% |
| 2008 | 516 | -9% | \$ 341,947 | -22.03% |
| 2009 | 596 | 13% | \$ 305,156 | -12.06% |
| 2010* | 63 | -846% | \$ 243,353 | -25.40% |

Source: MLS
* 3/02/2010

The rapid residential and value appreciation growth from 2001 to 2004 is now in decline following the national trend. To date values have not declined in Douglas County as significantly as other counties in western Nevada.

DOUGLAS COUNTY SCHOOL ENROLLMENT

| Year | Enrollment | Percent Change |
|------|------------|----------------|
| 1980 | 3,593 | 0.00% |
| 1985 | 4,140 | 13.21% |
| 1990 | 5,816 | 28.82% |
| 1995 | 7,091 | 17.98% |
| 2000 | 7,033 | -0.82% |
| 2001 | 6,989 | -0.63% |
| 2002 | 7,180 | 2.66% |
| 2003 | 7,190 | 0.14% |
| 2004 | 7,208 | 0.25% |
| 2005 | 7,038 | -2.42% |
| 2006 | 6,848 | -2.77% |
| 2007 | 6,818 | -0.44% |
| 2008 | 6,611 | -3.13% |
| 2009 | 6,517 | -1.44% |

School enrollment in 2009 is less than 1995 enrollment. This is attributable to a maturing populations and a loss of young families due to the recession.

LAND USE

Agriculture remains the dominant land use in Carson Valley. Principal agricultural businesses include beef cattle ranches, and irrigated field crop farms. Agricultural production is concentrated on the valley floor using water from the Carson River for irrigation. There are approximately 41,000 acres currently devoted to irrigated agriculture in the valley. There is an effort by local government and residences to maintain the agriculture properties in agriculture production.

The Carson Valley areas designated for industrial development are the Meridian Business Park located west of the Douglas County Airport, the Bently Science Park located 1.5 miles northeast of Minden, the Carson Valley Industrial Park located 2 miles southeast of Gardnersville, and the Carson Valley Business Park located between the north side of the airport and south of Johnson Lane. Carson Valley is currently benefiting from announced construction of a Starbucks roasting facility in the Carson Valley Business Park. To date industrial development has been slow.

Commercial uses are found primarily along the U.S. Highway 395 corridor in Minden/Gardnerville and near Carson City at the U.S. Highway 395/Jacks Valley Road intersection. The strip commercial district in Minden/Gardnerville includes a combination of tourist commercial, highway commercial and local commercial enterprises. Most new development is taking place at the north end of Gardnerville and the south end of Minden; however, there has also been some remodeling and fill-in new construction in the downtown areas. The U.S. 395/Jacks Valley Road intersection is developing with "box retailers" including Home Depot, Wal-Mart, Target, Best Buy, Bed and Bath, Borders, Staples, etc. to date.

TAXABLE SALES

| Year | Sales | Percent Change |
|------|------------|----------------|
| 1990 | \$ 294,399 | 0.00% |
| 1995 | \$ 365,187 | 19.38% |
| 2000 | \$ 508,652 | 28.20% |
| 2002 | \$ 568,014 | 10.45% |
| 2003 | \$ 619,066 | 8.25% |
| 2004 | \$ 745,170 | 16.92% |
| 2005 | \$ 792,484 | 5.97% |
| 2006 | \$ 773,174 | -2.50% |
| 2007 | \$ 765,219 | -1.04% |
| 2008 | \$ 691,609 | -10.64% |
| 2009 | \$ 584,679 | -18.29% |

The recession has resulted in taxable sales in 2009 being less than 2000 taxable sales.

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MUNICIPAL SERVICES

Public and private water companies serve approximately 82% of Carson Valley residents. The communities of Minden and Gardnerville maintain their own water systems as does the Gardnerville Ranchos. Approximately 65% of the valley residents have public sewer, with the remainder on individual septic systems. Minden and Gardnerville provide garbage collection within their respective town limits. Garbage collection in the rural areas is provided by Douglas Disposal. Other service providers are:

| | |
|--------------|----------------------|
| Electricity: | Sierra Pacific Power |
| Gas | Southwest Gas |
| Telephone: | Verizon |
| Cable TV: | Columbia Cable |

COMMUNITY FACILITIES

Douglas County School District provides education through high school, and higher education is provided by Western Nevada Community College in Minden, Carson City, and the University of Nevada, Reno. Neighborhood shopping is available in Minden/Gardnerville. Additional community and neighborhood shopping centers are located in Indian Hills and Carson City, and regional shopping is available in Reno. Carson Valley Medical Center (a Barton Memorial Hospital facility located in Gardnerville) and the Minden Medical Center (a Carson Tahoe Hospital facility) house a group of multi-specialty physicians, outpatient services, home health, laboratory, medical imaging, pharmacy, physical therapy, and urgent care.

Douglas County has a Paramedic Ambulance District located in Minden which provides complete life support paramedic service. Additional facilities include Carson Tahoe Hospital in Carson City and Barton Memorial Hospital located in Lake Tahoe. Care Flight, based in Reno, provides emergency helicopter transport service to Douglas County.

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RECREATION/ENTERTAINMENT

Two predominant features of Douglas County are: 1) Year-round recreation and gaming at Lake Tahoe, and 2) the pleasant, aesthetic, and quiet charm of the Carson Valley.

The Stateline area at Lake Tahoe has four major hotel/casinos and the Tahoe Basin has some 28 ski resorts, including Heavenly Valley (geographically one of the largest in the U.S.) and Squaw Valley, the site of the 1960 Winter Olympics. Lake Tahoe is also a popular summer recreation area for camping, fishing, boating and sightseeing.

Carson Valley benefits from its scenic and aesthetic charm, clean air, and a moderate climate. From the Minden/Gardnerville area there are outstanding views of the Sierra Nevada Mountains. The valley offers a variety of recreational pursuits such as hot air ballooning, fishing, hunting, golf, hiking, bicycling, soaring, and other outdoor activities. International and national soaring competitions are held annually in the valley.

DOUGLAS COUNTY MASTER PLAN

As a result of rapid increases in population during the 1970's, Douglas County adopted its first master plan in 1980. This master plan did not limit the rate of growth and it was only considered to be a general guideline for future development.

In 1989, the county initiated a policy of requiring dedication of water rights for subdivision approval. The county requires a developer/subdivider to dedicate 1.12 acre feet of water rights for each new lot created if the proposed development is served by a community water system, 2.01 acre feet if the lot is to be served by an individual well. To discourage attempts to export water out of the valley to Reno or Carson City, a concurrent policy resulted in a total loss of development rights on agricultural land stripped of water rights for exportation.

Rapid growth in recent years resulted in a review of the original master plan and a new plan was adopted April 18, 1996. The new Master Plan divides the county into the following five regional planning areas:

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Tahoe
Sierra
Pinenut
Carson Valley
Topaz

The Carson Valley is further divided into eleven sub-planning or community areas:

Agricultural (north, south and central)
Airport
East Valley
Fish Spring
Foothill
Gardnerville Ranchos
Genoa
Indian Hills/Jacks Valley
Johnson Lane
Minden/Gardnerville
Ruhensroth

Pertinent elements of the plan are as follows:

1. The master plan incorporates Transferable Development Rights (TDR's) into the growth plan to encourage development on undeveloped lands surrounding existing communities where water and sewer service are available. The two principal components of TDR's are:

Receiving Areas: Lands the county prefers to have developed, and

Sending Areas: Lands the county prefers to preserve as open space.

This policy envisions the transfer of development rights from agricultural lands removed from existing communities to lands surrounding developed communities, thus preserving agricultural and open space use of the lands.

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2. Most of the irrigated agricultural lands in the valley have an Agriculture (A) land use designation with a recommended minimum lot size of 19 acres per dwelling unit. Agricultural land is granted a 50% bonus credit if the water rights are left in place and its development rights are transferred to a Receiving Area.
3. The non-irrigated rangelands and hillsides surrounding the valley are designated Forest and Range (FR). This designation also has a minimum lot size of 19 acres but does not benefit from bonus credits.

On August 30, 2001, Douglas County enacted Ordinance No. 2001-968 regarding transfer of development rights. Since the initiation of the development right concept in the 1996 Master Plan, the market has not recognized the development right concept. This ordinance is an effort to strengthen the concept, offering a bonus formula for transfer of water rights from A-19 and FR-19 zoned parcels. It is the county's hope that with enactment of this ordinance, development rights will become marketable in the future.

CONCLUSION

Carson Valley's natural resources and location had resulted in a rapidly expanding population, and a diverse economic base. Property values, which are currently static, are expected to decline until the recession ends. When the current recession ends it is projected that the population will again increase causing demand for residential and commercial land use.

NEIGHBORHOOD DESCRIPTION

COMMERCIAL

U.S. Highway 395 corridor through Minden is transitioning from old commercial development, open space and old single-family residences to commercial uses, including retail outlets, fast food franchises and professional offices. The downtown Minden core has been in renovation upgrading old historic buildings and integrating new buildings constructed with the historical architectural theme to small retail outlets, restaurants, professional and government offices. The Carson Valley Inn, a casino, hotel and RV park, is the dominant gaming establishment in the Minden/Gardnerville area, and is located on U.S. Highway 395 in Minden.

RESIDENTIAL

Single-family and mobile family residential developments are located north and south of the U.S. Highway 395 commercial corridor.

TRENDS

The southeast corner of Highway 88 and U.S. Highway 395 in Minden is nearing completion with interior roads and infrastructure for a retail commercial site. A new Holiday Express Hotel has been constructed and is now open at this location. Retail/commercial development has nearly stopped with increases of retail/commercial building space vacancy beginning to become apparent. Residential development has also nearly stopped. Residential development ranging from finished pad sites, ready for construction to vacant land lay dormant with no on-going construction. This is consistent with the regional and national trends regarding residential properties. There are a number of multi-family and single family development properties with various stages of approvals listed for sale. Listings in Minden/Gardnerville for retail/commercial and multi-family properties are now reducing their asking prices below 2007 and 2008 sale prices. There has been minimal sales of these types of properties in 2009 and 2010. As the national, regional, and local residential markets recover, it is anticipated that the Minden residential market will again become viable.

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SITE DATA

There have been no changes in the subject's physical condition since the December 2, 2008 appraisal.

LEGAL DESCRIPTION

No formal legal description of the property was provided. This is an appraisal of parcels identified by the Douglas County Assessor as APNs 1320-29-301-001 and 1320-29-301-003.

ADDRESS

1650 Buckeye Road, Minden, Nevada

LOCATION

The subject is located in Douglas County immediately north of the Town of Minden, bisected by Buckeye Road. The property is bordered by Windhaven Estates on the north, a future proposed subdivision on the east and the Carson Valley Inn, Douglas County Courthouse and offices and the Bentley Industrial Complex on the south. The west boundary consists of multi-family residential.

ACCESS

Buckeye Road is a two-lane asphalt paved road with concrete curbs plus asphalt paved bike/walking path. Buckeye Road bisects the east portion of the property in a southwest to northeasterly direction. The median between the vehicle road and the bike/walking path is landscaped. Ironwood Drive abuts the west boundary of the property. The Minden/Gardnerville Transportation Master Plan shows extension of Ironwood Drive through the subject to Buckeye Road. The plan also shows expanding Buckeye Road through the subject from two to four lanes.

RANCH HISTORY AND OPERATION

The subject has historically been used as a livestock ranch raising cattle and hogs. It is presently growing irrigated pasture.

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WATER RIGHTS

The subject has the following water rights delineated in the Carson River Decree. "The United States of America, Plaintiff, versus Alpine Land and Reservoir Company, a Corporation, et.al. Defendant, Civil Number D-183BRT"

Table with 3 columns: Claim, Priority, Irrigated Acres. Rows include claims 394, 413, 414, and a Total row.

WATER AVAILABILITY

The 1877 and 1881 water right priorities are slightly below average for Carson Valley. The subject is susceptible to shortages in late summer in average water years, and early summer shortages in below average water years.

IRRIGATION SYSTEM

The property is gravity and wild flooded irrigated from open ditches with wood and concrete structures.

SIZE

±84.89 Acres (300,697,808.4 SF).

TOPOGRAPHY

The subject is comprised of three basic topographic areas. The area in the Martin Slough corridor has slight surface undulation and slopes. The area between the Martin Slough and the benchlands has slight surface undulation and slight to moderate slopes. The benchland areas are level. The majority of the property is at an elevation of ±4,720 ft.

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SOILS

The soils in the southern portion of the property, located within the Martin Slough, are Henningsen Loams. The soils on the benchlands are primarily Hussman Clays with a small amount of East Fork Clay Loams. A soils map and description are included in the addenda.

LAND INVENTORY

Using aerial photographs obtained from the Farm Services Agency and onsite visual inspection, the following land classification and inventory has been formulated. This land classification segregates the different categories of the subject within itself based on soils, topography and current use.

| Class | Category | Description | Acres |
|---------------|---------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|
| 1-A | Improved Pasture | Clay and Clay Loams of fairly good to good fertility. Fairly well leveled for gravity irrigation from open ditches. Adaptable to improved pasture and small grains. | 28.00 |
| B | Improved and Wild Pasture | Loams of fair to fairly good fertility. Slight to moderate surface undulation and slope. Wild flood and sub-irrigated from open ditches. Adaptable to tame and wild pastures | 37.00 |
| C | Wild and Sub-Pasture | Loams for fairly good fertility. Slight to moderate surface undulation. Low line sub-irrigated with some sloughs. Adaptable to wild pasture. | 5.00 |
| D | Dry Pasture | Loams and Gravelly Loams with moderate surface undulation and slopes. Non-irrigated with native vegetation cover. | 3.89 |
| | Pond | Improved pond area used for accumulation of irrigation heads and wildlife habitat. | 4.00 |
| | Farmstead | Includes areas under buildings, fed yards and farm roads. | 7.00 |
| Total: | | | 84.89 |

FLOOD ZONE

The southerly portion of the property containing ±43.47 acres is located within the "AE" Flood Zone. The "AE" Flood Zone is within the one hundred year flood area with base elevations determined as delineated on the Federal Emergency Management Agency's flood insurance rate map, Community Panel No. 235, revised November 8, 1999. Reportedly, The Martin Slough Flood Area is under re-examination. There are properties adjacent to the subject that had areas

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within the flood plain that have been landfilled, and/or the flood plain has been re-engineered and re-channeled. There is a reasonable probability, confirmed by the Douglas County Planning Department that the flood zone upon examination and new engineering could be subject to change.

WETLANDS

No wetlands designation has been made on the subject. There are no hydric soils on the property. Portions of the property currently have a high water table. It is not known if the high water table is created from man made sources (irrigation on or adjacent to the property) or is attributable to ground water. These areas could meet the federal criteria for wetlands. To date, no formal wetlands designations have been made.

ENDANGERED SPECIES

It is unknown if there are any endangered species on the site.

HAZARDOUS MATERIALS

It is not known if there are any hazardous materials on the property. The property has been used for agriculture, and the farmstead has been used to support the agricultural operation. Various agricultural enterprises have been conducted on the property including a hog facility. It is recommended that a Level 1 Environmental Study be made.

OPERATING IMPROVEMENTS

The livestock fences are of wood and steel posts with barbed wire in fair condition. There is a small set of cattle working corrals of wood posts and board construction that includes a working chute and loading chute. The corral has metal gates and is suitable for light use. There is a heavy equipment concrete loading dock and two steel grain storage tanks. The farmstead area is well graveled.

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BUILDING IMPROVEMENTS

The interior of the main residence and the apartment were not inspected. The following chart summaries the building improvements.

BUILDING DESCRIPTION SUMMARY CHART

| Improvement | Dimensions | | Square Feet | Foundation | Construction | Siding | Roof | Quality | Condition | |
|-------------------|------------|---|-------------|------------|----------------|------------|-----------------|--------------|-----------|-----------|
| Main Residence | 30 8 | X | 48 6 | 1,497 | Concrete | Wood Frame | Metal | Comp Shingle | Fair | Fair |
| Bunk Hse /Storage | 22.0 | X | 70 0 | 1,540 | Concrete | Wood Frame | Wood Board | Metal | Low | Fair |
| Barn | 40 0 | X | 48.0 | 1,920 | Conc./Mud Sill | Wood Frame | Batt & Board | Metal | Good | Fair |
| Attached Storage | 20.0 | X | 48.0 | 960 | Conc./Mud Sill | Wood Frame | Batt & Board | Metal | Low | Fair-Poor |
| Hog Barn | 27 0 | X | 54.5 | 1,472 | Concrete | Wood Frame | Hard Bd /Wd Bd. | Metal | Fair | Fair |
| Attached Hog Shed | 16.5 | X | 48.5 | 800 | Concrete | Wood Frame | Wood Board | Metal | Fair | Fair |
| Equipment Shed | 17.5 | X | 60.0 | 1,050 | Pole | Wood Frame | Wood Board | Metal | Low | Fair |
| Attached Shed | 21.0 | X | 21.5 | 452 | Pole | Wood Frame | Metal/Wd. Bd. | Metal | Low | Fair |
| Feed Barn | 35.5 | X | 180 0 | 6,390 | Concrete | Wood Frame | Wood Board | Metal | Fair | Fair |
| Attached Shed | 11 5 | X | 35 5 | 408 | Concrete | Wood Frame | Wood Board | Metal | Fair | Fair |

UNINSURABLE: Stock Shed

LANDSCAPING

The residence has a fenced yard with lawn, mature trees and shrubs.

UTILITIES

The subject has public electricity and telephone. City water is located within Buckeye Road and is adjacent to the west boundary of the subject in Ironwood Drive. Municipal sewer is available at the northeast corner of the property and is located within Buckeye Road ±350 Ft. south of the property.

ZONING

The property is zoned A-19. Agriculture (19 Acres). This is an agricultural zoning for Douglas County allowing a minimal parcel size of nineteen acres. The property is located adjacent to the Town of Minden and can be readily annexed into the town. The property is an island bordered by the Town of Minden on the south, the Windhaven Subdivision on the north, multi-family residential development and a park on the west. The vacant lands to the east are within a designated receiving area planned for future growth. That portion of the subject located outside

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of the flood zone is within a designated receiving area (RA). Densities within receiving areas are determined based on a proposed development plan for the property. Single-family residential lots can be as low as 5,000 SF per lot. Multiple residential units under a planned development can be as low as 800 to 1,000 SF per unit. Receiving areas can also incorporate commercial and retail uses. The flood plain area of the subject, which is not within the RA Zoning, has transferable development rights (TDRs) which can be transferred to the receiving area. A preliminary estimate of the TDRs within the subject that can be transferred from the "AE" Flood Zone area to the RA is as follows:

| <u>Category</u> | <u>TDRs</u> |
|-----------------|--------------|
| Base | 2.27 |
| Base Bonus | 20.43 |
| Water Right | 15.89 |
| Flood Plain | <u>15.89</u> |
| Total: | 54.48 |

The amount of density that will ultimately be allowed on the subject will be based on a proposed plan for the property that is acceptable for governmental entities.

ASSESSMENTS AND TAXES

REAL ESTATE ASSESSMENTS

The Douglas County Assessor has identified and assessed the property for the 2009/2010 tax year as follows:

| <u>APN</u> | <u>Land</u> | <u>AG Land</u> | <u>Improvements</u> | <u>Taxes</u> |
|-----------------|-------------|----------------|---------------------|----------------|
| 1320-29-301-001 | \$47,250 | \$6,051 | \$24,930 | \$1,288.80 |
| 1320-29-301-003 | <u>\$0</u> | <u>\$836</u> | <u>\$0</u> | <u>\$23.49</u> |
| Total: | \$47,250 | \$6,887 | \$24,930 | \$1,312.29 |

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FEDERAL WATER MASTER ASSESSMENTS

The 2009 water assessment was \$3.16 per water right acre.

SPECIAL OR RECREATIONAL FEATURES

There are no special onsite recreation features. The Martin Slough (which is actually an irrigation ditch) bisects the property but offers no special amenities. The onsite pond can be used for limited fishing. The pond's proximity to downtown Minden and residential areas precludes its use for hunting. The property has average views for the area.

COMMENTS

The subject is a vacant land island located within the Town of Minden. There is existing commercial, public and residential development on the south, west and north sides. Residential development is planned for the east boundary. The portion of the subject located outside of the flood plain is a receiving area which can accommodate residential, multi-residential and commercial development. The flood plain area, which presently incorporates $\pm 51\%$ of the land area, can transfer ± 54.48 TDRs to the RA area and remain in open space. There is the potential, based on the adjoining land areas that once were also within the flood plains that have been landfilled, that the subject's flood plain area can be reduced increasing the amount of acreage that can be developed. The flood plain area could be narrowed into a park area with walkways, jogging paths and ponds that would accommodate potential future floods but would also result in an amenity to any proposed development of the property. Overall, given the subject's location, receiving area designation and availability of public utilities will make it is "ripe" for development when economic conditions warrant. The moderating element for development of the property other than the economy is the impact of the "AE" flood zone.

HIGHEST AND BEST USE

Highest and best use may be defined as the reasonably probable and legal use of vacant land, or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The highest and best use of both land, as though vacant, and property, as improved, must meet the following criteria:

1. Legally permissible
2. Physically possible
3. Financially feasible
4. Maximally productive

"AS VACANT"

LEGALLY PERMISSIBLE

The subject is an unannexed island within the Town of Minden. Annexation into the Town of Minden would be required of the subject if developed. ±49% of the property is presently designated as a Receiving Area (RA), which would allow residential and commercial development through a PUD. ±51% is located within the "AE" flood zone, which is presently zoned A-19. Based upon the 43.17 acres located within the flood zone, there is ±54.48 TDRs that could be transferred to the RA portion of the subject. The primary constraint for development of the property is the designated "AE" flood zone. There is the potential upon formal engineering that the flood zone acreage could be reduced and/or mitigated. The flood zone can also be used for open space requirements for adjacent development. The property has legal access to Buckeye Road and Ironwood Drive. There are Carson River decreed water rights appurtenant to the property.

PHYSICALLY POSSIBLE

Full public utilities are available to the property. That portion of the property located outside of the "AE" flood zone is suitable for development. If areas that are currently within the "AE" flood zone can be used for development, these areas will require landfill. Additionally, there is

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potential for wetlands designation on several portions of the property if the present high water table is natural and not seepage from the Martin Slough Ditch, onsite or offsite irrigation. The soils on the subject that include higher degrees of clays would require engineering for construction of buildings and roads.

FINANCIALLY FEASIBLE

The subject is an island within an urban area. The Douglas County Court House Facility and the Carson Valley Inn, which are located on the south boundary of the subject, are poised for expansion onto the subject if the adjoining lands can be mitigated from the flood zone. Development on these lands would require landfill. The northern portion of the property, which is outside of the flood plain, will accommodate single-family and multi-family residential development. The Buckeye Road corridor would be suitable for neighborhood specific or commercial development. The Martin Slough, the i.e. flood plain corridor, can be developed into a park setting with pedestrian and bike paths, ponds and flowing water that would be an amenity to any development of the property. Presently there is little or no demand for residential, multi family, commercial, and retail properties in Minden/Gardnerville. There has been no comparable sale activity since the last appraisal. There are no other financially viable uses of the property other than urban development. The timing of development for the subject is now contingent on recovery of the national, regional and local economies. The subjects location will make it "ripe" for development when economic conditions warrant. The marketing time for the subject is anticipated to be longer than at the date of the December 2, 2008 and the March 9, 2010 appraisals.

MAXIMALLY PRODUCTIVE

The historic and current use of the subject is agriculture. The property's location, within the Town of Minden, and within a receiving area result in its most profitable and maximally productive use being for urban development. The property, given its location, access and availability of utilities will be "ripe" for development when local and regional economic conditions warrant.

Highest and Best Use "As Vacant":

Urban Development

"AS IMPROVED"

The agricultural improvements only contribution is as an interim income until the property is developed. The property was becoming "ripe" for development prior to the economic down turn. Agriculture will continue as an interim use until economic conditions warrant development of the property. Many of the agricultural improvements are excessive for the limited agricultural production on the subject and are not currently used. The agricultural and building improvements would be removed upon urban development. The Highest and Best Use "As Improved" is urban development with agriculture as an interim use.

**Highest and Best Use "As Improved": Urban Development with Agriculture
As an Interim Use**

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VALUATION

This appraisal is the third valuation of the subject following dates of value of December 2, 2008 and March 9, 2010. Investigation found no new comparable sales since March 9, 2010. The current valuation is based upon an analysis of current listings. The listings are analyzed to determine if there has been any change in market conditions (time) since the last appraisal. The lack of comparable sales since the last appraisal is an indication of a changing market. The listings will be analyzed to determine if the changes in that market can be measured and applied to the comparable sales.

APPRAISAL PROCESS

An appraiser has three methods of estimating the market value of the fee estate of a property. These are known as the Cost Approach, the Sales Comparison Approach, and the Income Capitalization Approach. For this analysis, the Sales Comparison Approach will be used. The Income Capitalization Approach will not be used. A development plan of the property has not been instigated, resulting in a development or subdivision approach being totally speculative. The existing improvements are not consistent with the subject's Highest and Best Use, resulting in omission of the Cost Approach.

SALES COMPARISON APPROACH

In the Sales Comparison Approach, an opinion of market value is developed by comparing properties similar to the subject that have sold or for which offers to purchase have been made to the subject property. A major premise of the Sales Comparison Approach is that the market value of a property is directly related to the prices of comparable, competitive properties.

The valuation analysis addresses the differences in the real property rights conveyed, the dates of sale, the motivations of buyers and sellers, and the financing arrangements for each sales transaction, which can account for variations in prices. The comparative analysis in the Sales Comparison Approach focuses on differences between the subject and comparative sales in their legal, physical, locational, and economic characteristics.

In the Sales Comparison Approach, an appraiser follows a systematic procedure:

1. Research the market to obtain information on sales transactions, listings, and offerings to purchase properties similar to the subject.
2. Verify the information by confirming that the data obtained is factually accurate and that the transactions reflect arm's-length market considerations.
3. Select relevant units of comparison (e.g., dollars per acre, per square foot, or income multiplier) and develop a comparative analysis for each unit.
4. Compare the comparable sale properties to the subject property using the elements of comparison and make quantitative or qualitative adjustments of each comparable, when appropriate, or eliminate the sale property as a comparable.
5. Reconcile the various value indications produced from the analysis of comparables to a value bracket and then to single value indication.

DATA ACQUISITION AND ANALYSIS

There were no direct comparable sales to the subject. This necessitated broadening the sales spectrum to offer a perspective of value for the property. Forty-Two sales and eight listings of properties in Minden, Gardnerville and Carson Valley were investigated and analyzed. There have been no comparable sales since the March 9, 2010 appraisal.

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LAND SALES CHART

| File No. | Sale No. | Location | APN | Sale Date | Sale Price | Lot Size Sq. Ft. | Price/ Sq. Ft. |
|----------|----------|------------------------------------|-----------------|-----------|---------------|------------------|----------------|
| 03-228 | 1 | 1590 Highway 88 | 1320-30-411-005 | 04/01/03 | \$ 665,000 | 217,364 | \$ 3.06 |
| 03-013 | 2 | ½ Mi. S., ½ Mi. E. of Gardnerville | 1220-03-000-034 | 04/15/03 | \$ 3,703,906 | 3,972,672 | \$ 0.93 |
| 03-091 | 3 | 1655 Luceme St. | 1320-30-703-007 | 06/25/03 | \$ 2,500,000 | 309,712 | \$ 8.07 |
| 03-090 | 4 | 1673 Luceme | 1320-30-703-005 | 07/21/03 | \$ 2,025,000 | 275,299 | \$ 7.36 |
| 03-131 | 5 | NEC Toler & Decker | 1320-34-002-001 | 08/08/03 | \$ 1,500,000 | 2,797,859 | \$ 0.54 |
| 03-140 | 6 | 1629 Highway 88 | 1320-30-802-001 | 08/29/03 | \$ 640,000 | 130,680 | \$ 4.90 |
| 03-229 | 7 | 897 Mahogany | 1320-30-411-004 | 10/01/03 | \$ 950,000 | 189,486 | \$ 5.01 |
| 04-330 | 8 | SEC Muller & Monte Vista | 1320-30-501-009 | 06/29/04 | \$ 8,970,000 | 1,362,557 | \$ 6.58 |
| 04-067 | 9 | NWC Centerville & Rubio | 1220-08-002-021 | 07/09/04 | \$ 5,625,000 | 1,785,524 | \$ 3.15 |
| 04-337 | 10 | 1430 Stonegate | 1320-34-002-044 | 09/09/04 | \$ 963,500 | 871,200 | \$ 1.11 |
| 04-331 | 11 | NWC Buckeye & Stanford | 1320-29-000-010 | 10/07/04 | \$ 17,500,000 | 4,363,841 | \$ 4.01 |
| 05-170 | 12 | 2155 Meridan | 1320-17-000-009 | 01/21/05 | \$ 1,100,000 | 904,306 | \$ 1.22 |
| 05-147 | 13 | 4 Mi. S., ½ Mi. E. of Gardnerville | 1220-28-000-005 | 01/28/05 | \$ 5,000,000 | 3,484,800 | \$ 1.43 |
| 05-302 | 14 | 1590 Highway 88 | 1320-30-411-005 | 02/03/05 | \$ 1,815,000 | 161,608 | \$ 11.23 |
| 05-298 | 15 | 1775 Monte Vista | 1320-30-510-004 | 02/23/05 | \$ 2,200,000 | 151,589 | \$ 14.51 |
| 05-299 | 16 | Ironwood & Monte Vista | 1320-30-611-004 | 02/23/05 | \$ 1,900,000 | 162,043 | \$ 11.73 |
| 05-300 | 17 | 1746 Monte Vista | 1320-30-510-006 | 02/23/05 | \$ 4,000,000 | 261,796 | \$ 15.28 |
| 05-301 | 18 | 1331 Stodick | 1220-03-202-001 | 04/13/05 | \$ 2,200,000 | 359,806 | \$ 6.11 |
| 05-290 | 19 | 1362 U.S. Hwy 395 | 1220-04-501-019 | 04/29/05 | \$ 1,750,000 | 243,936 | \$ 7.17 |
| 05-163 | 20 | SEC Johnson & Heybourne | 1320-05-001-008 | 06/16/05 | \$ 3,175,000 | 1,742,400 | \$ 1.82 |
| 05-292 | 21 | 1639 U.S. Hwy 88 | 1320-30-701-001 | 07/20/05 | \$ 1,061,381 | 227,383 | \$ 4.67 |
| 05-160 | 22 | 1118 Mill St. | 1320-32-801-028 | 10/07/05 | \$ 580,000 | 831,125 | \$ 0.70 |
| 05-158 | 23 | NEC Hwy 395 & Johnson Ln. | 1420-31-000-015 | 11/17/05 | \$ 6,149,000 | 4,051,080 | \$ 1.52 |
| 06-012 | 24 | 2453 Heybourne | 1320-05-002-016 | 01/30/06 | \$ 2,090,880 | 1,338,163 | \$ 1.56 |
| 06-013 | 25 | 3.75 Miles North of Minden | 1320-05-002-020 | 02/17/06 | \$ 1,698,840 | 891,673 | \$ 1.91 |
| 06-208 | 26 | 1629 Highway 88 | 1320-30-802-001 | 06/02/06 | \$ 900,000 | 130,680 | \$ 6.89 |
| 06-209 | 27 | Southside Buckeye Rd. | 1320-33-001-005 | 07/07/06 | \$ 40,000,000 | 8,724,197 | \$ 4.58 |
| 06-214 | 28 | 876 Centerville Road | 1220-07-002-009 | 07/10/06 | \$ 2,300,000 | 2,596,176 | \$ 0.89 |
| 06-374 | 29 | 1 Mile South of Minden | 1320-31-000-007 | 11/07/06 | \$ 850,000 | 2,313,472 | \$ 0.37 |
| 06-375 | 30 | 1472 Slaughterhouse Lane | 1320-33-301-002 | 12/08/06 | \$ 2,600,000 | 206,910 | \$ 12.57 |
| 06-201 | 31 | 1362 U.S. Hwy 395 | 1220-04-501-019 | 12/13/06 | \$ 3,100,000 | 257,440 | \$ 12.04 |
| 07-043 | 32 | 4 Miles North of Minden | 1320-05-002-017 | 06/13/07 | \$ 765,458 | 340,204 | \$ 2.25 |
| 07-044 | 33 | 4½ Mile North of Minden | 1320-05-002-018 | 06/22/07 | \$ 1,960,200 | 871,200 | \$ 2.25 |
| 07-045 | 34 | 1649 Highway 88 | 1320-30-701-001 | 08/09/07 | \$ 7,265,000 | 579,348 | \$ 12.54 |
| 07-046 | 35 | 850 Mottsville Lane | 1220-06-001-003 | 09/11/07 | \$ 1,500,000 | 1,505,869 | \$ 1.00 |
| 08-037 | 36 | Westwood Village | 1320-30-410-013 | 03/18/08 | \$ 745,000 | 61,855 | \$ 12.04 |
| 08-024 | 37 | 1686 Highway 395 North | 1320-30-701-005 | 04/24/08 | \$ 2,320,000 | 101,930 | \$ 22.76 |
| 08-038 | 39 | 2456 Precision Dr. | 1320-04-001-036 | 11/12/08 | \$ 200,000 | 89,298 | \$ 2.24 |
| 08-039 | 40 | 2217 Park Place | 1320-08-410-011 | 12/16/08 | \$ 600,000 | 261,360 | \$ 2.30 |
| 09-327 | 41 | 2535 Precision Dr. | 1320-04-001-128 | 02/23/09 | \$ 292,750 | 72,745 | \$ 4.02 |
| 10-001 | 42 | Westend of Larson Way | 1220-10-501-006 | 01/20/10 | \$ 3,079,480 | 784,992 | \$ 3.92 |

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COMPARABLE LISTINGS

| Listing No. | Location | APN | Listing Date | Sale Price | Lot Size Sq. Ft. | Price/ Sq. Ft. |
|-------------|-----------------------|-----------------|--------------|--------------|------------------|----------------|
| 1 | 2451 Business Parkway | 1320-04-001-030 | | \$ 699,138 | 139,828 | \$ 5.00 |
| 2 | 2450 Precision Drive | 1320-04-001-036 | 09/14/10 | \$ 220,000 | 89,298 | \$ 2.46 |
| 3 | 2551 Precision Drive | 1320-04-001-063 | 10/15/10 | \$ 200,000 | 89,298 | \$ 2.24 |
| 4 | Heybourne | 1320-05-001-007 | | \$ 3,950,000 | 1,742,400 | \$ 2.27 |
| 5 | Johnson & Heybourne | 1320-05-001-008 | | \$ 6,800,000 | 1,742,400 | \$ 3.90 |
| 6 | Heybourne | 1320-08-401-004 | | \$ 999,000 | 391,169 | \$ 2.55 |
| 7 | Minden Gateway Center | 1320-30-701-017 | | \$ 2,875,000 | 478,724 | \$ 6.01 |
| 8 | 1424 Toler Lane | 1320-34-002-001 | 08/26/09 | \$ 3,500,000 | 2,787,840 | \$ 1.26 |

SALES ANALYSIS

PROPERTY RIGHTS CONVEYED

The property rights conveyed of the sales was the fee simple estate. No adjustments are necessary.

CONDITIONS OF SALE

Analysis did not find any unusual motivations or factors that would warrant adjustment for conditions of sale. No adjustment for conditions of sale will be made.

TERMS

Market value is predicated upon a value synonymous with cash or terms reasonably equivalent to cash. Only four of the 42 sales were not cash. Comparing the non-cash sales to the cash sales did not distinguish any value difference. For this analysis, all of the sales are considered cash equivalent requiring no adjustment.

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TIME

| Resale No. | APN | Sale No. | Sale Date | No. of Months | Sale Price | %/Mo. | %/Yr. |
|------------|-----------------|----------|-----------|---------------|--------------|----------|----------|
| | | 1 | 04/01/03 | | \$ 3.06 | | |
| 1 | 1320-30-411-005 | | | 22.1589 | | 6.0431% | 102.203% |
| | | 14 | 02/03/05 | | \$ 11.23 | | |
| | | 6 | 08/29/03 | | \$ 640,000 | | |
| 2 | 1320-30-802-001 | | | 33.1397 | | 1.0341% | 13.139% |
| | | 26 | 06/02/06 | | \$ 900,000 | | |
| | | 19 | 04/29/05 | | \$ 1,750,000 | | |
| 3 | 1220-04-501-019 | | | 19.4959 | | 2.9763% | 42.183% |
| | | 31 | 12/13/06 | | \$ 3,100,000 | | |
| | | 14 | 02/03/05 | | \$ 1,815,000 | | |
| 4 | 1320-30-411-005 | | | 46.3890 | | -0.4101% | -4.811% |
| | | Listing | 12/15/08 | | \$ 1,500,000 | | |

Resales 1, 2 and 3 show appreciation in the 2003 through 2006 time frame, ranging from 1.0341% per month to 6.0431% per month. Resale No. 4 is the sale of a property February 3, 2005, and a listing of the same property, which was withdrawn from the market December 15, 2008. This listing during the active listing period showed a depreciation of -0.4101% per month. The re-sales indicate a sharp appreciation in a 2003 to 2006 time frame and a decline in the market after 2006.

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| Pairing No. | APN | Sale No. | Sale Date | No. of Months | Sale Price | %/Mo. | %/Yr. |
|-------------|-----------------|-----------------|-----------|---------------|------------|----------|----------|
| 1 | 1320-30-703-007 | 3 | 06/25/03 | 49.5123 | \$ 8.07 | 0.8942% | 11.274% |
| | | 1320-30-701-001 | 34 | | 08/09/07 | | |
| 2 | 1320-02-002-020 | 25 | 02/17/06 | 16.1096 | \$ 1.91 | 1.0221% | 12.979% |
| | | 1320-05-002-018 | 33 | | 06/22/07 | | |
| 3 | 1320-30-510-004 | 15 | 02/23/05 | 36.7890 | \$ 14.51 | -0.5059% | -5.905% |
| | | 1320-30-410-013 | 36 | | 03/18/08 | | |
| 4 | 1320-04-001-128 | 41 | 02/23/09 | 23.3096 | \$ 4.02 | -2.4777% | -25.997% |
| | | 1320-01-001-063 | L-18 | | 02/02/11 | | |

Pairing No. 1 which covers a time frame from June 25, 2003 to August 9, 2007, shows appreciation during that period of 0.8942% per month. Pairing No. 2 which shows a time frame from February 17, 2006 to June 22, 2007, shows appreciation of 1.0221% per month. Pairings No.'s 1 and 2, correlate with Re-Sale No. 2 which showed appreciation of 1.0341% per month from August 29, 2003 to June 2, 2006. Pairing No. 4 is industrial parcels within the same industrial area and is nearly identical in physical characteristics. This pairing shows depreciation. Re-Sales 1, 2, and 3 and Pairings 1 and 2, support appreciation from April 1, 2003 to June 22, 2007. Re-Sale No. 2 at 1.0341% per month appreciation, Pairing No. 1 at 0.8942% appreciation, and Pairing No, 2 at 1.0221% per month appreciation support an overall appreciation from April 1 2003 to June 22, 2007 of 1% per month.

The time period from June 22, 2007 to the date of value March 9, 2010, includes the conclusion of appreciation and the beginning of depreciation in land values. There have been seven sales during this period of urban properties compared to twelve sales in the 2006 and 2007 period. There have been no re-sales during this time frame. Re-Sale No. 4 and Pairings 3 and 4 show depreciation. Re-Sale No. 4 covers a time frame from February 3, 2005 to December 15, 2008 with depreciation of -0.4101% per month. Pairing No. 3 covers a similar time frame from February 23, 2005 to March 18, 2008 with depreciation of -0.5059% per month. Pairing No 4 covers a closer time period and is based upon a current listing. This time frame is from February

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23, 2009 to February 2, 2011. This shows depreciation of -2.4777% per month. The Re-Sale and listings show that the market was beginning to decline in 2007 or 2008. The market evidence from 2009 to the date of appraisal shows sharper depreciation. To refine the analysis Re-Sale No. 4 will be adjusted based upon the time adjusted date of June 22, 2007 to the termination of its listing date of December 15, 2008. This adjustment shows depreciation of -2.6299% per month. Correlating closely with Pairing No. 4 of -2.4777% per month.

| | | | | | | | |
|-----|-----------------|---------|----------|---------|--------------|----------|----------|
| | | 14 | 06/22/07 | | \$ 2,411,780 | | |
| A-1 | 1320-30-411-005 | | | 17.8192 | | -2.6299% | -27.371% |
| | | Listing | 12/15/08 | | \$ 1,500,000 | | |

19 current active listings will be analyzed based upon their listing history. A number of these listings have lowered the listing prices offering an indication of the market trying to adjust to current conditions. The listings include rural residential, part time farm, agricultural, multi-family and industrial properties, offering a broad perspective to the current market. The following chart will show the initial listing date and listing price and any subsequent change in the listing price and at what time. This analysis will then determine the percent change and the monthly compound percentage change.



Date of Appraisal: 2/2/2011

| Listing No. | Location | A.P.N. | Initial Listing Date | Initial Listing Price | Current Listing Date | Current Listing Price | Percent Change | Months on Market | Days on Market | Compound Monthly Change |
|-------------|-------------------------|-----------------|----------------------|-----------------------|----------------------|-----------------------|----------------|------------------|----------------|-------------------------|
| L 1 | Curran Court | 1320-36-002-021 | 7/18/2006 | \$ 2,200,000 | 7/18/2006 | \$ 2,200,000 | 0.00% | 54.58 | 1660 | 0.00000% |
| L 2 | 1118 Mill St. | 1320-32-801-028 | 2/19/2007 | \$ 945,000 | 1/12/2011 | \$ 595,000 | -37.04% | 47.47 | 1444 | -0.96977% |
| L 3 | Orchard Road | 1320-34-001-020 | 11/27/2007 | \$ 895,000 | 3/17/2009 | \$ 495,000 | -44.69% | 38.24 | 1163 | -1.53711% |
| L 4 | 1095 Waterloo Lane | 1220-08-001-003 | 4/30/2008 | \$ 975,125 | 9/29/2010 | \$ 750,000 | -23.09% | 33.14 | 1008 | -0.7889% |
| L 5 | 2900 U.S. 395 | 1420-30-001-002 | 12/17/2008 | \$ 659,000 | 6/29/2010 | \$ 559,000 | -15.17% | 25.55 | 777 | -0.6422% |
| L 6 | 2900 U.S. 395 | 1420-30-001-003 | 12/17/2008 | \$ 699,000 | 6/29/2010 | \$ 599,000 | -14.31% | 25.55 | 777 | -0.6026% |
| L 7 | 1062 Riverview | 1220-10-701-002 | 6/18/2009 | \$ 2,252,157 | 6/18/2009 | \$ 2,252,157 | 0.00% | 19.53 | 594 | 0.00000% |
| L 8 | 1424 Toler Lane | 1320-34-002-001 | 8/26/2009 | \$ 4,900,000 | 5/3/2010 | \$ 3,500,000 | -28.57% | 17.26 | 525 | -1.9305% |
| L 9 | 1435 Stonegate Ct | 1420-34-002-048 | 9/3/2009 | \$ 350,000 | 4/27/2010 | \$ 339,000 | -3.14% | 17.00 | 517 | -0.1877% |
| L 10 | Highway 88 | 1220-31-002-001 | 1/15/2010 | \$ 475,000 | 1/15/2010 | \$ 475,000 | 0.00% | 12.59 | 383 | 0.00000% |
| L 11 | 2705 U.S. 395 | 1420-31-000-008 | 5/4/2010 | \$ 625,000 | 5/4/2010 | \$ 625,000 | 0.00% | 9.01 | 274 | 0.00000% |
| L 12 | Highway 88 | 1220-19-001-001 | 7/22/2010 | \$ 5,000,000 | 7/22/2010 | \$ 5,000,000 | 0.00% | 6.41 | 195 | 0.00000% |
| L 13 | Highway 88 | 1220-07-001-015 | 7/26/2010 | \$ 695,000 | 7/26/2010 | \$ 695,000 | 0.00% | 6.28 | 191 | 0.00000% |
| L 14 | 280 Hansen Lane | 1319-34-002-028 | 8/23/2010 | \$ 749,000 | 1/18/2011 | \$ 475,000 | -36.58% | 5.36 | 163 | -8.1474% |
| L 15 | 1473 Foothill Road | 1319-34-001-003 | 8/24/2010 | \$ 1,150,000 | 8/24/2010 | \$ 1,150,000 | 0.00% | 5.33 | 162 | 0.00000% |
| L 16 | 2450 Precision Dr. | 1320-04-001-036 | 9/14/2010 | \$ 220,000 | 9/14/2010 | \$ 220,000 | 0.00% | 4.64 | 141 | 0.00000% |
| L 17 | Highway 88 | 1220-07-001-001 | 9/24/2010 | \$ 750,000 | 9/24/2010 | \$ 750,000 | 0.00% | 4.31 | 131 | 0.00000% |
| L 18 | 2551 Precision Dr | 1320-01-001-063 | 10/15/2010 | \$ 200,000 | 10/15/2010 | \$ 200,000 | 0.00% | 3.62 | 110 | 0.00000% |
| L 19 | 1190 Mottsville Meadows | 1219-11-001-011 | 10/23/2010 | \$ 450,000 | 10/12/2010 | \$ 375,000 | -16.67% | 3.35 | 102 | -5.2917% |

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The listing analysis shows those properties whose listing prices have been adjusted. The listing prices were all downward with the adjustments ranging from -3.14% to -44.69%. This equates to compound monthly changes of -0.1877% to -1.9305%. The listings have been on the market from 3 months to 4½ years. Listing L-8 is a multi-family residential parcel that was initially listed August 26, 2009 for \$4,900,000. The listing price was reduced May 3, 2010 to \$3,500,000 which is a -28.57% change or a -1.9305% monthly change. Of the listings, Listing L-8 is most similar in size and use to the subject. For this analysis, most weight will be placed on adjusted Pairing A-1 and Listing L-8 supporting a downward adjustment of 2% per month from the date of the last appraisal. Time adjustment Chart No. 3 is added to this appraisal to cover the time frame from March 9, 2010 to February 2, 2011.

TIME ADJUSTMENT CHART NO. 1

Begin Time Adjustment Date: 04/01/03 Time Adjustment Period (Mo.): 50.72877
 End Time Adjustment Date: 06/22/07 Time Adjustment Period (Yr.) 4.23
 Date of Valuation: 03/09/10 Time Adjustment % Per Month: 1.0000

| Sale No. | Sale Date | Cash Equivalent Price | Time Months | Adjust. Months | Adjust. Factor | Time Adjusted Price | Lot Size Sq. Ft. | Unit Price Per Sq. Ft. |
|----------|-----------|-----------------------|-------------|----------------|----------------|---------------------|------------------|------------------------|
| 1 | 04/01/03 | \$ 665,000 | 50.73 | 50.72877 | 1.65660116 | \$ 1,101,640 | 217,364 | \$ 5.07 |
| 2 | 04/15/03 | \$ 3,703,906 | 50.27 | 50.26849 | 1.64903148 | \$ 6,107,858 | 3,972,672 | \$ 1.54 |
| 3 | 06/25/03 | \$ 2,500,000 | 47.93 | 47.93425 | 1.61117159 | \$ 4,027,929 | 309,712 | \$ 13.01 |
| 4 | 07/21/03 | \$ 2,025,000 | 47.08 | 47.07945 | 1.59752590 | \$ 3,234,990 | 275,299 | \$ 11.75 |
| 5 | 08/08/03 | \$ 1,500,000 | 46.49 | 46.48767 | 1.58814665 | \$ 2,382,220 | 2,797,859 | \$ 0.85 |
| 6 | 08/29/03 | \$ 640,000 | 45.80 | 45.79726 | 1.57727376 | \$ 1,009,455 | 130,680 | \$ 7.72 |
| 7 | 10/01/03 | \$ 950,000 | 44.71 | 44.71233 | 1.56033799 | \$ 1,482,321 | 189,486 | \$ 7.82 |
| 8 | 06/29/04 | \$ 8,970,000 | 35.77 | 35.76986 | 1.42749615 | \$ 12,804,640 | 1,362,557 | \$ 9.40 |
| 9 | 07/09/04 | \$ 5,625,000 | 35.44 | 35.44110 | 1.42283396 | \$ 8,003,441 | 1,785,524 | \$ 4.48 |
| 10 | 09/09/04 | \$ 963,500 | 33.40 | 33.40274 | 1.39426627 | \$ 1,343,376 | 871,200 | \$ 1.54 |
| 11 | 10/07/04 | \$ 17,500,000 | 32.48 | 32.48219 | 1.38155345 | \$ 24,177,185 | 4,363,841 | \$ 5.54 |
| 12 | 01/21/05 | \$ 1,100,000 | 29.00 | 28.99726 | 1.33446749 | \$ 1,467,914 | 904,306 | \$ 1.62 |
| 13 | 01/28/05 | \$ 5,000,000 | 28.77 | 28.76712 | 1.33141514 | \$ 6,657,076 | 3,484,800 | \$ 1.91 |
| 14 | 02/03/05 | \$ 1,815,000 | 28.57 | 28.56986 | 1.32880439 | \$ 2,411,780 | 161,608 | \$ 14.92 |
| 15 | 02/23/05 | \$ 2,200,000 | 27.91 | 27.91233 | 1.32013883 | \$ 2,904,305 | 151,589 | \$ 19.16 |
| 16 | 02/23/05 | \$ 1,900,000 | 27.91 | 27.91233 | 1.32013883 | \$ 2,508,264 | 162,043 | \$ 15.48 |
| 17 | 02/23/05 | \$ 4,000,000 | 27.91 | 27.91233 | 1.32013883 | \$ 5,280,555 | 261,796 | \$ 20.17 |
| 18 | 04/13/05 | \$ 2,200,000 | 26.30 | 26.30137 | 1.29914626 | \$ 2,858,122 | 359,806 | \$ 7.94 |
| 19 | 04/29/05 | \$ 1,750,000 | 25.78 | 25.77534 | 1.29236411 | \$ 2,261,637 | 243,936 | \$ 9.27 |
| 20 | 06/16/05 | \$ 3,175,000 | 24.20 | 24.19726 | 1.27222933 | \$ 4,039,328 | 1,742,400 | \$ 2.32 |
| 21 | 07/20/05 | \$ 1,061,381 | 23.08 | 23.07945 | 1.25815729 | \$ 1,335,384 | 227,383 | \$ 5.87 |
| 22 | 10/07/05 | \$ 580,000 | 20.48 | 20.48219 | 1.22605854 | \$ 711,114 | 831,125 | \$ 0.86 |
| 23 | 11/17/05 | \$ 6,149,000 | 19.13 | 19.13425 | 1.20972382 | \$ 7,438,592 | 4,051,080 | \$ 1.84 |
| 24 | 01/30/06 | \$ 2,090,880 | 16.70 | 16.70137 | 1.18079053 | \$ 2,468,891 | 1,338,163 | \$ 1.84 |
| 25 | 02/17/06 | \$ 1,698,840 | 16.11 | 16.10959 | 1.17385798 | \$ 1,994,197 | 891,673 | \$ 2.24 |
| 26 | 06/02/06 | \$ 900,000 | 12.66 | 12.65753 | 1.13422166 | \$ 1,020,799 | 130,680 | \$ 7.81 |
| 27 | 07/07/06 | \$ 40,000,000 | 11.51 | 11.50685 | 1.12130923 | \$ 44,852,369 | 8,724,197 | \$ 5.14 |
| 28 | 07/10/06 | \$ 2,300,000 | 11.41 | 11.40822 | 1.12020931 | \$ 2,576,481 | 2,596,176 | \$ 0.99 |
| 29 | 11/07/06 | \$ 850,000 | 7.46 | 7.46301 | 1.07708622 | \$ 915,523 | 2,313,472 | \$ 0.40 |
| 30 | 12/08/06 | \$ 2,600,000 | 6.44 | 6.44384 | 1.06621852 | \$ 2,772,168 | 206,910 | \$ 13.40 |
| 31 | 12/13/06 | \$ 3,100,000 | 6.28 | 6.27945 | 1.06447596 | \$ 3,299,875 | 257,440 | \$ 12.82 |
| 32 | 06/13/07 | \$ 765,458 | 0.30 | 0.29589 | 1.00294855 | \$ 767,715 | 340,204 | \$ 2.26 |
| 33 | 06/22/07 | \$ 1,960,200 | 0.00 | 0.00000 | 1.00000000 | \$ 1,960,200 | 871,200 | \$ 2.25 |
| 34 | 08/09/07 | \$ 7,265,000 | -1.58 | -1.57808 | 1.00000000 | \$ 7,265,000 | 579,348 | \$ 12.54 |
| 35 | 09/11/07 | \$ 1,500,000 | -2.66 | -2.66301 | 1.00000000 | \$ 1,500,000 | 1,505,869 | \$ 1.00 |
| 36 | 03/18/08 | \$ 745,000 | -8.88 | -8.87671 | 1.00000000 | \$ 745,000 | 61,855 | \$ 12.04 |
| 37 | 04/24/08 | \$ 2,320,000 | -10.09 | -10.09315 | 1.00000000 | \$ 2,320,000 | 101,930 | \$ 22.76 |
| 39 | 11/12/08 | \$ 200,000 | -16.73 | -16.73425 | 1.00000000 | \$ 200,000 | 89,298 | \$ 2.24 |
| 40 | 12/16/08 | \$ 600,000 | -17.85 | -17.85205 | 1.00000000 | \$ 600,000 | 261,360 | \$ 2.30 |
| 41 | 02/23/09 | \$ 292,750 | -20.12 | -20.12055 | 1.00000000 | \$ 292,750 | 72,745 | \$ 4.02 |
| 42 | 01/20/10 | \$ 3,079,480 | -31.00 | -31.00274 | 1.00000000 | \$ 3,079,480 | 784,992 | \$ 3.92 |

TIME ADJUSTMENT CHART NO. 2

Begin Time Adjustment Date: 06/22/07 Time Adjustment Period (Mo.): 32.58082
 End Time Adjustment Date: 03/09/10 Time Adjustment Period (Yr.): 2.72
 Date of Valuation: 03/09/10 Time Adjustment % Per Month: -1.4470

| Sale No. | Sale Date | Time Adjusted Price | Time Months | Adjust. Months | Adjust. Factor | Time Adjusted Price | Lot Size Sq. Ft. | Unit Price Per Sq. Ft. |
|----------|-----------|---------------------|-------------|----------------|----------------|---------------------|------------------|------------------------|
| 1 | 04/01/03 | \$ 1,101,640 | 83.31 | 32.58082 | 0.62195430 | \$ 685,170 | 217,364 | \$ 3.15 |
| 2 | 04/15/03 | \$ 6,107,858 | 82.85 | 32.58082 | 0.62195430 | \$ 3,798,808 | 3,972,672 | \$ 0.96 |
| 3 | 06/25/03 | \$ 4,027,929 | 80.52 | 32.58082 | 0.62195430 | \$ 2,505,188 | 309,712 | \$ 8.09 |
| 4 | 07/21/03 | \$ 3,234,990 | 79.66 | 32.58082 | 0.62195430 | \$ 2,012,016 | 275,299 | \$ 7.31 |
| 5 | 08/08/03 | \$ 2,382,220 | 79.07 | 32.58082 | 0.62195430 | \$ 1,481,632 | 2,797,859 | \$ 0.53 |
| 6 | 08/29/03 | \$ 1,009,455 | 78.38 | 32.58082 | 0.62195430 | \$ 627,835 | 130,680 | \$ 4.80 |
| 7 | 10/01/03 | \$ 1,482,321 | 77.29 | 32.58082 | 0.62195430 | \$ 921,936 | 189,486 | \$ 4.87 |
| 8 | 06/29/04 | \$ 12,804,640 | 68.35 | 32.58082 | 0.62195430 | \$ 7,963,901 | 1,362,557 | \$ 5.84 |
| 9 | 07/09/04 | \$ 8,003,441 | 68.02 | 32.58082 | 0.62195430 | \$ 4,977,775 | 1,785,524 | \$ 2.79 |
| 10 | 09/09/04 | \$ 1,343,376 | 65.98 | 32.58082 | 0.62195430 | \$ 835,518 | 871,200 | \$ 0.96 |
| 11 | 10/07/04 | \$ 24,177,185 | 65.06 | 32.58082 | 0.62195430 | \$ 15,037,104 | 4,363,841 | \$ 3.45 |
| 12 | 01/21/05 | \$ 1,467,914 | 61.58 | 32.58082 | 0.62195430 | \$ 912,976 | 904,306 | \$ 1.01 |
| 13 | 01/28/05 | \$ 6,657,076 | 61.35 | 32.58082 | 0.62195430 | \$ 4,140,397 | 3,484,800 | \$ 1.19 |
| 14 | 02/03/05 | \$ 2,411,780 | 61.15 | 32.58082 | 0.62195430 | \$ 1,500,017 | 161,608 | \$ 9.28 |
| 15 | 02/23/05 | \$ 2,904,305 | 60.49 | 32.58082 | 0.62195430 | \$ 1,806,345 | 151,589 | \$ 11.92 |
| 16 | 02/23/05 | \$ 2,508,264 | 60.49 | 32.58082 | 0.62195430 | \$ 1,560,025 | 162,043 | \$ 9.63 |
| 17 | 02/23/05 | \$ 5,280,555 | 60.49 | 32.58082 | 0.62195430 | \$ 3,284,264 | 261,796 | \$ 12.55 |
| 18 | 04/13/05 | \$ 2,858,122 | 58.88 | 32.58082 | 0.62195430 | \$ 1,777,621 | 359,806 | \$ 4.94 |
| 19 | 04/29/05 | \$ 2,261,637 | 58.36 | 32.58082 | 0.62195430 | \$ 1,406,635 | 243,936 | \$ 5.77 |
| 20 | 06/16/05 | \$ 4,039,328 | 56.78 | 32.58082 | 0.62195430 | \$ 2,512,278 | 1,742,400 | \$ 1.44 |
| 21 | 07/20/05 | \$ 1,335,384 | 55.66 | 32.58082 | 0.62195430 | \$ 830,548 | 227,383 | \$ 3.65 |
| 22 | 10/07/05 | \$ 711,114 | 53.06 | 32.58082 | 0.62195430 | \$ 442,280 | 831,125 | \$ 0.53 |
| 23 | 11/17/05 | \$ 7,438,592 | 51.72 | 32.58082 | 0.62195430 | \$ 4,626,464 | 4,051,080 | \$ 1.14 |
| 24 | 01/30/06 | \$ 2,468,891 | 49.28 | 32.58082 | 0.62195430 | \$ 1,535,538 | 1,338,163 | \$ 1.15 |
| 25 | 02/17/06 | \$ 1,994,197 | 48.69 | 32.58082 | 0.62195430 | \$ 1,240,299 | 891,673 | \$ 1.39 |
| 26 | 06/02/06 | \$ 1,020,799 | 45.24 | 32.58082 | 0.62195430 | \$ 634,891 | 130,680 | \$ 4.86 |
| 27 | 07/07/06 | \$ 44,852,369 | 44.09 | 32.58082 | 0.62195430 | \$ 27,896,124 | 8,724,197 | \$ 3.20 |
| 28 | 07/10/06 | \$ 2,576,481 | 43.99 | 32.58082 | 0.62195430 | \$ 1,602,454 | 2,596,176 | \$ 0.62 |
| 29 | 11/07/06 | \$ 915,523 | 40.04 | 32.58082 | 0.62195430 | \$ 569,414 | 2,313,472 | \$ 0.25 |
| 30 | 12/08/06 | \$ 2,772,168 | 39.02 | 32.58082 | 0.62195430 | \$ 1,724,162 | 206,910 | \$ 8.33 |
| 31 | 12/13/06 | \$ 3,299,875 | 38.86 | 32.58082 | 0.62195430 | \$ 2,052,372 | 257,440 | \$ 7.97 |
| 32 | 06/13/07 | \$ 767,715 | 32.88 | 32.58082 | 0.62195430 | \$ 477,484 | 340,204 | \$ 1.40 |
| 33 | 06/22/07 | \$ 1,960,200 | 32.58 | 32.58082 | 0.62195430 | \$ 1,219,155 | 871,200 | \$ 1.40 |
| 34 | 08/09/07 | \$ 7,265,000 | 31.00 | 31.00274 | 0.63642609 | \$ 4,623,636 | 579,348 | \$ 7.98 |
| 35 | 09/11/07 | \$ 1,500,000 | 29.92 | 29.91781 | 0.64657031 | \$ 969,855 | 1,505,869 | \$ 0.64 |
| 36 | 03/18/08 | \$ 745,000 | 23.70 | 23.70411 | 0.70786332 | \$ 527,358 | 61,855 | \$ 8.53 |
| 37 | 04/24/08 | \$ 2,320,000 | 22.49 | 22.48767 | 0.72052598 | \$ 1,671,620 | 101,930 | \$ 16.40 |
| 39 | 11/12/08 | \$ 200,000 | 15.85 | 15.84658 | 0.79375922 | \$ 158,752 | 89,298 | \$ 1.78 |
| 40 | 12/16/08 | \$ 600,000 | 14.73 | 14.72877 | 0.80679775 | \$ 484,079 | 261,360 | \$ 1.85 |
| 41 | 02/23/09 | \$ 292,750 | 12.46 | 12.46027 | 0.83392037 | \$ 244,130 | 72,745 | \$ 3.36 |
| 42 | 01/20/10 | \$ 3,079,480 | 1.58 | 1.57808 | 0.97726085 | \$ 3,009,455 | 784,992 | \$ 3.83 |

TIME ADJUSTMENT CHART NO. 3

Begin Time Adjustment Date: 03/09/10 Time Adjustment Period (Mo.): 10.84931
 End Time Adjustment Date: 02/02/11 Time Adjustment Period (Yr): 0.90
 Date of Valuation: 02/02/11 Time Adjustment % Per Month: -2.0000

| Sale No. | Sale Date | Time Adjusted Price | Time Months | Adjust. Months | Adjust. Factor | Time Adjusted Price | Lot Size Sq Ft. | Unit Price Per Sq Ft. |
|----------|-----------|---------------------|-------------|----------------|----------------|---------------------|-----------------|-----------------------|
| 1 | 04/01/03 | \$ 685,170 | 94.16 | 10.84931 | 0.80317269 | \$ 550,310 | 217,364 | \$ 2.53 |
| 2 | 04/15/03 | \$ 3,798,808 | 93.70 | 10.84931 | 0.80317269 | \$ 3,051,099 | 3,972,672 | \$ 0.77 |
| 3 | 06/25/03 | \$ 2,505,188 | 91.36 | 10.84931 | 0.80317269 | \$ 2,012,098 | 309,712 | \$ 6.50 |
| 4 | 07/21/03 | \$ 2,012,016 | 90.51 | 10.84931 | 0.80317269 | \$ 1,615,996 | 275,299 | \$ 5.87 |
| 5 | 08/08/03 | \$ 1,481,632 | 89.92 | 10.84931 | 0.80317269 | \$ 1,190,006 | 2,797,859 | \$ 0.43 |
| 6 | 08/29/03 | \$ 627,835 | 89.23 | 10.84931 | 0.80317269 | \$ 504,260 | 130,680 | \$ 3.86 |
| 7 | 10/01/03 | \$ 921,936 | 88.14 | 10.84931 | 0.80317269 | \$ 740,474 | 189,486 | \$ 3.91 |
| 8 | 06/29/04 | \$ 7,963,901 | 79.20 | 10.84931 | 0.80317269 | \$ 6,396,388 | 1,362,557 | \$ 4.69 |
| 9 | 07/09/04 | \$ 4,977,775 | 78.87 | 10.84931 | 0.80317269 | \$ 3,998,013 | 1,785,524 | \$ 2.24 |
| 10 | 09/09/04 | \$ 835,518 | 76.83 | 10.84931 | 0.80317269 | \$ 671,065 | 871,200 | \$ 0.77 |
| 11 | 10/07/04 | \$ 15,037,104 | 75.91 | 10.84931 | 0.80317269 | \$ 12,077,392 | 4,363,841 | \$ 2.77 |
| 12 | 01/21/05 | \$ 912,976 | 72.43 | 10.84931 | 0.80317269 | \$ 733,277 | 904,306 | \$ 0.81 |
| 13 | 01/28/05 | \$ 4,140,397 | 72.20 | 10.84931 | 0.80317269 | \$ 3,325,454 | 3,484,800 | \$ 0.95 |
| 14 | 02/03/05 | \$ 1,500,017 | 72.00 | 10.84931 | 0.80317269 | \$ 1,204,773 | 161,608 | \$ 7.45 |
| 15 | 02/23/05 | \$ 1,806,345 | 71.34 | 10.84931 | 0.80317269 | \$ 1,450,807 | 151,589 | \$ 9.57 |
| 16 | 02/23/05 | \$ 1,560,025 | 71.34 | 10.84931 | 0.80317269 | \$ 1,252,970 | 162,043 | \$ 7.73 |
| 17 | 02/23/05 | \$ 3,284,264 | 71.34 | 10.84931 | 0.80317269 | \$ 2,637,831 | 261,796 | \$ 10.08 |
| 18 | 04/13/05 | \$ 1,777,621 | 69.73 | 10.84931 | 0.80317269 | \$ 1,427,737 | 359,806 | \$ 3.97 |
| 19 | 04/29/05 | \$ 1,406,635 | 69.21 | 10.84931 | 0.80317269 | \$ 1,129,771 | 243,936 | \$ 4.63 |
| 20 | 06/16/05 | \$ 2,512,278 | 67.63 | 10.84931 | 0.80317269 | \$ 2,017,793 | 1,742,400 | \$ 1.16 |
| 21 | 07/20/05 | \$ 830,548 | 66.51 | 10.84931 | 0.80317269 | \$ 667,073 | 227,383 | \$ 2.93 |
| 22 | 10/07/05 | \$ 442,280 | 63.91 | 10.84931 | 0.80317269 | \$ 355,228 | 831,125 | \$ 0.43 |
| 23 | 11/17/05 | \$ 4,626,464 | 62.56 | 10.84931 | 0.80317269 | \$ 3,715,850 | 4,051,080 | \$ 0.92 |
| 24 | 01/30/06 | \$ 1,535,538 | 60.13 | 10.84931 | 0.80317269 | \$ 1,233,302 | 1,338,163 | \$ 0.92 |
| 25 | 02/17/06 | \$ 1,240,299 | 59.54 | 10.84931 | 0.80317269 | \$ 996,175 | 891,673 | \$ 1.12 |
| 26 | 06/02/06 | \$ 634,891 | 56.09 | 10.84931 | 0.80317269 | \$ 509,927 | 130,680 | \$ 3.90 |
| 27 | 07/07/06 | \$ 27,896,124 | 54.94 | 10.84931 | 0.80317269 | \$ 22,405,405 | 8,724,197 | \$ 2.57 |
| 28 | 07/10/06 | \$ 1,602,454 | 54.84 | 10.84931 | 0.80317269 | \$ 1,287,047 | 2,596,176 | \$ 0.50 |
| 29 | 11/07/06 | \$ 569,414 | 50.89 | 10.84931 | 0.80317269 | \$ 457,337 | 2,313,472 | \$ 0.20 |
| 30 | 12/08/06 | \$ 1,724,162 | 49.87 | 10.84931 | 0.80317269 | \$ 1,384,800 | 206,910 | \$ 6.69 |
| 31 | 12/13/06 | \$ 2,052,372 | 49.71 | 10.84931 | 0.80317269 | \$ 1,648,409 | 257,440 | \$ 6.40 |
| 32 | 06/13/07 | \$ 477,484 | 43.73 | 10.84931 | 0.80317269 | \$ 383,502 | 340,204 | \$ 1.13 |
| 33 | 06/22/07 | \$ 1,219,155 | 43.43 | 10.84931 | 0.80317269 | \$ 979,192 | 871,200 | \$ 1.12 |
| 34 | 08/09/07 | \$ 4,623,636 | 41.85 | 10.84931 | 0.80317269 | \$ 3,713,578 | 579,348 | \$ 6.41 |
| 35 | 09/11/07 | \$ 969,855 | 40.77 | 10.84931 | 0.80317269 | \$ 778,961 | 1,505,869 | \$ 0.52 |
| 36 | 03/18/08 | \$ 527,358 | 34.55 | 10.84931 | 0.80317269 | \$ 423,560 | 61,855 | \$ 6.85 |
| 37 | 04/24/08 | \$ 1,671,620 | 33.34 | 10.84931 | 0.80317269 | \$ 1,342,600 | 101,930 | \$ 13.17 |
| 39 | 11/12/08 | \$ 158,752 | 26.70 | 10.84931 | 0.80317269 | \$ 127,505 | 89,298 | \$ 1.43 |
| 40 | 12/16/08 | \$ 484,079 | 25.58 | 10.84931 | 0.80317269 | \$ 388,799 | 261,360 | \$ 1.49 |
| 41 | 02/23/09 | \$ 244,130 | 23.31 | 10.84931 | 0.80317269 | \$ 196,079 | 72,745 | \$ 2.70 |
| 42 | 01/20/10 | \$ 3,009,455 | 12.43 | 10.84931 | 0.80317269 | \$ 2,417,112 | 784,992 | \$ 3.08 |

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VALUATION ANALYSIS

Sales include a number of factors that influence value. The degree of individual factor influence varies with each sale. When the market evidence allows abstraction or isolation of specific factors, a quantitative adjustment will be made. When the market evidence does not support a pure quantitative adjustment for a factor, a ranking analysis to establish value trends is applied. A ranking analysis (i.e., trend analysis) tests market sensitivity for specific adjustment factors. The conclusions form the basis for qualitative adjustment. The non-quantitative adjusted sales will be adjusted to the subject on the following basis:

- + = Inferior; requires upward adjustment
- 0 = Similar; requires no adjustment
- = Superior; requires downward adjustment

A final overall adjustment will be made based on the weighing of the individual adjustment factors. The overall adjustment establishes the value bracket for the subject. The ranking analysis narrows the value range by distinguishing the broad comparison factors. More finite comparisons will then be applied to make a final estimate of value within the value bracket.

UNIT OF COMPARISON

The price per square foot of gross land area will be used as the unit of comparison for this analysis.

COMPARISON FACTORS

The following comparison factors were selected based on testing of the sales to their different market sensitivity.

SIZE

The sales will be analyzed to determine if size differences affect value.

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ZONING AND/OR USE

The sales are analyzed to determine if there zoning and/or designation under the land use plan (Receiving Area) affects value.

LOCATION

The sales will be analyzed to determine if their location in Minden, Gardnerville, the Ranchos, Airport Area, or the Valley Area affect value.

PUBLIC UTILITIES

The sales will be analyzed to determine if the availability of full public utilities versus partial public utilities affects value.

FLOOD PLAIN

The sales are analyzed to determine if location within a designated flood plain affects value.

FINAL SALES SELECTION

Sales 1, 6, and 19 were resold as sales 14, 26, and 31. To prevent duplication and distortion of the trend analysis, sales 1, 6, and 19, will be admitted for further analysis. Sale No. 14 is used to establish the second step in the time adjustment based upon the subsequent listing. To prevent duplication Sale No. 14 will also be omitted.

ADJUSTMENT ELEMENT CHART

| Sale No. | Unit Price | Size Sq. Ft. | Zoning/Use | Location | Public Utilities | Flood Plain |
|-----------------|------------|------------------|------------------|---------------|------------------|-------------|
| 2 | \$ 0.77 | 3,972,672 | Receiving | Gardnerville | Full | No |
| 3 | \$ 6.50 | 309,712 | MUC | Minden | Full | No |
| 4 | \$ 5.87 | 275,299 | MUC | Minden | Full | No |
| 5 | \$ 0.43 | 2,797,859 | Receiving | Gardnerville | Full | No |
| 7 | \$ 3.91 | 189,486 | OC | Minden | Full | No |
| 8 | \$ 4.69 | 1,362,557 | SF-8000 | Minden | Full | No |
| 9 | \$ 2.24 | 1,785,524 | Receiving | Gardnerville | Full | No |
| 10 | \$ 0.77 | 871,200 | RA-5 | Gardnerville | Partial | No |
| 11 | \$ 2.77 | 4,363,841 | Receiving | Minden | Full | No |
| 12 | \$ 0.81 | 904,306 | LI | Airport | Full | No |
| 13 | \$ 0.95 | 3,484,800 | Receiving | Ranchos | Full | No |
| 15 | \$ 9.57 | 151,589 | MFR | Minden | Full | No |
| 16 | \$ 7.73 | 162,043 | MUC | Minden | Full | No |
| 17 | \$ 10.08 | 261,796 | MFR | Minden | Full | No |
| 18 | \$ 3.97 | 359,806 | MFR | Gardnerville | Full | No |
| 20 | \$ 1.16 | 1,742,400 | LI | Airport | Full | No |
| 21 | \$ 2.93 | 227,383 | GC | Minden | Full | 100% |
| 22 | \$ 0.43 | 831,125 | A-19 | Gardnerville | Full | 100% |
| 23 | \$ 0.92 | 4,051,080 | A-19 | Valley | Partial | No |
| 24 | \$ 0.92 | 1,338,163 | LI | Airport | Full | No |
| 25 | \$ 1.12 | 891,673 | LI | Airport | Full | No |
| 26 | \$ 3.90 | 130,680 | GC | Minden | Full | 100% |
| 27 | \$ 2.57 | 8,724,197 | Receiving | Minden | Full | No |
| 28 | \$ 0.50 | 2,596,176 | A-19 | Valley | Partial | No |
| 29 | \$ 0.20 | 2,313,472 | A-19 | Valley | None | 100% |
| 30 | \$ 6.69 | 206,910 | MFR/LI | Gardnerville | Full | No |
| 31 | \$ 6.40 | 257,440 | NC | Gardnerville | Full | No |
| 32 | \$ 1.13 | 340,204 | LI | Airport | Full | No |
| 33 | \$ 1.12 | 871,200 | LI | Airport | Full | No |
| 34 | \$ 6.41 | 579,348 | NC | Minden | Full | No |
| 35 | \$ 0.52 | 1,505,869 | A-19 | Valley | Partial | No |
| 36 | \$ 6.85 | 61,855 | MFR | Minden | Full | No |
| 37 | \$ 13.17 | 101,930 | GC | Minden | Full | No |
| 39 | \$ 1.43 | 89,298 | LI | Airport | Full | No |
| 40 | \$ 1.85 | 261,360 | LI | Airport | Full | No |
| 41 | \$ 3.36 | 72,745 | LI | Airport | Full | No |
| 42 | \$ 3.83 | 784,992 | GC | Gardnerville | Full | No |
| Subject: | | 3,697,808 | Receiving | Minden | Full | 51% |

SIZE

The sales were segregated where there were obvious differences in value in relationship to size.

| Sale No. | 61,855- 587,189 Sq. Ft. | 784,992 1,785,524 Sq. Ft. | 2,313,472- 8,724,000 Sq. Ft. |
|------------|----------------------------|------------------------------|---------------------------------|
| 2 | | | \$ 0.77 |
| 3 | \$ 6.50 | | |
| 4 | \$ 5.87 | | |
| 5 | | | \$ 0.43 |
| 7 | \$ 3.91 | | |
| 8 | | \$ 4.69 | |
| 9 | | \$ 2.24 | |
| 10 | | \$ 0.77 | |
| 11 | | | \$ 2.77 |
| 12 | | \$ 0.81 | |
| 13 | | | \$ 0.95 |
| 15 | \$ 9.57 | | |
| 16 | \$ 7.73 | | |
| 17 | \$ 10.08 | | |
| 18 | \$ 3.97 | | |
| 20 | | \$ 1.16 | |
| 21 | \$ 2.93 | | |
| 22 | | \$ 0.43 | |
| 23 | | | \$ 0.92 |
| 24 | | \$ 0.92 | |
| 25 | | \$ 1.12 | |
| 26 | \$ 3.90 | | |
| 27 | | | \$ 2.57 |
| 28 | | | \$ 0.50 |
| 29 | | | \$ 0.20 |
| 30 | \$ 6.69 | | |
| 31 | \$ 6.40 | | |
| 32 | \$ 1.13 | | |
| 33 | | \$ 1.12 | |
| 34 | \$ 6.41 | | |
| 35 | | \$ 0.52 | |
| 36 | \$ 6.85 | | |
| 37 | \$ 13.17 | | |
| 39 | \$ 1.43 | | |
| 40 | \$ 1.85 | | |
| 41 | \$ 3.36 | | |
| 42 | | \$ 3.83 | |
| Average. | \$ 5.65 | \$ 1.60 | \$ 1.14 |
| Subject: | | | 3,697,808 Sq. Ft. |
| Adjustment | -- | | 0 |

The ranking analysis shows a value difference attributable to size. The smaller parcels containing 61,855 Sq. Ft. to 587,189 Sq. Ft. had a significantly higher unit price average than those sales with 784,992 Sq. Ft. or more resulting in significant downward adjustment to the subject which contains 3,697,808 Sq. Ft. Those sales containing 784,992 Sq. Ft. to 1,785,524 Sq. Ft. required downward adjustment to the subject. Those sales with 2,313,472 Sq. Ft. to 8,724,000 Sq. Ft. are considered similar to the subject requiring no adjustment.

The smaller sales containing 61,855 Sq. Ft. to 587,189 Sq. Ft. had a significantly higher unit price than the balance of the sales. Considering the significant value difference attributable to their smaller size, these sales will be omitted for further analysis.

ZONING

| Sale No. | A-19 | 5 Ac. Residential | Industrial | Receiving | Density Single Family Residential | Commercial |
|----------|---------|-------------------|------------|-----------|-----------------------------------|------------|
| 2 | | | | \$ 0.77 | | |
| 5 | | | | \$ 0.43 | | |
| 8 | | | | | \$ 4.69 | |
| 9 | | \$ 0.77 | | \$ 2.24 | | |
| 10 | | | | | | |
| 11 | | | | \$ 2.77 | | |
| 12 | | | \$ 0.81 | | | |
| 13 | | | | \$ 0.95 | | |
| 20 | | | \$ 1.16 | | | |
| 22 | \$ 0.43 | | | | | |
| 23 | \$ 0.92 | | | | | |
| 24 | | \$ 0.92 | | | | |
| 25 | | \$ 1.12 | | | | |
| 27 | | | | \$ 2.57 | | |
| 28 | \$ 0.50 | | | | | |
| 29 | \$ 0.20 | | | | | |
| 33 | | \$ 1.12 | | | | |
| 35 | \$ 0.52 | | | | | |
| 42 | | | | | | \$ 3.83 |
| Average: | \$ 0.51 | \$ 0.98 | \$ 0.98 | \$ 1.62 | \$ 4.69 | \$ 3.83 |

Subject:

Receiving

| | | | | | | |
|-------------|----|---|---|---|----|---|
| Adjustment: | ++ | + | + | 0 | -- | - |
|-------------|----|---|---|---|----|---|

The ranking analysis shows a value difference attributable to zoning and/or land use. The Sale No. 8 that had density single-family residential zoning had the highest unit price. The subject, which is a receiving area, will require downward adjustment for those sales with density single-family residential, and commercial zoning. Those sales with A-19, 5 acre residential and industrial zoning will require upward adjustment.

Considering the significantly lower values of the sales with A-19 zoning, these sales will be omitted from further analysis.

LOCATION

| Sale No. | Minden | Gardnerville | Ranchos | Airport |
|-------------|---------|--------------|---------|---------|
| 2 | | \$ 0.77 | | |
| 5 | | \$ 0.43 | | |
| 8 | \$ 4.69 | | | |
| 9 | | \$ 2.24 | | |
| 10 | | \$ 0.77 | | |
| 11 | \$ 2.77 | | | |
| 12 | | | | \$ 0.81 |
| 13 | | | \$ 0.95 | |
| 20 | | | | \$ 1.16 |
| 24 | | | | \$ 0.92 |
| 25 | | | | \$ 1.12 |
| 27 | \$ 2.57 | | | |
| 33 | | | | \$ 1.12 |
| 42 | | \$ 3.83 | | |
| Average: | \$ 3.34 | \$ 1.61 | \$ 0.95 | \$ 1.03 |
| Subject: | Minden | | | |
| Adjustment: | 0 | + | + | + |

The ranking analysis shows a value difference attributable to location within Carson Valley. The sales located in Minden had a higher unit price average than those located in Gardnerville. Those sales located in the Ranchos and/or had a valley location had the lowest unit price and required significant upward adjustment to the Minden and Gardnerville locations. The Gardnerville locations required slight upward adjustment to the Minden locations.

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... AND ASSOCIATES

PUBLIC UTILITIES

| Sale No. | Full | Partial |
|----------|---------|---------|
| 2 | \$ 0.77 | |
| 5 | \$ 0.43 | |
| 8 | \$ 4.69 | |
| 9 | \$ 2.24 | |
| 10 | | \$ 0.77 |
| 11 | \$ 2.77 | |
| 12 | \$ 0.81 | |
| 13 | \$ 0.95 | |
| 20 | \$ 1.16 | |
| 24 | \$ 0.92 | |
| 25 | \$ 1.12 | |
| 27 | \$ 2.57 | |
| 33 | \$ 1.12 | |
| 42 | \$ 3.83 | |
| Average: | \$ 1.80 | \$ 0.77 |

Subject: Full

Adjustment:

| | |
|---|----|
| 0 | ++ |
|---|----|

Sale No. 10 had public electricity and telephone available but lacked public water and sewer. Sale No. 10 requires significant upward adjustment to the subject and the balance of the sales, which had full public utilities.

FLOOD PLAIN

| Sale No. | No | Yes |
|-------------|---------|-----|
| 2 | \$ 0.77 | |
| 5 | \$ 0.43 | |
| 8 | \$ 4.69 | |
| 9 | \$ 2.24 | |
| 10 | \$ 0.77 | |
| 11 | \$ 2.77 | |
| 12 | \$ 0.81 | |
| 13 | \$ 0.95 | |
| 20 | \$ 1.16 | |
| 24 | \$ 0.92 | |
| 25 | \$ 1.12 | |
| 27 | \$ 2.57 | |
| 33 | \$ 1.12 | |
| 42 | \$ 3.83 | |
| Average: | \$ 1.73 | \$0 |
| Subject: | 51% | Yes |
| Adjustment: | - | + |

None of the comparable sales were located within a designated flood plain. The subject which is partially located within a designated flood plain will require downward adjustment for all of the sales to the subject.

ADJUSTMENT SUMMARY CHART

| Sale No. | Unit Price | Size | Zoning | Location | Utilities | Flood Zone | Overall Adjustment | Adjusted Unit Price |
|----------|------------|------|--------|----------|-----------|------------|--------------------|---------------------|
| 2 | \$ 0.77 | 0 | 0 | + | 0 | - | + | > \$ 0.77 |
| 5 | \$ 0.43 | 0 | 0 | + | 0 | - | + | > \$ 0.43 |
| 8 | \$ 4.69 | - | -- | 0 | 0 | - | - | < \$ 4.69 |
| 9 | \$ 2.24 | - | 0 | + | 0 | - | - | < \$ 2.24 |
| 10 | \$ 0.77 | - | + | + | ++ | - | + | > \$ 0.77 |
| 11 | \$ 2.77 | 0 | 0 | 0 | 0 | - | - | < \$ 2.77 |
| 12 | \$ 0.81 | - | + | + | 0 | - | + | > \$ 0.81 |
| 13 | \$ 0.95 | 0 | 0 | + | 0 | - | + | > \$ 0.95 |
| 20 | \$ 1.16 | - | + | + | 0 | - | + | > \$ 1.16 |
| 24 | \$ 0.92 | - | + | + | 0 | - | + | > \$ 0.92 |
| 25 | \$ 1.12 | - | + | + | 0 | - | + | > \$ 1.12 |
| 27 | \$ 2.57 | 0 | 0 | 0 | 0 | - | - | < \$ 2.57 |
| 33 | \$ 1.12 | - | + | + | 0 | - | + | > \$ 1.12 |
| 42 | \$ 3.83 | - | - | + | 0 | - | - | < \$ 3.83 |

Ledgent:

- Requires Downward Adjustment
- = Requires No Adjustment
- + Requires Upward Adjustment
- < Less Than
- > Greater Than

SUMMARY AND CONCLUSION OF VALUE

| Sale No. | Require Upward Adjustment | Require Downward Adjustment |
|---------------|---------------------------|-----------------------------|
| 8 | | \$4.69 |
| 42 | | \$3.83 |
| 11 | | \$2.77 |
| 27 | | \$2.57 |
| 9 | | \$2.24 |
| Value Bracket | | |
| 20 | \$1.16 | |
| 33 | \$1.12 | |
| 25 | \$1.12 | |
| 13 | \$0.95 | |
| 24 | \$0.92 | |
| 12 | \$0.81 | |
| 10 | \$0.77 | |
| 2 | \$0.77 | |
| 5 | \$0.43 | |

Value Bracket: \$1.16 to \$2.24 per Sq. Ft.

Sale No. 9 (\$2.24/Sq. Ft) is located between Centerville and The Ranchos. Its inferior location was outweighed by its smaller size of 1,785.524 Sq. Ft and lack of flood zone impediments, resulting in overall downward adjustment to the subject. Sale No. 27 (\$2.57/Sq. Ft) is located adjacent to the east boundary of the subject, and required downward adjustment to the subject for its lack of flood zone impediments. Upon direct comparison, it is larger in size than the subject, 8,724,197 Sq. Ft but did include approvals for residential development at date of sale, supporting it's overall downward adjustment to the subject. Sale No. 11 (\$2.77/Sq. Ft.) is located immediately northeast of the subject and north of Sale No. 27. This sale required downward adjustment to the subject for its lack of flood plain restrictions. Upon direct comparison, to the subject, this property had residential development approvals at date of sale, enhancing its downward adjustment to the subject. Sale No. 42 (\$3.83/Sq. Ft.), its inferior Gardnerville location was dominated by its smaller size of 784,992 Sq. Ft., general commercial zoning, and

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... AND ASSOCIATES

location outside of a flood zone resulting in an overall downward adjustment to the subject. Sale No. 8 (\$4.69/Sq. Ft.) was clearly superior.

Sale No. 20's (\$1.16/SF) smaller size of 1,742,400 SF and location outside of the flood plain was outweighed by its inferior zoning of Light Industrial and its location adjacent to the airport resulting in overall upward adjustment to the subject. Sale No. 33's (\$1.12/SF) smaller size of 871,200 SF and its lack of flood zone impediments were outweighed by its inferior Light Industrial Zoning and location near the airport resulting in overall upward adjustment to the subject. Sale No. 25's (\$1.12/SF) smaller size of 891,673 SF and lack of flood zone impediments was overridden by its inferior Light Industrial Zoning and location near the airport resulting in overall upward adjustment to the subject. Sale No. 13's (\$0.95/SF) location outside of the flood plain was overridden by its inferior location in The Ranchos area, resulting in overall upward adjustment to the subject. Sale No. 24's (\$0.92/SF) smaller size of 1,338,163 SF and lack of flood plain impediments was outweighed by its inferior Light Industrial Zoning and location near the airport, resulting in overall upward adjustment. Sale No. 12's (\$0.81/SF) smaller size of 904,306 SF and lack of flood plain impediments was outweighed by its inferior Light Industrial Zoning and location near the airport, resulting in overall upward adjustment to the subject. Sale No. 10's (\$0.77/SF) smaller size of 871,200 SF and location outside the flood zone was outweighed by its inferior 5-acre per resident zoning, Gardnerville location and the availability of partial public utilities. Sale No. 2's (\$0.77/SF) location outside of the flood zone was outweighed by its inferior Gardnerville location, resulting in overall upward adjustment to the subject. Sale No. 5's (\$0.43/SF) location outside of the flood zone was outweighed by its Gardnerville location, resulting in overall upward adjustment to the subject.

The market evidence supports the value bracket of \$1.16 to \$2.24 per Sq. Ft.

The positive features of the subject are its' location within the Town of Minden with full public services available and its Receiving Area designation. Its less positive features are the amount of land area impacted by the "AE" Flood Zone at date of appraisal. There is the potential that the area impacted by the flood zone can be reduced or mitigated. Sale No. 11 (\$2.77/SF) and Sale

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... AND ASSOCIATES

No. 27 (\$2.57/SF) are most similar to the subject in location, availability of utilities and land use. Sale No. 11 is similar in size containing 4,363,841 SF. Sale No. 27 contained 8,724,197 SF. These sales were superior to the subject having no flood plain impacts or restrictions, and had tentative subdivision approvals at date of sale.

Considering the flood plain affecting 51% of the subject's land area, the market evidence would support a final estimate of value in the lower range of the value bracket of \$1.45 per SF at the date of appraisal. It needs to be noted that based on the current listings and the extending marketing times of those listings, values for development properties are in decline and it appears that they will continue to decline beyond the date of value. At the date of value, based upon the available evidence, it is the appraisers opinion that the value of the subject is \$1.45/ Sq. Ft of gross land area.

$$3,697,808 \text{ Sq. Ft. X } \$1.45 \text{ Per Sq. Ft.} = \$5,361,822$$

Final Estimate of Value **Rounded** **\$5,360,000**

CERTIFICATION

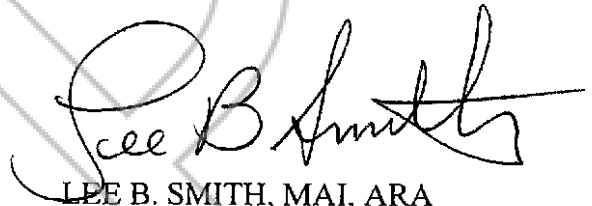
I certify that, to the best of my knowledge and belief:

1. The statements of facts contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. I have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
4. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. 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.

7. 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 and Standards of Professional Appraisal Practice of the Appraisal Institute and the American Society of Farm Managers and Rural Appraisers.
8. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
9. The use of this report is subject to the requirements of The Appraisal Institute relating to review by its duly authorized representatives.
10. The use of this report is subject to the requirements of the American Society of Farm Managers and Rural Appraisers relating to review by its duly authorized representatives.
11. I have made a personal inspection of the property that is the subject of this report.
12. No one provided significant real property appraisal assistance to the person signing this certification.
13. As of the date of this report, Lee B. Smith has completed the continuing education program of The Appraisal Institute.
14. As of the date of this report, Lee B. Smith has completed the continuing education program of the American Society of Farm Managers and Rural Appraisers.

15. As of the date of this report, Lee B. Smith has completed the continuing education program of The Appraisal Foundation.
16. The appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.

February 14, 2011



LEE B. SMITH, MAI, ARA
Certified General Appraiser NV License #00131
Certified General Appraiser CA License #AG005658

LBS: ae

ADDENDA

COPY

EXHIBIT "A"
APPRAISER'S QUALIFICATIONS

QUALIFICATIONS OF LEE B. SMITH
1761 East College Parkway, Suite 111
Carson City, NV 89706
(775) 883-8008

Appraisal Experience

Apartment Buildings
Casinos
Farms
Feasibility & Market Analysis
Going Concern Valuation
Industrial Property
Livestock Ranches
Mini-Storage Facilities
Mobile Home Parks

Motels, Hotels
Office Buildings
Processing Facilities
Recreational Property
Single Family Residences
Special Use Property
Subdivisions
Vacant Land
Water Rights

Appraisal Education

Appraisal Institute
"Basic Appraisal Principles, Methods & Techniques"
"Capitalization, Theory & Techniques"
"Case Studies in Real Estate"
"Valuation Analysis and Report Writing"
"Livestock Ranch Valuation"
"Rural Valuation"
"Highest and Best Use"
"Condemnation Appraising"

American Society of Farm Managers and Rural Appraisers
"Advanced Rural Appraisal"
"Advanced Rural Case Studies"
"Eminent Domain"

Federal Land Bank of Berkeley
"Farm & Ranch Real Estate Appraisal Principles & Techniques"
"Nevada Water Law & Water Rights"
"Single Family Residences Appraisal Principles, Methods & Techniques"

General Education

Bachelor of Science Degree, Farm Management,
California Polytechnic University, San Luis Obispo, California

Licenses

General Appraiser, No. 131-CG, State of Nevada
Real Estate Broker, No. 7792, State of Nevada
General Appraiser, No. AG005658, State of California

Professional Designations

MAI, The Appraisal Institute
ARA, American Society of Farm Managers & Rural Appraisers

Qualified Expert Witness

Washoe County District Court
Lyon County District Court
Elko County District Court
U.S. Federal Court
Lassen County District Court
U.S. Court of Federal Claims

Alameda County Superior Court
Federal Bankruptcy Court
Churchill County District Court
Douglas County District Court
Eureka County District Court
Mono County District Court

Appraisal Instruction

Certified Instructor Appraisal Institute
Advanced Rural Case Studies (Co-Developer)
Livestock Ranch Valuation (Author)
Standards of Professional Practice
Certified Instructor Amer. Soc. of Farm Mgrs & Rural Appraisers
"Eminent Domain" (Author)
Water Right Seminars - Reno, Nevada - SREA Chapter No. 189; IAAO
Real Estate Update Seminar - Sacramento, California
Land Inventory - Assessor's Association of Nevada
Rural Appraisal - Washington DC - Federal Financial
Institutions Examination Council

Partial List of Clients

Agri-Beef
American Land Conservancy
Bank of America
Bently Nevada
City of Carson City
City of Elko
City of Reno
Connecticut General Life
Del Webb
Elko County Recreation Board
Farm Credit System
Farmers Home Administration
Harvey's
Independence Mining Company
Internal Revenue Service
John Ascuaga
Kerr-McGee
Key Bank
Lands of Sierra
Minden-Gardnerville Sanitation
Nevada Bell
Nevada Cattlemen's Assoc.
Nevada Dept. of State Lands
Nevada Dept. of Transportation
Newmont Exploration

Resource Concepts
South Tahoe Public Utility District
Round Mountain Gold
Salmon River Cattlemen's Assn.
Salvation Army
Santa Fe Land Company
Santa Fe Mining Company
Sierra Pacific Power Company
Science Applications International
The Nature Conservancy
Trust for Public Lands
U.S. Army Corps of Engineers
U.S. Department of Agriculture
U.S. Department of Interior
U.S. Department of Justice
U.S. Department of Navy
U.S. District Court
U.S. Fish & Wildlife Service
Walker River Irrigation District
Washoe County Public Works
Washoe County Airport Authority
Washoe County District Attorney
Western States Minerals
Zions Bank
Alpine County School District

Private individuals, firms, attorneys, and certified public accountants

Seeman Ranch Acquisition

Attachment F

Title Report

COPY



Marquis
Title & Escrow Inc.

1662 U.S. Hwy 396, Suite 103, Minden, NV 89423 * P (775) 782-5042 F (775) 782-5090
 502 East John St., Suite A, Carson City, NV 89706 * P (775) 884-3999 F (775) 884-3995

AMENDED PRELIMINARY TITLE REPORT

Our Order No.: 100220-GVM

Property: 1650 Buckeye Road
Minden, Nevada and
1651 Buckeye Road,
Gardnerville, Nevada

Senior Escrow Officer: Vicky D Morrison

In response to the above referenced application for a Policy of Title Insurance, MARQUIS TITLE & ESCROW, INC. a Nevada corporation, hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a Policy or Policies of Title Insurance describing the land and the estate or interest therein as hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an Exception below and not excluded from coverage pursuant to the printed Exceptions and Exclusions of said policy forms.

The printed Exceptions and Exclusions from the coverage of said Policy or Policies are set forth in the attached Preliminary Report. Copies of the Policy forms should be read. They are available from the office which issued this report.

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

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

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

Dated as of February 22, 2010, at 8:30 am.

Jim Rose
Title Officer

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

A Fee

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

DEAN E. SEEMAN, Trustee of THE FIRST AMENDED DEAN SEEMAN TRUST AGREEMENT, dated October 2, 1990

All that certain lot, piece or parcel of land situate in the County of DOUGLAS, State of Nevada, described as follows:

PARCEL 1

That parcel of land being a portion of the Southwest ¼ of Section 29, Township 13 North, Range 20 East, M.D.B. & M., described as follows:

BEGINNING at the quarter corner common to Section 29 and 30, Township 13 North, Range 20 East, M.D.B. & M.;

Thence running South 89°37'25" East, 2,576.09 feet, being the recorded line (per Record of Survey for H.H. Godecke, recorded April 6, 1965, Document No. 27599, Official Records of Douglas County, State of Nevada, the line is as follows: North 89°54'12" East 687.31 feet to a point; Thence South 89°29'26" East, 324.29 feet to a point; Thence South 89°00'49" East, 1,584.49 feet to a point where the Westerly boundary line of Buckeye Road intersects the quarter line of said Section 29);

Thence South 26°12'14" West, 1,899.45 feet along that Westerly boundary line of said Buckeye Road, to a point which is the Northeast corner of the parcel described in Deed recorded in Book B-1 of Deeds, Page 25, Official Records of Douglas County, State of Nevada;

Thence along the North boundary of said parcel North 75°01' West, 356.10 feet to a point;

Thence continuing along said property line South 32°40' West, 223.00 feet to a point on the North line of Lot 1, Block 1 of the North Addition to the Town of Minden;

Thence along the North line of said lot North 63°25' West, 47.7 feet to the Northwest corner of said lot;

Thence South 26°35' West, 36.71 feet to a point;

Thence South 79°00'00" East, 403.81 feet per Record of Survey, filed for record September 2, 1980, as Document No. 48058, Official Records of Douglas County, State of Nevada;

Thence North 63°25' West (North 64°16'24" West per Deed) 890.57 feet to a point where the line intersects the North-South Section line common to Sections 29 and 30;

Thence North along said Section line, 1,524.65 feet to the POINT OF BEGINNING.

EXCEPTING THEREFROM that parcel deeded to H.H. Godecke, et ux, in Deed recorded May 7, 1965, in Book 31, Page 245, Document No. 28051, Official Records of Douglas County, State of Nevada, further described as follows:

A parcel of land located in the Northwest one-quarter of the Northeast one-quarter of the Southwest one-quarter of Section 29, Township 13 North, Range 20 East, M.D.B. & M., described as follows:

BEGINNING at a point which is the intersection of the Westerly line of Buckeye Road and the quarter Section line which forms the Southerly boundary of the Henry H. Godecke Ranch and bears North 63°33'11" East, a distance of 5,934.2 feet from the South quarter corner of Section 30 of said Township and Range;

Thence North 9°00'49" West, 42.0 feet along said Southerly boundary of the Henry H. Godecke Ranch;

Thence South 18°20'48" East 53.46 feet to a point on the said Westerly line of Buckeye Road;

Thence North 26°41'34" East, 56.00 feet to the POINT OF BEGINNING.

FURTHER EXCEPTING THEREFROM that parcel deeded to Joyce J. Seeman and Doreen I. Staricha by Deed recorded February 11, 1971, in Book 83, Page 595, Document No. 51366, Official Records of Douglas County, State of Nevada.

FURTHER EXCEPTING THEREFROM that parcel deeded to Patrick A. Mulreany and Jean E. Mulreany, husband and wife, in Deed recorded August 31, 1983, in Book 883, Page 2667, Document No. 86356, Official Records of Douglas County, Nevada.

FURTHER EXCEPTING THEREFROM that parcel deeded to Mulreany Associates, a Limited Partnership, in Deed recorded February 8, 1985, in Book 285, Page 528, Document No. 113418, Official Records of Douglas County, State of Nevada.

FURTHER EXCEPTING THEREFROM that parcel deeded to Mulreany Associates by Deed recorded December 19, 1984, in Book 1284, Page 1780, as Document No. 111455, Official Records of Douglas County, State of Nevada.

FURTHER EXCEPTING THEREFROM that parcel deeded to Mulreany Associates by Deed recorded September 30, 1986, in Book 986, Page 3606, as Document No. 141925, Official Records of Douglas County, State of Nevada.

APN: 1320-29-301-001

This description was previously recorded on November 27, 1990, in Book 1190, Page 3916, Document No. 239779, Official Records of Douglas County, Nevada.

PARCEL 2

That portion of land lying in the East half of the Southwest quarter of Section 29, Township 13 North, Range 20 East, M.D.B. & M., described as follows:

BEGINNING at a point which is the Northwest corner of Block 4 of the North Addition to the Town of Minden and running:

Thence North 63°25' West, 15 feet to a point on a fence line and Easterly side of County Road;

Thence North 26°35' East along said fence line 228.95 feet to the TRUE POINT OF BEGINNING;

Thence continuing North 26°35' East, 1,672.05 feet to a point;

Thence North 61°24' East, 61.5 feet to a point on the Virginia and Truckee Railway 50 feet right-of-way line, which point bears South 25°58' East, a distance of 5,956.74 feet from the Northwest corner of Section 20, Township 13 North, Range 20 East, M.D.B. & M. and also South 0°10' West 81.40 feet from the Southeast corner of Henry Godecke Ranch;

Thence South 0°10' West along said right-of-way line and fence line a distance of 1,716.00 feet to a point;

Thence from a tangent which is the last described course curving to the right along said right-of-way line with a radius of 613.00 feet through an angle of $31^{\circ}05'48''$, a distance of 332.70 feet to a point;

Thence along the North boundary line of that parcel deeded to Bently Nevada Corporation, a Nevada corporation in Deed recorded December 24, 1973, Book 1273, Page 619, Document No. 70859, Official Records of Douglas County, State of Nevada, said line being North $54^{\circ}17'11''$ West, 871.46 feet to the TRUE POINT OF BEGINNING.

APN: 1320-29-301-003

This description was previously recorded on November 27, 1990, in Book 1190, Page 3930, as Document No. 239782, Official Records of Douglas County, Nevada.

At the date hereof, exceptions to the coverage, in addition to the printed exceptions and exclusions in the policy form designated on the face page of this report, would be as follows:

1. Taxes for the Fiscal Year July 1, 2009 to June 30, 2010, are PAID IN FULL
Total Amount: \$1,288.80
Parcel No.: 1320-29-301-001 (PARCEL 1)
2. Taxes for the Fiscal Year July 1, 2009 to June 30, 2010, are PAID IN FULL
Total Amount: \$23.49
Parcel No.: 1320-29-301-003 (PARCEL 20)
3. Water rights, claims or title to water, whether or not shown by the public records.
4. Any and all ditches, pipes and pipelines, conduits, transmission lines, poles, roads, trails and fences on/or traversing said land which would be disclosed and located by an accurate survey and/or an inspection of the premises.
5. Reservations and provisions as contained in Patent from the State of Nevada
To: James F. Banning
Recorded: February 27, 1901, in Book 1 of Patents, Page 200, Douglas County, Nevada, Records
6. Reservations and provisions as contained in Patent from the United States of America,
To: James Banning
Recorded: February 27, 1901, in Book 1 of Patents, Page 226, Douglas County, Nevada, Records
7. The effect of an Irrigation Ditch Easement and Maintenance Agreement executed by Dean Seeman, et al, upon the terms and conditions as contained therein, recorded May 18, 1984, in Book 584, Page 1608, as Document No. 101016, wherein there was no attached Exhibits A nor B of real property incorporated therein
8. An easement affecting that portion of said land and for the purposes stated herein and incidental purposes as provided in the following:
Instrument: GRANT DEED FOR PUBLIC ROADWAY
By and between: DEAN E. SEEMAN, Trustee of the FIRST AMENDED DEAN SEEMAN TRUST AGREEMENT, dated October 2, 1990 and the COUNTY OF DOUGLAS, a political subdivision of the State of Nevada
For: Public roadway
Recorded: April 13, 1998, in Book 498, at Page 1993, as Document No. 437082, of Official Records

AFFECTS PARCEL 2

9. An easement affecting that portion of said land and for the purposes stated herein and incidental purposes as provided in the following:
Instrument: GRANT DEED FOR PUBLIC ROADWAY
By and between: DEAN E. SEEMAN, Trustee of the FIRST AMENDED DEAN SEEMAN TRUST AGREEMENT, dated October 2, 1990 and the COUNTY OF DOUGLAS, a political subdivision of the State of Nevada
For: Public roadway
Recorded: April 13, 1998, in Book 498, at Page 1998, as Document No. 437083, of Official Records

AFFECTS PARCEL 1

10. Terms and conditions as contained in an instrument
Entitled: CERTIFICATE OF THE FIRST AMENDED DEAN SEEMAN TRUST, as Amended
Recorded: May 5, 1999, in Book 599, at Page 639, as Document No. 467340, of Official Records
11. Notice of Attachment of an Open Tax Lien on Agricultural Real Property
Recorded: July 17, 2009, in Book 0709, at Page 3801, as Document No. 747276, of Official Records
12. No insurance is to be given on the issuance of this Preliminary Title Report. Total liability toward this company would be that of the fee collected in issuing this report.

NOTES

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

NOTE: This report is subject to a minimum cancellation charge of \$250.00 as required by the rate schedule on file with the Insurance Commissioner of the State of Nevada pursuant to N.R.S. 692A.120-692A.140. The total liability assumed by Marquis Title & Escrow and our underwriter(s) by the issuance of this report is limited to the amount of the fee collected for same.

NOTE: Short term rate DOES NOT apply.

NOTE: According to the public records, the CHAIN OF TITLE on this property is listed in EXHIBIT "B"

WIRE TO: CITY NATIONAL BANK
1811 E. College Parkway, Carson City, Nevada 89706-0003
For the Account of Marquis Title & Escrow Inc., Trust Account
Account Number 365000972 ABA Routing Number 122016066
Escrow Number 100220 GVM

**TITLE RESOURCES GUARANTY COMPANY
PRELIMINARY REPORT COVER**

**CALIFORNIA LAND TITLE ASSOCIATION STANDARD COVERAGE POLICY-1990
EXCLUSIONS FROM COVERAGE**

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

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

EXCEPTIONS FROM COVERAGE-SCHEDULE B, PART I

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

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records. Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records
2. Any facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens, or encumbrances, or claims thereof, which are not shown by the public records.

4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
- 5 (a) Unpatented mining claims, (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the public records.

**AMERICAN LAND TITLE ASSOCIATION LOAN POLICY (10-17-92)
WITH ALTA ENDORSEMENT FORM 1 COVERAGE
and
AMERICAN LAND TITLE ASSOCIATION LEASEHOLD LOAN POLICY (10-17-92)
WITH ALTA ENDORSEMENT FORM COVERAGE
EXCLUSIONS FROM COVERAGE**

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

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

- (b) the subordination of the interest of the insured mortgagee as a result of the application of the doctrine of equitable subordination; or
- (c) the transaction creating the interest of the insured mortgagee being deemed a preferential transfer except where the preferential transfer results from the failure:
 - (i) to timely record the instrument of transfer; or
 - (ii) of such recordation to impart notice to a purchaser for value or a judgment or lien creditor.

**AMERICAN LAND TITLE ASSOCIATION LOAN POLICY (10-17-92)
and
AMERICAN LAND TITLE ASSOCIATION LEASEHOLD LOAN POLICY (10-17-92) EXCLUSIONS
FROM COVERAGE**

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

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part, or (iv) environmental protections, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
- (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at date of policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at date of policy, but not excluding from coverage any taking which has occurred prior to date of policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters
 - (a) created, suffered, assumed or agreed to by the insured claimant;
 - (b) not known to the company, not recorded in the public records at date of policy, but known to the insured claimant and not disclosed in writing to the company by the insured claimant prior to the date the insured claimant became an insured under this policy;
 - (c) resulting in no loss or damage to the insured claimant;
 - (d) attaching or created subsequent to date of policy or
 - (e) resulting in loss or damage which would not have been sustained if the insured claimant has paid value for the insured mortgage.
4. Any claim, which arises out of the transaction creating the interest of the mortgagee insured by this policy, by reason of the operation or federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on:
 - (a) the transaction creating the estate or interest of the insured mortgagee being deemed a fraudulent conveyance or fraudulent transfer; or
 - (b) the transaction creating the estate or interest of the insured mortgagee being deemed a preferential transfer except where the preferential transfer results from the failure:
 - (i) to timely record the instrument of transfer; or
 - (ii) of such recordation to impart notice to a purchaser for value or a judgment or lien creditor.

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

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

1. Governmental police power, and the existence or violation of any law or government regulation. This includes building and zoning ordinances and also laws and regulations concerning:

Land use * Improvements on the land * Land division * Environmental protection

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

2. The right to take the land by condemning it, unless:
a notice of exercising the right appears in the public records on the Policy Date
the taking happened prior to the Policy Date and is binding on you if you bought the land without knowing of the taking

3. Title Risks:
that are created, allowed, or agreed to by you
that are known to you, but not to us, on the Policy Date-unless they appeared in the public records
that result in no loss to you
that first affect your title after the Policy Date-this does not limit the labor and material lien coverage in Item 8 of covered title risks

4. Failure to pay value for your title

5. Lack of a right:
to any land outside the area specifically described and referred to in Item 3 of Schedule A or
in streets, alleys, or waterways that touch your land

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

**MARQUIS TITLE & ESCROW INC., a Nevada corporation
Privacy Policy Notice**

PURPOSE OF THIS NOTICE

Title V of the Gramm-Leach-Bliley Act (GLBA) generally prohibit any financial institution, directly or through its affiliates, from sharing non-public personal information about you with a non-affiliated third party unless the institution provides you with a notice of its privacy policies and practices, such as the type of information that it collects about you and the categories of persons or entities to whom it may be disclosed. In compliance with the GLBA, we are providing you with this document, which notifies you of the privacy policies and practices of MARQUIS TITLE & ESCROW, INC., a Nevada corporation.

We may collect non-public personal information about you from the following sources:

- Information we receive from you, such as on applications or forms.
- Information about your transactions we secure from our files, or from [our affiliates or] others.
- Information we receive from a consumer reporting agency.
- Information that we receive from others involved in your transaction, such as the real estate agent or lender.

Unless it is specifically stated otherwise in an amended Privacy Policy Notice, no additional non-public personal information will be collected about you.

We may disclose any of the above information that we collect about our customers or former customers to our affiliates or to non-affiliated third parties as permitted by law

We also may disclose this information about our customers or former customers to the following types of non-affiliated companies that perform marketing services on our behalf or with whom we have joint marketing agreements:

- Financial service providers, such as companies engaged in banking, consumer finance, securities and insurance.
- Non-financial companies, such as envelope stuffers and other fulfillment service providers.

WE DO NOT DISCLOSE ANY NON-PUBLIC PERSONAL INFORMATION ABOUT YOU WITH ANYONE FOR ANY PURPOSE THAT IS NOT SPECIFICALLY PERMITTED BY LAW.

We restrict access to non-public personal information about you to those employees who need to know that information in order to provide products or services to you. We maintain physical, electronic and procedural safeguards that comply with federal regulations to guard your non-public personal information.

EXHIBIT "A"

All that certain lot, piece or parcel of land situate in the County of DOUGLAS, State of Nevada, described as follows:

PARCEL 1

That parcel of land being a portion of the Southwest ¼ of Section 29, Township 13 North, Range 20 East, M.D.B. & M., described as follows:

BEGINNING at the quarter corner common to Section 29 and 30, Township 13 North, Range 20 East, M.D.B. & M.;

Thence running South 89°37'25" East, 2,576.09 feet, being the recorded line (per Record of Survey for H.H. Godecke, recorded April 6, 1965, Document No. 27599, Official Records of Douglas County, State of Nevada, the line is as follows: North 89°54'12" East 687.31 feet to a point; Thence South 89°29'26" East, 324.29 feet to a point; Thence South 89°00'49" East, 1,584.49 feet to a point where the Westerly boundary line of Buckeye Road intersects the quarter line of said Section 29);

Thence South 26°12'14" West, 1,899.45 feet along that Westerly boundary line of said Buckeye Road, to a point which is the Northeast corner of the parcel described in Deed recorded in Book B-1 of Deeds, Page 25, Official Records of Douglas County, State of Nevada;

Thence along the North boundary of said parcel North 75°01' West, 356.10 feet to a point;

Thence continuing along said property line South 32°40' West, 223.00 feet to a point on the North line of Lot 1, Block 1 of the North Addition to the Town of Minden;

Thence along the North line of said lot North 63°25' West, 47.7 feet to the Northwest corner of said lot;

Thence South 26°35' West, 36.71 feet to a point;

Thence South 79°00'00" East, 403.81 feet per Record of Survey, filed for record September 2, 1980, as Document No. 48058, Official Records of Douglas County, State of Nevada;

Thence North 63°25' West (North 64°16'24" West per Deed) 890.57 feet to a point where the line intersects the North-South Section line common to Sections 29 and 30;

Thence North along said Section line, 1,524.65 feet to the POINT OF BEGINNING.

EXCEPTING THEREFROM that parcel deeded to H.H. Godecke, et ux, in Deed recorded May 7, 1965, in Book 31, Page 245, Document No. 28051, Official Records of Douglas County, State of Nevada, further described as follows:

A parcel of land located in the Northwest one-quarter of the Northeast one-quarter of the Southwest one-quarter of Section 29, Township 13 North, Range 20 East, M.D.B. & M., described as follows:

BEGINNING at a point which is the intersection of the Westerly line of Buckeye Road and the quarter Section line which forms the Southerly boundary of the Henry H. Godecke Ranch and bears North 63°33'11" East, a distance of 5,934.2 feet from the South quarter corner of Section 30 of said Township and Range;

Thence North 9°00'49" West, 42.0 feet along said Southerly boundary of the Henry H. Godecke Ranch;

Thence South 18°20'48" East 53.46 feet to a point on the said Westerly line of Buckeye Road;

Thence North 26°41'34" East, 56.00 feet to the POINT OF BEGINNING.

FURTHER EXCEPTING THEREFROM that parcel deeded to Joyce J. Seeman and Doreen I. Staricha by Deed recorded February 11, 1971, in Book 83, Page 595, Document No. 51366, Official Records of Douglas County, State of Nevada.

FURTHER EXCEPTING THEREFROM that parcel deeded to Patrick A. Mulreany and Jean E. Mulreany, husband and wife, in Deed recorded August 31, 1983, in Book 883, Page 2667, Document No. 86356, Official Records of Douglas County, Nevada.

FURTHER EXCEPTING THEREFROM that parcel deeded to Mulreany Associates, a Limited Partnership, in Deed recorded February 8, 1985, in Book 285, Page 528, Document No. 113418, Official Records of Douglas County, State of Nevada.

FURTHER EXCEPTING THEREFROM that parcel deeded to Mulreany Associates by Deed recorded December 19, 1984, in Book 1284, Page 1780, as Document No. 111455, Official Records of Douglas County, State of Nevada.

FURTHER EXCEPTING THEREFROM that parcel deeded to Mulreany Associates by Deed recorded September 30, 1986, in Book 986, Page 3606, as Document No. 141925, Official Records of Douglas County, State of Nevada.

APN: 1320-29-301-001

This description was previously recorded on November 27, 1990, in Book 1190, Page 3916, Document No. 239779, Official Records of Douglas County, Nevada.

PARCEL 2

That portion of land lying in the East half of the Southwest quarter of Section 29, Township 13 North, Range 20 East, M.D.B. & M., described as follows:

BEGINNING at a point which is the Northwest corner of Block 4 of the North Addition to the Town of Minden and running:

Thence North 63°25' West, 15 feet to a point on a fence line and Easterly side of County Road;

Thence North 26°35' East along said fence line 228.95 feet to the TRUE POINT OF BEGINNING;

Thence continuing North 26°35' East, 1,672.05 feet to a point;

Thence North 61°24' East, 61.5 feet to a point on the Virginia and Truckee Railway 50 feet right-of-way line, which point bears South 25°58' East, a distance of 5,956.74 feet from the Northwest corner of Section 20, Township 13 North, Range 20 East, M.D.B. & M. and also South 0°10' West 81.40 feet from the Southeast corner of Henry Godecke Ranch;

Thence South 0°10' West along said right-of-way line and fence line a distance of 1,716.00 feet to a point;

Thence from a tangent which is the last described course curving to the right along said right-of-way line with a radius of 613.00 feet through an angle of 31°05'48", a distance of 332.70 feet to a point;

Thence along the North boundary line of that parcel deeded to Bently Nevada Corporation, a Nevada corporation in Deed recorded December 24, 1973, Book 1273, Page 619, Document No. 70859, Official Records of Douglas County, State of Nevada, said line being North 54°17'11" West, 871.46 feet to the TRUE POINT OF BEGINNING.

APN: 1320-29-301-003

This description was previously recorded on November 27, 1990, in Book 1190, Page 3930, as Document No. 239782, Official Records of Douglas County, Nevada.

EXHIBIT "B"
CHAIN OF TITLE

PATENT – STATE OF NEVADA

State of Nevada

James F. Banning

Approved March 5, 1873

Recorded: February 27, 1901, in Book 1 of Patents, Page 200, Douglas County, Nevada, Records

PATENT – UNITED STATES OF AMERICA

USA

James Banning

Recorded: February 27, 1901, Book 1 of Patents, Page 226, Douglas County, Nevada, Records

DEED

Grantor: GRACE W. DANGBERG, a single woman

Grantee: HENRY F. SEEMAN and EDITH HAZEL SEEMAN, his wife

Recorded: March 17, 1947, in Book Y of Deeds, Page 189, Document No. 4442, Douglas County, Nevada, Records

DEED OF CORRECTION

Grantor: JOHN W. WILSON and BESSIE R. WILSON, his wife

Grantee: HENRY SEEMAN and EDITH HAZEL SEEMAN, his wife

Recorded: May 4, 1950, in Book Z of Deeds, Page 189, Document No. 7372, Douglas County, Nevada, Records

DEED (Parcel 2)

Grantor: HENRY F. SEEMAN and EDITH HAZEL SEEMAN

Grantee: HENRY F. SEEMAN and EDITH HAZEL SEEMAN and DEAN E. SEEMAN, tenants in common and not joint tenants

Recorded: February 11, 1971, in Book 83, Page 600, Document No. 51368, of Official Records

DEED (Parcel 1)

Grantor: HENRY F. SEEMAN and EDITH HAZEL SEEMAN

Grantee: HENRY F. SEEMAN and EDITH HAZEL SEEMAN and DEAN E. SEEMAN, tenants in common and not joint tenants

Recorded: March 26, 1971, in Book 87, Page 320, Document No. 52--6, of Official Records

GIFT DEED (Parcel 2)

Grantor: HENRY SEEMAN and EDITH SEEMAN, husband and wife

Grantee: DEAN E. SEEMAN, a single man as his sole and separate property

Recorded: December 30, 1982, in Book 1282, Page 2356, Document No. 74720, of Official Records

GIFT DEED (Parcel 2)

Grantor: HENRY SEEMAN and EDITH SEEMAN, husband and wife
Grantee: DEAN E. SEEMAN, a single man as his sole and separate property
Recorded: January 19, 1983, in Book 183, Page 891, Document No. 75261, of Official Records

QUITCLAIM DEED

Grantor: HENRY SEEMAN, aka Henry F. Seeman and EDITH HAZEL SEEMAN, tenants in common
Grantee: THE HENRY AND EDITH HAZEL SEEMAN FAMILY TRUST AGREEMENT, HENRY SEEMAN and EDITH HAZEL SEEMAN, Trustees, dated April 15, 1983, as amended November 4, 1984
Recorded: February 8, 1985, in Book 285, Page 523, Document No. 113417, of Official Records

QUITCLAIM DEED (Parcel 1)

Grantor: DEAN SEEMAN, a single man, in dealing with his one-third interest, as a tenant in common
Grantee: DEAN SEEMAN, Trustee of THE DEAN SEEMAN TRUST AGREEMENT, dated May 8, 1985
Recorded: June 18, 1985, in Book 685, Page 1353, Document No. 118739, of Official Records

QUITCLAIM DEED (Parcel 2)

Grantor: DEAN SEEMAN, a single man, in dealing with his one-third interest, as a tenant in common
Grantee: DEAN SEEMAN, Trustee of THE DEAN SEEMAN TRUST AGREEMENT, dated May 8, 1985
Recorded: June 18, 1985, in Book 685, Page 1358, Document No. 118741, of Official Records

GIFT DEED

Grantor: THE HENRY AND EDITH HAZEL SEEMAN FAMILY TRUST AGREEMENT, HENRY SEEMAN and EDITH HAZEL SEEMAN, Trustees, dated April 15, 1983, as amended November 4, 1984, as amended February 7, 1985
Grantee: DEAN SEEMAN, Trustee of THE DEAN SEEMAN TRUST AGREEMENT, dated May 8, 1985
Recorded: December 31, 1985, in Book 1285, Page 2763, as Document No. 128917, of Official Records

QUITCLAIM DEED

Grantor: DEAN SEEMAN, Trustee of THE HENRY AND EDITH HAZEL SEEMAN TRUST AGREEMENT, dated April 15, 1983, as amended November 4, 1984, as amended February 7, 1985, as amended January 18, 1987
Grantee: DEAN SEEMAN, Trustee of THE DEAN SEEMAN TRUST AGREEMENT, dated May 8, 1985, an undivided 23/72 interest
Recorded: December 10, 1987, in Book 1287, Page 1483, as Document No. 168397, of Official Records

QUITCLAIM DEED

Grantor: DEAN SEEMAN, Trustee of THE HENRY AND EDITH HAZEL SEEMAN TRUST AGREEMENT, dated April 15, 1983, as amended November 4, 1984, as amended February 7, 1985, as amended January 18, 1987
Grantee: DEAN SEEMAN, Trustee of THE EDITH HAZEL SEEMAN SURVIVOR'S TRUST, an undivided, an undivided 23/72 interest
Recorded: December 10, 1987, in Book 1287, Page 1488, as Document No. 168398, of Official Records

QUITCLAIM DEED

Grantor: DEAN SEEMAN, Trustee of THE EDITH HAZEL SEEMAN SURVIVOR'S TRUST
Grantee: DEAN SEEMAN, Trustee of THE DEAN SEEMAN TRUST AGREEMENT, dated May 8, 1985, an undivided 23/72 interest
Recorded: December 10, 1987, in Book 1287, Page 1493, as Document No. 168399, of Official Records

QUITCLAIM DEED OF CORRECTION

Grantor: DEAN SEEMAN, Trustee of THE HENRY AND EDITH HAZEL SEEMAN TRUST AGREEMENT, dated April 15, 1983, as amended November 4, 1984, as amended February 7, 1985, as amended January 18, 1987
Grantee: DEAN SEEMAN, Trustee of THE DEAN SEEMAN TRUST AGREEMENT, dated May 8, 1985, an undivided 23/72 interest
Recorded: December 31, 1987, in Book 1287, Page 4310, as Document No. 169801, of Official Records

QUITCLAIM DEED OF CORRECTION

Grantor: DEAN SEEMAN, Trustee of THE HENRY AND EDITH HAZEL SEEMAN TRUST AGREEMENT, dated April 15, 1983, as amended November 4, 1984, as amended February 7, 1985, as amended January 18, 1987
Grantee: DEAN SEEMAN, Trustee of THE EDITH HAZEL SEEMAN SURVIVOR'S TRUST, an undivided, an undivided 23/72 interest
Recorded: December 31, 1987, in Book 1287, Page 4317, as Document No. 169802, of Official Records

QUITCLAIM DEED OF CORRECTION


Grantor: DEAN SEEMAN, Trustee of THE EDITH HAZEL SEEMAN SURVIVOR'S TRUST
Grantee: DEAN SEEMAN, Trustee of THE DEAN SEEMAN TRUST AGREEMENT, dated May 8, 1985, an undivided 23/72 interest
Recorded: December 31, 1987, in Book 1287, Page 4324, as Document No. 169803, of Official Records

QUITCLAIM DEED (Parcel 1)

Grantor: DEAN E. SEEMAN, Trustee of THE DEAN SEEMAN TRUST AGREEMENT, dated May 8, 1985
Grantee: DEAN E. SEEMAN, Trustee of THE FIRST AMENDED DEAN SEEMAN TRUST AGREEMENT, dated October 2, 1990
Recorded: November 27, 1990, in Book 1190, page 3916, Document No. 239779, of Official Records

QUITCLAIM DEED (Parcel 2)

Grantor: DEAN E. SEEMAN, Trustee of THE DEAN SEEMAN TRUST AGREEMENT, dated May 8, 1985
Grantee: DEAN E. SEEMAN, Trustee of THE FIRST AMENDED DEAN SEEMAN TRUST AGREEMENT, dated October 2, 1990
Recorded: November 27, 1990, in Book 1190, page 3930, Document No. 239782, of Official Records



Douglas County, Nevada
Assessor's Office
Douglas County Assessor

Map Legend

- Parcel Boundary
- Subd Boundary
- Easements - See Recorded Documents
- Town Boundary
- Township/Range/Section
- Open Space/Conserv. Eas.
- Reserve Area

Parcel Number

110

Parcel 563/Block Number

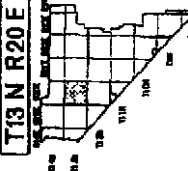
Parcel Acreage

Parcel Block Number

Parcel Lot Number

Parcel Address


T13 N R20 E




SEC. 29

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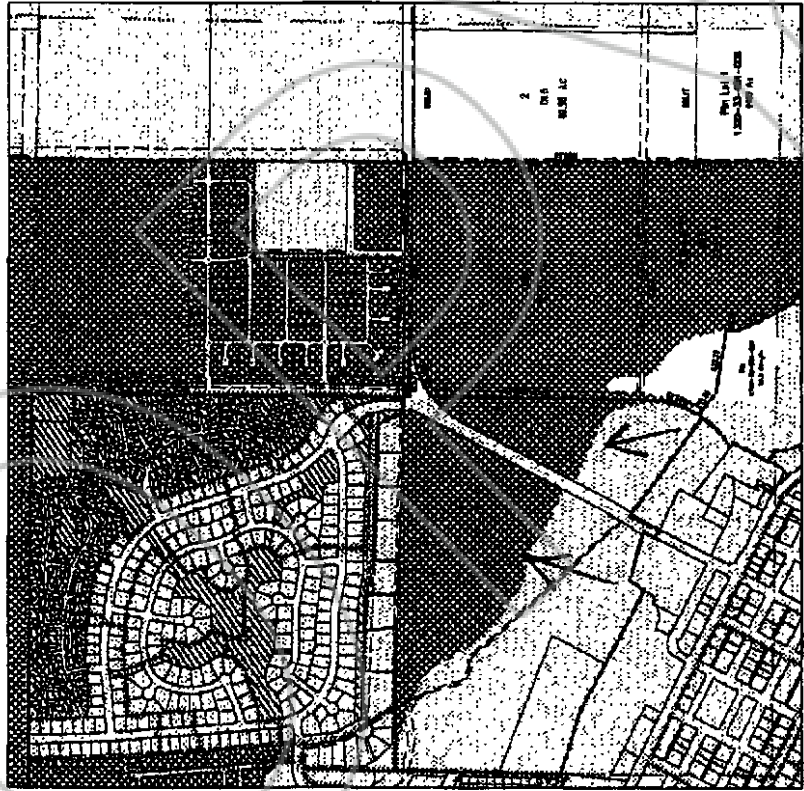
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1320-29-000



SCALE: 1" = 200'
REVISED 08/29/2011



NOTE: This map is prepared for the use of Douglas County Assessor. No liability is assumed as to the sufficiency or accuracy of the data depicted hereon.

Douglas County, Nevada

Assessor's Parcel
Map of Douglas County

Map Legend

- Parcel Boundary
- Sold Boundary
- Easements - See Recorded Documents
- Town Boundary
- Township(Range)/Section
- Open Space/Conserv Eas
- Recreation Area

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Parcel Acreage

Parcel Block Number

Parcel Lot Number

Parcel Address

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SEC. 29

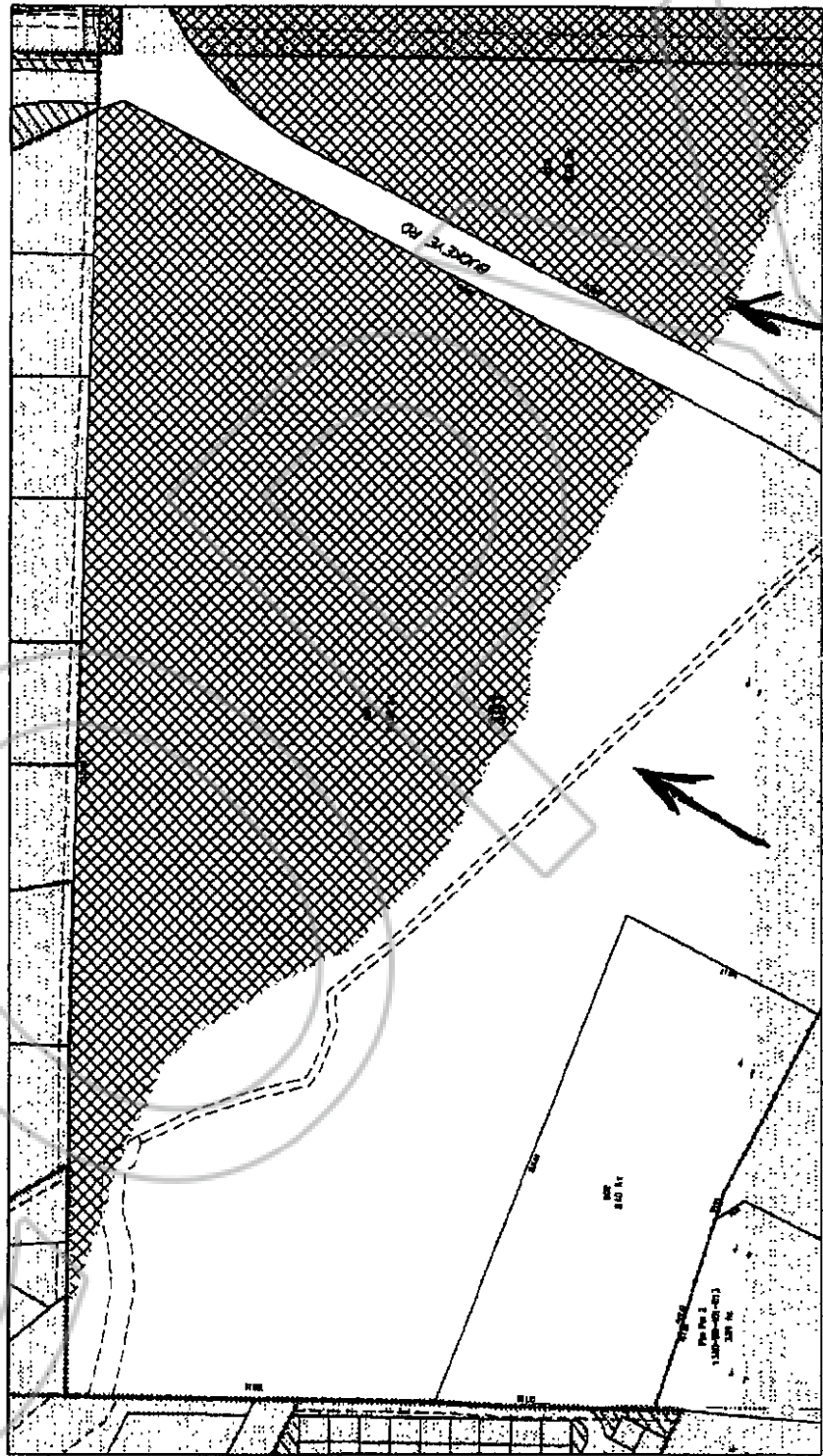
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1320-29-3

SCALE: P = 800
REVISED: 08/29/2011



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 efficiency or accuracy of the data derived hereon.

Douglas County, Nevada

Section's Parish
 Douglas County Issues

Map Legend

- Parcel Boundary
- Sub'd Boundary
- Easements - See Recorded Documents
- Town Boundary
- Open Space/Conserv. Eas.
- Receiving Area

Parcel Number
 Parcel Sub/Seq Number
 Parcel Acreage
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SEC. 29

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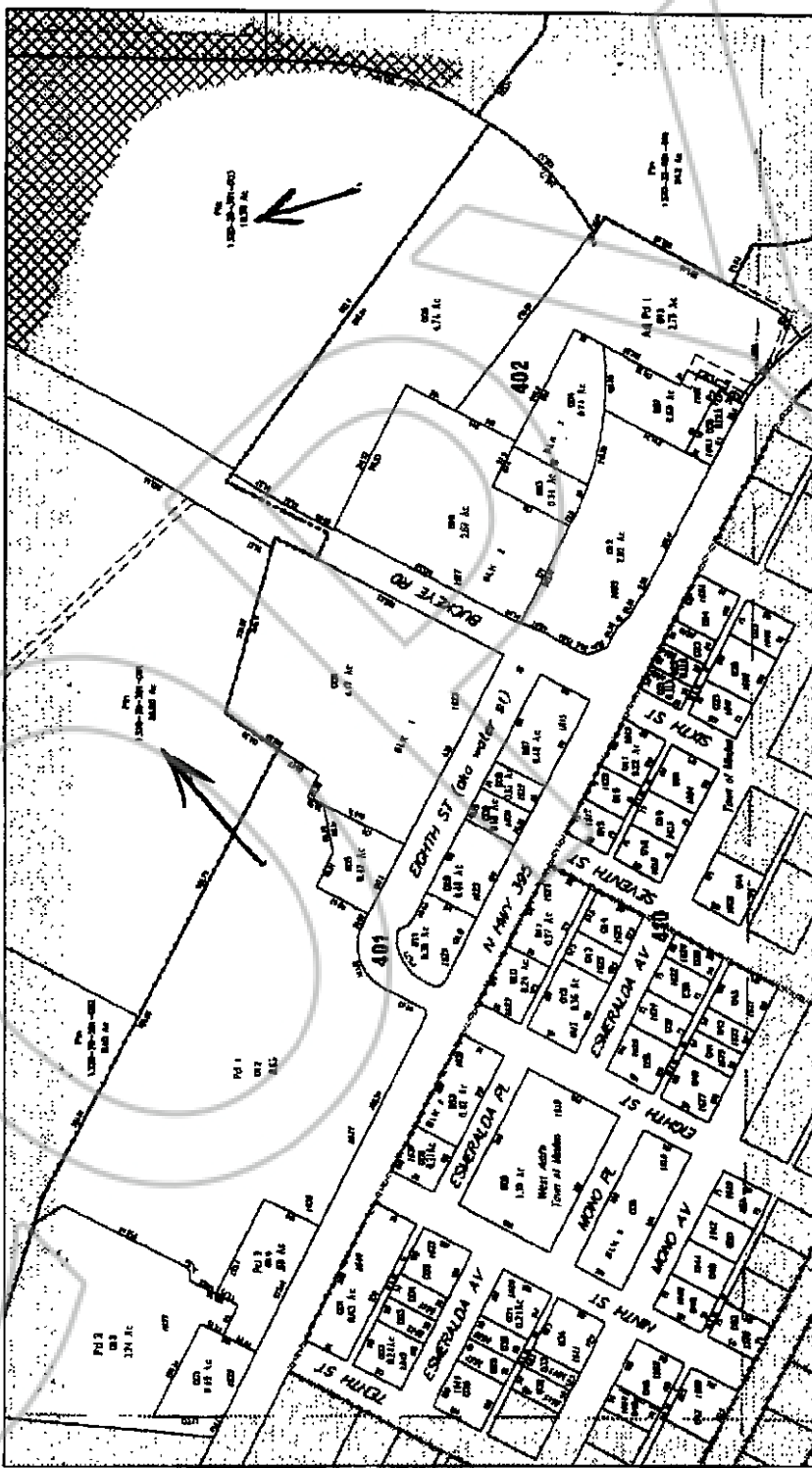
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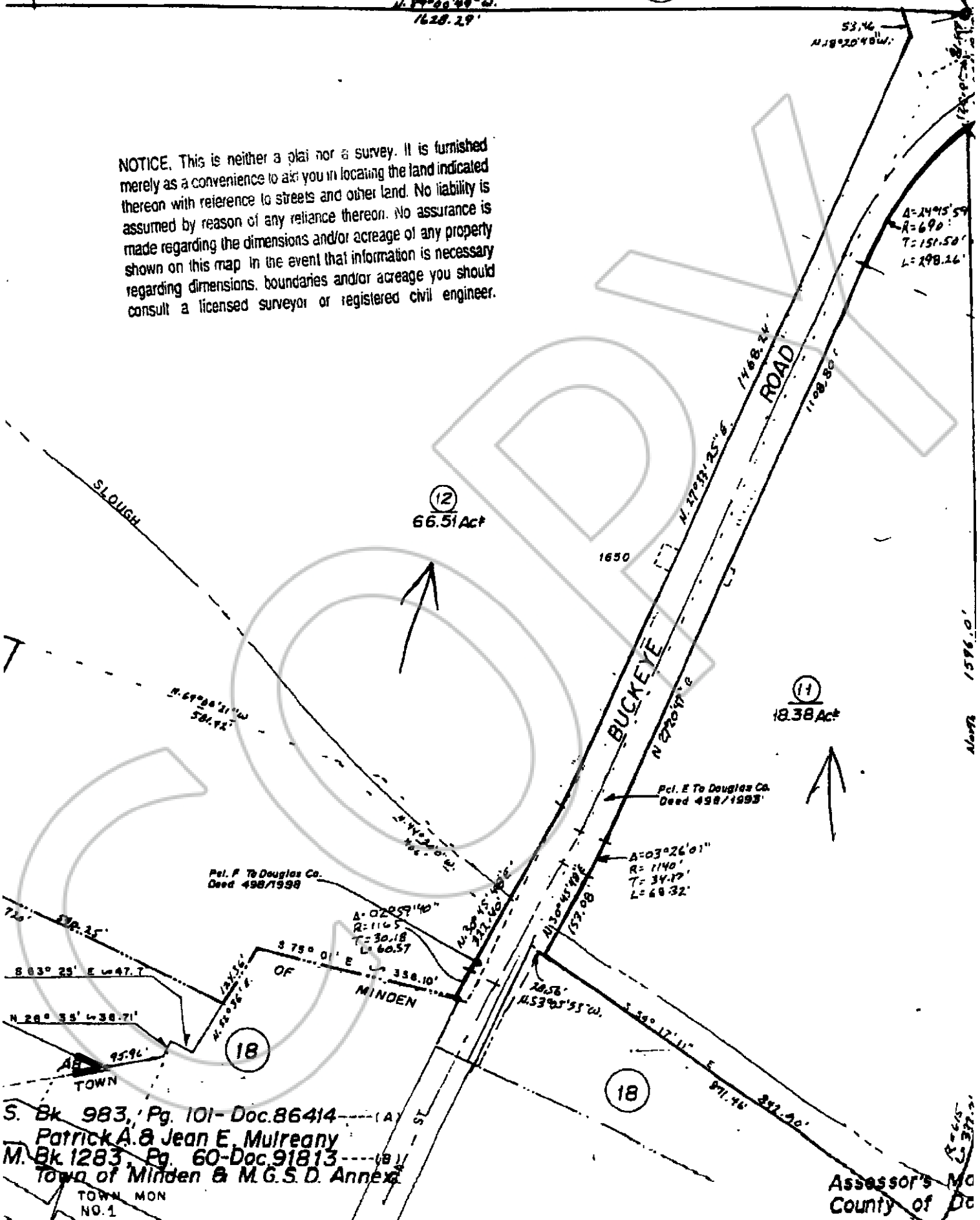
1320-29-4

SCALE 1" = 80'
 REVD: 04/20/10



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

NOTICE. This is neither a plat nor a survey. It is furnished merely as a convenience to aid you in locating the land indicated thereon with reference to streets and other land. No liability is assumed by reason of any reliance thereon. No assurance is made regarding the dimensions and/or acreage of any property shown on this map. In the event that information is necessary regarding dimensions, boundaries and/or acreage you should consult a licensed surveyor or registered civil engineer.



S. Bk 983, Pg. 101 - Doc. 86414
Patrick A. & Jean E. Mulreany
M. Bk 1283, Pg. 60 - Doc. 91813
Town of Minden & M.G.S.D. Annex
TOWN MON NO. 1

Assessor's Map
County of De

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.

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UPDATED

TOWN OF U.S. MINDEN

TOWN OF MINDEN

HWY. NO. 395

10th ST. 9th ST.

MARTIN

SLOUGH

R.S. Bk 983, Pg Patrick A. & J. A.M. Bk 1283, Pg Town of Minden TOWN MON. NO. 1



Seeman Ranch Acquisition

Attachment G

Non-revocable Deed Restrictions

COPY

A.P.N. 1320-29-301-007 & 1320-29-402-014

RECORDING REQUESTED BY:

Lisa Granahan, Douglas County
PO Box 218
Minden, NV

WHEN RECORDED MAIL TO:

Nevada Division of State Lands
Question 1 Program
901 S. Stewart St., Suite 5003
Carson City, Nevada 89701

NONREVOCABLE AGREEMENT TO RESTRICT PROPERTY

This NONREVOCABLE AGREEMENT TO RESTRICT PROPERTY ("Agreement") is made and entered into this _____ day of _____, 2011 by and between Douglas County ("Grantee"), a political subdivision of the State of Nevada, and the State of Nevada ("State"). Grantee and State are sometimes hereinafter referred to collectively as the "Parties."

Recitals

WHEREAS, Grantee is the owner of that certain real property located in Douglas County, State of Nevada, described as follows:

Douglas County Assessor Parcel Number(s) two parcels-APN #1320-29-301-007 and APN#1320-29-402-014, (hereinafter "Property"). For a complete legal description of the Property see "Exhibit A" attached hereto and incorporated herein by this reference.

WHEREAS, This Agreement is given to insure that the Property is maintained and used in a manner consistent with the regulations (NAC Section 321) adopted by the State for the Conservation and Resource Protection Grant Program, hereinafter referred to as "Question 1 Program." Regulatory authority is provided by Subsection 1-35, Section 2 of Assembly Bill No. 9 of the 17th Special Session of the Nevada Legislature, Chapter 6, Statutes of Nevada 2001. The referenced regulations require the Nevada Division of State Lands, (hereinafter "State Lands," an agency of the State), when entering into a Funding Agreement, to include pertinent nonrevocable deed restrictions and appropriate reversionary clauses to ensure that at all times the land is maintained in a manner consistent with the purpose of the Question 1 Program.

WHEREAS, Grantee has entered into a State Lands Question 1 Program Funding Agreement that provides funding to implement the project entitled the "Seeman Ranch Fee Title Acquisition" and which has been assigned Question 1 Program Project ID No. DO-LW-08054.

WHEREAS, State Lands has authority to award grants of money from the sale of general obligation bonds to a county, or a municipality within a county for the acquisition of land and water or interests in land and water for the public benefit to protect and enhance wildlife habitat, sensitive or unique vegetation, historic or cultural resources, riparian corridors, floodplains, wetlands and other environmental resources pursuant to an adopted plan for open spaces.

Declarations

NOW, THEREFORE, in consideration of the grant funds received and the covenants and agreements contained herein, the Parties hereto agree as follows:

1. **Recitals.** The foregoing recitals are true and correct.
2. **Authorized Uses.** Pursuant to this Nonrevocable Agreement to Restrict Property, Grantee agrees that the Property will be used only for open space purposes that are consistent with the objectives for which the Property is acquired and the local jurisdictions' adopted open space plan. The Grantee further agrees that the property will be used for those allowable uses defined in Nevada Administrative Code, Chapter 321, ranching, recreational facilities, recreational trails, and as a greenbelt and/or for purposes that are consistent with the protection or enhancement of wildlife habitat, protection of sensitive or unique vegetation, protection of historic or cultural resources, protection and maintenance of riparian corridors, sloughs, ditches, floodplains, or wetlands, receiving and treating stormwater, perpetuating historic drainage, perpetuating irrigation for agricultural purposes and/or to protect or preserve the benefits of the Property or natural resources within the State for the public.
3. **In Event of Unauthorized Uses.** If at any time the Property, or any portion of it, is used for some purpose other than that stated in Paragraph 2 above, the following actions shall be taken:
 - A. In the event of a violation or infringement, or threatened violation or infringement, of any provision of this Agreement, the State, or any person, shall give written notice to Grantee and request that the Grantee take corrective action sufficient to cure the violation or prevent the threatened violation. Grantee shall have 30 days to comply with the request. If Grantee is unable to cure the violation within the time allotted but is pursuing corrective measures with due diligence, the State may permit the Grantee a reasonable extension of time. If the State, in its sole discretion, determines that circumstances require immediate action to prevent or mitigate significant damage to the permitted use of the property as described in Paragraph 2 of this Agreement, the State may pursue its remedies under this section without prior notice to Grantee or without waiting for the period provided for cure to expire. Nothing in this Agreement shall be construed to impair the State's, or any person's right to seek temporary or permanent injunctive or other relief to enforce the terms of this Agreement against a violation or threatened violation hereof.

- B. If the Grantee fails to take corrective action to cure the violation or prevent the threatened violation pursuant to subparagraph A., the Grantee shall offer to convey the Property, for no consideration, to the State for the purposes stated in paragraph 2 above; or, if said offer is rejected by the State or if the State fails to respond to the offer within ninety (90) days of the date of the offer, then Grantee shall offer to convey the Property, for no consideration, to each reasonably identifiable Nonprofit Conservation Organization active in Nevada. For purposes of this Agreement, the term "Nonprofit Conservation Organization" means a nonprofit organization, qualified in the State, that has as one of its primary purposes the acquisition of property for the protection, preservation and/or conservation of land, water, open space and/or the natural communities, resources and wildlife located thereon.

Any offer made herein by Grantee must be made: (a) by delivering a written offer to the party to whom the offer is being made via certified U.S. Mail or hand delivery, and (b) by providing public notice of the offer, which public notice shall include, without limitation, notice of such offer by publication no less than three (3) times at one-week intervals in a newspaper of general circulation in Carson City. Both the written offer and the public notice described herein shall state that in the event multiple Parties are interested in accepting the offer and are otherwise qualified to accept the offer, the party to whom the Property will be conveyed will be determined promptly by the Grantee in its sole and absolute discretion. The written offer and public notice shall also include the date by which a qualified party must accept the offer in writing, which date shall be not less than sixty (60) days nor more than ninety (90) days after the date of third publication, and shall identify the representative to whom the written acceptance must be made and the place where such written acceptance must be delivered. The Grantee shall bear all costs for any offer required to be made by it hereunder.

Should an offer described herein be accepted, Grantee shall, at its sole cost and expense, promptly deliver to the qualified party accepting said offer, a duly executed warranty, grant bargain sale, or quitclaim deed capable of being recorded in order to convey clear title to the Property to said party subject to encumbrances imposed by the State.

If neither the State nor a qualified Nonprofit Conservation Organization has accepted Grantee's offer, Grantee shall, at the sole discretion of the State, promptly take one of the following actions (either sub-subparagraph i or sub-subparagraph ii):

- i. Sell said Property or a portion of the property as determined by the State to any other person or entity for fair market value. Upon such sale, Grantee shall promptly transmit to the State its pro rata share of the sale price of the portion of the Property sold, or the amount of the grant, whichever is greater. Upon receipt of said payment, the State shall release the Grantee from any further obligations or liabilities under this Agreement.
- ii. Remit to the State a sum equivalent to the amount of the Grant, together with interest thereon at the rate of 10% per annum, commencing from the date of the Grantee's acquisition of the Property until the date paid. Upon receipt of said payment, the State shall release the Grantee from any further obligations

or liabilities under this Agreement and shall remove any deed restrictions or other encumbrances on the Property imposed by this Agreement.

4. **Voluntary Transfer of Property.** In the event the Grantee desires to sell or otherwise transfer the Property, prior to any such sale or transfer of the Property by Grantee, Grantee shall offer to convey the Property, for no consideration, to the entities described in sub-subparagraph 3(B) above, subject to the same terms and conditions, and according to the same procedures, set forth therein. If, after complying with the provisions of sub-subparagraph 3(B), neither the State nor a qualified Nonprofit Conservation Organization has accepted Grantee's offer, Grantee may, at the sole discretion of the State, promptly take one of the following actions (either subparagraph A or subparagraph B):
 - A. Sell the Property to any other person or entity for fair market value, based on an appraisal of the property at the time of transfer. Upon such sale, other than to the State or a qualified Nonprofit Conservation Organization, Grantee shall promptly transmit to the State its pro rata share of the sale price of the portion of the Property sold, or the amount of the grant, whichever is greater. Upon receipt of said payment, the State shall release the Grantee from any further obligations or liabilities under this Agreement.
 - B. Promptly transmit to the State the amount of the Grant, together with interest thereon at the rate of 10% per annum, commencing from the date of the Grantee's acquisition of the Property until the date paid. Upon receipt of said payment, the State shall release the Grantee from any further obligations or liabilities under this Agreement and shall remove any deed restrictions or other encumbrances on the Property imposed by this Agreement.
5. **Condemnation.** Any and all funds received by Grantee in connection with any portion of the Property taken by right of eminent domain or by condemnation shall be delivered pro rata promptly to the State as reimbursement, in whole or part, for the amount of the Grant. If only a portion of the Property is taken by right of eminent domain or by condemnation, and if Grantee thereafter desires to dispose of that portion of the Property not taken by right of eminent domain or condemnation (hereinafter "the Remainder Portion"), Grantee shall offer to convey the Remainder Portion for no consideration, to the entities described in sub-subparagraph 3(B) above, subject to the same terms and conditions, and according to the same procedures, set forth therein.

If, after complying with the provisions of the preceding paragraph, neither the State nor a qualified Nonprofit Conservation Organization has accepted Grantee's offer, Grantee may sell said Remainder Portion to any other person or entity for fair market value. Upon such sale, Grantee shall promptly transmit to the State the State's pro rata share of the sale price of the Remainder Portion sold, or the amount of the grant attributable to the Remainder Portion, whichever is greater.

6. **Enforcement.** The State, or any person, has the right to prevent any activity or use on this property that is inconsistent with the permitted use as described in paragraph 2 of this Agreement. The terms and conditions in this Agreement may be enforced as follows:
- A. Enforcement of the provisions of this Agreement shall be at the discretion of the enforcing party. Any forbearance in the enforcement of rights and interest under this Agreement in the event of a violation or infringement, or threatened violation or infringement, of any provision of this Agreement shall not be deemed or construed to be a waiver of such provision or of any subsequent violation or threatened violation of the same or any other provision of this Agreement, and any failure to act shall not be deemed a waiver or forfeiture of the right to enforce the provisions of this Agreement in the future.
 - B. Grantee will not be responsible for injury to or change in the property subject to this Agreement resulting from natural causes or environmental catastrophe beyond Grantee's control, such as fire, flood, storm and earth movement, or from any prudent action taken by Grantee under emergency conditions to prevent, abate, or mitigate significant injury to the property resulting from such causes.
 - C. If Grantee fails to cure a violation or threatened violation of the terms and conditions as expressed herein after receiving written notice of the violation or threatened violation, the State or any person may institute a suit to enjoin the violation or infringement and/or to require the restoration to the condition that existed prior to the violation or infringement; in addition, the State or any person enforcing this Agreement may seek damages to which they may be entitled including reimbursement to the State of all or a portion of the grant funding provided to Grantee for acquisition of the property herein. The enforcement rights under this subparagraph shall apply equally in the event of either actual or threatened violations of the provisions of this Agreement. The Grantee agrees and acknowledges that the remedies at law for any violation of the provisions of this Agreement are inadequate and that any person enforcing this Agreement shall be entitled to the injunctive relief described in this subparagraph, both prohibitive and mandatory, in addition to such other relief, including damages, to which the enforcing person may be entitled, including specific performance of the provisions of this Agreement, without the necessity of proving either actual damages or the inadequacy of otherwise available legal remedies.
 - D. If a court determines that this Agreement has been breached Grantee will reimburse the State or any other person bringing suit for relief under this section, for reasonable costs of enforcement, including court costs, reasonable attorney's fees, and any other payments ordered by the court.
7. **Recordation.** This Agreement shall be recorded in the Office of the Douglas County Recorder and shall run with the land.
8. **Amendments.** No modification or amendment to this Agreement shall be binding on the parties unless the same is in writing and signed by the respective parties hereto.

9. Entire Agreement. This Agreement constitutes the entire agreement of the Parties with respect to the specific matters contained herein and supersedes all previous discussions, understandings and agreements.
10. Further Assurances. Additional Documents. The Parties agree to execute any and all further documents, deeds and other writings, and to undertake any further action necessary to consummate the transactions contemplated herein.
11. Authority. Grantee and State, respectively, represent and warrant that, as of the date of this Agreement, each has the full right, power and authority to enter into this Agreement and to consummate the transaction contemplated herein, and that each has duly and properly taken all action required of it, to authorize the execution, delivery and performance by it of this Agreement.
12. Binding Effect. This Agreement is binding upon the representatives, successors, and assigns of the Parties hereto.
13. Captions. The captions and headings of the sections of this Agreement are for convenience of reference only and shall not be construed in interpreting the provisions hereof.
14. Severability. If any term or provision of this Agreement is deemed unenforceable by a court of competent jurisdiction, the remaining terms and provisions shall remain in full force and effect so long as the purpose and intent of this Agreement may be achieved.
15. Governing Law. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Nevada. Grantee consents to the jurisdiction of the Ninth Judicial District Court, Douglas County, Nevada for enforcement of this Agreement.
16. Attorneys Fees. In the event of any controversy, claim, or dispute relating to this Agreement or to the violation or infringement thereof, the prevailing party shall be entitled to recover from the losing party reasonable attorneys' fees and costs.

IN WITNESS WHEREOF, the parties hereto have entered into this agreement as of the date first written above.

STATE:

STATE OF NEVADA
Division of State Lands

By: [Signature]
JAMES R. LAWRENCE
Administrator and Ex-Officio
State Land Registrar

Date: 8/12/11

GRANTEE:

DOUGLAS COUNTY

By: _____
MICHAEL A. OLSON
Chairman
Douglas County Commission

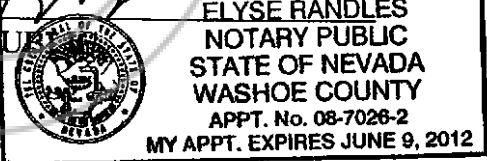
Date: _____

STATE OF NEVADA)
 :SS
CITY OF CARSON CITY)

On August 12, 2011
personally appeared before me, a Notary
Public, JAMES R. LAWRENCE,
Administrator and Ex-Officio State Land
Registrar, Division of State Lands, who
acknowledged that he executed the
above document on this date.

STATE OF NEVADA)
 :SS
COUNTY OF DOUGLAS)

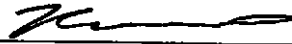
On _____, 2011
personally appeared before me, a Notary
Public, MICHAEL A. OLSON,
Chairman, Douglas County Commission,
known to me to be authorized to sign on
behalf of the above GRANTEE , who
acknowledged that he executed the above
document on this date.

[Signature]
NOTARY PUBLIC

ELYSE RANDES
NOTARY PUBLIC
STATE OF NEVADA
WASHOE COUNTY
APPT. No. 08-7026-2
MY APPT. EXPIRES JUNE 9, 2012

NOTARY PUBLIC


APPROVED as to Form:

CATHERINE CORTEZ MASTO
Attorney General

By: 
Kevin Benson
Deputy Attorney General

APPROVED as to Form:

Douglas County District Attorney

By: 
Cynthia Gregory
Deputy District Attorney

COOPER

Exhibit A

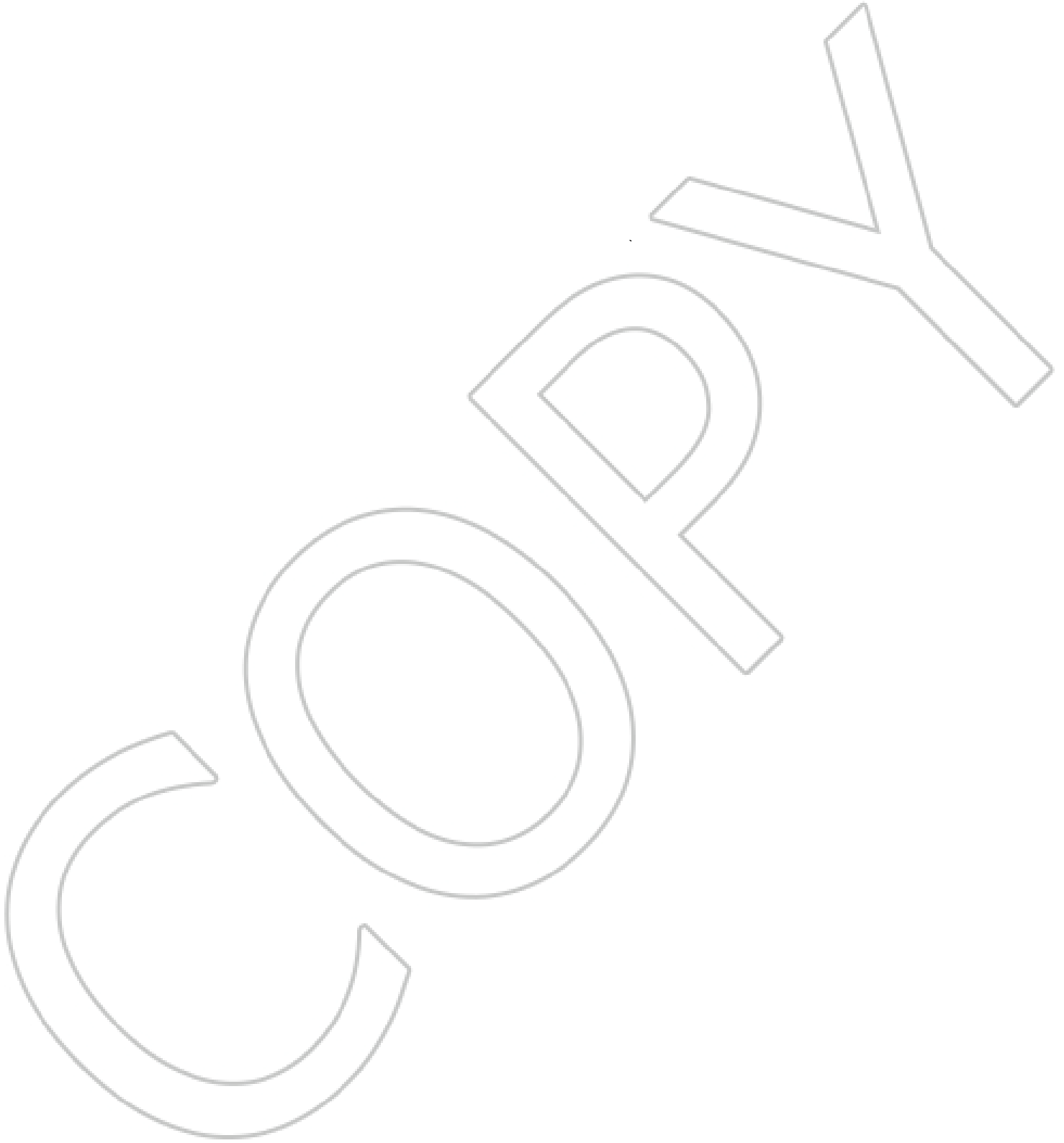


EXHIBIT "A"

SEEMAN TO DOUGLAS COUNTY

All that certain real property situate within a portion of the Southwest 1/4 of Section 29, Township 13 North, Range 20 East, M.D.M., County of Douglas, State of Nevada, being a portion of that parcel of land described as "Adjusted Parcel 2" within that Certain Boundary Line Adjustment Quitclaim Deed, recorded May 19, 2011 as Document Number 0783461, being further shown as "Parcel 2" on that Certain Record of Survey for G Peg II, LLC. & First Amended Dean Seeman Trust Agreement, recorded May 19, 2011 as File Number 0783462, both in the Official Records of Douglas County, Nevada being more particularly described as follows:

BEGINNING at the southeasterly corner of said Adjusted Parcel 2, said corner lying on the easterly right of way of Buckeye Road;

THENCE leaving said right of way line, North 74°16'07" West, 166.68 feet;

THENCE North 27°21'18" East, 107.47 feet;

THENCE North 62°38'42" West, 767.68 feet;

THENCE North 27°21'15" East, 146.31 feet;

THENCE North 68°21'02" West, 1030.50 feet;

THENCE North 00°58'22" East, 281.83 feet to a point on a non tangent curve concave to the north, the radius point of said curve bears North 26°06'54" East;

THENCE easterly along said curve 569.66 feet through a central angle of 34°43'20" to the beginning of a reverse curve concave to the south having a radius of 1660.00 feet;

THENCE easterly along said curve 340.50 feet through a central angle of 11°45'09";

THENCE South 55°53'49" East, 321.67 feet;

THENCE North 82°58'42" East, 154.01 feet;

THENCE South 59°44'53" East, 140.05 feet;

THENCE South 38°00'32" East, 181.30 feet;

THENCE South 43°54'50" East, 88.74 feet;

THENCE South 50°50'50" East, 149.99 feet;

THENCE South 65°37'09" East, 221.15 feet;

THENCE South 46°49'49" East, 77.50 feet to the westerly right of way line of Buckeye Road;

THENCE southerly along said right of way line, South 27°32'06" West, 235.26 feet;

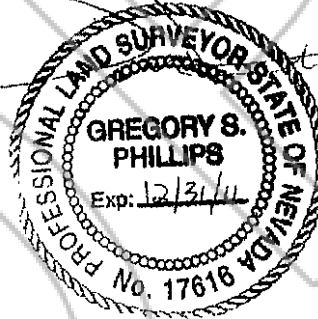
THENCE continuing along said right of way line, South 30°44'08" West, 322.10 feet to the beginning of a curve to the left having a radius of 1155.00 feet;

THENCE continuing along said right of way line southerly along said curve 60.49 feet through a central angle of 3°00'03" to the **POINT OF BEGINNING** and end of this description.

Containing 23.74 acres, more or less.

The basis of bearings for this description is based upon the Nevada State Plane Coordinate System, Zone West, NAD 83/94.

Prepared by Lumos & Associates
Gregory S. Phillips, P.L.S. 17616
800 E. College Parkway
Carson City, NV 89706



7/29/11

34.94 Acres

Seeman Ranch Fee Title Acquisition

Question 1 Project Budget

| Project Task/Item | Funding Source | | | Other Non-Subtotal | Subtotal |
|--------------------------------------|--------------------|--------------|---------------|--------------------|----------------|
| | Question 1 Request | Match, Cash | Match, Inkind | | |
| Fee Title | \$1,434,539.27 | \$771,607.27 | | | \$2,206,146.54 |
| Appraisal Update | \$1,000.00 | | | | \$1,000.00 |
| | | | | | \$0.00 |
| Parcel Map, Major Variance, Land Use | | | | | |
| Application fees and expenses | \$49,000.00 | \$0.00 | | | \$49,000.00 |
| | | | | | \$0.00 |
| | | | | | \$0.00 |
| Subtotal | \$1,484,539.27 | \$771,607.27 | | \$0.00 | \$0.00 |
| | | | | Total Project | \$2,256,146.54 |
| | | | | Total Qualifying | \$2,256,146.54 |

| | | | |
|--------------------------------------|-------------|-------------|-----------------------|
| Percent of Total, Qualifying Costs | 65.79977159 | 34.20022841 | 0 |
| Total Match Percentage | | | 34.20022841 |
| Percentage Total (100%) | | | 100 |
| Total Match | | | \$771,607.27 |
| Total Q1 Request | | | \$1,484,539.27 |
| Total Qualifying Project Cost | | | \$2,256,146.54 |

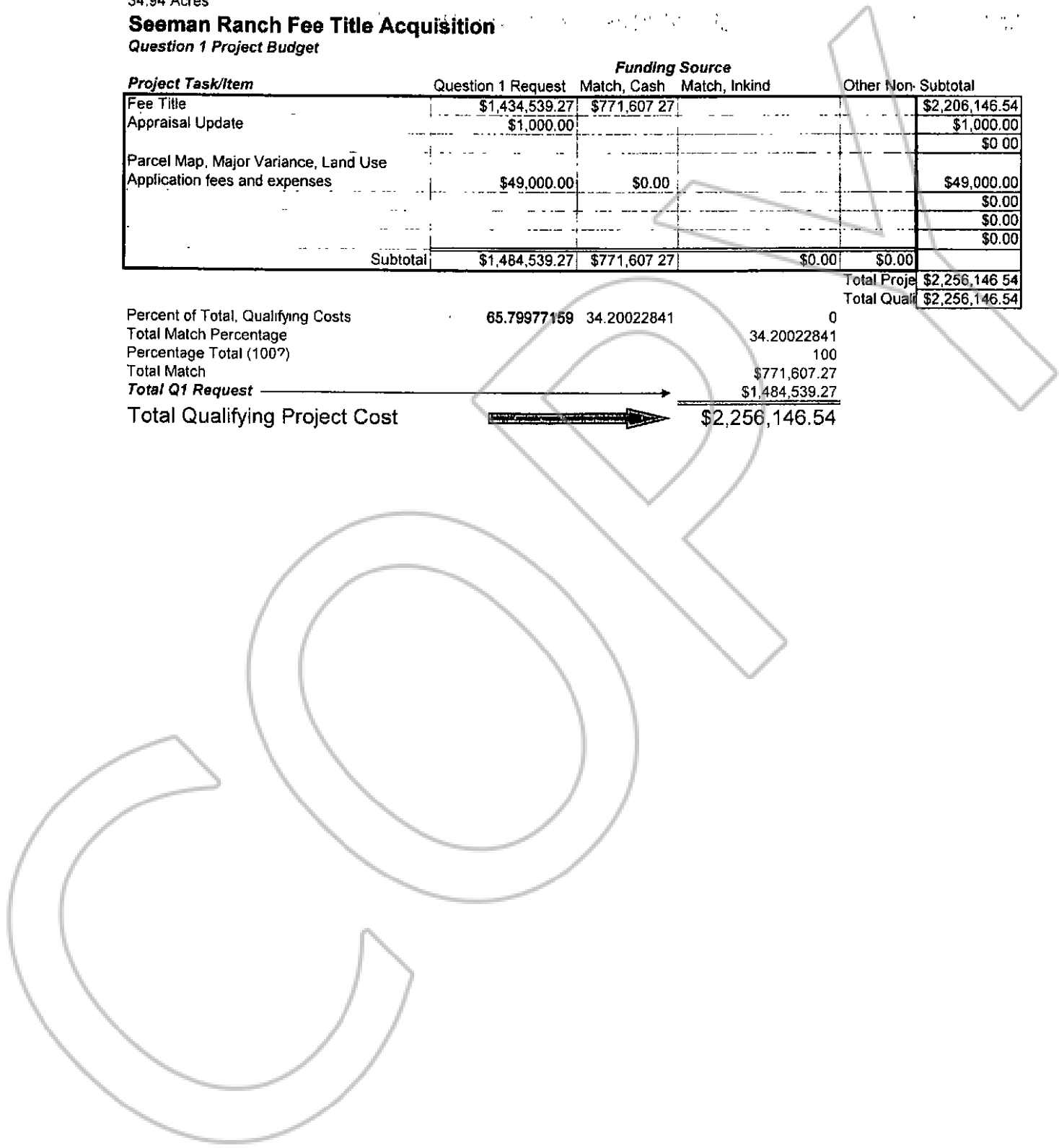


EXHIBIT A
PROPOSED PARCEL 2

All that certain real property located within a portion of the SW 1/4 of Section 29, Township 13 North, Range 20 East, M.D.B. & M. Being a portion of that Parcel of Land conveyed to Dean E. Seeman, Trustee of the First Amended Dean Seeman Trust Agreement dated October 2, 1990, recorded November 27, 1990 as file #239782, Official Records of Douglas County, Nevada, more particularly described as follows:

BEGINNING at the southwest corner of said Parcel of Land;

THENCE along the easterly line of Buckeye Road North 30°45'59" East, 153.09 feet to the beginning of a curve concave to the southwest, having a radius of 1140.00 feet;

THENCE continuing along said easterly line and along said curve 68.32 feet through a central angle of 03°26'01";

THENCE continuing along said easterly line North 27°19'58" East, 489.61 feet;

THENCE South 38°16'24" East, 69.19 feet;

THENCE South 18°02'56" East, 240.43 feet;

THENCE South 64°01'19" East, 42.16 feet;

THENCE South 85°43'31" East, 58.88 feet;

THENCE North 64°02'37" East, 255.93 feet;

THENCE South 00°48'39" West, 499.41 feet;

THENCE South 00°31'28" West, 100.47 feet to the beginning of a curve concave to the southwest, from which a radial line bears North 89°00'33" East, having a radius of 613.00 feet;

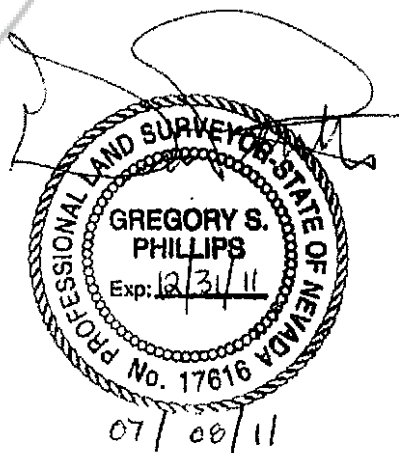
THENCE along last said curve 354.58 feet through a central angle of 33°08'31";

THENCE North 53°23'01" West, 845.28 feet to the **POINT OF BEGINNING** and end of this description.

Containing 11.20 acres, more or less.

The basis of bearings for this legal description is based on NAD 83/94 and the State Plane Coordinated System, Nevada West. Between found monuments on the centerline of Buckeye Road, measured as North 27°19'58" East per this survey.

Prepared by Lumos & Associates
Gregory S. Phillips, P.L.S. 17616
800 E. College Parkway
Carson City, NV 89706



Seeman Ranch Acquisition
(Acreage only costs)

| Parcel Location | APN# | Acreage | Price per acre | Total |
|----------------------------------|-----------------|---------|----------------|----------------|
| BLA - Parcel w/of Buckeye | 1320-29-301-007 | 23.74 | | |
| TPM - Parcel e/of Buckeye (Pond) | 1320-29-402-014 | 11.2 | | |
| | | 34.94 | | |
| Amount due Seeman Trust | | 34.94 | \$41,057.22 | \$1,434,539.27 |
| Write down (match) | | 34.94 | \$22,083.78 | \$771,607.27 |
| Total | | 34.94 | \$63,141.00 | \$2,206,146.54 |

BLA - Boundary Line Adjustment
TPM - Tentative Parcel Map

BK- 0811
PG- 5436
0788701 Page: 144 Of 144 08/29/2011

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: Aug 26, 2011
 _____ Clerk of the Judicial District Court
 of the State of Nevada, in and for the County of Douglas.
 By [Signature] Deputy