



TRUCKEE MEADOWS WATER AUTHORITY AGENDA

NEW DAY, TIME & VENUE

Monday, August 19, 2024

12:30 p.m. — Executive Lunch Session

1:00 p.m. — Board of Directors Meeting

Independence Meeting Room, TMWA 1355 Capital Blvd., Reno, NV

MEETING VIA TELECONFERENCE & IN-PERSON

MEMBERS OF THE PUBLIC MAY ATTEND VIA THE WEB LINK, OR
TELEPHONICALLY BY CALLING THE NUMBER, LISTED BELOW.

(be sure to keep your phones or microphones on mute, and do not place the call on hold)

Please click the link below to join the webinar:

https://tmwa.zoom.us/j/89110512999?pwd=9d_RtYZbslqIdTYIbUf_eHiyLK2VIw.GjiPvgdr9D35cFrr

Passcode: 771487

Or call:

Phone: (888) 788-0099

Webinar ID: 891 1051 2999

Board Members

Chair Naomi Duerr – City of Reno

Paul Anderson – City of Sparks

Jenny Brekhus – City of Reno

Kristopher Dahir – City of Sparks

Vice Chair Clara Andriola – Washoe County

Alexis Hill – Washoe County

Devon Reese – City of Reno

NOTES:

1. The announcement of this meeting has been posted at the following locations: Truckee Meadows Water Authority (1355 Capital Blvd., Reno), at <http://www.tmwa.com>, and State of Nevada Public Notice Website, <https://notice.nv.gov/>.
2. TMWA meetings are streamed online at <https://www.youtube.com/@tmwaboardmeetings6598>.
3. In accordance with NRS 241.020, this agenda closes three working days prior to the meeting. We are pleased to make reasonable accommodations for persons who are disabled and wish to attend meetings. If you require special arrangements for the meeting, please call (775) 834-8002 at least 24 hours before the meeting date.
4. Staff reports and supporting material for the meeting are available at TMWA and on the TMWA website at <http://www.tmwa.com/meeting/>. Supporting material is made available to the general public in accordance with NRS 241.020(6).
5. The Board may elect to combine agenda items, consider agenda items out of order, remove agenda items, or delay discussion on agenda items. Arrive at the meeting at the posted time to hear item(s) of interest.
6. Asterisks (*) denote non-action items.
7. Public comment during the meeting is limited to three minutes and is allowed during the two public comment periods rather than each action item. The public may sign-up to speak during the public comment period or on a specific agenda item by completing a “Request to Speak” card and submitting it to the clerk. In addition to the public comment periods, the Chair has the discretion to allow public comment on any individual agenda item, including any item on which action is to be taken.
8. Written public comment may be provided by submitting written comments online on TMWA’s Public Comment Form (tmwa.com/PublicComment) or by email sent to boardclerk@tmwa.com prior to the Board opening the public comment period during the meeting. In addition, public comments may be provided by leaving a voicemail at (775)834-0255 prior to 4:00 p.m. the day before the scheduled meeting. Voicemail messages received will be noted during the meeting and summarized for entry into the record.
9. In the event the Chair and Vice-Chair are absent, the remaining Board members may elect a temporary presiding officer to preside over the meeting until the Chair or Vice-Chair are present (**Standing Item of Possible Action**).
10. Notice of possible quorum of Western Regional Water Commission: Because several members of the Truckee Meadows Water Authority Board of Directors are also Trustees of the Western Regional Water Commission, it is possible that a quorum of the Western Regional Water Commission may be present, however, such members will not deliberate or take action at this meeting in their capacity as Trustees of the Western Regional Water Commission.
11. The Board may attend and participate in the meeting by means of remote technology system. Members of the public wishing to attend and/or participate by providing public comment may do so either in person at the physical location of the meeting listed above or virtually. To attend this meeting virtually, please log into the meeting using the link and/or phone number noted above. To request to speak, please use the “raise hand” feature or, if on the phone, press *9 to “raise your hand” and *6 to unmute/mute your microphone.

¹ The Board may adjourn from the public meeting at any time during the agenda to receive information and conduct labor-oriented discussions in accordance with NRS 288.220 or receive information from legal counsel regarding potential or existing litigation and to deliberate toward a decision on such matters related to litigation or potential litigation.

Executive Lunch Session*

1. Roll call*
2. Pledge of Allegiance*
3. Public comment — limited to no more than three minutes per speaker*
4. Possible Board comments or acknowledgements*
5. Approval of the agenda (**For Possible Action**)
6. Approval of the minutes of the June 20, 2024 meeting of the TMWA Board of Directors (**For Possible Action**)
7. Presentation on current status of recommended actions from the 2020-2040 Water Resource Plan — Kara Steeland and John Enloe* (**45min**)
8. Discussion and possible action, and direction to staff regarding the proposed policies and recommended management strategies section of the 2025-2045 Water Resource Plan — Kara Steeland and John Enloe (**For Possible Action**) (**45min**)
9. Discussion and action, and possible authorization of General Manager to sign all documents necessary to purchase certain real property for Corporate Campus needs — Danny Rotter (**For Possible Action**) (**20min**)
10. Discussion and possible direction from Board regarding the evaluation process for conducting the General Manager's performance evaluation — Jessica Atkinson and John Zimmerman (**For Possible Action**) (**15min**)
11. General Manager's Report — John Zimmerman* (**5min**)
12. Public comment — limited to no more than three minutes per speaker*
13. Board comments and requests for future agenda items*
14. Adjournment (**For Possible Action**)

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TRUCKEE MEADOWS WATER AUTHORITY
DRAFT MINUTES OF THE JUNE 20, 2024
MEETING OF THE BOARD OF DIRECTORS

The Board of Directors met on Thursday June 20, 2024 at Washoe County Commission Chambers. Chair Dahir called the meeting to order at 10:14 a.m.

1. ROLL CALL

Directors Present: Paul Anderson, Clara Andriola, *Jenny Brekhus, Kristopher Dahir, Naomi Duerr, and Alexis Hill.

Directors Absent: Devon Reese.

**Director Brekhus left the meeting at 11:25 a.m.*

A quorum was present.

2. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Director Hill.

3. PUBLIC COMMENT

There was no public comment.

4. POSSIBLE BOARD COMMENTS OR ACKNOWLEDGEMENTS

Chair Dahir introduced the Chair Award during his tenure to honor staff achievements. He praised John Enloe, TMWA's Director of Natural Resources, for his significant contributions to the organization and the region.

Director Andriola commended Enloe's handling of a recent TMWA meeting, emphasizing his skill in fostering open dialogue with the public.

Vice Chair Duerr and Director Anderson expressed gratitude for Enloe's leadership and community vision, particularly citing his approachability during public engagements like the American Flat meeting on the APWF. Other directors, including Brekhus and Hill, echoed appreciation for Enloe's mentorship and innovative thinking.

General Manager John Zimmerman praised Enloe's dedication and humility as exemplary qualities of a public servant.

Danny Rotter, Director of Engineering, highlighted Enloe's entrepreneurial spirit and determination, exemplified by his role in advancing projects like the APWF.

Dr. Lydia Teel, Emerging Resources Program Administrator, credited Enloe as a mentor who fosters staff growth and success.

Dr. Krishna Pagilla from NWII praised Enloe for his visionary leadership in initiatives like the APWF, emphasizing his commitment to TMWA and the community's needs.

5. APPROVAL OF THE AGENDA

Upon motion by Director Andriola, second by Director Duerr, which motion duly carried by unanimous consent of the Directors present, the Board approved the agenda.

6. APPROVAL OF THE MINUTES OF THE MAY 23, 2024 MEETING OF THE TMWA BOARD OF DIRECTORS

Upon motion by Director Anderson, second by Director Duerr, which motion duly carried by unanimous consent of the Directors present, the Board approved the May 23, 2024 minutes.

7. UPDATE ON BUREAU OF RECLAMATION GRANT AWARD OF \$30 MILLION TO RENO AND TMWA FOR THE AMERICAN FLAT ADVANCED PURIFIED WATER PROJECT

Mr. Zimmerman stated that TMWA and the City of Reno secured a \$30M grant from the Bureau of Reclamation for the APWF project at American Flat. John Zimmerman acknowledged the efforts of several TMWA staff members including Dr. Teel, David Diegle, Dr. Angel Lacroix, Nick White, Dr. Greg Pohll, Darrin Garland, James Weingart, and Travis Bunkowski for their dedication to the project. He also recognized Kara Steeland and Stefanie Morris for their crucial roles in preparing the grant submission.

Vice Chair Duerr emphasized that securing the grant reflects a strong partnership benefiting the community, crediting Mayor Hillary Schieve's advocacy and TMWA's staff contributions.

Chair Dahir expressed enthusiasm for the project's positive impact on TMWA, the region, and the state.

Matt Bowman, Chief Financial Officer, highlighted that besides the financial boost, receiving the grant significantly reduces the project's financial risk. He clarified that TMWA will receive \$9M under the interlocal agreement with Reno. Regarding state bonds, Mr. Bowman explained that TMWA has applied for funding at 1% interest rate, potentially covering TMWA's \$55M obligation over 30 years.

8. UPDATE ON FEDERAL WATER QUALITY REGULATORY ACTIVITIES

Will Raymond, TMWA's Director of Water Operations & Quality, and Kelli Burgess, the Water Quality & Permitting Manager, presented a staff report on Environmental Protection Agency (EPA) regulations, focusing on PFAS, lead, and copper substances.

Director Brekhus queried TMWA's engagement in these regulatory discussions and if the Board should provide direction to staff. John Zimmerman, TMWA's General Manager, indicated that his earlier report aimed to address this but agreed to have staff provide a more detailed update in a future meeting.

Director Hill sought clarification if at-home childcare facilities are included in water testing. Burgess confirmed they are included if registered through the Washoe County School District.

Chair Dahir asked about potential staffing increases needed for this workload. Zimmerman acknowledged there would be an increase, integral to updating the Board. Will Raymond noted the addition of two chemists to support compliance efforts.

Director Anderson inquired about the frequency of water sampling at entry points. Raymond specified approximately 100 samples per quarter, distributed weekly.

9. INFORMATIONAL REPORT ON THE STATUS OF THE ORR DITCH BOOSTER PUMP STATION AND HYDROELECTRIC PROJECT

Mr. Rotter and Jason Barnes, Senior Design Engineer, who is the project manager, provided an update on the project's current progress.

Director Hill expressed gratitude for the team's efforts and enthusiasm for the project, inquiring about the power source's connection to NV Energy. Mr. Rotter explained the project aims to utilize a significant portion of power directly onsite, offsetting TMWA's electricity costs and potentially generating surplus power for net metering back to NV Energy.

Director Duerr sought clarification on how TMWA would negotiate rates for power buyback and who oversees this process internally. Ryan Dixon, Generation Manager, noted that NV Energy's net metering rules would guide this process per kilowatt-hour. Justina Caviglia, TMWA Board Counsel, mentioned ongoing discussions in the Sierra Pacific Power Rate case, suggesting that updates could affect these negotiations. Mr. Zimmerman assured that TMWA's internal counsel monitors the situation closely and is prepared to engage external legal support if needed.

10. INFORMATIONAL UPDATE ON SPANISH SPRINGS WATER RESOURCES

Mr. Enloe presented the staff report.

Director Brekhus inquired why TMWA is not utilizing local water resources and how water is distributed throughout the system. In response, Mr. Enloe acknowledged the current reliance on Truckee River water due to unsuitable groundwater quality. He mentioned that as development progresses, TMWA is exploring alternative water solutions.

Chair Dahir agreed with Director Brekhus and encouraged staff to look at all options.

11. PRESENTATION ON TMWA'S NEW BUSINESS PROCESSES

Mr. Rotter and David Kershaw presented the staff report. During the presentation, Mr. Rotter acknowledged Katie Mason, Senior New Business Engineer, who was present, and Tiffany Anderson, Principal New Business Engineer, who was not in attendance, both for their outstanding work.

Chair Dahir raised questions about the necessity of multiple reviews and the decision-making process regarding the use of ductile iron. Mr. Rotter explained that multiple reviews often stem from initial redlines not being addressed promptly, although this trend is improving. He clarified that TMWA adheres to standards based on NAC (Nevada Administrative Code), particularly regarding water/sewer separation and when using restrained pipes, which necessitates the use of ductile iron according to TMWA's standards.

12. UPDATE ON THE 2025-2045 WATER RESOURCE PLAN PLANNING EFFORTS

Nate Allen, TMWA Director of Natural Resources, presented the staff report.

Director Andriola commended Mr. Allen for his contribution at the June 12 meeting.

No action was taken.

13. INFORMATIONAL UPDATE ON POTENTIAL TMWA RULE UPDATES

Dan Nubel, TMWA Staff Attorney, presented a staff report detailing upcoming rule updates, with plans for a workshop before formal redlines are presented to the Board.

Director Hill asked about coordination between TMWA and Washoe County staff regarding fire facilities to avoid conflicts. Mr. Zimmerman responded that conflicts are unlikely due to TMWA's existing agreement with the Fire District.

14. DISCUSSION AND ACTION ON APPOINTMENT OF ALEX TALMANT TO THE PRIMARY SENIOR CITIZEN CLASS CUSTOMER REPRESENTATIVE

Sonia Folsom, TMWA Executive Assistant, presented the staff report.

Upon motion by Director Duerr, second by Director Hill, which motion duly carried by unanimous consent of the Directors present, the Board approved the appointment of Alex Talmant to the primary senior citizen class customer representative.

15. DISCUSSION AND ACTION ON NOMINATION AND ELECTION OF CHAIR AND VICE CHAIR AND REQUEST FOR BOARD ADOPTION OF RESOLUTION NO. 328 APPOINTING A CHAIR AND VICE CHAIR FOR FISCAL YEAR 2025

Chair Dahir said he enjoyed being chair this year and expressed his appreciation of the Board.

Director Hill expressed gratitude to Chair Dahir for his dedicated leadership, noting his sincerity in overseeing every board meeting, supporting staff, and approaching issues thoughtfully. She praised him

as a great leader who has served with honor and commitment. Additionally, Director Hill highlighted the importance of providing opportunities for leadership rotation among board members.

Upon motion by Director Hill, second by Director Anderson, which motion duly carried by unanimous consent of the Directors present, the Board approved the appointment of Naomi Duerr as Chair for fiscal year 2025.

Upon motion by Director Hill, second by Director Anderson, which motion duly carried by unanimous consent of the Directors present, the Board approved the appointment of Clara Andriola as Vice Chair for fiscal year 2025.

16. GENERAL MANAGER'S REPORT

Mr. Zimmerman announced that Danny Rotter has been promoted to Assistant General Manager effective July 1 as part of TMWA's succession planning. He praised Rotter for his dedication to mentoring and innovation. Additionally, Zimmerman noted that the July Board meeting will be cancelled. He also expressed gratitude to Chair Dahir for his service, acknowledging his valuable insights and support.

Director Hill inquired about the next legislative subcommittee meeting. Zimmerman explained that no date has been set yet, but discussions will begin soon in preparation for the legislative session. He mentioned the possibility of scheduling a meeting for TMWA's standing subcommittee if needed.

17. PUBLIC COMMENT

There was no public comment.

18. BOARD COMMENTS AND REQUESTS FOR FUTURE AGENDA ITEMS

Director Andriola expressed gratitude to Mr. Zimmerman and TMWA staff for promptly addressing misinformation ahead of the June 12th meeting. She specifically appreciated their agility in launching a Frequently Asked Questions (FAQ) page on TMWA's website. This initiative enabled her constituents to access important information before the meeting, addressing their concerns effectively. Additionally, she congratulated TMWA on securing the \$30M Bureau of Reclamation (BOR) grant, highlighting it as an example of TMWA's commitment to delivering best practices in customer service.

19. ADJOURNMENT

With no further discussion, Chair Dahir adjourned the meeting at 12:05 p.m.

Approved by the TMWA Board of Directors in session on _____.

Sonia Folsom, Board Clerk.

****Director Brekhus was present for agenda items 1 through 10 only.***

2025-2045 Water Resource Plan Board Workshop

August 19, 2024



**Truckee Meadows
Water Authority**

Quality. Delivered.

2020-2040 WRP RECOMMENDED ACTIONS

Objective 1: Water Resource Planning

RECOMMENDATION 1.1. TMWA's Water Resource Planning

Continue monitoring, reviewing, and revising its water resource management strategies at least every five years through TMWA's planning efforts in response to current and future conditions including but not limited to changing conditions in hydrology, climate patterns, economic development, regulatory constraints, and customer demand.

RECOMMENDATION 1.2. Geographic Scope of TMWA's Planning Area

Continue to analyze the geographic extent of TMWA's water resource planning area subject to the guidelines of TMWA's Joint Powers Authority.

RECOMMENDATION 1.3. Small Water System Acquisitions

Encourage local jurisdictions to analyze all conforming regional master plans to determine what growth pressures may be placed on existing small water systems and identify which water utilities could be integrated into TMWA in the future, especially in growth-prone areas.

Objective 2: Mgmt. of Current Water Resources

RECOMMENDATION 2.1. Conjunctive Use of Water Resources

Continue to rely on TMWA's pool of resources to meet current demand, acquire additional water rights to meet future demand, and recognize that TROA provides additional drought-year reserves. Continue to monitor TMWA's ability to meet current and future demand by modeling the 1987–1994 drought period and include factors such as increased future demand, conservation improvement, hydrologic cycles, climate change, and additional water resources. Analyze management strategies under TROA to ensure that the community is receiving the maximum benefits from the agreement.

RECOMMENDATION 2.2. Groundwater Management

Continue to: (1) use TMWA's wells to meet demand while maintaining the sustainability of the aquifers and (2) maintain or improve water levels through passive and active groundwater recharge.

Objective 2: Mgmt. of Current Water Resources

RECOMMENDATION 2.3. Aquifer Storage & Recovery

Continue to expand passive and active groundwater recharge to: (1) augment groundwater supplies that provide additional drought and peak-demand capacity; (2) reduce water quality concerns in specific areas; and (3) maintain and improve groundwater levels. Increase ASR with the ultimate goal of recharging 9,000 AFA.

RECOMMENDATION 2.4. Water Rights Availability

Continue to accept the dedication of Truckee River water rights in the growth-prone Truckee Meadows, Spanish Springs, and west Pleasant Valley. Recognize Fish Springs Ranch is available to meet future demand in the North Valleys. Continue to acquire water rights to meet future water demand and maintain an inventory of water rights for future growth, pursuant to Rule 7. TMWA should continue to pursue strategic water rights purchases where TMWA is uniquely positioned to obtain the maximum benefit through its pooling of resources, upstream storage, and TROA.

Objective 2: Mgmt. of Current Water Resources

RECOMMENDATION 2.5. Water Conservation

Continue to implement, and revise as needed, TMWA's Drought Contingency Plan to promote smart and efficient use of the community's water resources in compliance with all federal and state regulations.

RECOMMENDATION 2.6. Source Water Contamination

Continue to work with the Nevada Department of Environmental Protection (NDEP) to implement the Integrated Source Water Protection Plan for Washoe County to preserve and enhance available water supplies and address known and potential threats to water quality. Continue to work with the CTMRD to address PCE contamination. Work to find solutions in other areas with water quality issues, such as nitrate contamination in Spanish Springs Valley.

RECOMMENDATION 2.7. Emergency Water Supply Standard

Maintain, as a minimum, the ability to meet daily indoor water use with TMWA wells. For river outages lasting up to seven days during the summer, maintain the ability to meet average daily indoor water demand using wells, treated water storage, and enhanced conservation measures.

Objective 3: Future Water Demand & Resources

RECOMMENDATION 3.1. Water Demand Forecast

Continue to complete future population forecasts, in coordination with other regional planning entities. Accept for planning purposes that TMWA's water demand projections based on these population forecasts are reasonable estimates for use in TMWA's planning areas.

RECOMMENDATION 3.2. Future Climate Change Impacts

Continue to consider new findings from climate change research for the greater Truckee Meadows region and continue working with UNR, DRI, and other researchers to assess potential climate change effects on TMWA's sources of supply and regional hydrology. Adaptively manage resources by working with partners to rewrite the existing flood control requirements for the federal storage reservoirs in the Truckee River Basin.

Objective 3: Future Water Demand & Resources

RECOMMENDATION 3.3. Coordination with OneWater Nevada

Remain actively engaged in a leadership role of OneWater Nevada in evaluating the feasibility of using advanced purified water to enhance TMWA's water resource sustainability, drought resiliency, and efficient use of water resources in the region.

RECOMMENDATION 3.4. Future Water Resources

Continue to investigate and evaluate potential future water supply projects consistent with and in addition to TROA to further increase the region's water security.

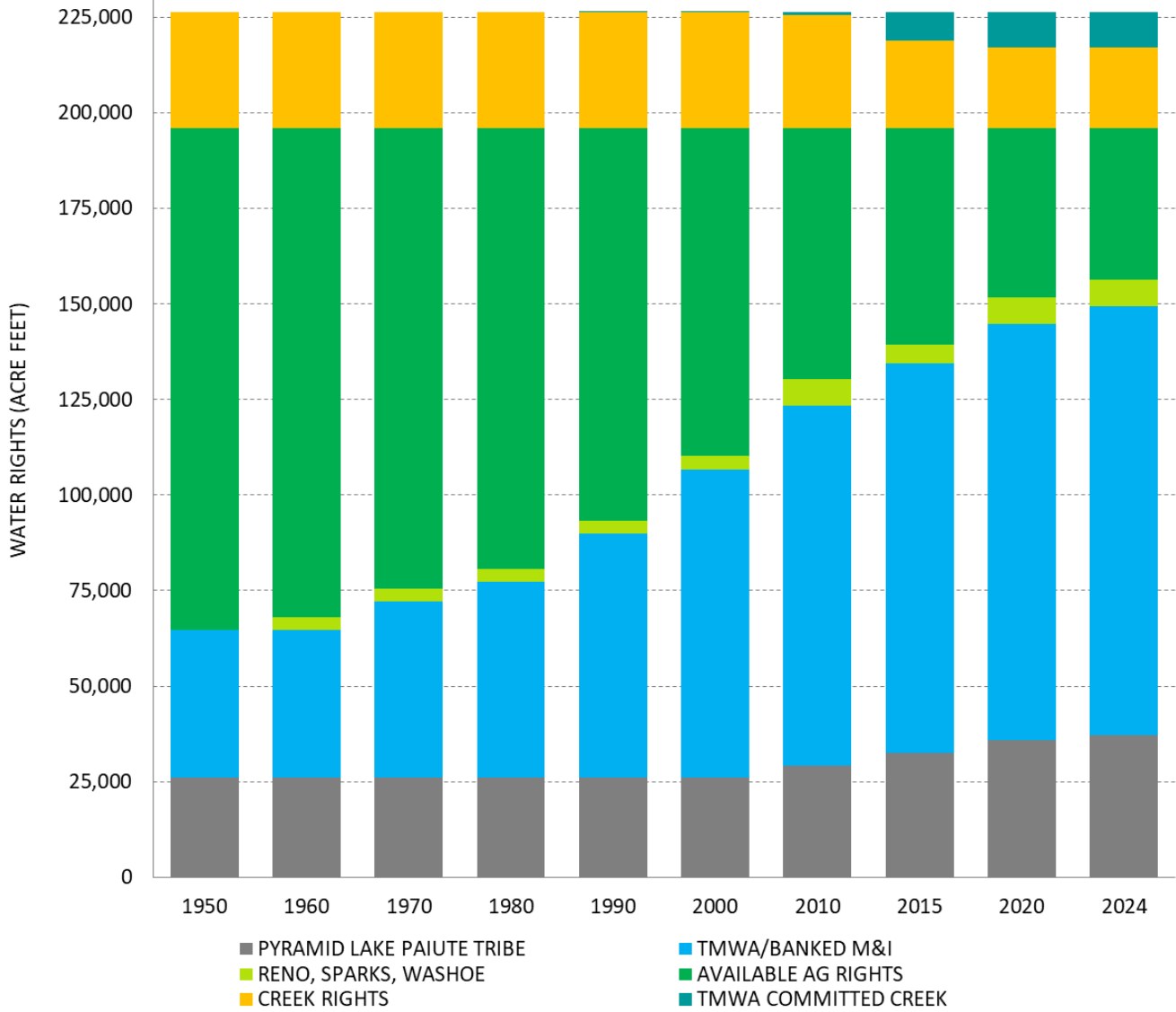
DISCUSSION TOPICS

WATER RIGHTS POLICY

Water Rights Policy

- An objective of the 2025-2045 WRP process is to continue to maintain an inventory of water rights for future growth.
 - 2024 (current) Rule 7 amount: 3,227 AF
 - Rule 7 Sold since 2020: 1,830 AF
 - Rule 7 Purchased since 2020: 1,640 AF
- Strategic water rights purchases should be made for Surface Water rights with very early priority dates, relatively large blocks of water rights in a single transaction (i.e., greater than 25-50 acre-feet), or for specific projects (Whites Creek water rights for Mt. Rose Water Treatment Plant), and other resources with unique benefits.

Truckee River Decreed Water Rights is Finite



Truckee River Decreed Water Rights Are Finite

- Approximately 40,000 AF still in Decree form (agricultural use)
 - Working on a complicated GIS mapping project to pinpoint these remaining Agricultural rights and likelihood of conversion to Municipal
 - Fractionated Rights
 - Title issues
 - Expensive to identify, research status, and transfer title

TMWA Owned Decreed Truckee River Water Rights (Including Banked)

• Total	<u>123,181 AF</u>
• Initial Decreed Municipal Rights	39,000 AF
• Acquired Since 1944	74,679 AF
• TMWA Rule 7 Inventory	3,227 AF (included in 74K)
• Including Creek WR Yield*	
• Banked for Others (Mainstem)	7,401 AF
• Banked for Others (Creek Amount)	2,101 AF (Yield Amount)

*Yield is actual amount of water that can be produced based on average flows in the creek.

TMWA Groundwater Rights

Total TMWA Groundwater Rights	43,523 AF
Basin 87 (Truckee Meadows)	23,689 AF
Basin 88 (Pleasant Valley)	3,955 AF
Basin 85 (Spanish Springs)	3,900 AF
Basin 92 (Lemmon Valley)	2,366 AF
Basin 89 (Washoe Valley)	674 AF
Basin 91 (Truckee Canyon Verdi)	415 AF
Basin 97 (Honey Lake)	8,000 AF
Basin 83 (Tracy)	524 AF

Water Rights Needed to Meet 2045 Demand

TMWA Demand	
2045 TMWA (Water Demand Estimate)	107,178 AF
2023 Actual TMWA Water Demand Produced	82,300 AF
Estimated Water Rights Required	24,878 AF

TMWA Water Rights	
TMWA & Banked Surface Water	12,729 AF
Banked Groundwater (FSR and others)	10,985 AF
Total TMWA and Banked	23,714 AF

Current Deficit to Meet New Demand in 2045	-1,164 AF
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Remaining Agricultural Water Rights	
Remaining Ag Rights for Conversion or Purchase	40,000 AF

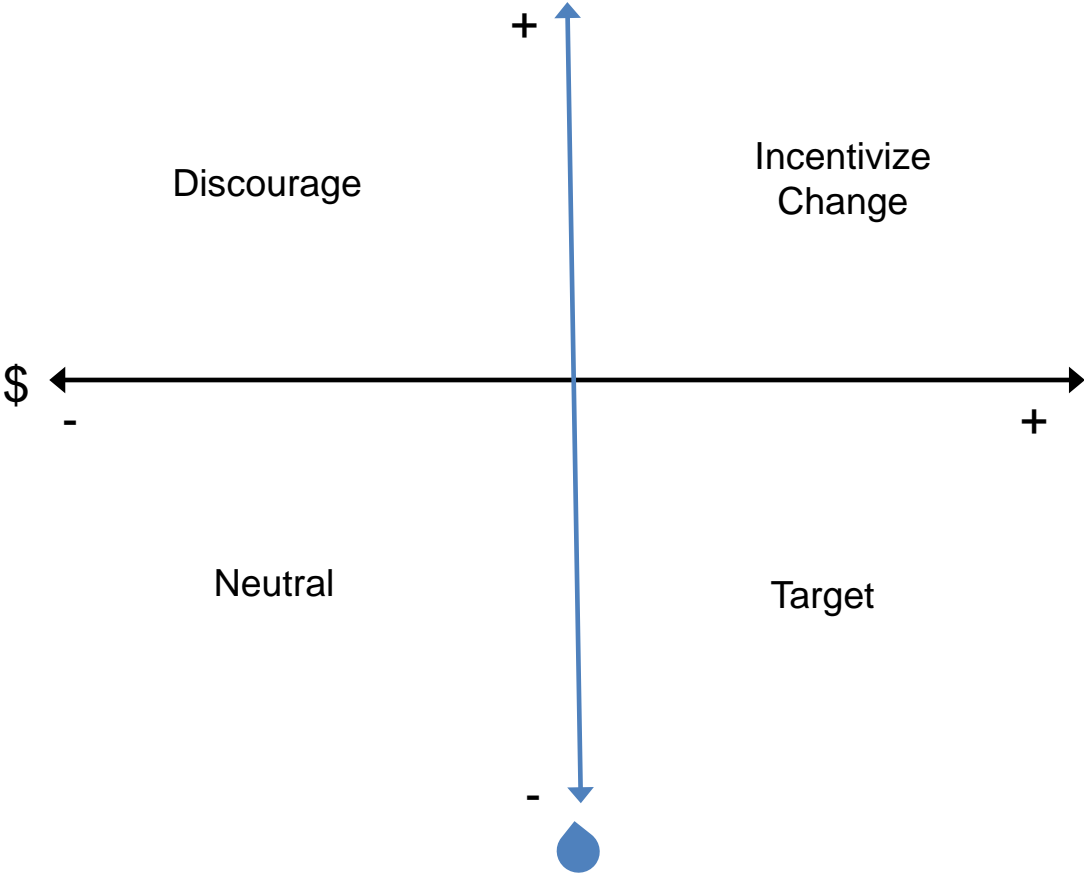
Strategic Water Rights Acquisitions

- An objective of the 2025-2045 WRP process is to continue to maintain an inventory of water rights for future growth.
- Develop new tools to locate remaining Agricultural rights and how many will be converted in the next 10-20 years.
- Develop new tools to purchase commercial excess water right allocations for more efficient uses.
- Rule 7 Analysis, every three years to truly allocate the amount used by new development/efficiency standards (xeriscape). Working on this currently.
- Strategic water rights purchases should be made for rights with very early priority dates, relatively large blocks of water rights in a single transaction (i.e. greater than 25-50 acre-feet), or for specific projects (Whites Creek water rights for Mt. Rose Water Treatment Plant), and other resources with unique benefits.

ECONOMIC DEVELOPMENT

Water for Economic Development

Governor’s Office of Economic Development inclusion of water as a factor for determining business’s incentives



Water for Economic Development

TMWA and EDAWN have participated in GOED funded workshops facilitated by WaterStart to gather input from statewide stakeholders on how to implement a waterwise economic incentive framework in each economic development region.

Examples:

Discourage (Current Practice)

- Board Approval for >100AF

Target

- Effluent use in STM or TRIC
- Replenishment Goals

Incentivize Change

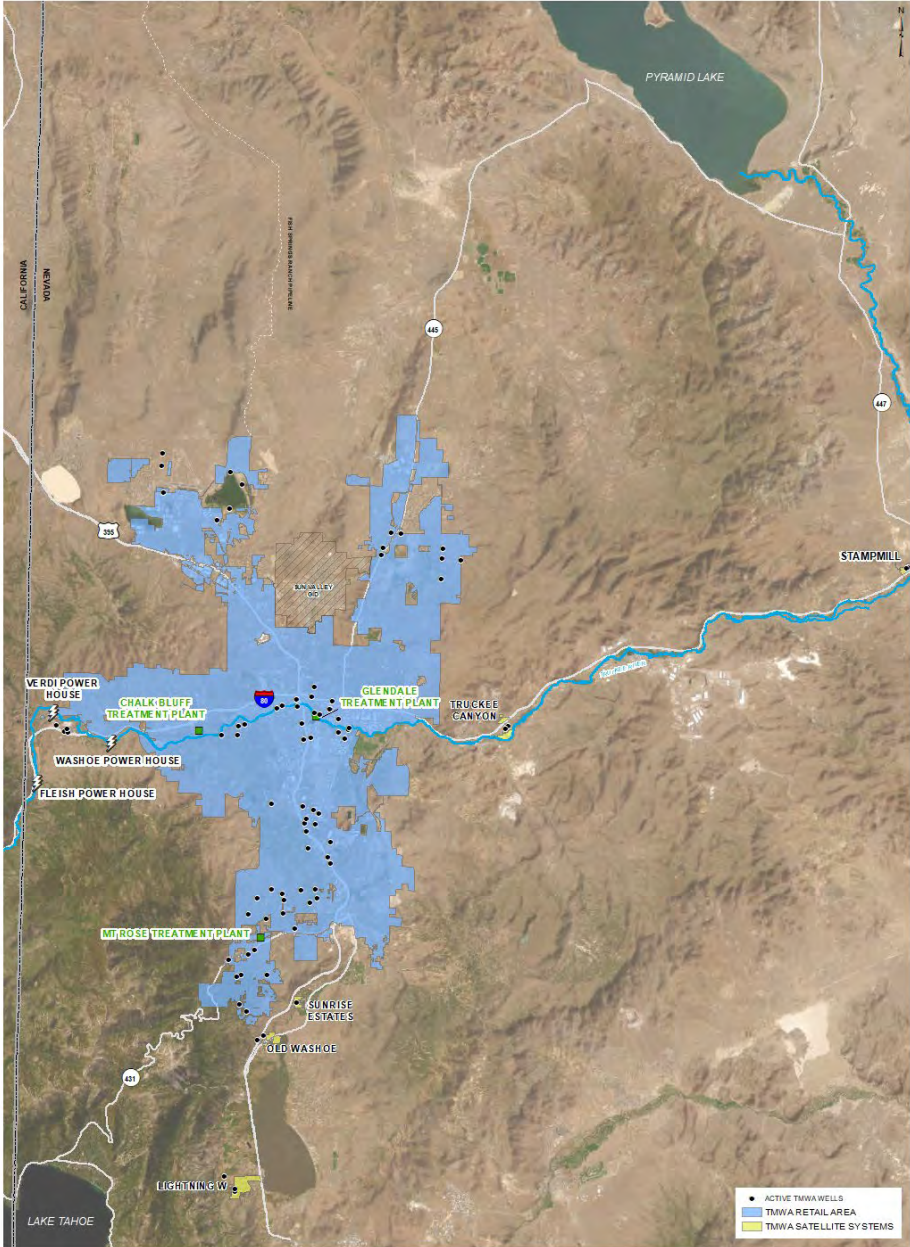
- Evaporative cooling
- Industrial processes

TMWA REGIONAL MANAGEMENT INFLUENCE

Overview

- An objective of the 2025-2045 WRP update process is to continue to look at the scope of TMWA's influence on and synergy with regional issues and entities.
- Key topics covered in this presentation include:
 - TMWA Service Area
 - Great Basin Water Company – Water Service Options
 - Marlette Lake Water System Resources
 - Middle Truckee River Forest Management
 - Return Flow Management Agreement and TRIGID

TMWA Service Area



Great Basin Water Company Partnership

- Background:
 - Owned by a company called Corix. Large private utility with systems across the US.
 - Great Basin Water is a private water and wastewater utility provider. Services to over 20,000 residential and commercial customers in the Cold Springs, Spanish Springs (Sky Ranch), Spring Creek, and Pahrump communities.
 - “Sky Ranch” Spanish Springs System has 550 Customers
 - Two wells in Spanish Springs (Sky Ranch) have elevated nitrate levels.
- One option that is being explored by GBWC and PUCN:
 - Trade TMWA for its smaller satellite systems (such as Stampmill, Lightning W, and Old Washoe) for GBWC’s Sky Ranch water system.
 - Satellite systems (from merger with Washoe County water utility) are outside the core service territory and add complexity for TMWA operations. GBWC has fewer options to deal with higher nitrate issues than TMWA.

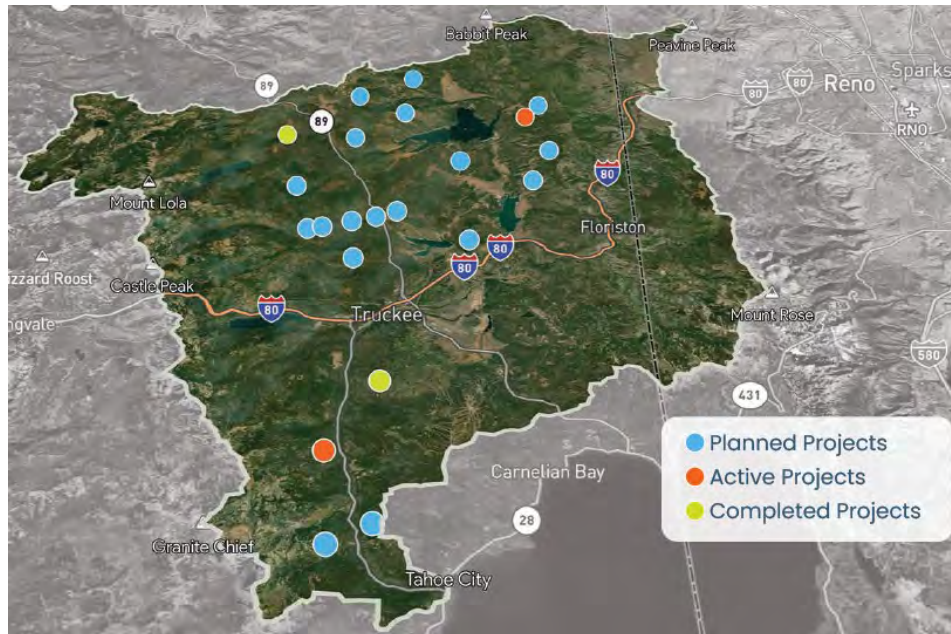
Marlette Lake Water System

- Background:
 - Partnership with MLWS, Carson City, Storey County has been in the works for 4 plus years with a MOU between the customers and TMWA.
 - Resources Include:
 - 3,000 AF of storage in Marlette Lake.
 - Also 10 cubic feet per second (7,240 AF) of water resource within the Franktown Decree on the Hobart Drainage of Washoe Lake.
- Current Progress:
 - Updated MOU currently in progress between the wholesale parties.
 - Water Rights/State Engineer approval update work in progress to include TMWA as a wholesale customer is in progress.



Middle Truckee River Watershed Forest Partnership

- Established by MOU in 2022 between TMWA, Tahoe National Forest, National Forest Foundation, Truckee River Watershed Council, and The Nature Conservancy
- Treating over 60,000 acres with targeted forest restoration practices



- Anticipated costs: \$140 million for planning and implementation
- Goals:
 - Protect communities from wildfire impacts
 - Protect water supplies and infrastructure
 - Improving overall forest health and resilience

Return Flow Management Agreement (RFMA)

- Partnership with Cities, TMWRF, TRIGID and TMWA
- TRIGID has approved water rights to use effluent from TMWRF
 - Pipeline is complete and serving water since July 2024
- Parties to RFMA have acquired a pool of varied return flow water rights

Active Total Between All Parties	
Sparks Subtotal	1,112.88 AF
Reno Subtotal	390.39 AF
Reno-UNR Subtotal	350.00 AF
TMWA Subtotal	5,344.21 AF
Total	7,197.47 AF
Currently Active	5,550.47 AF

- Ideas for future acquisition of return flow water rights
 - NV Energy agreement. Drought supply in exchange of use of NVE Rights. Right of first refusal.
 - Working with existing and future partners on lease deals.

FUTURE RESOURCES: DIRECT POTABLE REUSE

Direct Potable Reuse

- Proposed water omnibus bill includes language that encourages innovative water recycling options such as IPR and DPR
- NDEP is encouraging the Nevada water community to help develop proposed DPR regulatory language
 - TMWA will help lead the effort
- Proposed language will include enhancements to IPR regulations
 - Operator certification
 - Incorporate potable water regulations
- State-wide utility stakeholder involvement



STAFF REPORT

TO: Board of Directors
THRU: John R. Zimmerman, General Manager
FROM: Danny Rotter, P.E., Assistant General Manager / Director of Engineering
DATE: August 19, 2024
SUBJECT: Discussion and action, and possible authorization of General Manager to sign all documents necessary to purchase certain real property for Corporate Campus needs

Summary

TMWA's administration building at 1355 Capital Blvd. (Corporate Office) is very near to maximum capacity. Staff has explored options for further building expansion and concluded that the site is constricted by the need for additional parking space for staff and company vehicles. Staff has budgeted and pursued an opportunity to purchase the property known as 1285 Financial Blvd APN 012-401-30 to accommodate the needs of the growing organization. After an appraisal was completed, the property owners accepted an off market offer from TMWA staff and together are working to finalize a purchase agreement.

Recommendation

Staff requests the Board authorize the General Manager to negotiate the final purchase agreement and sign all necessary documents subject to a maximum purchase price of the accepted offer of \$7.4 million and standard real estate transaction terms.

Background

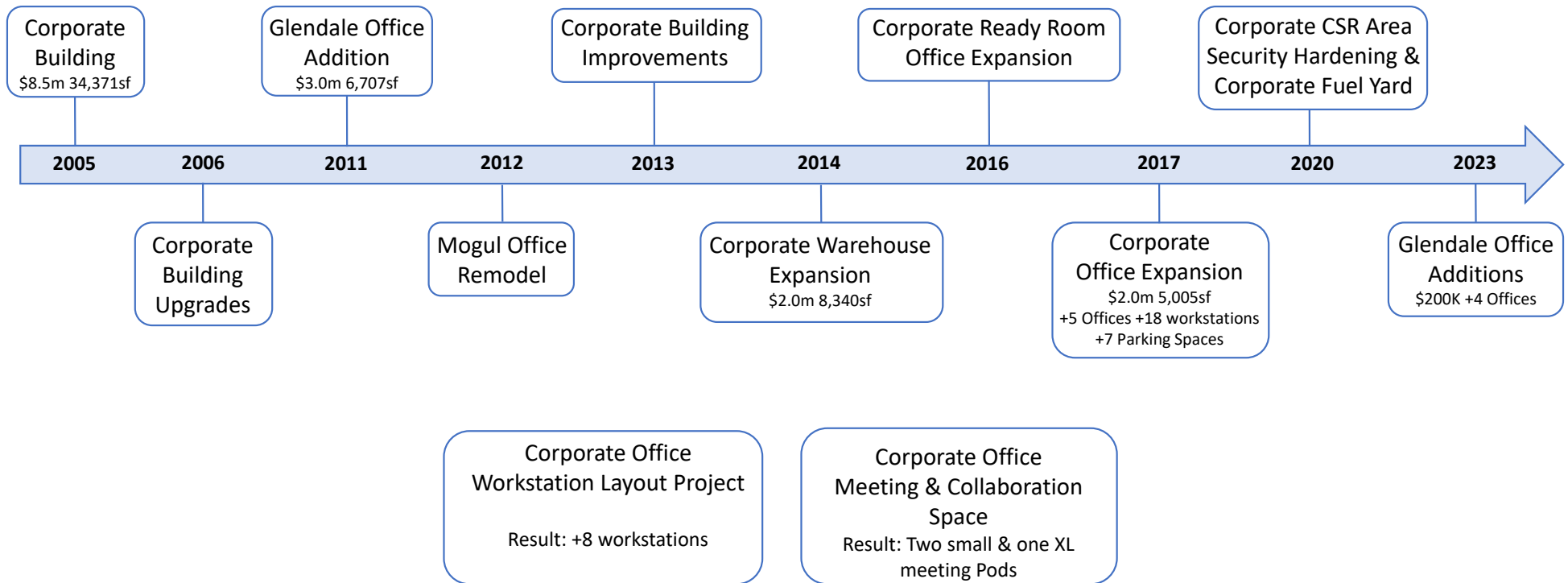
Since TMWA constructed its current Corporate Office in 2005, the company has experienced tremendous growth just like the community it serves. The consolidation of the Washoe County Department of Water Resources into TMWA in 2015 brought additional growth. TMWA expanded its warehouse and Corporate Office in 2015 and 2017 accordingly. TMWA has outgrown those spaces already and has considered another building expansion to accommodate staff and maintenance vehicles. In Fall 2023, TMWA made an offer on 1315 Financial Blvd but was ultimately unsuccessful. Staff has further studied a building expansion within the constraints of the current parcel and concluded that a building purchase and retrofit would be a more cost-effective option. After discussion with the owners of 1285 Financial Blvd, Staff ordered an appraisal of the property to determine market value. The appraisal is attached to this staff report. Staff made an off market offer of \$7.4 million to the property owners that was accepted and

includes a lease back provision to the owners to the end of the year to allow time to move their business operations to their new location (all subject to TMWA Board approval).

Recommended Motion

Move to authorize TMWA to purchase the real property located at 1285 Financial Blvd for an amount not to exceed \$7.4 million and authorize the General Manager to negotiate and sign all necessary documents to close the transaction.

TMWA Office Expansion & Improvement Timeline





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REAL ESTATE APPRAISERS & CONSULTANTS

A RESTRICTED APPRAISAL
OF THE

OFFICE PROPERTY

LOCATED AT

1285 FINANCIAL BOULEVARD,
RENO, WASHOE COUNTY, NEVADA

OWNED BY

IVY PROPERTIES, LLC

PREPARED FOR

THE TRUCKEE MEADOWS WATER AUTHORITY

FOR THE PURPOSE OF
ESTIMATING THE FOLLOWING VALUE

VALUATION SCENARIO	INTEREST APPRAISED	DATE OF VALUE
MARKET VALUE	FEE SIMPLE INTEREST	June 26, 2024



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6121 Lakeside Drive, Suite 160, Reno, NV 89511
775.322.1155 | Fax 775.322.1156 | jggnv.com

Stephen R. Johnson, MAI, SREA
Reese Perkins, MAI, SRA
Scott O. Griffin, MAI
Cindy Lund Fogel, MAI
Sarah K. Fye, MBA
Carson T. Cooke

July 15, 2024

Via Email: hedmunson@tmwa.com

Ms. Heather Edmunson, Land Agent
Truckee Meadows Water Authority
1355 Capital Boulevard
P.O. Box 30013
Reno, Nevada 89520

Re: A Restricted Appraisal of 1285 Financial Boulevard, Reno, Nevada (APN 012-401-30)

Dear Ms. Edmunson:

This letter is in response to your request for an appraisal of 1285 Financial Boulevard, Reno, Nevada. The subject property is identified as Washoe County Assessor’s Parcel Number 012-401-30 and is owned by Ivy Properties, LLC. The subject property is summarized below.

Assessor’s Parcel Number Location/Address	Zoning Land Area	Land Use Year Built Gross Building Area
012-401-30 1285 Financial Boulevard, Reno, Nevada	Mixed Employment 3.483± Acres*	Office Building 1990/1993 39,345± Square Feet

*Per the Washoe County Assessor’s Office

This is a Restricted Appraisal Report which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(b) of the *Uniform Standards of Professional Appraisal Practice*. As this appraisal has been completed in a Restricted Appraisal Report format, the appraisal report has been completed for and is intended to be utilized solely by the client; additionally, the rationale for how the opinions and conclusions set forth in the report may not be understood properly without additional information in the appraiser’s work file. Supporting documentation concerning the data, reasoning and analyses is retained in the appraiser’s file. The depth of discussion contained in this report is specific to the needs of the client and for the intended use as stated within the report. This appraisal firm is not responsible for unauthorized use of this report.



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Please be advised that in accordance with the requirements of the *Uniform Standards of Professional Appraisal Practice*, that I have not performed services as an appraiser regarding the property that is the subject of this appraisal report within the three-year period immediately preceding the date of this report.

The purpose of this appraisal is to establish an estimate of the Market Value of the fee simple interest in the subject property, as of a current date of value. The client for this assignment is the Truckee Meadows Water Authority. The intended users include the Truckee Meadows Water Authority and their representatives. The intended use of the appraisal report is to assist the client in negotiations regarding the possible purchase of the subject property. Any other use of the appraisal requires the prior written authorization of Johnson Perkins Griffin, LLC.

After careful consideration of all data available, and upon thorough personal investigation of the subject property and comparable properties analyzed, it is my opinion that the Market Value of the subject property, as of June 26, 2024, is set out as follows:

FINAL MARKET VALUE CONCLUSION			
Property ID	Property Rights Appraised	Date Of Value	Value Conclusion
012-401-30 1285 Financial Boulevard, Reno, Nevada	Fee Simple Interest	June 26, 2024	\$7,200,000

Respectfully Submitted,



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



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REAL ESTATE APPRAISERS & CONSULTANTS

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ADDENDA – PRELIMINARY TITLE REPORT



SUMMARY OF SALIENT FACTS AND IMPORTANT CONCLUSIONS

SUBJECT PROPERTY CHARACTERISTICS			
Property Type	Office Building		
Property Address	1285 Financial Boulevard, Reno, Washoe County, Nevada		
Property Location	Dermody Business Park at the Northwest Corner of Financial Boulevard and Wall Street, Reno, Nevada		
Assessor's Parcel Number	012-401-30		
Subject Ownership	Ivy Properties, LLC		
Land Area	3.483± Acres (151,719± Square Feet)		
Gross Building Area	39,345± Square Feet		
Land-to-Building Ratio	3.86:1		
Percentage Finished Office	97%		
Zoning Designation	ME (Mixed Employment)		
Master Plan Designation	ME (Mixed-Employment)		
Flood Zone Designation	"X" (Shaded), Areas of Moderate Flood Hazard		
Highest & Best Use Conclusion	Continued Use of the Existing Office Improvements		
Subject Improvement Summary			
Building Type	Quality/Condition	Year Built	GBA
Office Building	Above Average/Average	1990/1993	39,345± Square Feet
The subject is of concrete tilt-up and wood frame construction with a stucco exterior finish. On-site improvements include asphalt paved parking/loading areas which are in fair condition, as well as concrete flatwork, and mature landscaping.			

DATES OF APPRAISAL	
Date Description	Date
Dates of Inspection	June 26, 2024
Effective Date of Value	June 26, 2024
Completion Date of Appraisal	July 15, 2024

FINAL MARKET VALUE CONCLUSION			
Property ID	Property Rights Appraised	Date Of Value	Value Conclusion
012-401-30 1285 Financial Boulevard, Reno, Nevada	Fee Simple Interest	June 26, 2024	\$7,200,000



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DEFINITIONS, PURPOSE, AND INTENDED USER & USE

PURPOSE OF APPRAISAL	
This appraisal is being prepared for the purpose of estimating the Market Value of the fee simple interest in the subject property, as of June 26, 2024. Any other use of the appraisal requires the written consent of Johnson Perkins Griffin, LLC.	

REPORT TYPE, CLIENT, INTENDED USER & INTENDED USE OF THE APPRAISAL	
Report Type	Restricted Appraisal Report
Client	Truckee Meadows Water Authority
Intended User of Report	Truckee Meadows Water Authority and their representatives.
Intended Use of Report	The intended use of the appraisal report is to assist the client in negotiations regarding the possible purchase of the subject property.

MARKET VALUE DEFINED	
<p>Market Value means the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:</p> <ol style="list-style-type: none"> 1) Buyer and seller are typically motivated; 2) Both parties are well informed or well advised, and acting in what they consider their own best interests; 3) A reasonable time is allowed for exposure in the open market; 4) Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and 5) The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.¹ 	

DEFINITIONS OF PROPERTY RIGHTS APPRAISED	
Fee Simple Estate Defined	Fee Simple Estate is defined as “Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.” ²

¹ Rules and Regulations, Federal Register, Vol. 55, No. 165, Page 34696, 12CFR Part 34.42(f)

² Source: The Dictionary of Real Estate Appraisal, 7th Edition, Appraisal Institute, 2022, page 73.



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SCOPE OF APPRAISAL
<p>The preparation of this appraisal included:</p> <ul style="list-style-type: none"> • Identification, inspection and analysis of the subject property; • Interview with the property owner’s representative; • Identification and analysis of the subject neighborhood; • Completion of a Highest and Best Use Analysis for the subject property; • Investigation of current rental rates and vacancies in competing properties; • Completion of the Income Approach to Value utilizing a Direct Capitalization Analysis; • Research and analysis of recent comparable property sales and listings; • Completion of a Sales Comparison Approach to Value Analysis; • Correlation of the approaches to value to arrive at the fee simple Market Value of the subject property, as of a current date of valuation; • Analysis of an appropriate exposure and marketing time for the subject; • Preparation of the appraisal report.

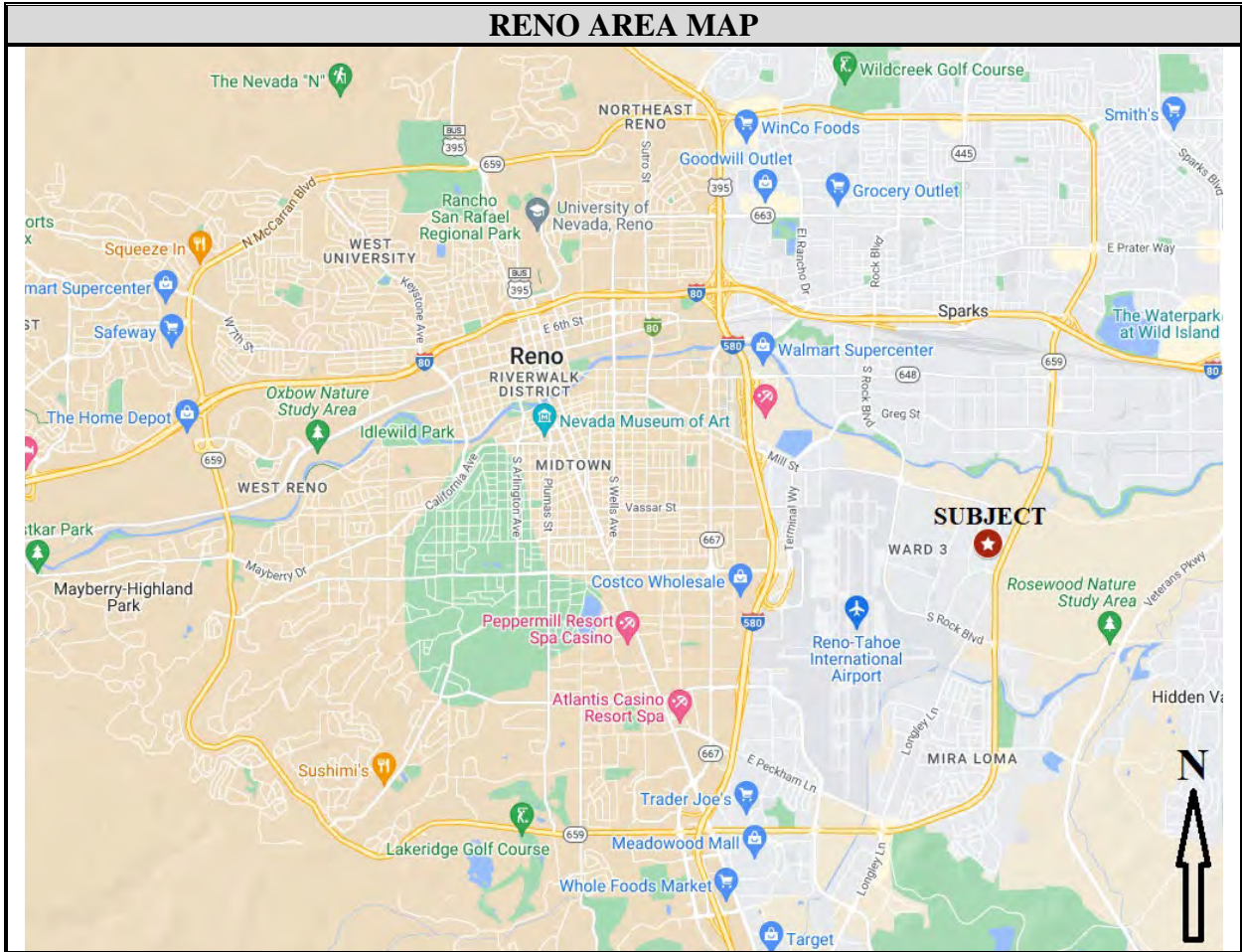
STATEMENTS OF LIMITING CONDITIONS
EXTRAORDINARY ASSUMPTIONS
<p>An extraordinary assumption is defined as “An assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser’s opinions or conclusions.”³ This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

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

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

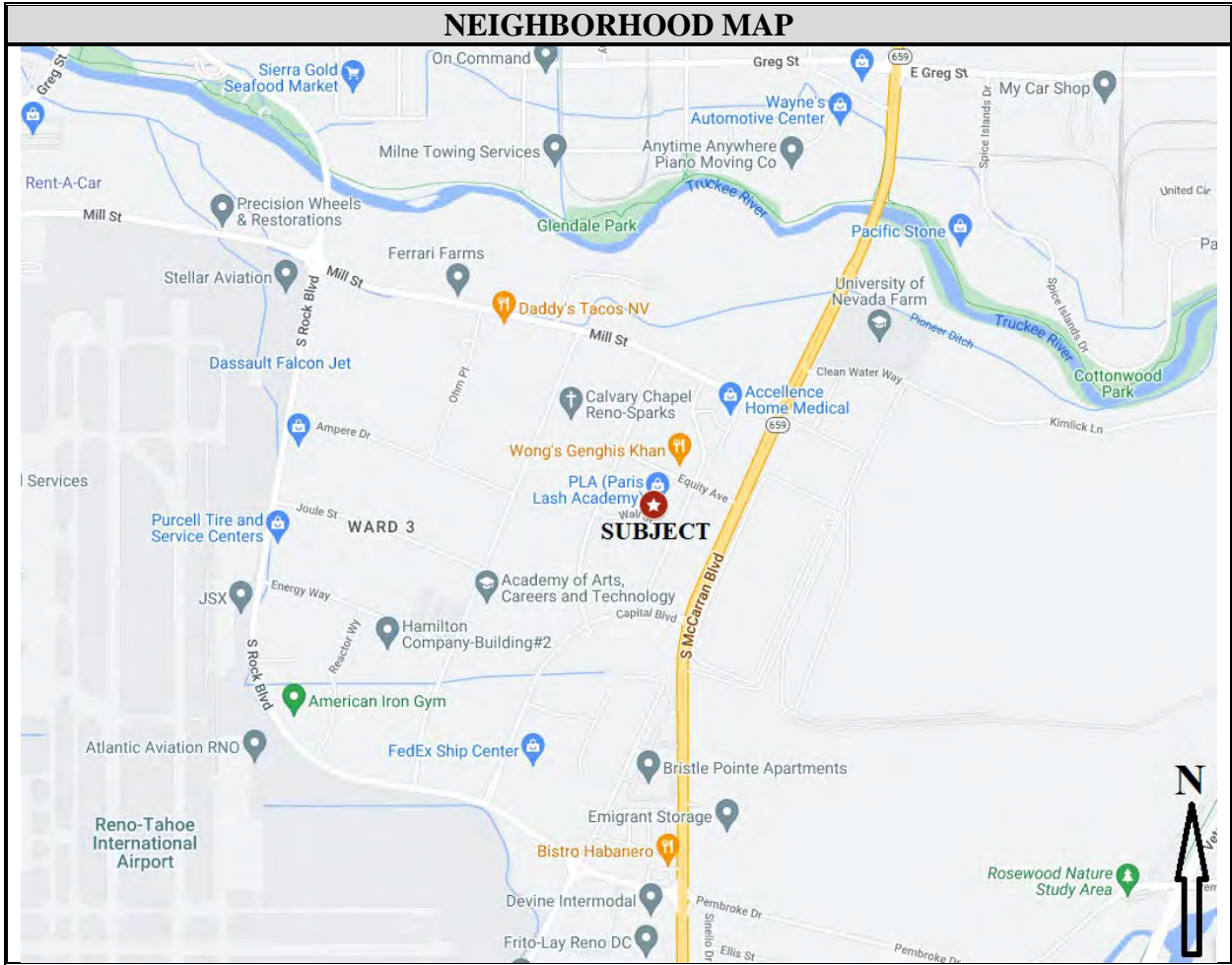


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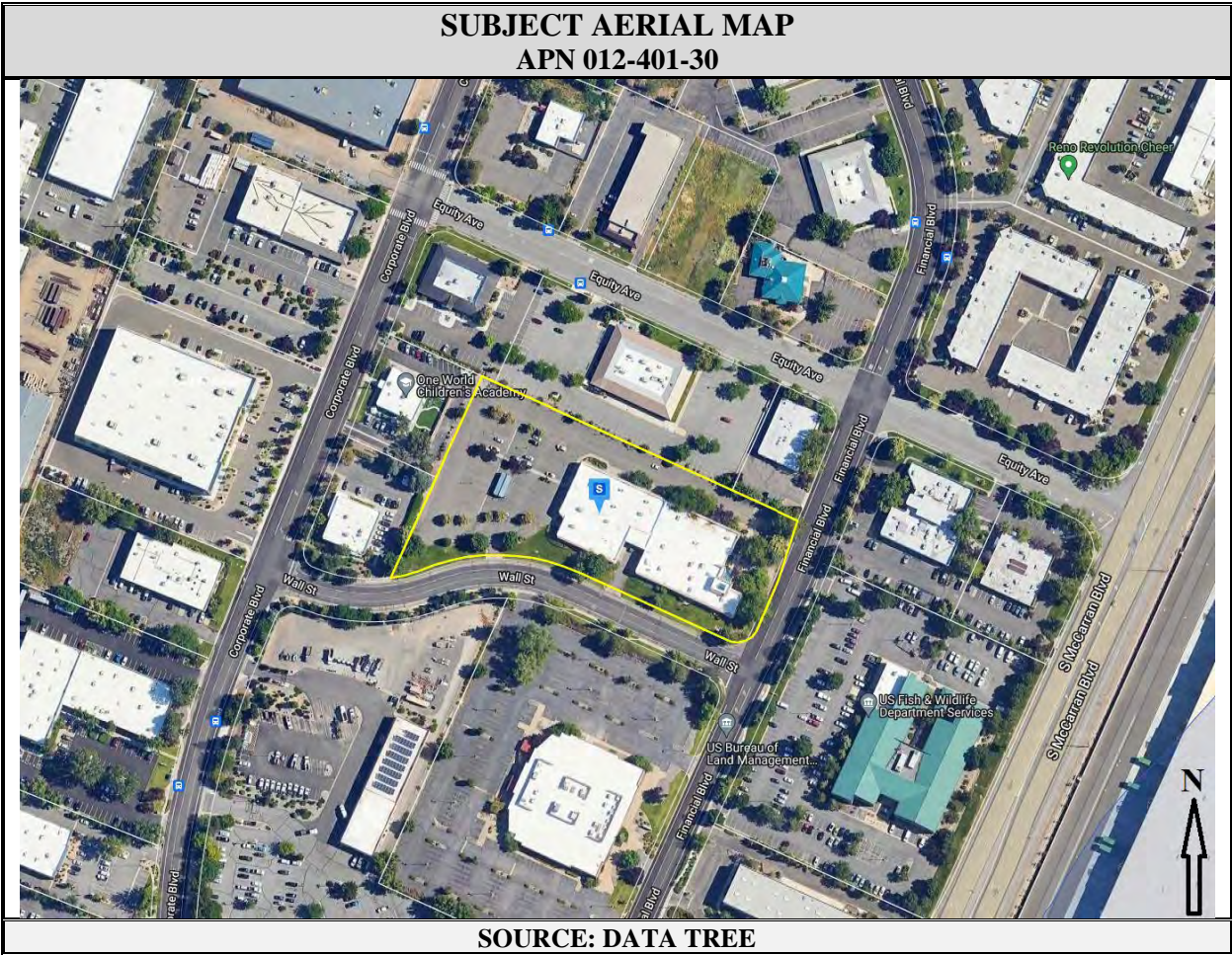


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SUBJECT PROPERTY PHOTOGRAPHS



VIEW LOOKING SOUTHERLY TOWARD FINANCIAL BLVD ADJACENT TO THE SUBJECT PROPERTY



LOOKING NORTHERLY TOWARD FINANCIAL BLVD AT ITS INTERSECTION WITH WALL STREET IN THE VICINITY OF THE SUBJECT PROPERTY

SUBJECT PROPERTY PHOTOGRAPHS



VIEW LOOKING WESTERLY TOWARD WALL STREET AT ITS INTERSECTION WITH FINANCIAL BLVD, WITH THE SUBJECT TO THE RIGHT



VIEW LOOKING EASTERLY TOWARD WALL STREET WITH THE SUBJECT TO THE LEFT

SUBJECT PROPERTY PHOTOGRAPHS



**VIEW LOOKING NORTHWESTERLY TOWARD THE SUBJECT PROPERTY
FROM FINANCIAL BOULEVARD**



**VIEW LOOKING NORTHWESTERLY TOWARD THE SUBJECT BUILDING
FROM FINANCIAL BOULEVARD**

SUBJECT PROPERTY PHOTOGRAPHS



VIEW OF THE SUBJECT’S OFFICE BUILDING LOOKING NORTHWESTERLY FROM THE INTERSECTION OF FINANCIAL BOULEVARD AND WALL STREET



VIEW OF THE SUBJECT’S LOADING DOCK LOOKING NORTHERLY FROM WALL STREET

SUBJECT PROPERTY PHOTOGRAPHS



VIEW OF THE SUBJECT BUILDING FROM THE WEST (REAR) PARKING AREA



**VIEW OF THE WESTERLY PORTION OF THE SUBJECT PROPERTY FROM ITS
SOUTHWEST PROPERTY CORNER, TAKEN FROM NEAR WALL STREET**



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SUBJECT PROPERTY PHOTOGRAPHS



VIEW OF THE MAIN ENTRY/LOBBY/RECEPTIONIST AREA

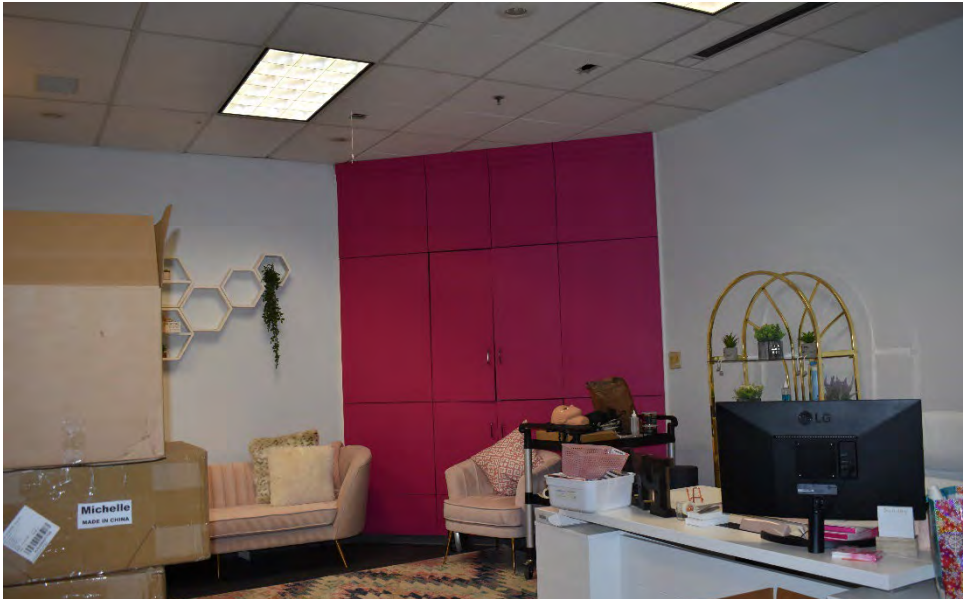


INTERIOR VIEW OF THE MAIN ENTRY IN THE SUBJECT BUILDING

SUBJECT PROPERTY PHOTOGRAPHS



VIEW OF A LARGER OFFICE AREA IN THE SUBJECT BUILDING



VIEW OF AN INDIVIDUAL OFFICE



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SUBJECT PROPERTY PHOTOGRAPHS



VIEW OF AN INDIVIDUAL OFFICE



VIEW OF A TRAINING ROOM

SUBJECT PROPERTY PHOTOGRAPHS



VIEW OF AN OPEN BULLPEN AREA UTILIZED AS STORAGE SPACE



VIEW OF AN OPEN BULLPEN AREA UTILIZED AS STORAGE SPACE

SUBJECT PROPERTY PHOTOGRAPHS



VIEW OF ONE OF THE SUBJECT’S BREAKROOMS



VIEW OF ONE OF THE SUBJECT’S BREAKROOMS

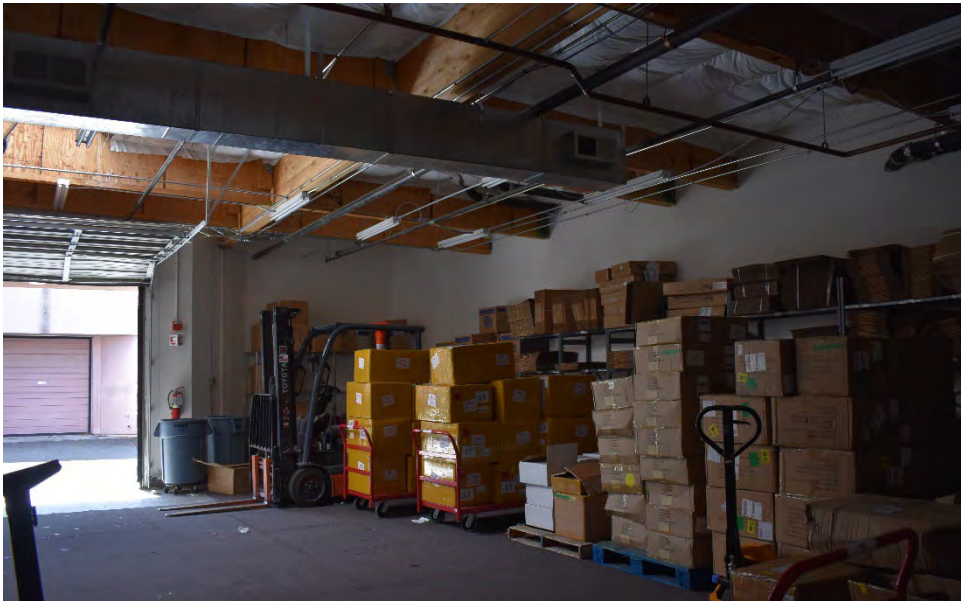


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SUBJECT PROPERTY PHOTOGRAPHS



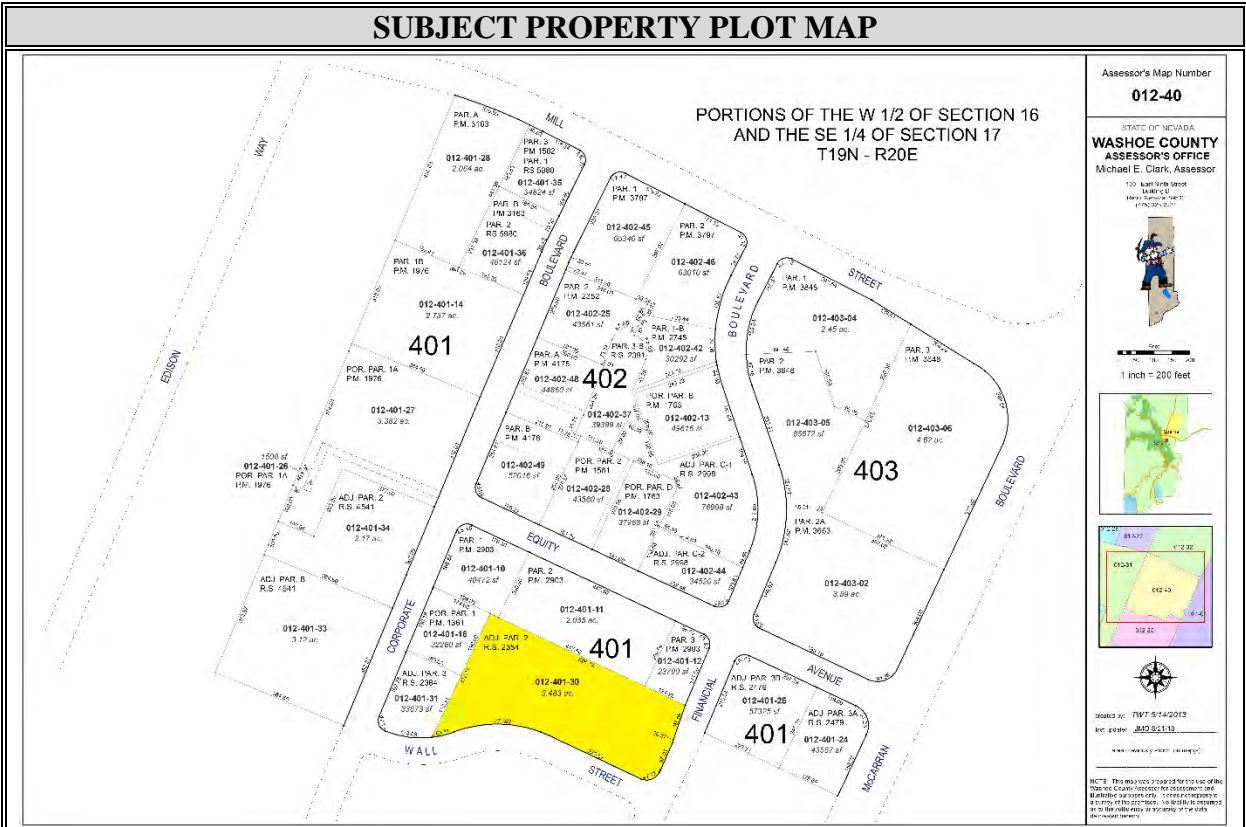
VIEW OF A TYPICAL RESTROOM IN THE SUBJECT BUILDING



VIEW OF STORAGE WAREHOUSE SPACE AND OVERHEAD DOORS WITH ACCESS TO THE DOCK AREA



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Assessor's Map Number
012-40

STATE OF NEVADA
WASHOE COUNTY
 ASSESSOR'S OFFICE
 Michael E. Clark, Assessor

1000 East 19th Street
 Sparks, NV 89411
 (775) 343-2007

1 inch = 200 feet

012-401-30
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012-401-31
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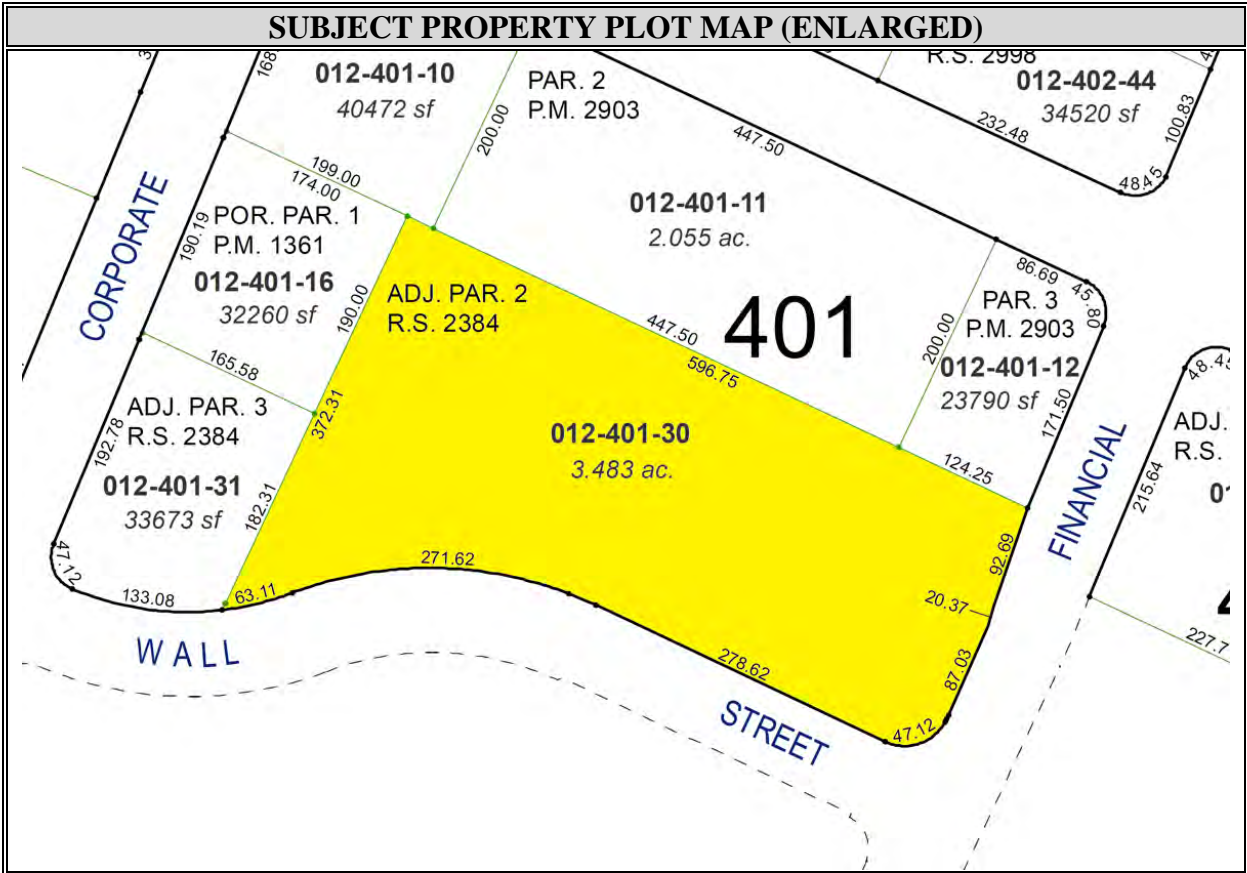
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SUBJECT PROPERTY PARCEL SUMMARY

Washoe County A.P.N.	Land Area	
	Acres	Square Feet
012-401-30	3.483± Acres	151,719± Square Feet



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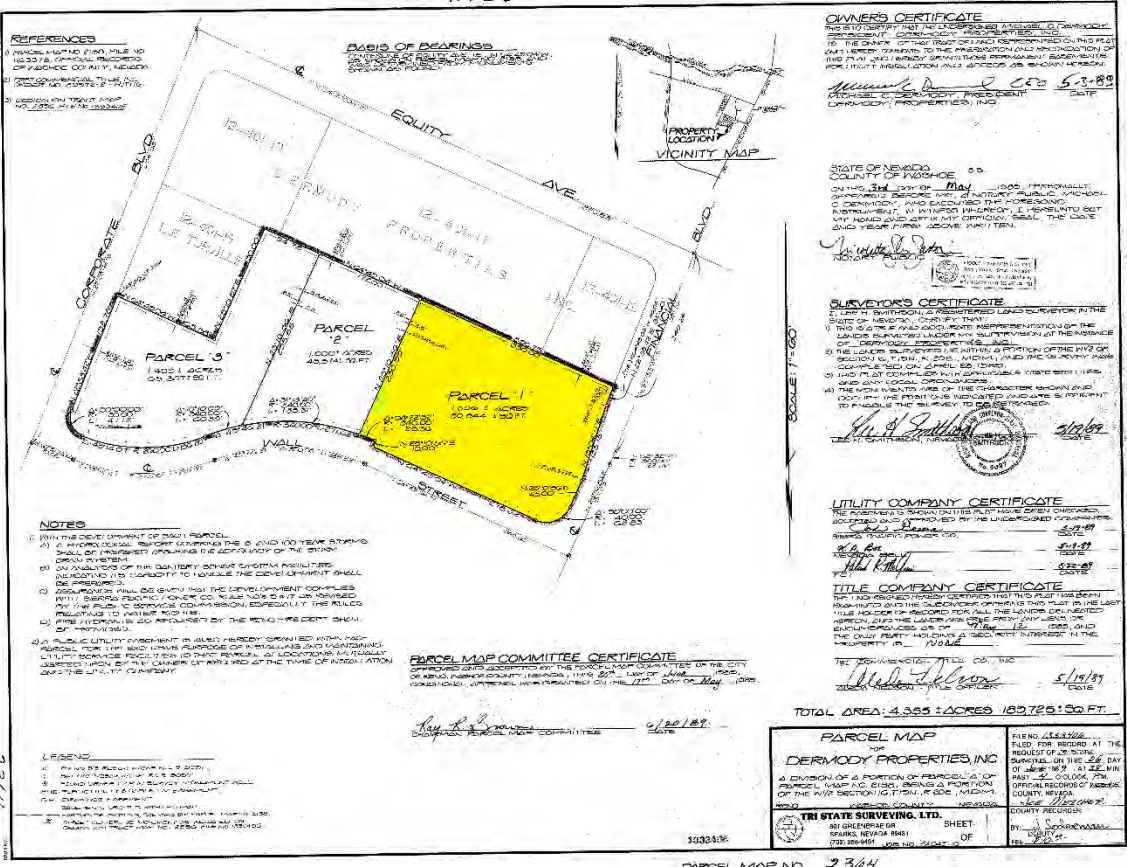


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LEGAL DESCRIPTION

All that certain real property situated in the City of Reno, County of Washoe, State of Nevada, being a portion of the West one-half (W 1/2) of Section Sixteen (16) Township (19) North, Range Twenty (20) East, Mount Diablo Meridian. The subject property consists of a portion of Parcel 1 of Parcel Map No. 2364 (Excepting therefrom a portion of land lying within the right of way of Wall Street), and Adjusted Parcel 2 of Record of Survey Map No. 2384. The reader is referred to the Preliminary Title Report set forth in the addenda for a complete legal description of the subject parcel.

PARCEL MAP 2364



**Portion of Parcel 1 of Parcel Map No. 2364
(Excepting therefrom a portion of land lying within the right of way of Wall Street)**



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RECORD OF SURVEY MAP 2384

REFERENCES

1. RECORD OF SURVEY MAP NO. 2384, FILE NO. 183606
2. RECORD OF SURVEY MAP NO. 2384, FILE NO. 183606
3. RECORD OF SURVEY MAP NO. 2384, FILE NO. 183606
4. RECORD OF SURVEY MAP NO. 2384, FILE NO. 183606
5. RECORD OF SURVEY MAP NO. 2384, FILE NO. 183606

LEGEND

1. SET 30' BOUNDARY LINE ADJUSTMENT
2. FULL SURVEY MAP NO. 2384
3. PARTIAL SURVEY MAP NO. 2384

BASIS OF BEARINGS

BEARINGS AND DISTANCES WERE OBTAINED FROM THE OFFICIAL RECORDS OF THE COUNTY OF WASHINGTON, DISTRICT OF COLUMBIA, AND THE NATIONAL BUREAU OF SURVEYING.

OWNER'S CERTIFICATE

THIS IS TO CERTIFY THAT THE UNDERSIGNED DERMODY PROPERTIES, INC. A NEVADA CORPORATION, OWNER OF PARCELS 2, 3 AND 4, HAS AGREED TO THE PREPARATION AND RECORDATION OF THIS PLAT TO CORRECT TO REFLECT THE REQUIRED BOUNDARY LINE ADJUSTMENTS TO THE BOUNDARY LINE ADJUSTMENT PURSUANT TO THE CITY OF RENO, NEVADA. THE UNDERSIGNED HAS BEEN PAID FOR THE PREPARATION OF THIS PLAT AND HAS BEEN ADVISED THAT THE CITY OF RENO, NEVADA, HAS THE AUTHORITY TO ACCEPT AND RECORD THIS PLAT.

12-11-21
DATE

DERMODY PROPERTIES, INC.
BY: *Michael C. Dermody*
MICHAEL C. DERMODY, PRESIDENT

COMPUTING RESOURCES, INC.
A NEVADA CORPORATION
BY: *RANDOLPH W. WHEELER*
RANDOLPH W. WHEELER, REGISTERED SURVEYOR

STATE OF NEVADA
COUNTY OF WASHOE 9-5
ON THIS 11th day of December, 2021, I, *Michael C. Dermody*, personally appeared before me, a Notary Public, State of Nevada, and acknowledged to me to be the person designated in the foregoing instrument, and acknowledged that he executed the same.

Michael C. Dermody
MICHAEL C. DERMODY

STATE OF NEVADA
COUNTY OF WASHOE 9-5
ON THIS 11th day of December, 2021, I, *Michael C. Dermody*, personally appeared before me, a Notary Public, State of Nevada, and acknowledged to me to be the person designated in the foregoing instrument, and acknowledged that he executed the same.

Michael C. Dermody
MICHAEL C. DERMODY

SURVEYOR'S CERTIFICATE

I, *Michael C. Dermody*, a PROFESSIONAL LAND SURVEYOR IN THE STATE OF NEVADA, CERTIFY THAT THIS IS A TRUE AND ACCURATE REPRESENTATION OF THE LAND SURVEYED AND A CORRECT REPRESENTATION OF THE BOUNDARY LINE ADJUSTMENT, AND THAT THE BOUNDARY LINE ADJUSTMENT IS NECESSARY TO CORRECT TO REFLECT THE REQUIRED BOUNDARY LINE ADJUSTMENTS TO THE BOUNDARY LINE ADJUSTMENT PURSUANT TO THE CITY OF RENO, NEVADA. THE SURVEY WAS COMPLETED ON 12-11-21 TO BE IN FULL COMPLIANCE WITH NEVADA REVENUE AND STATUTES AND ALL APPLICABLE LEGAL REQUIREMENTS, AND THE SURVEY WAS COMPLETED ON 12-11-21 TO BE IN FULL COMPLIANCE WITH NEVADA REVENUE AND STATUTES AND ALL APPLICABLE LEGAL REQUIREMENTS, AND THE SURVEY WAS COMPLETED ON 12-11-21 TO BE IN FULL COMPLIANCE WITH NEVADA REVENUE AND STATUTES AND ALL APPLICABLE LEGAL REQUIREMENTS.

12-23-21
DATE

Michael C. Dermody
MICHAEL C. DERMODY, REGISTERED SURVEYOR

TOTAL AREA: 2,499.60 AC/108,001.80 FT²

RECORD OF SURVEY BOUNDARY LINE ADJUSTMENT

DERMODY PROPERTIES, INC. AND COMPUTING RESOURCES, INC. REGISTERED SURVEYORS AND REGISTERED PROFESSIONAL LAND SURVEYORS.

THE STATE SURVEYING, LTD. SHEET 1 OF 1
801 GREENHURST DR. SPARKS, NEVADA 89415
(702) 338-5881 • FAX (702) 338-5882

FILED FOR RECORD AT THE OFFICE OF THE COUNTY CLERK, COUNTY OF WASHOE, NEVADA, ON 12-11-21 AT 2:00 PM BY: *Michael C. Dermody*
MICHAEL C. DERMODY, REGISTERED SURVEYOR

CITY OF RENO PLANNING AND COMMUNITY DEVELOPMENT
THE UNDERSIGNED CERTIFIES THAT THIS MAP HAS BEEN REVIEWED AND APPROVED BY THE CITY OF RENO PLANNING AND COMMUNITY DEVELOPMENT.

John J. Kelly
PLANNING DIRECTOR

11-JAN-22

Michael C. Dermody
MICHAEL C. DERMODY

Survey Map 2384

Adjusted Parcel 2 of Record of Survey Map No. 2384



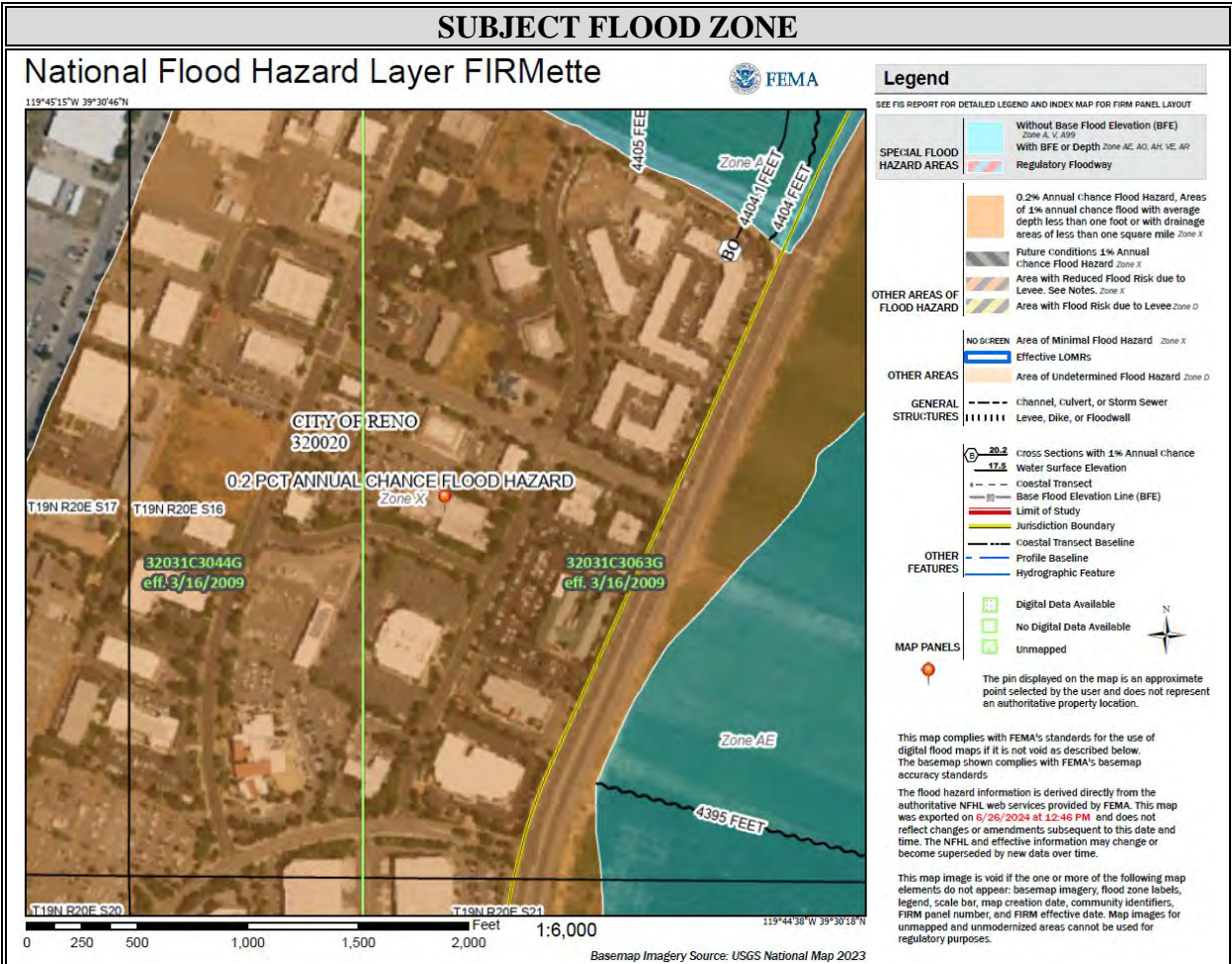
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SUBJECT PROPERTY ZONING DATA		
Washoe County A.P.N.	City of Reno Zoning Designation	Land Use
012-401-30	ME (Mixed Employment)	Office
SUBJECT ZONING MAP		
ZONING DESCRIPTION		
<p>18.02.403 ME: Mixed Employment</p> <p>(a) Purpose The ME district is intended to provide a mix of employment focused uses such as light manufacturing, processing, wholesaling, flex space, research and development, and offices. Secondary uses include supportive services such as small-scale retail, restaurants, and caretaker’s quarters. Buildings are typically smaller than those found in the Industrial (I) District; however, may also include campus-like employment and educational development.</p>		



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SUBJECT PROPERTY MASTER PLAN DATA		
Washoe County A.P.N.	City of Reno Master Plan	Land Use
012-401-30	ME (Mixed-Employment)	Office
SUBJECT MASTER PLAN MAP & DESCRIPTION		
Mixed-Employment (ME)		
<p>Range of Densities Varies</p> <p>Uses Primary: Light manufacturing, processing, wholesaling, flex space, research and development, and offices. In some locations, may also include high quality, large employment facilities, such as corporate office and educational campuses. Secondary: Support services, such as small-scale retail, restaurants, indoor, and other commercial uses. May also include airport-related uses.</p> <p>Characteristics</p> <ul style="list-style-type: none"> • Provides for concentrated areas of employment and supporting uses, such as small-scale commercial uses. • Typically smaller facilities/building footprints than those found in industrial; however, may also include employment facilities, such as office and educational facilities in a planned, campus-like setting. 	<p>Conforming Base Zoning Districts</p> <ul style="list-style-type: none"> • Industrial (limited to existing properties with this zoning) • Industrial Commercial (limited to existing properties with this zoning) • MA: Mixed-Use Airport (limited to existing properties with this zoning) • ME: Mixed Employment • PO: Professional Office • PGOS: Parks, Greenways, and Open Space • PF: Public Facilities • PUD: Planned Unit Development • SPD: Specific Plan District 	



FLOOD ZONE DESIGNATION DATA (SOURCE: FEMA)

Washoe County A.P.N.	Flood Zone Designation	FEMA Map Number	Effective Date of Designation
012-401-30	Zone "X" (Shaded)	32031C3044G/32031C3063G	3/16/2009

ZONE	DESCRIPTION
B and X (shaded)	Area of moderate flood hazard, usually the area between the limits of the 100-year and 500-year floods. B Zones are also used to designate base floodplains of lesser hazards, such as areas protected by levees from 100-year flood, or shallow flooding areas with average depths of less than one foot or drainage areas less than 1 square mile.



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SUBJECT PROPERTY IDENTIFICATION AND SITE DESCRIPTION

SUBJECT PROPERTY CHARACTERISTICS	
Property Type	Office Building
Property Address	1285 Financial Boulevard, Reno, Nevada
Property Location	Dermody Business Park at the Northwest Corner of Financial Boulevard and Wall Street, Reno, Washoe County, Nevada
Assessor’s Parcel Numbers	012-401-30
Subject Ownership	Ivy Properties, LLC
Flood Zone Designation	“X”(Shaded), Areas of Moderate Flood Hazard

LEGAL DESCRIPTION
All that certain real property situated in the City of Reno, County of Washoe, State of Nevada, being a portion of the West one-half (W 1/2) of Section Sixteen (16) Township (19) North, Range Twenty (20) East, Mount Diablo Meridian. The subject property consists of a portion of Parcel 1 of Parcel Map No. 2364 (Excepting therefrom a portion of land lying within the right of way of Wall Street), and Adjusted Parcel 2 of Record of Survey Map No. 2384. The reader is referred to the Preliminary Title Report set forth in the addenda for a complete legal description of the subject parcel.

SUBJECT LAND AREA*		
Assessor’s Parcel Number	Square Feet	Acres
012-401-30	151,719± Square Feet	3.483± Acres

*The land area for the subject is from the Washoe County Assessor’s Office and is assumed to be correct.

SUBJECT SITE DIMENSIONS			
East	South	West	North
223± Feet on Financial Blvd	637± Feet on Wall Street	372± Feet along West Boundary	597± Feet along North Boundary
Subject Road Frontage & Access			
Financial Boulevard and Wall Street			
Each of the streets adjacent to the subject site is a two-way, two-lane asphalt paved roadway which is improved with left center turn lanes and concrete curbs and gutters. The subject is a corner site with good roadway frontage and access from secondary streets.			



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UTILITIES & PUBLIC SERVICES		
Utility & Public Service	Provider	Availability On Subject Parcels
Electricity	NV Energy	On-Site
Natural Gas	NV Energy	On-Site
Telephone	Various Carriers	On-Site
Water	TMWA	On-Site
Sewer	City of Reno	On-Site
Waste Disposal	Waste Management	Service Available
Cable	Various Carriers	On-Site or Reasonably Available
Internet	Various Carriers	On-Site or Reasonably Available
Fire Protection	City of Reno Fire Department	Covered
Police Protection	City of Reno Police Department	Covered
Public Transportation	RTC Ride	Stops In Vicinity

The subject property has reasonable access to all necessary utility services and has access to all typical public services, including police and fire protection.

SUBJECT PROPERTY TOPOGRAPHY CHARACTERISTICS
The subject property has level topography and is slightly above grade with the adjacent roads.

Washoe County A.P.N.	Recorded Sales- Last 5 Years	Document Number Sale Price	Currently Listed For Sale
012-401-30	Recorded Date of Sale September 17, 2021	5227824 \$3,900,000	No

The subject property was purchased by the current owner, Ivy Properties, LLC, in September of 2021 for \$3,900,000. The subject has not been involved in any recent arm's length transactions. As previously noted, the intended use of the appraisal report is to assist the client in negotiations regarding the possible purchase of the subject property. To the best of my knowledge the subject property is not currently being marketed for sale. The owners, Ivy Properties, LLC (aka Paris Lash Academy) are in the process of relocating to a larger facility.

SUBJECT PROPERTY EASEMENTS & ENCUMBRANCES			
Preliminary Title Report	Title Company	File Number	Date
Yes	Stewart Title	2359982	June 10, 2024

Based upon a review of the Preliminary Title Report as well as Parcel Map No. 2364 and Record of Survey Map No. 2384, the subject is situated in the Dermody Business Park and is encumbered with typical public utility easements. No overt easements on the subject were noted during my physical inspection of the site. It is assumed that the property is encumbered by utility easements typical of surrounding parcels in the subject neighborhood. This appraisal has been conducted based upon the assumption that there are no easements, encumbrances or restrictions which would adversely affect the subject's development potential or market value. A copy of the preliminary title report is contained in the addenda.



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SEISMIC ZONE
The subject property, as well as the entire Reno-Sparks area, falls within a Seismic Risk Zone 3, an area identified as being subject to moderate seismic activity.

SOILS DATA
A soils assessment was not provided to us by the client. However, based upon the subject’s current improvements and surrounding improvements, it is my expectation that the subject property does have adequate soils to allow for normal development. This appraisal report assumes that the subject soils are sufficient for the current development on the subject site.

HAZARDOUS SUBSTANCES
My standard on-site inspection of the subject property did not reveal any readily apparent evidence suggesting the presence of contaminants or hazardous wastes on the subject site. It is noted that the subject has historically been utilized as an industrial-commercial use. As we have not been provided with an Environmental Assessment on the site, this appraisal report assumes that the subject site is free and clear of contamination. For the purposes of this appraisal, it is assumed that the value of the subject property is not negatively impacted by the existence of toxic materials or hazardous waste.

SURROUNDING DEVELOPMENT
The subject property is located within Dermody Business Park. Surrounding development consists of a variety of office, office-warehouse, distribution warehouse, and industrial-commercial uses.

2024/2025 ASSESSMENT & TAXABLE VALUE DATA	
Assessment Year	2024/2025
Assessor’s Parcel Number	012-401-30
Assessed Values	
Land Assessed	\$504,465
Improvements Assessed	\$1,111,131
Total Assessed Value	\$1,615,797
Taxable Value	\$4,616,562
Real Estate Taxes	\$54,369

HISTORIC ASSESSMENT & TAXABLE VALUE DATA									
	Taxable Land	New Value	Taxable Imps	OBSO	Tax Cap Value	Taxable Total	Land Assessed	Imps Assessed	Total Assessed
2024/25 FV	1,441,330	0	3,175,232	0	4,233,386	4,616,562	504,465	1,111,331	1,615,797
2023/24 FV	1,289,612	0	2,956,537	0	3,919,802	4,246,149	451,364	1,034,787	1,486,152
2022/23 FV	1,099,963	0	2,529,483	0	3,629,446	3,629,446	384,987	885,319	1,270,306
2021/22 FV	948,244	0	2,544,753	0	3,492,995	3,492,997	331,885	890,663	1,222,549



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DESCRIPTION OF SUBJECT IMPROVEMENTS	
Primary Building Type	Office Building (Former Call Center)
Secondary Building Type	Storage Warehouse
Occupancy	100% Owner Occupied by PLA (Paris Lash Academy)
Year Built	1990 / 1993
Gross Building Area	39,345± Square Feet
Construction Class	Class C and D (<i>Marshall Valuation Service</i>)
Quality/Condition	Above Average/Average
Foundation	Concrete
Exterior Wall Construction	Combination of Concrete Tilt-up and Wood Frame, Stucco Finish
Roof	Flat built-up roof and the ceiling is insulated. It was reported that a new foam roof was installed in 2020.
Office Layout & Finish	The layout includes the main entry/lobby/receptionist area with a skylight, individual offices, conference rooms, two large central workspaces (bullpens), two employee break rooms, a kitchenette, men's and women's restrooms with average quality fixtures. The interior has sheetrock walls and acoustic ceiling tiles. Interior finishes include wallpaper, fabric wall coverings and some areas have been painted. Flooring includes a combination of wall-to-wall carpeting, vinyl and ceramic tiles. There is a room formerly used as a computer room with a raised paneled floor. The main entry and individual offices have been remodeled for the current user PLA and are in average to good condition. The open office areas are being used as storage warehouse and are in average condition.
Windows	Dual pane windows in aluminum frames. Entry doors are glazed.
Lighting	Recessed Tube Light Fixtures. The subject is also equipped with emergency lighting and exit signs.
HVAC	The office is equipped with forced air heating and air conditioning.
Fire Protection	The subject building is equipped with fire sprinklers and a fire alarm system.
Electric Service	800 AMP 3 Phase 277/480 Volt
Secondary Building Type	
Building Type	Storage Warehouse
Warehouse Building Area	1,180± Square Feet (3% of the Gross Building Area)
Interior Layout & Finish	The storage warehouse area has sheetrock walls and exposed glulam beams and insulated ceiling. The warehouse is served by roll-up overhead doors and a loading dock which is accessed from Wall Street. Ceiling suspended tube light fixtures
HVAC	The warehouse has a ceiling suspended gas fired heater.
SUBJECT SITE IMPROVEMENTS	
The subject site improvements include asphalt paved parking on the north and west sides of the building. The parking areas and loading dock have asphalt paving which is in fair condition. The site is attractively landscaped with lawn areas and mature trees and scrubs primarily located proximate to the subject's street frontage.	
The descriptions set out above are based upon a physical inspection of the subject property, and a review of the Washoe County Assessor's Records.	



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HIGHEST AND BEST USE CONCLUSION

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

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

Based upon physically possible, it is my opinion that the subject parcel “as if vacant” has adequate physical characteristics for a variety of uses.

From a legal perspective, the subject’s zoning and master plan designations permit development of the site with industrial and office uses as well as support commercial uses.

The industrial and office uses within the vicinity of the subject have historically met with adequate to good market acceptance. A similar use would represent the financially feasible and maximally productive use of the subject site.

Based upon a careful review of the subject’s physically possible, legally permissible, financially feasible and maximally productive uses, it is our opinion that the highest and best use of the subject property “as if vacant” would be for development of an office or industrial utilization, such as an office-warehouse or light manufacturing warehouse, consistent with surrounding utilizations.

The next step in the highest and best use analysis is to consider the subject property as improved. The subject property is improved with an office containing 39,345± square feet. The subject’s building is of concrete tilt-up and wood frame construction and offers average curb appeal. The subject improvements are in average condition. According to the Washoe County Assessor’s office the subject building was constructed in 1990/1993. Development throughout the immediate neighborhood includes similar uses. With consideration given to the scope of the subject improvements, it is my opinion that the subject’s current improvements represent the highest and best use of the property.



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INTRODUCTION TO VALUATION ANALYSIS

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

This appraisal report is addressing the fee simple Market Value of the subject property as of a current date of value

To establish an indication of the Market Value of the subject property, I have utilized the Income Approach to Value and the Sales Comparison Approach to Value. The Cost Approach to Value was not considered to be applicable, as buyers and sellers in the marketplace do not typically rely on a Cost Approach for similar properties in the market.

The Income Approach to Value is based upon the principal that value is created by the anticipation of future benefits. The Sales Comparison Approach is based on the principal of substitution, which holds that the value of the subject property tends to be set by the price that would be paid to acquire a substitute property of similar utility and desirability.

In the final property value correlation and conclusion, the indications of value from the various approaches utilized will be correlated to arrive at the final estimate of the Market Value of the subject property as of a current date of value.



INCOME APPROACH TO VALUE

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

The first step in the Direct Capitalization Analysis is to project the potential gross annual income that the subject property could reasonably be expected to produce as of the effective date of valuation. The potential gross annual income will be established through an analysis of rental rates for competitive and similar properties in the area.

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

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

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

The rentals set forth on the following page were considered to be indicative of the market rent for the subject property as of the effective date of value. Due to limited rental data for large office units/buildings, and given the subject's build-out, I have also considered rental rates for office-warehouse properties which were considered comparable to the subject.

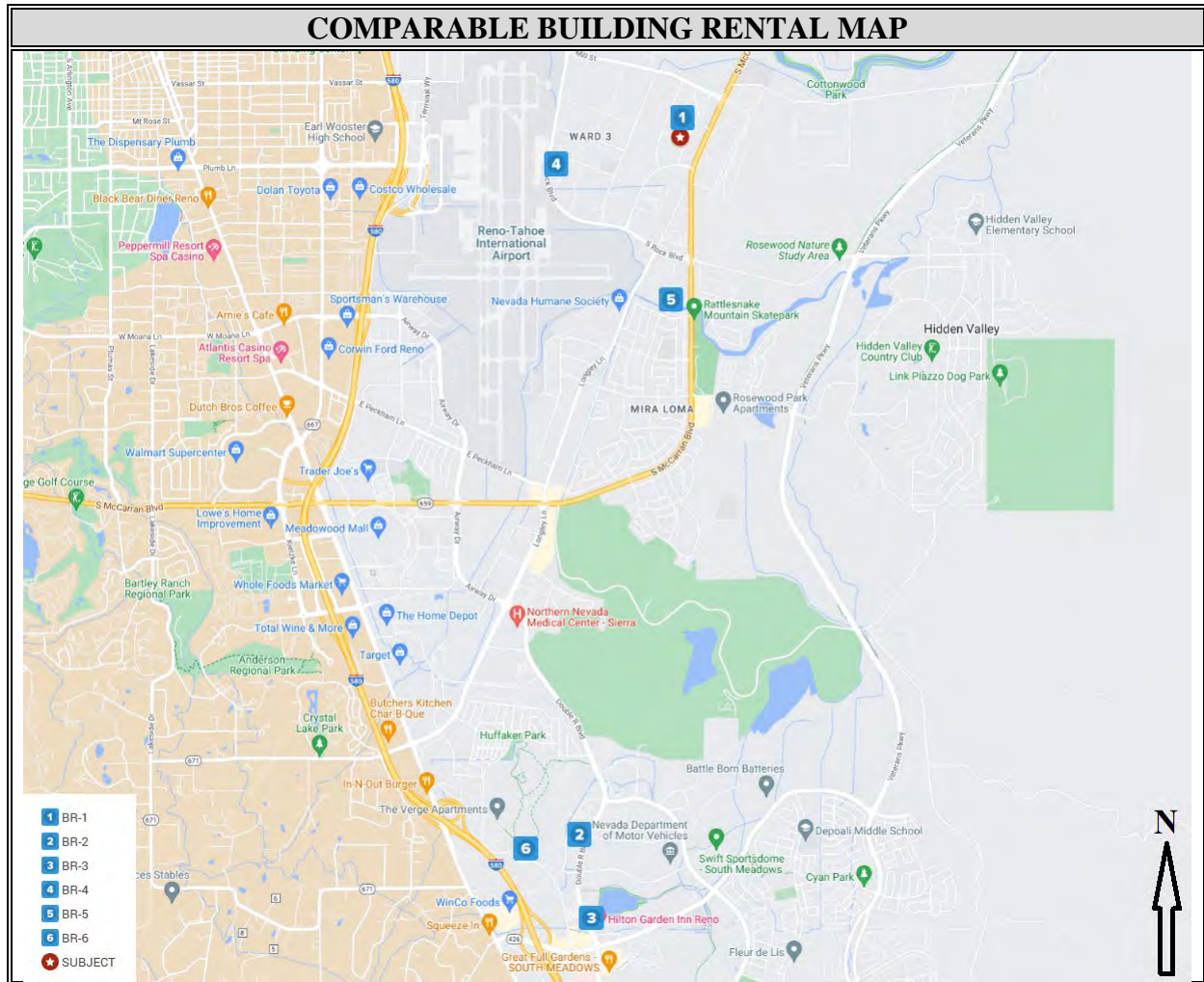


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COMPARABLE BUILDING RENTAL CHART					
Rent Number	Tenant Project Address	Year Built Construction Condition	SF Leased % Office	Lease Start Term Expenses	Rent/SF/Month
BR-1	Urgent.ly Sierra Pacific Industrial Park 5450 Equity Avenue Reno	1983 Concrete Block/Stucco Average	14,000 SF Call Center/Office Open Office with Cubicles	Q2/2020 7 Years NNN	\$1.40
BR-2	Genarac Power Systems South Meadows Business Park 9415 Double R Boulevard Reno	2023 Concrete Tilt-Up Good	40,600 SF 25% Office-Warehouse (Manufacturing)	Q3/2023 8 Years NNN (4% Annual Increases)	\$1.47
BR-3	Harley Davidson Financial Services South Meadows Business Park 9850 Double R Blvd., Suite 200 Reno	2001 Concrete/Glass Average	10,719 SF 100% Office Space	Q4/2023 5 Years, 7 Months Full Service (3% Annual Increases)	\$2.05
BR-4	Sierra Air Conditioning Sierra Pacific Industrial Park 520 S. Rock Boulevard, Suite 100 Reno	1972-1982 Concrete Tilt-Up Average	52,800 SF Office-Warehouse (Office to be used as a Call Center)	Q1/2024 7 Years, 11 Months NNN (3% Annual Increases)	\$1.05
BR-5	Bombard Electric, LLC Brookside Corporate Center 1135 S. Rock Boulevard, Suite 330 Reno	2007 Concrete Tilt-up Average	24,250 SF Office-Warehouse	Q1/2024 3 Years NNN	\$1.12
BR-6	Ridgeline, Inc. Reno Technology Center South Meadows Business Park 9390 Gateway Drive, Ste 101, Reno	1996 Concrete/Glass Average	24,886 SF 100% Class A Office	Q2/2024 3 Years Modified Gross (3% Annual Increases)	\$1.70
Subject Property	Dermody Business Park 1285 Financial Boulevard Reno	1990/ 1993 Concrete Tilt-up & Wood Frame/Stucco Average	39,345 SF 97% Offices & Open Office Space (Bullpens) 3% Warehouse Space	NNN	---



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**COMPARABLE RENTAL PHOTOGRAPH
RENTAL BR-1**



5450 Equity Avenue, Reno

RENTAL BR-2



9415 Double R Boulevard, Reno

**COMPARABLE RENTAL PHOTOGRAPH
RENTAL BR-3**



9850 Double R Boulevard, Reno

RENTAL BR-4



520 South Rock Boulevard, Suite 100, Reno

**COMPARABLE RENTAL PHOTOGRAPH
RENTAL BR-5**



1135 South Rock Boulevard, Suite 330, Reno

RENTAL BR-6



9390 Gateway Drive, Suite 101, Reno



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MARKET RENT ANALYSIS

The comparable rentals indicate lease rates between \$1.05 per square foot and \$2.05 per square foot per month. Each of the comparables, with the exception of Rentals 3 and 6, is leased on NNN leased terms. The Market Rent projection for the subject property will be based upon NNN leased terms. Under a NNN lease, the tenant is responsible for the operating expenses associated with the property, including real estate taxes, insurance, maintenance, repairs and utilities.

Rental 1 is located at 5450 Equity Avenue in the immediate subject neighborhood. This comparable is a 14,000± square foot call center which is leased to Urgent.ly. The rental rate is \$1.40 per square foot per month on NNN lease terms. The comparable is similar to the subject in regard to location and its office finish and build-out. In comparison to the subject, this comparable requires a large downward adjustment due to its much smaller size. Overall, Rental 1 is considered to be a high indicator of market rent for the subject property.

Rental 2 is located at 9415 Double R Boulevard in the South Meadows Business Park. In comparison to the subject, this comparable is superior in regard to location, its newer age and good condition requiring large downward adjustments. On the other hand, an upward adjustment is made as the subject involves a much higher percentage of finished office. Overall, Rental 2, at \$1.47 per square foot per month, is considered to be a high indicator of market rent for the subject.

The highest rental rates are illustrated by Rentals 3 and 6, at \$2.05 and \$1.70 per square foot per month. Each of these comparables is similar in age to the subject and includes 100% office finish. Both of these comparables are located in the South Meadows Business Park and are adjusted downward for their superior location. Each of these comparables is superior to the subject in regard to quality and curb appeal and are smaller in size than the subject, requiring downward adjustments. Further downward adjustment is required as Rentals 3 and 6 involve full-service/modified gross lease terms. In a full service or a modified gross lease, the property owner is responsible for all or the majority of the expenses associated with the property which are included in the rental rate. Overall, Rentals 3 and 6 are considered to be very high indicators of an appropriate market rental rate for the subject property.

The lowest rental rate is illustrated by Rental 4, at \$1.05 per square foot per month, NNN. This comparable is located within the Airport Industrial Submarket. This comparable is considered to be a very low indicator of the market rent for the subject primarily due to its larger size, and much older date of construction.



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Rental 5 indicates a rental rate of \$1.12 per square foot per month. This comparable is newer in age than the subject, however it involves office-warehouse space as compared to the subject which contains 97% of office finish. This comparable is considered to be a low indicator of market rent for the subject.

Based upon the analysis set forth above I have projected a market rental rate, based on NNN terms, of \$1.25 per square foot per month.

The chart below summarizes the subject’s potential gross rental income, as of the June 26, 2024 date of value.

PROJECTED POTENTIAL GROSS RENTAL INCOME				
Subject Property	Total Building SF	Rent/SF	Monthly Rent	Annual Income
1285 Financial Blvd. Reno, Nevada	39,245± SF	\$1.25	\$49,181.25	\$590,175



VACANCY AND CREDIT LOSS ANALYSIS

The potential gross annual rental income estimated in the preceding section of this report was based upon 100% occupancy. As it is not reasonable to expect the property to generate 100% of its potential gross income over a typical holding period, certain allowances must be made for future vacancies as well as for normal credit losses.

In order to establish an estimate of an appropriate vacancy and credit loss applicable to the subject property, consideration is given to the overall vacancy rates reported for the subject’s Office Submarket as well as in the Reno-Sparks area. The following data is from the CBRE *Reno Office 1st Quarter 2024*.

Reno-Sparks Office Rents & Vacancies and for the Airport Office Submarket

	Net Rentable Area	Total Vacancy (%)	Total Availability (%)	Average Direct Asking Rate (\$)	Q1 Net Absorption	YTD Net Absorption
Airport	734,126	10.0%	10.7%	\$1.32	(3,345)	(3,345)
Reno Office Market	6,124,919	12.1%	15.9%	\$1.99	43,553	43,553

The subject is currently owner occupied, however, they are in the process of relocating to a larger facility. Based upon a review of the available data, and with consideration given to the analysis as set forth above, it is my opinion that an appropriate vacancy and credit loss applicable to the subject’s projected gross annual income is 10.00%.

Estimated Vacancy and Credit Loss	10.00% of Potential Gross Annual Income
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OPERATING EXPENSE ANALYSIS

The market rental rate is based upon triple net lease terms, in which a tenant would be responsible for the majority of the operating costs related to the property, including repairs and maintenance, utilities, fire and liability insurance, and real estate taxes. Even with triple net lease terms, however, the property owner will still incur some operating expenses including legal and accounting fees as well as for other miscellaneous expenses.

Miscellaneous Expenses

As it is not possible to anticipate all costs associated with the operation of the subject property, an allowance for miscellaneous operating expenses has been estimated in the amount of 5.00% of the effective gross annual income.

Estimated Operating Expenses	5.00% of Effective Gross Annual Income
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CAPITALIZATION RATE ANALYSIS

The next step in the Income Approach is to establish an estimate of an appropriate overall capitalization rate (OAR) for the subject property. Capitalization is the process in the Income Approach that translates an income projection into an indication of value. The connecting link is a rate that reflects the return necessary to attract investment capital. To establish an indication of an appropriate capitalization rate applicable to the subject property, an analysis of local office property sales was analyzed.

OFFICE BUILDING SALES OVERALL CAPITALIZATION RATES						
Building ID	Property Type	Address	City	State	Sale Date	Cap Rate
Magnolia South Meadows	Professional Office	595 Double Eagle Ct	Reno	NV	2/14/2022	7.00%
Intuit Office	Office Building	6884 Sierra Center Pkwy	Reno	NV	2/15/2022	8.08%
The Atrium	Office Building	255 W. Moana Lane	Reno	NV	11/21/2022	8.63%
3680 Grant Drive	Medical & Prof. Office	3680 Grant Drive	Reno	NV	2/17/2022	6.82%
5690 Riggins Court	Office Building	5690 Riggins Court	Reno	NV	3/11/2022	6.25%
575 Forest Street	Office Building	575 Forest Street	Reno	NV	8/26/2022	6.30%
1055 Moana Lane	Medical & Prof. Office	1055 Moana Lane	Reno	NV	1/31/2023	6.50%
1030-1050 Bible Way	Office Building	1030-1050 Bible Way	Reno	NV	10/30/2023	7.50%
950 Sandhill Road	Office Building	950 Sandhill Road	Reno	NV	11/17/2023	7.71%
4599 Longley Lane	Professional Office	4599 Longley Lane	Reno	NV	12/19/2023	6.00%
9210 Prototype Drive	Office Building	9210 Prototype Drive	Reno	NV	12/20/2023	6.12%

The office building sales in the local market indicate Overall Capitalization Rates ranging from 6.00% to 8.63%. The most recent sales illustrate a range of Overall Capitalization Rates ranging from 6.00% to 7.71%.

National Indicators

I have also considered overall capitalization rates reported by Realty Rates.com. and PwC (Price Waterhouse Cooper), both of which conducts a national survey for the office market. The chart below summarizes the range in overall capitalization rates for office properties, as reported by PwC and RealtyRates.com.

NATIONAL SURVEY OVERALL CAP RATES				
Source	Surveyed Rates			
	Date of Survey	Minimum	Maximum	Average
PwC-National Suburban Office Market	2nd Quarter 2024	5.00%	8.25%	6.54%
RealtyRates.com - Office Market	2nd Quarter 2024	5.95%	13.31%	9.31%



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Conclusion

In estimating an appropriate overall capitalization rate applicable to the subject property, consideration is given to its location in the Airport Office Submarket, its building type, its quality of construction and average condition.

Based on the analysis set forth above, it is my opinion that an appropriate overall capitalization rate for the subject property is 7.00%.

OVERALL CAPITALIZATION RATE (OAR) CONCLUSION 7.00%



**INCOME APPROACH SUMMARY AND VALUE INDICATION
DIRECT CAPITALIZATION APPROACH**

INCOME APPROACH SUMMARY				
Subject	Total Building Square Feet	Projected Rent Per SF/Month	Total Monthly Rent	Annual
1285 Financial Boulevard	39,345 SF	\$1.25	\$49,181.25	\$590,175
Total Projected Potential Gross Annual Income				\$590,175
Less Vacancy & Credit Loss			-10.00%	(\$59,018)
Projected Effective Gross Annual Income				\$531,158
Less Operating Expenses			-5.00%	(\$26,558)
Net Operating Income				\$504,600
Overall Capitalization Rate				7.00%
Indicated Value-Prior to Rounding				\$7,208,566
INDICATED VALUE-INCOME APPROACH (Rounded)				\$7,200,000

MARKET VALUE INDICATION BY THE INCOME APPROACH

Subject Property	Date of Value	Interest Appraised	Market Value Indication
1285 Financial Boulevard, Reno, Nevada	June 26, 2024	Fee Simple Interest	\$7,200,000



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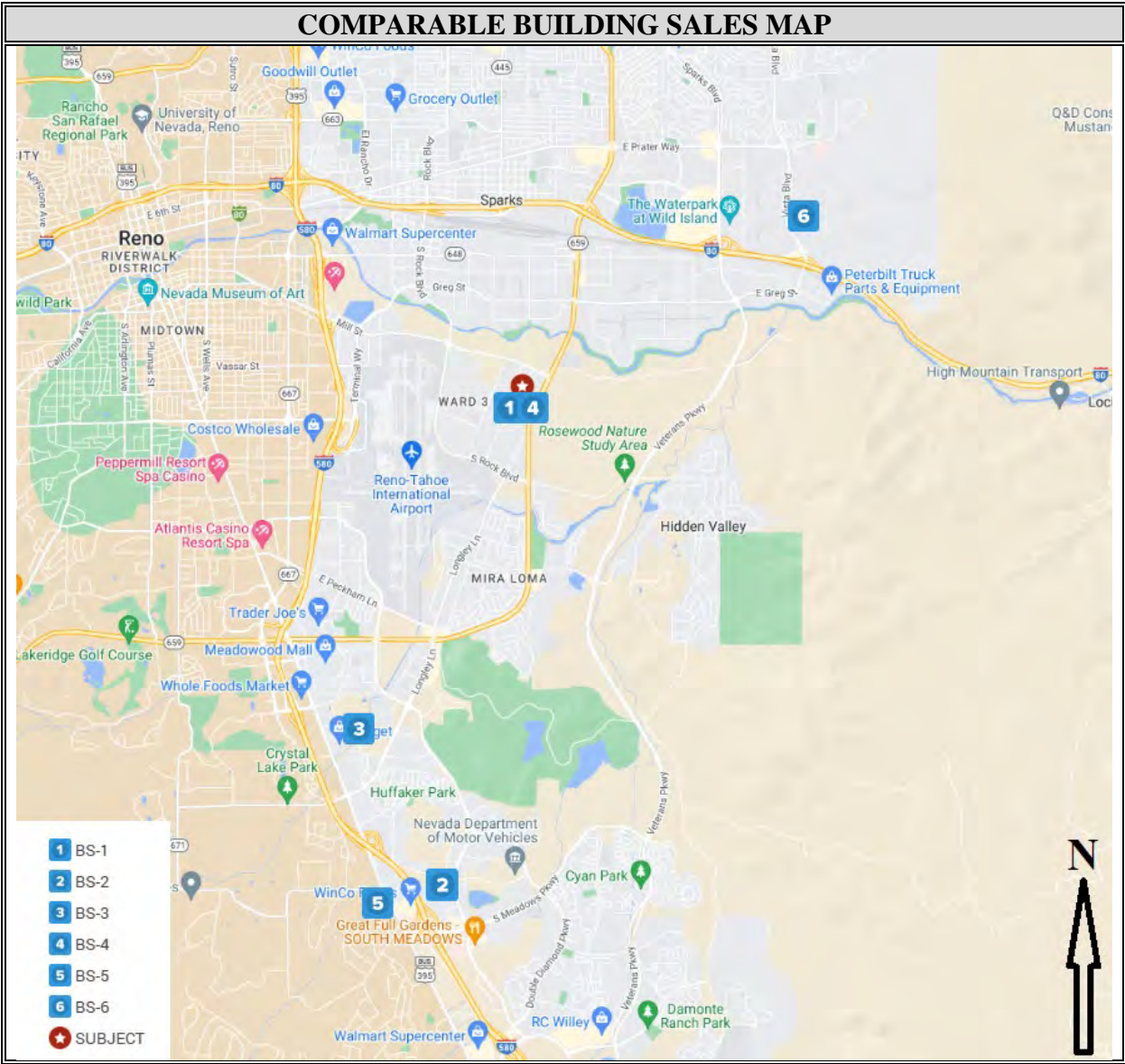
SALES COMPARISON APPROACH TO VALUE

To arrive at an indication of the Market Value of the subject by the Sales Comparison Approach, research was completed on recent sales of comparable properties in the local market. Set out on the following chart are the comparable sales considered to be most indicative of the market value of the subject property. Due to limited sales data for large single tenant office buildings, and given the subject’s build-out, I have also utilized recent sales of office-warehouse buildings which were considered comparable to the subject. The comparable sales will be compared to the subject based upon a price per square foot of gross building area.

COMPARABLE BUILDING SALES CHART						
Sale Number	A.P.N. Location	Recording Date Sale Price	Age Construction Condition	GBA % Finished Building Type	Land Area Land-to-Bldg Ratio	Price/SF
BS-1	012-354-03 Dermody Business Park 1315 Financial Blvd. Reno	8/30/2022 \$5,550,000	1993 Concrete/Glass/Stucco Average	36,112± SF 100% Office (Former Call Center)	5.099± Acres 6.15:1	\$153.69
BS-2	163-073-01 South Meadows Business Park 9550 Gateway Drive Reno	12/16/2022 \$8,047,500	1995 Concrete Tilt-up Average	41,730± SF 15.5% Office-Warehouse (Light Manufacturing)	2.032± Acres 2.12:1	\$192.85
BS-3	025-561-18 6884 Sierra Center Parkway Reno	8/11/2023 \$9,900,000	2001 Concrete Tilt-up Above Average	45,231± SF 100.0% Office	4.342± Acres 4.18:1	\$218.88
BS-4	012-354-03 Dermody Business Park 1315 Financial Blvd. Reno	12/15/2023 \$6,618,000	1993 Concrete/Glass/Stucco Average	36,112± SF 100% Office (Former Call Center)	5.099± Acres 6.15:1	\$183.26
BS-5	044-384-04 300 Sierra Manor Drive South Reno	2/16/2024 \$5,100,000	1977 Wood Frame/Metal/Stucco Average	32,432± SF 50% Office Office/Warehouse	3.165± Acres 4.25:1	\$157.25
BS-6	037-272-35 350 Salomon Circle East Sparks	2/26/2024 \$10,250,000	1994 Concrete/Glass Average	73,084± SF 31% Office/Warehouse (4 Buildings)	6.33± Acres 3.77:1	\$140.25
SUBJECT PROPERTY						
Subject Property	012-401-30 Dermody Business Park 1285 Financial Boulevard Reno	Date of Appraisal 6/26/2024 ---	1990/ 1993 Concrete Tilt-up & Wood Frame/Stucco Average	39,345 SF 97% Offices & Open Office Space (Bullpens) 3% Warehouse Space	3.48± Acres 3.86:1	---



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**COMPARABLE BUILDING SALE PROFILE
SALE 1**



Property Location:	Dermody Business Park	City:	Reno
Address:	1315 Financial Boulevard	County:	Washoe County
A.P.N.:	012-354-03	State:	Nevada
Year Built:	1993	Gross Building Area:	36,112± Square Feet
Construction Type:	Concrete/Glass/Stucco	Parcel Size:	5.099± Acres
Condition:	Average	Land-to-Bldg Ratio:	6.15:1
Building Type:	Office	Percent Finished:	100%
Recording Date:	August 30, 2022	Grantor:	RGM Trust
Sale Price:	\$5,550,000	Grantee:	Ivy Properties, LLC
Document No.:	5329568	Terms of Sale:	Cash to Seller
Transfer Tax:	\$22,755.00	Conditions of Sale:	None Known
Sale Price Per SF:	\$153.69	Verified By:	CoStar, Public Records & Melissa Molyneaux (Colliers)

This comparable is the August 2022 sale of the office/call center located at 1315 Financial Boulevard. This property is located in the Dermody Business Park at the southwest corner of Financial Boulevard and Wall Street. According to the Washoe County Assessor’s Office, this property was the Spiegel catalog building and had been utilized as a call center. This comparable is a 36,112± square foot single tenant office facility. The building was constructed in 1993 and is of concrete tilt-up construction with a stucco exterior finish. At the time of sale, the property was in average condition.



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**COMPARABLE BUILDING SALE PROFILE
SALE 2**



Property Location:	South Meadows Business Park	City:	Reno
Address:	9550 Gateway Drive	County:	Washoe County
A.P.N.:	163-073-01	State:	Nevada
Year Built:	1995	Gross Building Area:	41,730± Square Feet
Construction Type:	Concrete Tilt-up	Parcel Size:	2.032± Acres
Condition:	Average	Land-to-Bldg Ratio:	2.12:1
Building Type:	Office-Warehouse	Percent Finished:	15.5%
Recording Date:	December 16, 2022	Grantor:	RC5475, LLC
Sale Price:	\$8,047,500	Grantee:	9550 Gateway Owner, LLC
Document No.:	5352551	Terms of Sale:	Cash to Seller
Transfer Tax:	\$32,944.75	Conditions of Sale:	None Known
Sale Price Per SF:	\$192.85	Verified By:	CoStar & Public Records

This comparable is the December 2022 sale of the light manufacturing building located at 9550 Gateway Drive. This comparable is located within the South Meadows Business Park at the southeast corner of Gateway Drive and Prototype Drive. This comparable is a 41,730± square foot single tenant warehouse facility. The building was constructed in 1995 and is of concrete panel construction. The building was in average condition at the time of sale and offers above average curb appeal. This building contains 6,469± square feet of finished office space which is two-story in design. This equates to 15.5% of the gross building area. The remainder of the building is light manufacturing and storage warehouse space. The warehouse is served by two 12'x 14' dock doors with dock levelers and one 12'x 14' door at grade level. A carport, which is equipped with two overhead garage doors, is located along the south wall of the building and provides access to the manufacturing/warehouse area. Electrical service is reported at 1,200AMP/480 Volts. It is noted that this property is currently available for sale at an asking price of \$11,520,872, which is a 43% increase over the sale price in 2022. According to the listing broker with Dickson Commercial Group, the office space is newly renovated at a cost of \$500,000. It was further indicated that solar covered parking spaces have been installed, which reportedly provides 100% energy efficiency to the building. It was further reported that this property is subject to a long-term lease to AIMs Power Research. As a result, the sale and the current listing involve the leased fee interest in this property.

**COMPARABLE BUILDING SALE PROFILE
SALE 3**



Property Location:	Sierra Center Parkway	City:	Reno
Address:	6884 Sierra Center Parkway	County:	Washoe County
A.P.N.:	025-561-18	State:	Nevada
Year Built:	2001	Gross Building Area:	45,231± Square Feet
Construction Type:	Concrete Tilt-up	Parcel Size:	4.342± Acres
Condition:	Above Average	Land-to-Bldg Ratio:	4.18:1
Building Type:	Professional Office	Percent Finished:	100%
Recording Date:	August 11, 2023	Grantor:	SC Reno Ventures, LLC
Sale Price:	\$9,900,000	Grantee:	Ormat Technologies, Inc.
Document No.:	5398753	Terms of Sale:	Cash to Seller
Transfer Tax:	\$40,590.00	Conditions of Sale:	None Known
Sale Price Per SF:	\$218.88	Verified By:	CoStar & Public Records

This comparable is the August 2023 sale of the professional office building located at 6884 Sierra Center Parkway. This property is located in the Meadowood Office submarket. This property is of concrete tilt-up and glass construction with a stucco exterior finish. The property was in above average condition at the time of sale and offers above average curb appeal. The property had been an owner-user facility and involved the sale of the fee simple interest.

**COMPARABLE BUILDING SALE PROFILE
SALE 4**



Property Location:	Dermody Business Park	City:	Reno
Address:	1315 Financial Boulevard	County:	Washoe County
A.P.N.:	012-354-03	State:	Nevada
Year Built:	1993	Gross Building Area:	36,112± Square Feet
Construction Type:	Concrete/Glass/Stucco	Parcel Size:	5.099± Acres
Condition:	Average	Land-to-Bldg Ratio:	6.15:1
Building Type:	Office	Percent Finished:	100%
Recording Date:	December 15, 2023	Grantor:	Ivy Properties, LLC
Sale Price:	\$6,618,000	Grantee:	Farlegacy Land, LLC
Document No.:	5425093	Terms of Sale:	Cash to Seller
Transfer Tax:	\$27,133.80	Conditions of Sale:	None Known
Sale Price Per SF:	\$183.26	Verified By:	Robert Skinner, Sierra Nevada Properties, Listing Broker & Public Records

This comparable is the December 2023 resale of Comparable Sale 1, which is the office/call center located at 1315 Financial Boulevard. This property is located in the Dermody Business Park at the southwest corner of Financial Boulevard and Wall Street. According to the Washoe County Assessor’s Office, this property was constructed as a call center. This comparable is a 36,112± square foot single tenant office facility. The building was constructed in 1993 and is of concrete tilt-up construction with a stucco exterior finish. At the time of the sale, the property was in average condition. The asking price was \$6,300,000 and the property was on the market for approximately four months. In an interview with the listing broker, Mr. Skinner, it was indicated that there had been multiple offers to purchase this property and it was ultimately sold to Farlegacy Land, LLC (aka SILegacy Commercial Floor Finishings). It was indicated that the buyer will be utilizing the building for office and warehouse space. It was further indicated that the buyer is planning to construct an additional building on the site.



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**COMPARABLE BUILDING SALE PROFILE
SALE 5**



Property Location:	Sierra Manor Drive	City:	Reno
Address:	300 Sierra Manor Drive	County:	Washoe County
A.P.N.:	044-384-04	State:	Nevada
Year Built:	1977	Gross Building Area:	32,432± Square Feet
Construction Type:	Wood Frame/Metal/Stucco	Parcel Size:	3.165± Acres
Condition:	Average	Land-to-Bldg Ratio:	4.25:1
Building Type:	Office-Warehouse	Percent Finished:	50%
Recording Date:	February 16, 2024	Grantor:	Luciano Properties, LLC
Sale Price:	\$5,100,000	Grantee:	Cynder Nevada Properties, LLC
Document No.:	5436251	Terms of Sale:	Cash to Seller
Transfer Tax:	\$20,910.00	Conditions of Sale:	Purchased by Tenant
Sale Price Per SF:	\$157.25	Verified By:	CoStar & Public Records

This comparable is the February 2024 sale of the office-warehouse located at 300 Sierra Manor Drive. This comparable is located on the southeast side of Sierra Manor Drive, a short distance west of South Virginia Street. The building was constructed in 1977 and is of wood frame and metal construction with stucco accents. The property was in average condition at the time of sale. The building includes approximately 50% of average to good quality finished office space. The building is equipped for manufacturing uses as well as warehouse space and is reported to have 2,000 AMP 480 Volt 3 Phase power. It is reported that the property was purchased by the tenant, Construction Engineers Materials, Inc. As a result, the property had not been exposed to the open market.

**COMPARABLE BUILDING SALE PROFILE
SALE 6**



Property Location:	Salomon Circle	City:	Sparks
Address:	350 Salomon Circle	County:	Washoe County
A.P.N.:	037-272-35	State:	Nevada
Year Built:	1994	Gross Building Area:	73,084± Square Feet
Construction Type:	Concrete/Glass	Parcel Size:	6.33± Acres
Condition:	Average	Land-to-Bldg Ratio:	3.77:1
Building Type:	Office-Warehouse	Percent Finished:	31%
Recording Date:	February 26, 2024	Grantor:	Elliot Co.
Sale Price:	\$10,250,000	Grantee:	Ivy Properties, LLC
Document No.:	5437632	Terms of Sale:	Cash to Seller
Transfer Tax:	\$42,025.00	Conditions of Sale:	None Known
Sale Price Per SF:	\$140.25	Verified By:	Beky Dobson, Miller Industrial Properties

This comparable is the February 2024 sale of the office-warehouse facility located at 350 Salomon Circle in east Sparks. This property is located proximate to the Vista Boulevard/I-80 interchange. The property was originally constructed as the Salomon Ski Manufacturing facility and administrative offices. The building involves a combination of concrete tilt-up, and glass panel construction and offers above average curb appeal. The building was built in 1994 and was in average condition at the time of sale. As this facility does include manufacturing warehouse space, it is reported to have 800 AMP 480 Volt 3 Phase power in the main building. This property was purchased by Ivy Properties, LLC aka Paris Lash Academy, and involved cash to the seller. The property was on the market for approximately 8 months.



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COMPARABLE BUILDING SALE DISCUSSION AND COMPARISON (Gross Building Area Analysis)

The comparables range in date of sale from March 2022 to February 2024 as compared to the subject's June 26, 2024, date of value.

Discussion of Adjustments

The comparable properties utilized in this analysis are compared and correlated to the subject property based upon several adjustment criteria. These include financing terms, conditions of sale, market conditions, location, age, condition, size, land-to-building ratio, percentage of finished office space, type of construction and other physical characteristics.

Over the past two years market conditions in the Northern Nevada commercial real estate market have continued to improve with increased demand and increasing prices. It is also noted that there is a limited inventory of similar properties available for sale. Based upon market evidence, the sales that occurred in 2022 and the early part of 2023 have been adjusted upward for date of sale. The most recent sales do not require adjustments for market conditions, as compared to the subject's current date of value.

This analysis addresses the market value of the subject's fee simple interest. Each of the comparable sales, with the exception of Sale 2, involved the transfer of the fee simple interest and no adjustments are required. Sale 2 was subject to a long-term lease at the time of sale and involved the transfer of the leased fee interest, therefore, it is adjusted downward for this factor.

As each of the comparables involved cash sales or terms equivalent to cash, no adjustments are necessary due to terms of financing. There are no known special conditions of sale for any of the comparables.

Adjustments to Sales

The following chart summarizes the adjustments made to the sales in comparison to the subject property. An equal sign indicates the sale property, and the subject are similar and/or competitive for a particular criterion. A plus sign indicates that the comparable sale property is inferior for a particular criterion, and an upward adjustment is required to the sale price per square foot of the comparable; conversely, a minus sign indicates that the comparable is superior to the subject for a particular criterion, and a downward adjustment is required to the sale price per square foot of the comparable.



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COMPARABLE BUILDING SALES ADJUSTMENT CHART							
Sale Number	Subject	1	2	3	4	5	6
Sale Price	---	\$5,550,000	\$8,047,500	\$9,900,000	\$6,618,000	\$5,100,000	\$10,250,000
Gross Building SF	39,345 SF	36,112 SF	41,730 SF	45,231 SF	36,112 SF	32,432± SF	73,084 SF
Price Per SF		\$153.69	\$192.85	\$218.88	\$183.26	\$157.25	\$140.25
Property Rights	Fee Simple Interest	Fee Simple	Leased Fee	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Financing/Cash Equ.	Assumes Cash	Cash Equ.	Cash Equ.	Cash Equ.	Cash Equ.	Cash Equ.	Cash Equ.
Conditions of Sale	None	None	None	None	None	None	None
Market Conditions	06/26/2024 Date of Value	03/11/2022 ++	08/30/2022 ++	08/11/2023 +	12/15/2023 =	02/16/2024 =	02/26/2024 =
Location	1285 Financial Dermody Bus. Pk	Dermody Bus. Park	South Meadows	Meadowood	Dermody Bus. Park	Sierra Manor Dr.	East Sparks
Size	39,345 SF	36,112 SF	41,730 SF	45,231 SF	36,112 SF	32,432 SF	73,084 SF
Year Built	1990/1993	1993	1995	2001	1993	1977	1994
Construction	Concrete/Stucco Wood Frame	Concrete/Wood/Stucco	Concrete Tilt-up	Concrete Tilt-Up	Concrete/Wood/Stucco	Wood Frame/Metal/Stucco	Concrete/Glass
Condition	Average	Average	Average	Above Average	Average	Average	Average
Building Type	Office (Call Center)	Office (Call Center)	Office-Warehouse	Professional Office	Office (Call Center)	Office-Warehouse	Office-Warehouse
Land-to-Building Ratio	3.86:1%	6.15:1%	2.12:1%	4.18:1%	6.15:1%	4.25:1%	3.77:1%
Other	Corner Situs	Corner	Curb Appeal Corner	Curb Appeal Interior Site	Corner	Interior Parcel	Interior Parcel + Proximate to Freeway Interchange
OVERALL INDICATOR		Low	High	Very High	Slightly High to Reasonable	Very Low	Very Low

SUMMARY OF OVERALL ADJUSTMENTS

Sale Number	Price/SF	Overall Adjustment
BS-1	\$153.69	Low Indicator
BS-2	\$192.85	High Indicator
BS-3	\$218.88	Very High Indicator
BS-4	\$183.26	Slightly High to Reasonable Indicator
BS-5	\$157.25	Low Indicator
BS-6	\$140.25	Very Low Indicator

Sale 1 is located directly south of the subject at the southwest corner of Financial Boulevard and Wall Street. This comparable sold in March of 2022 for \$153.69 per square foot. This comparable is similar to the subject in regard to location, age, condition and construction as well as its build-out as a call center with periphery offices and large open office space (bullpens). In comparison to the subject, this comparable requires a downward adjustment for its much higher land-to-building ratio. A higher land-to-build ratio indicates that the property has more land area available for parking, outdoor yard space or future expansion. On the other hand, this comparable is given a large upward adjustment for its older date of sale. Overall, Sale 1 is considered to be a low indicator of value for the subject as of a current date of value.



As indicated on the *Comparable Building Sales Adjustment Chart*, Sales 2 and 3 at \$192.85 and \$218.88 per square foot, are considered to be high to very high indicators of value for the subject.

Sale 4 is the December 2023 resale of Comparable Sale 4. The adjustments discussed above also apply, however, as Sale 4 is a recent sale, no adjustment is made for date of sale. This comparable was given a downward adjustment for its much higher land-to-building ratio. In discussions with the listing broker, it was indicated that the buyer will be utilizing the building for office and warehouse space. It was further indicated that the buyer is planning to construct an additional building on the site.

Sales 5 and 6 are considered to be very low indicators of value for the subject. The subject is considered to be superior to both of these comparables in regard to location, corner situs and its higher percentage of office.

In addition to the recent comparable sales, I have considered the 2021 sale of the subject property. The subject property was purchased by the current owner, Ivy Properties, LLC, in September of 2021 for \$3,900,000. A review of office market reports for the Reno area as presented by Kidder Mathews as well as CBRE indicates that pricing for office properties was relatively flat in 2020 and 2021 which was at the height of the COVID-19 pandemic. In Q4 of 2021 CBRE reported the overall vacancy rate for office space at 20.9% and for the Airport Submarket at 14.8%. Over the past two years the office market has shown signs of recovery with a sharp decrease in vacancy rates and an increase in average sale prices. In discussions with brokers involved in the office market it was indicated that there is currently an increase in both sales and leasing activity. There is a limited inventory of larger office properties, similar to the subject, that are available for sale. In analyzing the 2021 sale of the subject property it is recognized that some of the office areas were remodeled/refreshed subsequent to the purchase. Overall, it is my opinion that the 2021 purchase price for the subject is a very low indication of the market value of the subject as of a current date of value.

In arriving at an indication of the per unit value applicable to the subject property, consideration is given to its location in the Dermody Business Park in the Airport office submarket. Consideration is given to its corner situs. Consideration is given to its age, type of construction and the average condition of the subject improvements. As previously noted, the subject's extensive parking areas are asphalt paved, however the paving is in only fair condition. Consideration is given to the size of the subject with a gross building area of 39,345± square feet.



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Based upon a review of the available data and with consideration given to the analysis as set forth above, it is my opinion that a per square foot value of \$180.00 to \$185.00 is applicable to the subject’s building area. Applying the indicated per unit value to the subject’s 39,345± square feet of building area results in an indicated value range of \$7,082,100 to \$7,278,825, which is correlated to \$7,180,000.

VALUE INDICATION BY THE SALES COMPARISON APPROACH			
Value Addressed	Property Rights Appraised	Date Of Value	Value Indication
Market Value	Fee Simple Interest	June 26, 2024	\$7,180,000



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FINAL PROPERTY VALUE CONCLUSION

In this portion of the appraisal, the appraiser weighs the relative significance, applicability and defensibility of the indications of value derived from each of the approaches to value. The appraiser then places the most weight and reliance upon the method which, in his or her professional judgment, best approximates the value being sought in the appraisal. Market value is that value which most nearly represents what a typical, informed, rational purchaser would pay for the subject property, if it were available for sale on the open market, as of the date of appraisal, given all data analyzed in this report. In the preceding sections of this appraisal report, a Direct Capitalization Approach and a Sales Comparison Approach were utilized to arrive at the Market Value of the subject property. The following chart summarizes the indicated values.

MARKET VALUE SUMMARY	
Market Value Addressed	Fee Simple Market Value
Effective Date of Value	June 26, 2024
Income Approach to Value-Direct Capitalization	\$7,200,000
Sales Comparison Approach to Value	\$7,180,000

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

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

In the final analysis consideration is given to each of the approaches to value. Based upon a careful review of all information available, it is my opinion that the Market Value of the subject property’s fee simple interest, as of June 26, 2024, is:

FINAL MARKET VALUE CONCLUSION			
Property ID	Property Rights Appraised	Date Of Value	Value Conclusion
1285 Financial Boulevard, Reno, Nevada	Fee Simple Interest	June 26, 2024	\$7,200,000



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EXPOSURE AND MARKETING TIME

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

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

In arriving at an estimate of an appropriate exposure and marketing time for the subject property, consideration is given to the subject property’s physical characteristics. Consideration is also given to the exposure and marketing times of other properties in the market, and interviews with brokers, buyers and sellers familiar with similar properties.

Based upon a review of the available data, assuming the subject property was marketed at its final property value conclusion, it is my opinion that an appropriate exposure time and an appropriate marketing time for the subject property would be approximately six months to one year.

EXPOSURE & MARKETING TIMES		
Property ID	Exposure Time	Marketing Time
1285 Financial Boulevard, Reno, Nevada	Approximately 6 Months to 1 Year	Approximately 6 Months to 1 Year



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CERTIFICATION

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

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

Respectfully Submitted,

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



STANDARD ASSUMPTIONS AND LIMITING CONDITIONS

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

LIMITS OF LIABILITY

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

COPIES, PUBLICATION, DISTRIBUTION AND USE OF REPORT

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

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

CONFIDENTIALITY

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



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INFORMATION SUPPLIED BY OTHERS

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

TESTIMONY, CONSULTATION, COMPLETION OF CONTRACT FOR APPRAISAL SERVICE

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

EXHIBITS AND PHYSICAL DESCRIPTIONS

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

TITLE, LEGAL DESCRIPTIONS, AND OTHER LEGAL MATTERS

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



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ENGINEERING, STRUCTURAL, MECHANICAL, ARCHITECTURAL CONDITIONS

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

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

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

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

TOXIC MATERIALS AND HAZARDS

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



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

SOILS, SUB-SOILS, AND POTENTIAL HAZARDS

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

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

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

ARCHEOLOGICAL SIGNIFICANCE

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

LEGALITY OF USE

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

COMPONENT VALUES

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

COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT

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



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AUXILIARY AND RELATED STUDIES

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

DOLLAR VALUES AND PURCHASING POWER

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

ROUNDING

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

QUANTITATIVE ANALYSIS

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

VALUE CHANGE, DYNAMIC MARKET, ALTERATION OF ESTIMATE BY APPRAISER

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

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

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



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ECONOMIC AND SOCIAL TRENDS

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

EXCLUSIONS

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

SUBSURFACE RIGHTS

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

PROPOSED IMPROVEMENTS, CONDITIONED VALUE

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

MANAGEMENT OF PROPERTY

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

FEE

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

LEGAL EXPENSES

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



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CHANGES AND MODIFICATIONS

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

DISSEMINATION OF MATERIAL

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

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



QUALIFICATIONS OF APPRAISER CINDY LUND FOGEL

Professional Designations

MAI – Member of the Appraisal Institute 2000

State Licensing and Certification

Nevada Certified General Appraiser
License #A.0002312-CG (Certified through 5/31/24) 1996

Offices Held

Board of Directors, Reno/Carson/Tahoe Chapter Appraisal Institute	2011/2012
President, Reno/Carson/Tahoe Chapter Appraisal Institute	2009/2010
Vice President, Reno/Carson/Tahoe Chapter Appraisal Institute	2008
Education Chair, Reno/Carson/Tahoe Chapter Appraisal Institute	2002
President, Reno/Carson/Tahoe Chapter Appraisal Institute	2001
Vice President, Reno/Carson/Tahoe Chapter Appraisal Institute	2000
Treasurer, Reno/Carson/Tahoe Chapter Appraisal Institute	1999
Secretary, Reno/Carson/Tahoe Chapter Appraisal Institute	1998

Occupational History

Johnson Perkins Griffin, LLC Real Estate Appraiser	03/2015 to Present
Johnson - Perkins & Associates Real Estate Appraiser	1994 – 02/2015
Johnson - Wright & Associates Real Estate Appraiser	1992 - 1994
Stephen R. Johnson & Associates Real Estate Appraiser	1990 - 1992

Admitted as Expert Witness

Washoe County Board of Equalization
Nevada State Board of Equalization

Appraisal Education & Technical Training

American Institute of Real Estate Appraisers Course 1A-1 "Real Estate Appraisal Principles"	1991
Course 1A-2 "Basic Valuation Procedures"	
Course 1BA "Cap Theory & Tech, Part A"	1992
Course 1BB "Cap Theory & Tech, Part B"	
Nevada Law (NRS 645C)	1993
Standards of Professional Practice Parts A & B	1993
Advanced Applications	1993
Report Writing and Valuation Analysis	1995
Case Studies in Law and Ethics	1998
Standards of Professional Practice, Part C	1998



**QUALIFICATIONS OF APPRAISER
CINDY LUND FOGEL**

Appraisal Education & Technical Training (Continued)

7-Hour National USPAP Update Course	2006
Cost Approach to Commercial Appraising	2006
Uniform Appraisal Standards/Federal Land Acquisitions	2007
7-Hour National USPAP Update Course	2007
7-Hour National USPAP Update Course	2008
Business Practices and Ethics	2008
Uniform Appraisal Standards for Federal Land Acquisitions (Yellow Book)	2009
7-Hour National USPAP Update Course	2010
Business Practices and Ethics	2010
Corridor Valuation & Yellow Book Issues and Divided Partial Interests	2010
7-Hour National USPAP Update Course	2012
State of Nevada Economic Overview, Brian Bonnenfant	2013
7-Hour National USPAP Update Course	2014
7-Hour National USPAP Update Course	2016
Eminent Domain & Condemnation	2016
Business Practices & Ethics	2016
7-Hour National USPAP Update Course	2018
Solving Land Valuation Puzzles	2018
2019 Northern Nevada Real Estate Overview	2019
7-Hour National USPAP Update Course	2020
Laws for Nevada Appraisers	2020
The Basics of Expert Witness for Commercial Appraisers	2020
Appraisal of Land Subject to Ground Leases	2020
Appraising Small Apartment Properties	2021
Northern Nevada Real Estate Overview	2022
Course 421 – Valuation of Partial Acquisition	2023

Appraisal Seminars

Uniform Appraisal Standards for Federal Land Acquisitions	2022
2022-2023 7-Hour National USPAP Update Course	2022
That's a Violation	2022
Appraising Airports and Airplane Hangars	2014
Online Data Verification Methods	2014
Online Advanced Internet Search Strategies	2014
Effective Rent and Seller Concessions in Market Value Appraisals	2013
Appraisal Curriculum Overview	2011
Diminution of Value and Severance Damages	2011
Qualitative Analysis: How and Why it is Important	2011
The Lending World in Crisis-What Clients Need	2011
Forecasting Revenue/Appraising Distressed Commercial Real Estate	2009
Valuation of Easements and Other Partial Interests	2009
Construction Defects and Cost Trends & Feasibility Analysis	2008
Valuation of Detrimental Conditions	2008
Spotlight on Common Errors & Confidentiality USPAP Issues	2008



**QUALIFICATIONS OF APPRAISER
CINDY LUND FOGEL**

Appraisal Seminars (Continued)

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

Formal Education

University of Nevada-Reno: Bachelor of Arts, College of Arts and Science	1989
Truckee Meadows Community College, Associate in Arts	1984
Sparks High School, Sparks, Nevada	1975

Types of Property Appraised

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

Representative Client List

- Regional Transportation Commission
- Truckee Meadows Water Authority
- Reno-Tahoe Airport Authority
- Carson City Airport Authority
- Minden-Tahoe Airport Authority
- Truckee Tahoe Airport
- Town of Truckee, California
- University of Nevada, Reno
- Desert Research Institute
- Washoe County School District
- Community Services Agency
- NV Energy
- Carson City
- Churchill County
- State of Nevada Division of State Lands
- V & T Railroad Commission
- Washoe County Community Services
- Thomas Hall, Attorney
- Mark Wray, Attorney
- Robison Sharp Sullivan Brust, Attorneys
- City of Fallon, Nevada
- City of Fernley, Nevada



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APPRAISER CERTIFICATE

STATE OF NEVADA DEPARTMENT OF BUSINESS AND INDUSTRY

NOT TRANSFERABLE REAL ESTATE DIVISION NOT TRANSFERABLE

This is to Certify That : CINDY LUND FOGEL Certificate Number: A.0002312-CG

Is duly authorized to act as a CERTIFIED GENERAL APPRAISER from the issue date to the expiration date at the business address stated here in, unless the certificate is sooner revoked, cancelled, withdrawn, or invalidated.

Issue Date: September 6, 2022 Expire Date: May 31, 2024

In witness whereof, THE DEPARTMENT OF BUSINESS AND INDUSTRY, REAL ESTATE DIVISION, by virtue of the authority vested in Chapter 645C of the Nevada Revised Statues, has caused this Certificate to be issued with its Seal printed thereon. This certificate must be conspicuously displayed in place of business.

**FOR: JOHNSON PERKINS GRIFFIN, LLC
6121 LAKESIDE DRIVE, SUITE 160
RENO, NV 89511**

REAL ESTATE DIVISION

SHARATH CHANDRA
Administrator



ADDENDA



TITLE COMMITMENT

for

1285 Financial Boulevard, Reno, NV 89502

Escrow Number:
2359982

Escrow Officer
Tami Haworth

Tami.Haworth@stewart.com

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

Signed and Received by:

TRANSACTION QUESTIONNAIRE

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

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

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

THANK YOU FOR CHOOSING STEWART TITLE COMPANY!



ALTA COMMITMENT FOR TITLE INSURANCE (07-01-2021)

ISSUED BY
STEWART TITLE GUARANTY COMPANY

NOTICE

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

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

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

COMMITMENT TO ISSUE POLICY

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

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

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



Frederick H. Eppinger
President and CEO

David Hisey
Secretary

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ALTA Commitment for Title Insurance (07-01-2021)

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COMMITMENT CONDITIONS

1. DEFINITIONS

- a. "Discriminatory Covenant": Any covenant, condition, restriction, or limitation that is unenforceable under applicable law because it illegally discriminates against a class of individuals based on personal characteristics such as race, color, religion, sex, sexual orientation, gender identity, familial status, disability, national origin, or other legally protected class.
 - b. "Knowledge" or "Known": Actual knowledge or actual notice, but not constructive notice imparted by the Public Records.
 - c. "Land": The land described in Item 5 of Schedule A and improvements located on that land that by State law constitute real property. The term "Land" does not include any property beyond that described in Schedule A, nor any right, title, interest, estate, or easement in any abutting street, road, avenue, alley, lane, right-of-way, body of water, or waterway, but does not modify or limit the extent that a right of access to and from the Land is to be insured by the Policy.
 - d. "Mortgage": A mortgage, deed of trust, trust deed, security deed, or other real property security instrument, including one evidenced by electronic means authorized by law.
 - e. "Policy": Each contract of title insurance, in a form adopted by the American Land Title Association, issued or to be issued by the Company pursuant to this Commitment.
 - f. "Proposed Amount of Insurance": Each dollar amount specified in Schedule A as the Proposed Amount of Insurance of each Policy to be issued pursuant to this Commitment.
 - g. "Proposed Insured": Each person identified in Schedule A as the Proposed Insured of each Policy to be issued pursuant to this Commitment.
 - h. "Public Records": The recording or filing system established under State statutes in effect at the Commitment Date under which a document must be recorded or filed to impart constructive notice of matters relating to the Title to a purchaser for value without Knowledge. The term "Public Records" does not include any other recording or filing system, including any pertaining to environmental remediation or protection, planning, permitting, zoning, licensing, building, health, public safety, or national security matters.
 - i. "State": The state or commonwealth of the United States within whose exterior boundaries the Land is located. The term "State" also includes the District of Columbia, the Commonwealth of Puerto Rico, the U.S. Virgin Islands, and Guam.
 - j. "Title": The estate or interest in the Land identified in Item 3 of Schedule A.
2. If all of the Schedule B, Part I - Requirements have not been met within the time period specified in the Commitment to Issue Policy, this Commitment terminates and the Company's liability and obligation end.
 3. The Company's liability and obligation is limited by and this Commitment is not valid without:
 - a. the Notice;
 - b. the Commitment to Issue Policy;
 - c. the Commitment Conditions;
 - d. Schedule A;
 - e. Schedule B, Part I - Requirements;
 - f. Schedule B, Part II - Exceptions; and
 - g. a countersignature by the Company or its issuing agent that may be in electronic form.

4. COMPANY'S RIGHT TO AMEND

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

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ALTA Commitment for Title Insurance (07-01-2021)

Page 2 of 4



5. LIMITATIONS OF LIABILITY

- a. The Company's liability under Commitment Condition 4 is limited to the Proposed Insured's actual expense incurred in the interval between the Company's delivery to the Proposed Insured of the Commitment and the delivery of the amended Commitment, resulting from the Proposed Insured's good faith reliance to:
 - i. comply with the Schedule B, Part I - Requirements;
 - ii. eliminate, with the Company's written consent, any Schedule B, Part II - Exceptions; or
 - iii. acquire the Title or create the Mortgage covered by this Commitment.
- b. The Company is not liable under Commitment Condition 5.a. if the Proposed Insured requested the amendment or had Knowledge of the matter and did not notify the Company about it in writing.
- c. The Company is only liable under Commitment Condition 4 if the Proposed Insured would not have incurred the expense had the Commitment included the added matter when the Commitment was first delivered to the Proposed Insured.
- d. The Company's liability does not exceed the lesser of the Proposed Insured's actual expense incurred in good faith and described in Commitment Condition 5.a. or the Proposed Amount of Insurance.
- e. The Company is not liable for the content of the Transaction Identification Data, if any.
- f. The Company is not obligated to issue the Policy referred to in this Commitment unless all of the Schedule B, Part I - Requirements have been met to the satisfaction of the Company.
- g. The Company's liability is further limited by the terms and provisions of the Policy to be issued to the Proposed Insured.

6. LIABILITY OF THE COMPANY MUST BE BASED ON THIS COMMITMENT; CHOICE OF LAW AND CHOICE OF FORUM

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

7. IF THIS COMMITMENT IS ISSUED BY AN ISSUING AGENT

The issuing agent is the Company's agent only for the limited purpose of issuing title insurance commitments and policies. The issuing agent is not the Company's agent for closing, settlement, escrow, or any other purpose.

8. PRO-FORMA POLICY

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

9. CLAIMS PROCEDURES

This Commitment incorporates by reference all Conditions for making a claim in the Policy to be issued to the Proposed Insured. Commitment Condition 9 does not modify the limitations of liability in Commitment Conditions 5 and 6.

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ALTA Commitment for Title Insurance (07-01-2021)

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10. CLASS ACTION

ALL CLAIMS AND DISPUTES ARISING OUT OF OR RELATING TO THIS COMMITMENT, INCLUDING ANY SERVICE OR OTHER MATTER IN CONNECTION WITH ISSUING THIS COMMITMENT, ANY BREACH OF A COMMITMENT PROVISION, OR ANY OTHER CLAIM OR DISPUTE ARISING OUT OF OR RELATING TO THE TRANSACTION GIVING RISE TO THIS COMMITMENT, MUST BE BROUGHT IN AN INDIVIDUAL CAPACITY. NO PARTY MAY SERVE AS PLAINTIFF, CLASS MEMBER, OR PARTICIPANT IN ANY CLASS OR REPRESENTATIVE PROCEEDING. ANY POLICY ISSUED PURSUANT TO THIS COMMITMENT WILL CONTAIN A CLASS ACTION CONDITION.

11. ARBITRATION

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

STEWART TITLE GUARANTY COMPANY

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

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File No.: 2359982

ALTA Commitment for Title Insurance (07-01-2021)

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**ALTA COMMITMENT FOR TITLE INSURANCE (07-01-2021)
SCHEDULE A**

ISSUED BY
STEWART TITLE GUARANTY COMPANY

Transaction Identification Data, for which the Company assumes no liability as set forth in Commitment Condition 5.e.:

Issuing Agent: Stewart Title Company
Issuing Office: 5390 Kietzke Ln., Suite 101, Reno, NV 89511
Issuing Office's ALTA® Registry ID:
Loan ID Number:
Commitment Number: 2359982
Issuing Office File Number: 2359982
Property Address: 1285 Financial Boulevard, Reno, NV 89502
Revision Number:

Inquiries Should be Directed to:

Tami Haworth, Escrow Officer
Fax:
Email: Tami.Haworth@stewart.com

1. Commitment Date: June 10, 2024 at 7:00AM

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

(a) 2021 ALTA® Owner's Policy - Standard
Proposed Insured: TO FOLLOW

(b) 2021 ALTA® Loan Policy - Standard
Proposed Insured:

3. The estate or interest in the Land at the Commitment Date is:

FEE SIMPLE

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

[Ivy Properties LLC, a Nevada limited liability company](#)

5. The Land is described as follows:

See Exhibit "A" Attached Hereto

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**ALTA COMMITMENT FOR TITLE INSURANCE (07-01-2021)
SCHEDULE A**

ISSUED BY
STEWART TITLE GUARANTY COMPANY

STEWART TITLE GUARANTY COMPANY



Authorized Countersignature
Bill Bernard, Title Officer

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File No.: 2359982
ALTA Commitment for Title Insurance Schedule A (07-01-2021)
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ALTA COMMITMENT FOR TITLE INSURANCE (07-01-2021)

EXHIBIT "A"

LEGAL DESCRIPTION

ISSUED BY

STEWART TITLE GUARANTY COMPANY

File No.: 2359982

All that certain real property situate in the City of Reno, County of Washoe, State of Nevada, being a portion of the West one-half (W 1/2) of Section Sixteen (16) Township (19) North, Range Twenty (20) East, Mount Diablo Meridian, more particularly described as follows:

PARCEL 1:

Beginning at the Northeast corner of Parcel 4 of Parcel Map No 1362, filed in the office of the Washoe County Recorder on August 13, 1982 as File No. 809789, said point of being on the Westerly line of Financial Boulevard, as shown on said Parcel Map: Thence along the Southerly line of said Parcel 4, North 64°49'04" West, 330.00 feet; Thence South 25°10'56" West, 230.99 feet. Thence from a tangent which bears North 22°59'40" East, 25.96 feet long the arc of a 340.00 foot radius curve to the right through a central angle of 04°22'32"; Thence South 64°49'04" East, 278.62 feet to the beginning of a tangent curve to the left; Thence 47.12 feet along the arc of a 30.00 foot radius curve, through a central angle of 90°00'00" to the Westerly line of the proposed Financial Boulevard; Thence along said Westerly line North 25°10'56" East, 87.03 feet to the beginning of a tangent curve to the left; Thence 20.37 feet along the arc of a 460.00 foot radius curve, through a central angle of 02°32'14", thence continuing along said Westerly line, North 22°38'42" East, 92.69 feet to the above described Point of Beginning.

PARCEL 2:

Beginning at a point on the Southerly line of Parcel 4 of Parcel Map No. 1362, filed in the Office of the Washoe County Recorder on August 13, 1982 as File No. 809789 from which the Southeast corner of said Parcel 4 bears South 64°49'04" East, 330.00; Thence continuing along said Southerly line, North 64°49'04" West. 172.00 feet: Thence South 25°10'56" West, 293.56 feet; Thence from a tangent which bears North 79°34'45" East, 185.31 feet along the arc of a 340.00 foot radius curve to the right, through a central angle of 31°13'41"; Thence North 25°10'56" East, 230.99 feet to the above described Point of Beginning.

PARCEL 3:

Beginning at the most Northeasterly corner of said Parcel "3"; Thence along the Easterly line of said Parcel "3", South 25°10'56" West, 293.55 feet to a point in the Northerly right-of-way line of Wall Street: Thence along said Northerly right-of-way line, from a tangent that bears South 79°34'44" West, 60.35 feet along the arc of a curve to the left. having a central angle of 10°10'09" a radius of 340.00 feet to a point of reverse curvature: Thence 63.11 feet along the arc of a curve to the right having a central angle of 13°54'30" a radius of 260.00 feet: Thence leaving said Northerly right-of-way line, North 25°10'57" East, 372.31 feet; Thence South 64°49'04 East 94.75 feet returning to the Point of Beginning.

Excepting therefrom all that portion of land conveyed in that certain Deed of Dedication recorded September 8, 1989, as Document No. 1348524, of Official Records.

Further excepting therefrom any portion of land lying within the right of way of Wall Street as it now exists.

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ALTA Commitment for Title Insurance Schedule A (07-01-2021)

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ALTA COMMITMENT FOR TITLE INSURANCE (07-01-2021)

EXHIBIT "A"

LEGAL DESCRIPTION

ISSUED BY
STEWART TITLE GUARANTY COMPANY

Reference is also hereby made of record to Adjusted Parcel 2 of Record of Survey Map No. 2384, recorded January 16, 1992, as Document No. 1538149, of Official Records.

The above legal description appeared previously in that certain Deed recorded September 17, 2021, as Document No. 5227824, of Official Records, pursuant to NRS Section 6. NRS 111.312.

APN: 012-401-30

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ALTA Commitment for Title Insurance Schedule A (07-01-2021)

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**ALTA COMMITMENT FOR TITLE INSURANCE (07-01-2021)
SCHEDULE B PART I**

ISSUED BY
STEWART TITLE GUARANTY COMPANY

File No.: 2359982

Requirements

All of the following Requirements must be met:

1. The Proposed Insured must notify the Company in writing of the name of any party not referred to in this Commitment who will obtain an interest in the Land or who will make a loan on the Land. The Company may then make additional Requirements or Exceptions.
2. Pay the agreed amount for the estate or interest to be insured.
3. Pay the premiums, fees, and charges for the Policy to the Company.
4. Documents satisfactory to the Company that convey the Title or create the Mortgage to be insured, or both, must be properly authorized, executed, delivered, and recorded in the Public Records.
5. Show that restrictions or restrictive covenants have not been violated.
6. Furnish proof of payment of all bills for labor and material furnished or to be furnished in connection with improvements erected or to be erected.
7. Pay all taxes, charges, and assessments affecting the land that are due and payable.
8. After the review of all the required documents, the Company reserves the right to add additional items and/or make additional requirements prior to the issuances of any policy of title insurance.
9. The requirement that payment in full per demand and a release to follow or at close is required for a Deed of Trust to secure an indebtedness in the amount of \$3,315,000.00, dated September 16, 2021, executed by [Ivy Properties LLC, a Nevada limited liability company](#), as Trustor, to Kimberly A. Rayer, Esq., and Starfield & Smith, P.C., as Trustee, in favor of Bank of The West, as Beneficiary, recorded on September 17, 2021, as Document No. [5227825](#), Official Records of Washoe County, Nevada.
10. ASSIGNMENT OF RENTS: Assignment of rents, as additional security for the payment of the indebtedness secured by said Deed of Trust, which assignment was executed by Ivy Properties, LLC to Bank of The West, and recorded September 17, 2021, as Document No. [5227826](#), of Official Records.
11. REQUIREMENT: A copy of the Articles of organization for Ivy Properties, LLC., and any certificates of amendments filed with the Secretary of State, together with copies of any management agreements or operating agreements, together with a current list of all members of said limited liability company.
12. PLEASE PROVIDE BUYERS NAME PRIOR TO CLOSE OF ESCROW

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ALTA Commitment for Title Insurance Schedule BI (07-01-2021)

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**ALTA COMMITMENT FOR TITLE INSURANCE (07-01-2021)
SCHEDULE B PART II**

ISSUED BY
STEWART TITLE GUARANTY COMPANY

File No.: 2359982

Exceptions

Some historical land records contain Discriminatory Covenants that are illegal and unenforceable by law. This Commitment and the Policy treat any Discriminatory Covenant in a document referenced in Schedule B as if each Discriminatory Covenant is redacted, repudiated, removed, and not republished or recirculated. Only the remaining provisions of the document will be excepted from coverage.

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

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

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

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

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ALTA Commitment for Title Insurance Schedule BII (07-01-2021)

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**ALTA COMMITMENT FOR TITLE INSURANCE (07-01-2021)
SCHEDULE B PART II**

ISSUED BY
STEWART TITLE GUARANTY COMPANY

- 9. Taxes for the fiscal year 2023 - 2024 have been paid in full in the amount of \$ 50,348.44
Assessors Parcel No.: 012-401-30
- 10. Any unpaid sewer service charges plus interest and penalties, which would create a lien and attach to said real property, pursuant to Chapter 7.20 of the Reno Municipal Code. Specific amounts may be obtained by calling (775)334-2095.
- 11. The lien, if any, of supplemental taxes, assessed pursuant to the provision of the Nevada Revised Statutes.
- 12. Any liens that may be created for delinquent waste management charges pursuant to NRS 444.520.
- 13. Rights of way for any existing roads, trails, canals, streams, ditches, drain ditches, pipe, pole or transmission lines traversing said premises.
- 14. Water rights, claims or title to water, whether or not recorded.
- 15. Easements, dedications, reservations, provisions, recitals, building set back lines, and any other matters as provided for or delineated on Parcel [Map No. 2364](#), filed in the office of the County Recorder of Washoe County, State of Nevada, on June 26,1989, as Document No. 1333406.
- 16. Limitations, covenants, conditions, restrictions, reservations, easements, exceptions, terms, assessments, liens and charges as set forth in an instrument, recorded on September 26, 1991, in Book 3334, Page 76, as Document No. [1511723](#), Official Records of Washoe County, Nevada; but omitting any covenants or restrictions, if any, including, but not limited to those based upon race, color, religion, sex, sexual orientation, familial status, marital status, disability, handicap, national origin, ancestry, or source of income as set forth in applicable state or federal laws, except to the extent that said covenant or restriction is permitted by applicable law.

MODIFICATION: Recorded February 11, 1997, in Book 4765, Page 899, as Document No. [2071781](#), Official Records

- 17. Terms, Covenants, Conditions, Restrictions, Easements and Provisions in that certain instrument recorded March 24, 1992, in Book 3444, Page 445 as Document No. [1556466](#), of Official Records.
- 18. Easements and other matters as disclosed on Record of Survey [Map No. 2384](#), recorded November 22, 1992, as Document No. 1538149, of Official Records.
- 19. EASEMENT: An easement affecting the portion of said land, and for the purposes stated herein, and incidental purposes in favor of Sierra Pacific Power Company, for underground electric and communication lines, recorded September 23, 2004, as Document No. [3102439](#), of Official Records.
- 20. Rights of parties in possession.

THE FOLLOWING NOTES ARE FOR INFORMATION PURPOSES ONLY:

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

This page is only a part of a 2021 ALTA® Commitment for Title Insurance. This Commitment is not valid without the Notice; the Commitment to Issue Policy; the Commitment Conditions; Schedule A; Schedule B, Part I - Requirements; and Schedule B, Part II -Exceptions; and a countersignature by the Company or its issuing agent that may be in electronic form.

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File No.: 2359982

ALTA Commitment for Title Insurance Schedule BII (07-01-2021)

Page 7 of 8

Initial Initial Initial Initial



**ALTA COMMITMENT FOR TITLE INSURANCE (07-01-2021)
SCHEDULE B PART II**

ISSUED BY
STEWART TITLE GUARANTY COMPANY

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

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

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

ALTA SUPPLEMENT: This commitment/report is preparatory to the issuance of a 2021 ALTA Extended Coverage Lenders Policy of Title Insurance. We have no knowledge of any fact which would preclude the issuance of said ALTA Policy with an ALTA 9.10-06 and a CLTA 116.01-06/ALTA 22-06 attached. The CLTA 116.01-06/ALTA 22-06 Endorsement will read as follows: There is located on said land a Commercial Building known as 1285 Financial Boulevard, Reno, NV 89502.

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

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

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

NOTE: Notwithstanding anything to the contrary in this commitment/report, if the policy to be issued is other than an ALTA Owner's Policy (7/1/21) or ALTA Loan Policy (7/1/21), the policy may not contain an arbitration clause, or the terms of the arbitration clause may be different from those set forth in this commitment/report. If the policy does contain an arbitration clause, and the Amount of Insurance is less than the amount, if any, set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties.

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

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

This page is only a part of a 2021 ALTA® Commitment for Title Insurance. This Commitment is not valid without the Notice; the Commitment to Issue Policy; the Commitment Conditions; Schedule A; Schedule B, Part I - Requirements; and Schedule B, Part II -Exceptions; and a countersignature by the Company or its issuing agent that may be in electronic form.

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File No.: 2359982

ALTA Commitment for Title Insurance Schedule BII (07-01-2021)

Page 8 of 8

Initial Initial Initial Initial



**STEWART INFORMATION SERVICES CORPORATION
GRAMM-LEACH BLILEY PRIVACY NOTICE**

This Stewart Information Services Corporation Privacy Notice (“Notice”) explains how we and our affiliates and majority-owned subsidiary companies (collectively, “Stewart,” “our,” or “we”) collect, use, and protect personal information, when and to whom we disclose such information, and the choices you have about the use and disclosure of your information. Pursuant to Title V of the Gramm-Leach Bliley Act (“GLBA”) and other Federal and state laws and regulations applicable to financial institutions, consumers have the right to limit some, but not all sharing of their personal information. Please read this Notice carefully to understand how Stewart uses your personal information.

The types of personal information Stewart collects, and shares depends on the product or service you have requested.

Stewart may collect the following categories of personal and financial information from you throughout your transaction:

1. Identifiers: Real name, alias, online IP address if accessing company websites, email address, account name, unique online identifier, or other similar identifiers.
2. Demographic Information: Marital status, gender, date of birth.
3. Personal Information and Personal Financial Information: Full name, signature, social security number, address, driver’s license number, passport number, telephone number, insurance policy number, education, employment, employment history, bank account number, credit card number, debit card number, credit reports, or any other information necessary to complete the transaction.

Stewart may collect personal information about you from:

1. Publicly available information from government records.
2. Information we receive directly from you or your agent(s), such as your lender or real estate broker.
3. Information we receive from consumer reporting agencies and/or governmental entities, either directly from these entities or through others.

Stewart may use your personal information for the following purposes:

1. To provide products and services to you in connection with a transaction.
2. To improve our products and services.
3. To communicate with you about our affiliates’, and others’ products and services, jointly or independently.

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

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

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

Disclosure of Personal Information to Affiliated Companies and Nonaffiliated Third Parties

Stewart does not sell your personal information to nonaffiliated third parties. Stewart may share your information with those you have designated as your agent throughout the course of your transaction (for example, your realtor, broker, or a lender). Stewart may disclose your personal information to non-affiliated third-party service providers and vendors to render services to complete your transaction.

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

- Non-affiliated service providers and vendors we contract with to render specific services (For example, search companies, mobile notaries, and companies providing credit/debit card processing, billing, shipping, repair, customer service, auditing, marketing, etc.)
- To enable Stewart to prevent criminal activity, fraud, material misrepresentation, or nondisclosure.
- Stewart's affiliated and subsidiary companies.
- Parties involved in litigation and attorneys, as required by law.
- Financial rating organizations, rating bureaus and trade associations, taxing authorities, if required in the transaction.
- Federal and State Regulators, law enforcement and other government entities to law enforcement or authorities in connection with an investigation, or in response to a subpoena or court order.

The law does not require your prior authorization or consent and does not allow you to restrict the disclosures described above. Additionally, we may disclose your information to third parties for whom you have given us authorization or consent to make such disclosure. We do not otherwise share your Personal Information or browsing information with non-affiliated third parties, except as required or permitted by law.

Right to Limit Use of Your Personal Information

You have the right to opt-out of sharing of your personal information among our affiliates to directly market to you. To opt-out of sharing your information with affiliates for direct marketing, you may send an "opt out" request to OptOut@stewart.com, or contact us through other available methods provided under "Contact Information" in this Notice. We do not share your Personal Information with nonaffiliates for their use to directly market to you without your consent.

How Stewart Protects Your Personal Information

Stewart maintains physical, technical, and administrative safeguards and policies to protect your personal information.

Contact Information

If you have specific questions or comments about this Notice, the ways in which Stewart collects and uses your information described herein, or your choices and rights regarding such use, please do not hesitate to contact us at:

Phone: Toll Free at 1-866-571-9270
Email: Privacyrequest@stewart.com

Postal Address: Stewart Information Services Corporation
Attn: Mary Thomas, Chief Compliance and Regulatory Officer
1360 Post Oak Blvd., Ste. 100, MC #14-1
Houston, TX 77056

STEWART INFORMATION SERVICES CORPORATION PRIVACY NOTICE FOR CALIFORNIA RESIDENTS

Stewart Information Services Corporation and its affiliates and majority-owned subsidiary companies (collectively, “Stewart,” “our,” or “we”) respect and are committed to protecting your privacy. Pursuant to the California Consumer Privacy Act of 2018 (“CCPA”) and the California Privacy Rights Act of 2020 (“CPRA”), we are providing this **Privacy Notice** (“CCPA Notice”). This CCPA Notice explains how we collect, use, and disclose personal information, when and to whom we disclose such information, and the rights you, as a California resident have regarding your Personal Information. This CCPA Notice supplements the information contained in Stewart’s existing privacy notice and applies solely to all visitors, users, consumers, and others who reside in the State of California or are considered California Residents as defined in the CCPA (“consumers” or “you”). All terms defined in the CCPA & CPRA have the same meaning when used in this Notice.

Personal and Sensitive Personal Information Stewart Collects

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

A. Identifiers. A real name, alias, postal address, unique personal identifier, online identifier, Internet Protocol address, email address, account name, Social Security number, driver’s license number, passport number, or other similar identifiers.

B. Personal information categories listed in the California Customer Records statute (Cal. Civ. Code § 1798.80(e)). A name, signature, Social Security number, address, telephone number, passport number, driver’s license or state identification card number, insurance policy number, education, employment, employment history, bank account number, credit card number, debit card number, or any other financial information.

C. Protected classification characteristics under California or federal law. Age, race, color, ancestry, national origin, citizenship, marital status, sex (including gender, gender identity, gender expression), veteran or military status.

D. Commercial information. Records of personal property, products or services purchased, obtained, or considered, or other purchasing or consuming histories or tendencies.

E. Internet or other similar network activity. Browsing history, search history, information on a consumer’s interaction with a website, application, or advertisement.

F. Geolocation data

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

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

Use of Personal and Sensitive Personal Information

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

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

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

Disclosure of Personal Information to Affiliated Companies and Nonaffiliated Third Parties

Stewart does not sell your personal information to nonaffiliated third parties. Stewart may share your information with those you have designated as your agent throughout the course of your transaction (for example, a realtor, broker, or a lender).

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

- a. Service providers and vendors we contract with to render specific services (For example, search companies, mobile notaries, and companies providing credit/debit card processing, billing, shipping, repair, customer service, auditing, marketing, etc.)
- b. Affiliated Companies.
- c. Parties involved in litigation and attorneys, as required by law.
- d. Financial rating organizations, rating bureaus and trade associations.
- e. Federal and State Regulators, law enforcement and other government entities

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

Category A: Identifiers

Category B: California Customer Records personal information categories

Category C: Protected classification characteristics under California or federal law

Category D: Commercial Information

Category E: Internet or other similar network activity

Category F: Non-public education information

A. Your Consumer Rights and Choices Under CCPA and CPRA

The CCPA and CPRA provide consumers (California residents as defined in the CCPA) with specific rights regarding their personal information. This section describes your rights and explains how to exercise those rights.

i. Access to Specific Information and Data Portability Rights

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

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

ii. Deletion Request Rights

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

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

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

iii. Opt-Out of Information Sharing and Selling

Stewart does not share or sell information to third parties, as the terms are defined under the CCPA and CPRA. Stewart only shares your personal information as commercially necessary and in accordance with this CCPA Notice.

iv. Correction of Inaccurate Information

You have the right to request that Stewart correct any inaccurate information maintained about.

v. **Limit the Use of Sensitive Personal Information**

You have the right to limit how your sensitive personal information, as defined in the CCPA and CPRA is disclosed or shared with third parties.

Exercising Your Rights Under CCPA and CPRA

If you have questions or comments about this notice, the ways in which Stewart collects and uses your information described herein, your choices and rights regarding such use, or wish to exercise your rights under California law, please submit a verifiable consumer request to us by the available means provided below:

1. Emailing us at OptOut@stewart.com; or
2. Visiting <https://www.stewart.com/en/quick-links/ccpa-request.html>

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

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

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

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

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

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

Response Timing and Format

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

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

Any disclosures we provide will only cover the 12-month period preceding the verifiable consumer request's receipt. The response we provide will also explain the reasons we cannot comply with a request, if applicable.

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

Non-Discrimination

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

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

Record Retention

Your personal information will not be kept for longer than is necessary for the business purpose for which it is collected and processed. We will retain your personal information and records based on established record retention policies pursuant to California law and in compliance with all federal and state retention obligations. Additionally, we will retain your personal information to comply with applicable laws, regulations, and legal processes (such as responding to subpoenas or court orders), and to respond to legal claims, resolve disputes, and comply with legal or regulatory recordkeeping requirements.

Changes to This CCPA Notice

Stewart reserves the right to amend this CCPA Notice at our discretion and at any time. When we make changes to this CCPA Notice, we will post the updated Notice on Stewart's website and update the Notice's effective date.

Link to Privacy Notice

<https://www.stewart.com/en/privacy.html>

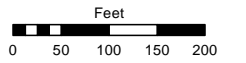
Contact Information

Stewart Information Services Corporation
Attn: Mary Thomas, Chief Compliance and Regulatory Officer
1360 Post Oak Blvd., Ste. 100, MC #14-1
Houston, TX 77056

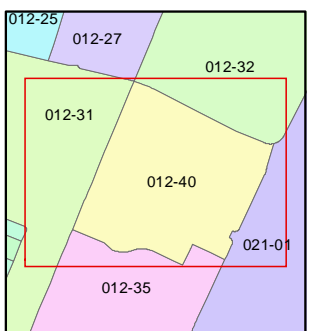
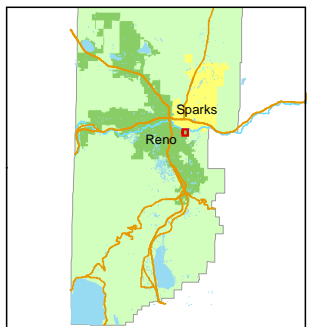
012-40

STATE OF NEVADA
WASHOE COUNTY
ASSESSOR'S OFFICE
Michael E. Clark, Assessor

1001 East Ninth Street
Building D
Reno, Nevada 89512
(775) 328-2231



1 inch = 200 feet



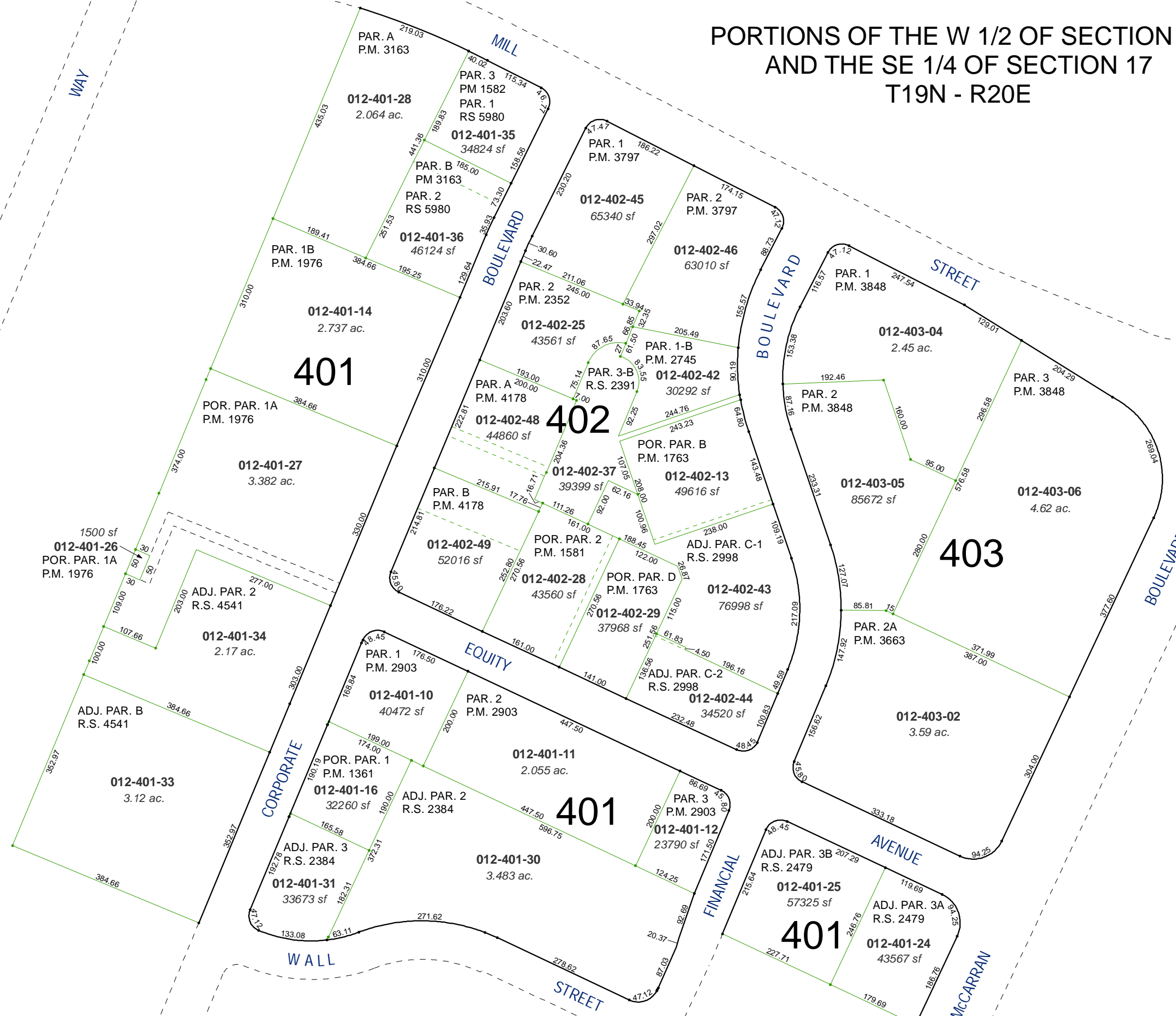
created by: TWT 5/14/2013

last updated: JMO 8/21/18

area previously shown on map(s)

NOTE: This map was prepared for the use of the Washoe 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.

PORTIONS OF THE W 1/2 OF SECTION 16 AND THE SE 1/4 OF SECTION 17 T19N - R20E



EDISON WAY

WAY

MILL BOULEVARD

BOULEVARD

BOULEVARD

STREET

BOULEVARD

EQUITY

CORPORATE

FINANCIAL

WALL STREET

AVENUE

MCCARRAN

401

402

403

401

401



STAFF REPORT

TO: Board of Directors
THRU: John Zimmerman, General Manager
FROM: Jessica Atkinson, Human Resources Manager
DATE: August 19, 2024
SUBJECT: Discussion and possible direction from Board regarding the evaluation process for conducting the General Manager’s performance evaluation

Recommendation

The Board consider implementing the updated GM performance feedback survey (attached) and approve the process and timelines below and provide direction regarding the same.

Discussion

The GM contract between the Board and John Zimmerman is dated July 2022 and requires an annual performance evaluation. In September of 2023, the Board agreed on a formal evaluation survey and process for the GM’s annual performance evaluation.

Staff recommends a change to the title and rating labels on the FY2023/2024 survey to clarify the intent of the survey form. The proposed form has been retitled from “General Manager Performance *Evaluation* Form” to “General Manager Performance *Feedback* Form”. This change is intended to clarify that responses to the survey are not intended to serve as the performance evaluation but to instead inform Board members who will officially conduct the performance evaluation during the October board meeting. Additionally, language in the introduction has been modified as has the “Evaluation Rating” labels to better reflect this purpose. These have been changed to “Feedback Rating.” The remainder of the survey form is the same as what was previously approved by the Board.

The GM performance feedback survey has 7 performance feedback fields (categories). The categories are:

- Organizational Leadership
- Relations with Board/Governance
- Communication Skills
- Relations with Community and Stakeholders
- Management of Staff
- Personal Effectiveness
- Overall Rating and General Comments

The feedback rating scale for each category includes options for exceeds your expectations, meets your expectations, areas for growth or, not applicable. Each rating category is followed by an open comment field.

During the annual performance evaluation process, the Performance *Feedback* survey is sent to all Board members and senior leadership at TMWA via email with a link to the SurveyMonkey survey. The survey results will be provided in the Board packet prior to the October Board meeting at which time the Board will evaluate Mr. Zimmerman. While the survey form currently does not ask responders to identify themselves, SurveyMonkey does offer the ability to track IP addresses should formal tracking be necessary.

Proposed 2024 GM Performance Evaluation timelines:

- 08/19/2024 – Presentation of FY2024 process, form, and timelines.
- 09/18/2024 – Presentation of FY2024 GM Goal Results
- 09/19/2024 - Distribute GM Performance Feedback Survey through SurveyMonkey.
- 10/04/2024 – Deadline to submit survey responses (16-day survey period).
- 10/16/2024 – Presentation of survey responses, Board performance evaluation of Mr. Zimmerman for the contract year 2023/2024 and GM presentation of proposed GM Goals for FY2024/2025.

Attachments

1. GM Performance Feedback Form for FY2024



General Manager Performance Feedback for FY2024

Introduction

The General Manager's performance evaluation consists of an annual appraisal by the Board of Directors, as provided for in the General Manager's employment agreement.

The purpose of the evaluation process is to maintain a strong Board/Manager team by ensuring open and productive communication on an annual basis. During this formal review process, there is an opportunity to identify areas of satisfaction and areas for growth or needing change as identified by the Board.

The evaluation will be conducted during the October Board meeting.

The Executive Team and Department Heads reporting to the General Manager have also been invited to participate in this performance review process.

The Human Resources Director is the facilitator for this process, and will gather feedback from the feedback survey completed by each of the above-referenced individuals. A staff report and the summary results from the survey will be provided as supporting materials for the public meeting at which the TMWA Board reviews the annual performance of the General Manager.

Rating Criteria:

For each performance criteria, please use the following rating scale:

- E - Exceeds your expectations
- M - Meets your expectations
- AG - Areas for growth
- NA - Not applicable



General Manager Performance Feedback for FY2024

Organizational Leadership

Consider the following when assessing the General Manager's organizational leadership performance:

- Anticipates and clearly communicates risks and changes in market conditions and other factors affecting TMWA's fulfillment of its Vision and Business Objectives;
- Participates with Board and Staff in strategic planning;
- Clearly articulates and advances the strategic priorities to be addressed over the next 3-5 years;
- Sets and communicates clear operational priorities for the organization;
- Implements new programs and services growing out of the strategic planning process;
- Creates and maintains a high performing culture in the organization including strong employee morale, accountability, and cohesiveness;
- Performs as the leading role model, setting high professional work standards and pursues goals with honesty, respect, determination, and initiative;
- Handles emergencies and crisis situations in an effective, efficient, and professional manner;
- Directs the utilization of TMWA resources effectively.

1. **Organizational Leadership - Feedback Rating:**

- Exceeds your expectations Area for growth
- Meets your expectations Not Applicable

Use the space below to provide any additional comments you may have for this rating category.



General Manager Performance Feedback for FY2024

Relations with Board/Governance

Consider the following when assessing the General Manager's relations with the Board:

- Communicates necessary information openly and honestly in a timely and organized fashion;
- Establishes and maintains positive and effective working relationships with each member of the Board;
- Has been consistently available to individual Board members whenever necessary;
- Conforms to Board policies and directives;
- Demonstrates a respectful understanding of the Board's governance role and has supported the Board in its oversight of the organization;
- Contributes significant information and important agenda topics for discussion at Board level;
- Synthesizes information and frames issues and questions in a manner for the Board to make appropriate decisions;
- Makes periodic reports to the Board regarding important aspects of TMWA's functions and operations, highlighting both achievements and areas of concern;

2. Relations with Board/Governance - Feedback Rating:

- Exceeds your expectations
- Area for growth
- Meets your expectations
- Not Applicable

Use the space below to provide any additional comments you may have for this rating category.



General Manager Performance Feedback for FY2024

Communication Skills

Consider the following when assessing the General Manager's Communication skills:

- Negotiates effectively and is able to handle difficult situations;
- Is concise and persuasive orally and in writing;
- Listens to what is said and is sensitive to the impact on others;
- Demonstrates empathy regarding others and exhibits concern for everyone as individuals;
- Exercises good judgement in dealing with sensitive issues between individuals or between groups;
- Effectively delivers presentations and engages with the media;
- Communicates effectively with Board Leadership and Board Members;

3. **Communication Skills - Feedback Rating:**

- | | |
|---|---------------------------------------|
| <input type="radio"/> Exceeds your expectations | <input type="radio"/> Area for growth |
| <input type="radio"/> Meets your expectations | <input type="radio"/> Not Applicable |

Use the space below to provide any additional comments you may have for this rating category.



General Manager Performance Feedback for FY2024

Relations with Community and Stakeholders

Consider the following when assessing the General Manager's relations within the community and with stakeholders:

- Ability to relate well to others and to make people feel at ease, even in difficult situations;
- Ability to gain the trust and confidence of the public;
- Fosters contact and cooperation among citizens, community organizations and other government agencies;
- Understands and embraces the concept of inter-local cooperation when appropriate;
- Fosters cooperative communications and working relationships within the community to ensure that TMWA remains a significant partner within the community;
- Maintains affiliation with professional associations relevant and beneficial to the successful operation of TMWA.

4. Relations with Community/Stakeholders - Feedback Rating:

- Exceeds your expectations Area for growth
- Meets your expectations Not Applicable

Use the space below to provide any additional comments you may have for this rating category.



General Manager Performance Feedback for FY2024

Management of Staff

Consider the following when assessing the General Manager's performance in management of staff:

- Sets organizational tone that attracts, retains, motivates and develops highly skilled employees;
- Establishes and maintains open and collaborative relationships throughout the organization;
- Models behaviors and attitudes which promote individual responsibility, programmatic and professional excellence and creative initiative;
- Ensures the development and implementation of succession plans and professional development programs;
- Encourages innovative thinking and solutions and effectively incorporates the ideas and contributions of others;
- Nurtures a culture of engagement and collaboration that focuses on fulfilling TMWA's vision and business objectives;
- Appropriately delegates authority, granting proper authority at proper times;
- Is open and responsive to employee feedback;
- Encourages and rewards initiative;
- Recruits and develops a cohesive leadership team to implement organizational goals and objectives.

5. **Management of Staff - Feedback Rating:**

- Exceeds your expectations Area for growth
- Meets your expectations Not Applicable

Use the space below to provide any additional comments you may have for this rating category.



General Manager Performance Feedback for FY2024

Personal Effectiveness

Consider the following when assessing the General Manager's personal effectiveness:

- Maintains a professional image that reflects positively on the organization and builds trust and support from all stakeholders;
- Demonstrates empathy regarding others and exhibits concern for everyone as individuals;
- Skillfully analyzes and addresses problems, challenges and conflicts while comfortably navigating ambiguity and complexity;
- Adapts quickly and is flexible to new demands and changes;
- Performs at a very high standard of ethics and integrity;
- Ensures that the organization, its staff and its programs operate in compliance with all applicable local, state, and federal laws and regulations;
- Pursued professional development resulting in increased capabilities and potential;

6. **Personal Effectiveness - Feedback Rating:**

- Exceeds your expectations Area for growth
- Meets your expectations Not Applicable

Use the space below to provide any additional comments you may have for this rating category.



General Manager Performance Feedback for FY2024

Overall Rating and General Comments

7. Overall, and keeping unanticipated challenges and timeframes in mind, the General Manager has achieved the goals and business objectives outlined for this appraisal period.

- Exceeds your expectations
- Meets your expectations
- Area for growth
- Not Applicable

Any additional comments?

8. Please identify any future performance objectives you may have for the General Manager.



STAFF REPORT

TO: Board of Directors
FROM: John R. Zimmerman, General Manager
DATE: August 12, 2024
SUBJECT: General Manager's Report

Attached please find the written reports from the Management team including the Operations Report (*Attachment A*), the Water Resource and the Annexation Activity Report (*Attachment B*), and the Customer Services Report (*Attachment C*).

American Water Works Association (AWWA) featured an article on the Advanced Purified Water Facility at American Flat and the \$30 million federal grant received from the Bureau of Reclamation (**see attached**).

Early this month, TMWA with support from the Desert Research Institute's (DRI) STEM Education Program, hosted a field trip for several high school teachers in the Washoe County School District to learn more about local watershed programs that help protect Truckee River water quality. Regional watershed experts from The Nature Conservancy, the US Forest Service and the National Forest Foundation provided a local perspective on how principles of earth and environmental science are being applied in our region. The teachers provided feedback where TMWA and DRI will finalize lesson plans for teachers to use in the 2025-2026 school year.

Last month we received two thank you emails from customers. One, from a customer who expressed her appreciation with Dawn, Faneuil Customer Service Representative, for taking the time to help her set up an account and to send her a get-well card. The second, another customer expressing gratitude for Dianna, Faneuil Customer Service Representative, who also sent her a get-well card.

Also, listed below are news clippings from June 11, 2024 through August 12, 2024:

- 06/13/24 [Reno and TMWA Awarded \\$30 Million Federal "WaterSMART"](#) Globe Newswire
- 06-13-24 [Reno to Boost Water Resilience with New \\$30 Million Facility](#) KRNV
- 06/14/24 [Being Smart About Water](#) (interview w/ B. Hauck) KOLO TV
- 06/17/24 [New Study Estimates Lithium in Groundwater Can Be Used in Drinking Water](#) DRI
- 06/18/24 [Truckee Meadows Water Authority receives grant for drought resistance](#) KUNR
- 06/2024 [Tahoe Environmental Observatory Network looks beyond the lake](#) UNR.edu
- 06/21/24 [New Portland Loo Installed In Downtown](#) Thisisreno
- 06/20/24 [Downtown Reno Installs 'Portland Loo' Restroom Number Three](#) KTVN
- 07/06/24 [The Supreme Court is Gutting Protections for Clean Air and Water](#) Wired Mag
- 07/10/24 [Water Reuse in the U.S.\(A Comprehensive Look at Progress\)](#) Smart Water Magazine
- 07/08/24 [City of Reno Seeks Feedback on Truckee River Vision Plan](#) KTVN
- 07/08/24 [Efficient Water Quality Management Could Reduce Water Scarcity by Half](#) Phys.org
- 07/08/24 [EPA Awards DRI Grant to Support Environmental Education](#) EPA.gov

- 07/10/24 [Truckee Meadows Water Authority offers water-saving tips amid Nevada's record heat wave](#) KRVN
- 07/10/24 [Water Reuse in the U.S. \(A Comprehensive Look at Progress\)](#) Smart Water Magazine
- 07/10/24 [Truckee Meadows Water Authority offers water-saving tips amid Nevada's record heat wave](#) KRVN (Ch. 4)
- 07/10/24 [Explore the Verdi hydroelectric plant's place in northern Nevada's history](#) Hydro Review
- 07/15/24 [Free Speaker Series at Donner](#) Tahoe Guide
- 07/15/24 [Achieving positive social impact through One Water planning and water reuse.](#) AECOM.com (blog)
- 07/15/24 [Free Speaker Series at Donner](#) Tahoe Guide – Kara Steeland to discuss water management practices at Donner Lake.
- 07/15/24 [Achieving positive social impact through One Water planning and water reuse.](#) AECOM.com
- 07/15/24 [Tips for Watering in Extreme Heat](#) KOLO-TV
- 07/26/24 [Tahoe Beach Reopens After Sewage Spill](#) Fox40
- 07/30/24 [Lake Tahoe Clarity Report Shows Highs and Lows of 2023 Annual Report](#) UC Davis
- 07/29/24 [Wildfires Don't Just Burn, They Can Also Pollute Waterways](#) Colorado.edu
- 08/05/24 [Senate Approves Water Resources Act](#) The Hill
- 08/04/24 [Tribes Move to Defend EPA's Tribal Water Rights Rule](#) NARF.org
- 08/05/24 [\\$105 Million Announced for Investing in America Water Conservation Projects](#) Dept. of Interior
- 08/08/24 [How to keep invasive species out of Lake Tahoe?](#) Nevada Independent
- 08/08/24 [State of the Lake Report](#) TERC
- 08/08/24 [Lombardo Releases Revised Climate Plan After Lengthy Delay](#) Nevada Independent
- 08/10/24 [University researchers share research on water reuse technologies](#) UNR.edu
- 08/12/24 [California's Office of Administrative Law approves direct potable reuse regulations](#) Smart Water Magazine
-



**American Water Works
Association**

Dedicated to the World's Most Vital Resource

AWWA ARTICLES

Collaborative One Water project advancing water resilience in Nevada

📅 July 25, 2024

Connections Article, Publications

In a move to combat increasing water scarcity concerns in Nevada exacerbated by a changing climate and rapid development, the Truckee Meadows Water Authority (TMWA) and the City of Reno have unveiled the American Flat project, the state's first-ever indirect potable reuse facility.

The project will address a range of regional issues by taking a holistic, One Water approach to transforming reclaimed water into ultra-pure standards for groundwater recharge. *(Pictured right, image of the planned indirect reuse facility in Nevada.)*

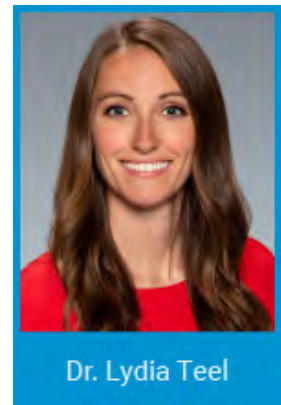


“It will help address climate change impacts,

maximize efficiency of water rights uses in the system, and provide an effluent disposal option to decrease environmental discharges to a closed basin playa lake prone to flooding,” said Kara Steeland, senior hydrologist and watershed coordinator at TMWA.

The new facility will incorporate ozone and biological activated carbon filtration, which were specified to produce purified water that meets or exceeds drinking water standards. Compared to other treatment methods considered for the facility, the design will provide significant savings in capital and operating costs and lower energy requirements and treatment chemical consumption.

“In 2008, Reno began investigating the technical feasibility of advanced purified water treatment processes that would be suitable to Nevada’s economy, geographic location and environment,” said Dr. Lydia Teel, TMWA’s emerging resources program administrator. “The piloting efforts proved the technologies were effective and robust, opening the door for the full-scale facility at American Flat.”



Regional collaboration makes project reality

The project’s success builds on a strong collaborative foundation laid by OneWater Nevada, a regional partnership between TMWA and the City of Reno focused on integrated water management.

“Approvals for joint project funding were made in 2022 by TMWA and Reno,” said Steeland. “Reno will provide treated effluent to TMWA, which will then purify the water prior to groundwater augmentation. This joint venture has culminated after many years of collaboration and working together under OneWater Nevada.”

With joint funding secured in 2022, the project is advancing swiftly. Design, led by TMWA, Reno, AECOM, and Record Steel and Construction, is on track for completion in early 2025.

Regulatory approval processes are set to commence in late 2024, supported by extensive research from the University of Nevada, Reno. This collaboration aims to ensure the optimal operation and maintenance of the \$220 million facility.

The project has received substantial funding from the Bipartisan Infrastructure Law, highlighting the importance of federal investment in supporting water resilience and innovative water management solutions across the country.



“As many utilities are dealing with increased costs for maintenance and operations, it can be challenging to fund new and novel technologies and projects,” Teel said.

“BIL funding is critical to helping utilities take proactive steps to increase water resiliency and sustainability through One Water initiatives and other innovative projects,” she added. “Federal funding also offers critical validation for an approach to water resource management that is new and sometimes misunderstood by community members not familiar with the idea of potable reuse.”

From: Westlake, Marci <mwestlake@tmwa.com>
Sent: Wednesday, July 3, 2024 2:30 PM
To: April Cunningham <April.Cunningham@continuumgbl.com>; TMWASB-CallCenter <TMWASB-CallCenter@continuumgbl.com>
Cc: Gebhardt, Andy <agebhardt@tmwa.com>; Zimmerman, John <jzimmerman@tmwa.com>
Subject: RE: 166852301 - KIM NAHAS KUDOS CALL

Dawn, thank you so much for always taking the time to make the customer feel special and heard! I appreciate you



Marci Westlake
Customer Service Manager
Truckee Meadows Water Authority
1355 Capital Blvd. | Reno, NV 89502
O: (775) 834-8074, M: (775) 895-9250
mwestlake@tmwa.com | www.tmwa.com

From: April Cunningham <April.Cunningham@continuumgbl.com>
Sent: Wednesday, July 3, 2024 2:27 PM
To: TMWASB-CallCenter <TMWASB-CallCenter@continuumgbl.com>
Cc: Westlake, Marci <mwestlake@tmwa.com>
Subject: FW: 166852301 - KIM NAHAS KUDOS CALL

Thank you Dawn for all of your hard work

From: Dawn Seymour <Dawn.Seymour@continuumgbl.com>
Sent: Wednesday, July 3, 2024 1:05 PM
To: TMWA Supervisors <tmwasupervisors@continuumgbl.com>
Subject: 166852301 - KIM NAHAS KUDOS CALL

CUSTOMER ASKED FOR ME TOOK PASSED CALL :

TOOK PASSED CALL FROM LINDA FROM KIM (775-379-6994 - CELL) CUST HAS BEEN SICK AND WANTED TO TAKE TIME TO THANK ME FOR SETTING UP ACCNT IN HER NAME WHEN MOTHER PASSED

SHE CONTINUED TO EXPRESS HAPPY FEELINGS FOR THE TIME I TOOK TO HELP HER, THE EMPATHY I SHARED WITH HER.

SHE BEEN GOING THRU ALOT AND WAS VERY PLEASED AND HAPPY I TOOK TIME TO SEND THE BEAUTIFUL CARD WISHING WELL.

I THANKED HER FOR TAKING TIME OUT, TO EXPRESS HER FEELINGS SHE SAID SHE IS KEEPING THE CARD ON HER DESK TOO AND IS TRULY APPRECIATED,

THIS MADE MY DAY



DAWN M SEYMOUR

CUSTOMER SERVICE REPRESENTATIVE

Our vision is to enhance the quality of life in the Truckee Meadows by delivering exceptional, customer-focused water services.

From: Westlake, Marci <mwestlake@tmwa.com>
Sent: Thursday, August 8, 2024 2:42 PM
To: April Cunningham <April.Cunningham@continuumgbl.com>; TMWASB-CallCenter <TMWASB-CallCenter@continuumgbl.com>
Cc: Zimmerman, John <jzimmerman@tmwa.com>; Gebhardt, Andy <agebhardt@tmwa.com>
Subject: RE: Kudos for Dianna

I LOVE THIS!!!! Thank you Dianna for making our customers feel special when least expecting it!




Marci Westlake
Customer Service Manager
Truckee Meadows Water Authority
1355 Capital Blvd. | Reno, NV 89502
O: (775) 834-8074, M: (775) 895-9250
mwestlake@tmwa.com | www.tmwa.com

From: April Cunningham <April.Cunningham@continuumgbl.com>
Sent: Thursday, August 8, 2024 2:39 PM
To: TMWASB-CallCenter <TMWASB-CallCenter@continuumgbl.com>
Cc: Westlake, Marci <mwestlake@tmwa.com>
Subject: Kudos for Dianna

Great Job Dianna, you made this customer feel special with sending a card.

5 Aug. 2024

Dear Dianna,

I cannot express enough how wonderful it made me feel to open up the "get well" card from you!!! After one month, I've finally kicked that horrible bug and feeling 95% better. You are truly a special person. A reminder that the little acts are so huge. Have a beautiful day!  Anita Lawhon

April Cunningham
Team Manager

Phone:
308-641-6222
Email:

April.Cunningham@Continuumgbl.com



STAFF REPORT

TO: Board of Directors
THRU: John R. Zimmerman, General Manager
FROM: Bill Hauck, Water Supply Supervisor
DATE: August 13, 2024
SUBJECT: August 2024 Water Operations Report

SUMMARY

- The water supply outlook for our region is still excellent
- Overall, Truckee River reservoir storage is about 85% of maximum capacity
- Lake Tahoe is currently 86% full
- TMWA's upstream storage is also in great shape
- Normal Truckee River flows are likely for at least another couple of years as a result
- This means normal water supply operations for TMWA next year as well
- Hydroelectric generation for July 2024 was \$371,615 (@ 4,844 MWh)
- TMWA's peak demand day for the year was 149 million gallons on Tuesday July 9th

(A) Water Supply

- **River Flows** - Truckee River discharge at the CA/NV state line was 500 cubic feet per second (CFS) this morning. This is right at the 115-year median for Farad of 517 CFS. Flows should remain constant now through the month of September.
- **Reservoir Storage** - Overall, Truckee River reservoir storage is ~85% of capacity. The elevation of Lake Tahoe is 6228.23 feet (0.87' below maximum legal elevation of 6229.10'). Storage values for each reservoir as of August 13th are as follows:

Reservoir	Current Storage (Acre-Feet)	% Capacity (Percent)
Tahoe	637,600	86%
Boca	35,115	86%
Stampede	189,128	84%
Prosser	22,363	75%
Donner	8,515	90%
Independence	16,773	96%

In addition to the 25,290 acre-feet of storage between Donner and Independence reservoirs, TMWA also has 13,925 acre-feet of water stored in Stampede and Boca reservoirs under the terms of TROA. TMWA's total combined upstream reservoir storage as of this writing is approximately 39,215 acre-feet.

- **Outlook** - Upstream reservoir storage on the Truckee system is still in particularly decent shape for this time of the year (~85% of capacity). Lake Tahoe is 86% full and less than a foot from its legal maximum storage elevation. TMWA-managed reservoir storage between Donner and Independence reservoirs and TROA is on solid footing. And with system storage projected to be about as high as legally possible heading into the winter months, the prospect for Truckee River flows over the next couple of years and the overall state of our regional water supply is excellent.

(B) Water Production

- **Demand** - TMWA customer demand averaged one hundred thirty-five (135) million gallons per day (MGD) for the week ending 8/11. Surface water made up 76% of our overall supply, and groundwater pumping the other 24%. Our peak demand day for the year to date (YTD) was 148.8 MGD on Tuesday July 9th.

(C) Hydro Production

Generation - The average flow in the Truckee River at Farad (CA/NV state line) during the month of July was 650 CFS. All three of TMWA's hydro-electric plants were on-line every day of the month and 100% available.

Statistics and generation for the month of July are as follows:

Plant	Generation Days	% Availability	Generation (Megawatt Hours)	Revenue (Dollars)	Revenue (Dollars/Day)
Fleish	31	100%	1,802	\$138,647	\$4,472
Verdi	31	100%	1,681	\$128,127	\$4,133
Washoe	31	100%	1,361	\$104,841	\$3,382
Totals	93	-	4,844	\$371,615	\$11,987



STAFF REPORT

TO: Board of Directors
THRU: John R. Zimmerman, General Manager
FROM: Eddy Quaglieri, Water Rights Manager
DATE: August 7, 2024
SUBJECT: **Water Resources and Annexation Activity Report**

RULE 7

Rule 7 water resource purchases and will-serve commitment sales against purchased water resources through this reporting period:

Beginning Balance		3,369.10 AF
Purchases of water rights	27.18 AF	
Refunds	0.00 AF	
Sales	-168.49 AF	
Adjustments	0.00 AF	
Ending Balance		3,227.79 AF

Price per acre foot at report date: \$8,000

FISH SPRINGS RANCH, LLC GROUNDWATER RESOURCES

Through the merger of Washoe County’s water utility, TMWA assumed a Water Banking and Trust Agreement with Fish Springs Ranch, LLC, a subsidiary of Vidler. Under the Agreement, TMWA holds record title to the groundwater rights for the benefit of Fish Springs. Fish Springs may sell and assign its interest in these groundwater rights to third parties for dedication to TMWA for a will-serve commitment in Areas where TMWA can deliver groundwater from the Fish Springs groundwater basin. Currently, TMWA can deliver Fish Springs groundwater to Area 10 only (Stead-Silver Lake-Lemmon Valley). The following is a summary of Fish Springs’ resources.

Beginning Balance		7,354.34 AF
Committed water rights	0.05 AF	
Ending Balance		7,354.29 AF

Price per acre foot at report date: \$47,218 (SFR and MFR); \$40,960 (for all other services)¹

¹ Price reflects avoided cost of Truckee River water right related fees and TMWA Supply & Treatment WSF charge.

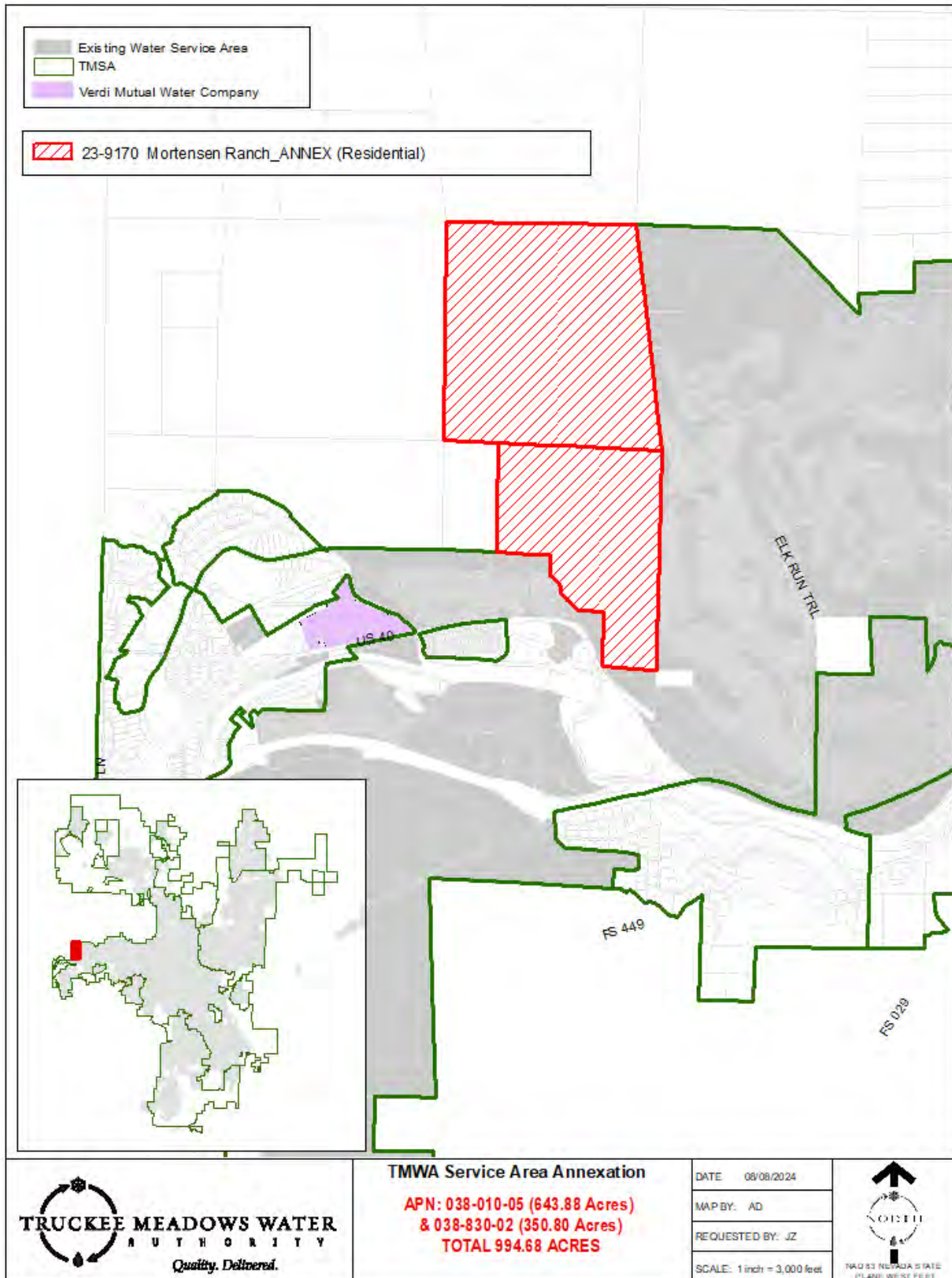
WATER SERVICE AREA ANNEXATIONS

Since the date of the last report, there have been 994.68 acres (Exhibit A) annexed into TMWA's service area.

INTERRUPTIBLE LARGE VOLUME NON-POTABLE SERVICE

No new ILVNPS customers have been added during this reporting period.

EXHIBIT "A"





STAFF REPORT

TO: Board of Directors
THRU: John R. Zimmerman, General Manager
FROM: Marci Westlake, Manager Customer Service
DATE: August 8, 2024
SUBJECT: **June & July Customer Service Report**

The following is a summary of Customer Service activity for June & July 2024

Ombudsman Report – Kim Mazeres

- Customer has had pressure problems since he built the home four years ago. Wants to increase the size of his service line. Advised customer that a technician will measure the pressure tomorrow and contact him with the results. Advised that a plumbing fix might be the less expensive solution, as opposed to increasing the size of the service line. Gave contact information for New Business in order to explore that option and whether or not it would solve the problem. Technician found a problem with original service line installation; TMWA crew was dispatched to put in a new service line, which solved the problem.
- Customer wanted to know if the service line warranty mailers were legitimate. Assured customer they were legitimate and also advised him to call his homeowner's insurance company to see if they cover.
- Landlord for this rental property. Wants historical water use. Because the water has only been in multiple tenants' names, TMWA does not give out specific monthly information about the accounts in order to protect the tenant's privacy. I was able to get average annual water use for her for the last six years.
- Ex-roommate left bill in her name. He is unable to get any information about the account. TMWA got the water into the customer's name and he took responsibility for the charges on the ex-roommate's account.

Communications – Public Outreach – June & July

- Darrin Garland gave TMWA's Standing Advisory Committee a tour of Chalk Bluff and three people attended.
- David Kershaw, David Nelson and Tiffany Anderson gave a presentation for Western Turf - ASLA

Conservation (2024 Calendar year)

- 642 Water Usage Reviews
- 6,106 Water Watcher Contacts

Customer Calls – June & July

- 15,195 phone calls handled.
- Average handling time 5 minutes 24 seconds per call.
- Average speed of answer :19 seconds per call.

Billing – June & July

- 276,308 bills issued.
- 59,438 customers (43%) have signed up for paperless billing to date, which equates to an annual savings of \$ 463,616.40.

Remittance – June & July

- 28,901 Mailed-in payments.
- 44,957 Electronic payments.
- 108,311 Payments via AutoPay (EFT)
- 33,452 One-time bank account payments.
- 1,513 Pay by Text
- 8,868 IVR Payments.
- 1,701 Reno office Payments.
- 113 Kiosk Payments.

Collections – June & July

- 28,575 accounts received a late charge.
- 7,932 Mailed delinquent notices, 0.03% of accounts.
- 1,712 accounts eligible for disconnect.
- 1,250 accounts were disconnected. (Including accounts that had been disconnected-for-non-payment that presented NSF checks for their reconnection)
- 0.07% write-off to revenue.

Meter Statistics – Fiscal Year to Date

- 6,795 Meter exchanges completed.
- 1,932 New business meter sets completed.

Service Line Warranties of America Statistics

- 12,028 Policies
- 9,623 Customers
- 192 Jobs Completed
- \$ 370,111 Customer Savings