

ASSESSOR'S

EVIDENCE

Washoe County Board of Equalization
Appeal Summary Page - Secured Roll

Hearing # 19-0068
Hearing Date 2/27/2019
Tax Year 2019/20

APN: 024-055-52
Owner of Record: SAMS REAL ESTATE BUSINESS TRUST
Property Address: 4835 KIETZKE LN
Property Type: DISCOUNT WAREHOUSE STORE 100%
Gross Building Area: 150,626
Year Built: 2002
Parcel Size: 12.17 Acre
Description / Location: The subject consists of a Sam's Club in the Firecreek Crossing Shopping Center in the Meadowood Submarket.

| | | |
|------------------------|--------------------|---------------------|
| 2019/20 Taxable Value: | Land: | \$5,248,663 |
| | Improvements: | \$7,436,496 |
| | Total: | <u>\$12,685,159</u> |
| | Taxable Value / SF | \$84 |

| | | |
|----------------------------|----------------------|--------------|
| Sales Comparison Approach: | Indicated Value | \$15,000,000 |
| | Indicated Value / SF | \$100 |

| | | |
|------------------|----------------------|--------------|
| Income Approach: | Indicated Value | \$14,500,000 |
| | Indicated Value / SF | \$96 |

| | |
|--|-----|
| Current Obsolescence And/Or Building Adjustment: | \$0 |
|--|-----|

Conclusions: The subject is a fully functioning building serving its highest and best use as designed by the owner. No under-utilization, functional obsolescence, or deferred maintenance was observed at the property. The sales comparison approach is reconciled to \$15,000,000 or \$100/SF and the income approach yields a value of \$14,500,000 or \$96/SF. Both approaches to value support the current taxable value, which does not exceed full cash value.

RECOMMENDATION: Uphold X Reduce



ASSESSOR'S EXHIBIT I
19 PAGES

WASHOE COUNTY BOARD OF EQUALIZATION

COMMERCIAL / INDUSTRIAL

| | | | | | |
|----------------------|----------------------|-----------------------|------------------|------------------|------------------|
| LAND: | TAXABLE VALUE | ASSESSED VALUE | TAXABLE | HEARING: | 19-0068 |
| | \$5,248,663 | \$1,837,032 | \$/SF GBA | DATE: | 2/27/2019 |
| IMPROVEMENTS: | \$7,436,496 | \$2,602,774 | \$84.22 | TIME: | |
| TOTAL: | \$12,685,159 | \$4,439,806 | | TAX YEAR: | 2019/2020 |

OWNER: SAMS REAL ESTATE BUSINESS TRUST

TAXABLE
\$/SF Land
\$9.90

| SUBJECT | | | | | | | | | | | | | |
|----------------|------------|---|-------|--------------------|-------------------------------------|-----|----------------|--------------------|----------------------------------|-------------------------|-------------------|-------------------|------------|
| BLDG# | APN | Location (Occupancy) | Use % | Total GBA (GBA) | Construction Type Exterior Walls | QC | Finish Area | Age(WAY) Height | Land (SF) %Coverage Zoning | Sale Price Sale Date | Sale Price/GBA | EGI GIM OER | NOI OAR |
| 1 | 024-055-52 | 4835 KIETZKE LN DISCOUNT WAREHOUSE STORE | 100% | 150,626 150,626 | MASONRY BRNG CONC BLK TEX | C10 | 150,626 | 2002 32 | 530,169 28% AC | | | | |

| IMPROVED SALES | | | | | | | | | | | | | |
|-----------------------|------------|---|------------------------------|---------|----------|-----|---------|------|------------------------|----------------------------------|----------|-----------------------|--------------------|
| IS-1 | 025-570-01 | 6590 S VIRGINIA ST Home Depot | 100% Discount WH Store | 102,832 | Con.Tilt | 1.5 | 102,832 | 1993 | 435,382 24% MUSV | \$14,975,000* 4/26/2018 | \$145.63 | \$982,800 NA NA | \$933,660 5.84% |
| IS-2 | 039-750-13 | 5150 MAE ANNE AVE Kohls | 100% Discount Store | 94,213 | Con. Blk | 2.0 | 94,213 | 1990 | 395,742 23% AC | \$9,350,000 9/12/2017 1SVR | \$99.24 | \$656,250 NA NA | \$636,250 6.80% |
| IS-3 | 026-031-40 | 2950 NORTHTOWNE LN Lee's Discount Liquor | 100% Discount Store | 30,240 | Con. Blk | 1.5 | 30,240 | 2000 | 142,006 21% AC | \$3,050,000* 9/7/2018 | \$100.86 | NA NA NA | NA NA NA |

| LAND SALES | | | | | | | | | |
|------------|---|------------------------|-----------|--------------|----------|---------|----------|---------|--|
| Sale # | APN | Location | Sale Date | Sale Price | Size(sf) | \$/sf | Tax/Unit | Zoning | Comments |
| LS-1 | 163-061-06 | 537 SOUTH MEADOWS PKWY | 08/30/16 | \$5,921,345 | 9.245 | \$14.53 | NA | PUD | SVL verified arms length sale. Property was not on the market, however the owner was accepting offers and decided to sell to the buying party since they had a fair market offer. The new buyers purchased the land to construct a Sprout's Farmers Market and retail center. |
| L2-2 | 163-090-26 | 9200 DOUBLE R BLVD | 04/27/18 | \$6,534,000 | 15.00 | \$10.00 | NA | PUD | Parcel is located in PUD which allows for a variety of commercial uses; Topography will require extensive fill and groundwork; Buyer is a known apartment developer |
| LS-3 | 400-040-15 | 1405 SKY MOUNTAIN DR | 08/11/17 | \$4,525,000 | 10.61 | \$9.79 | NA | CC | Parcel is zoned Community Commercial which allows for many commerical uses; Former parking lot of the former K-Mart/Great Western Market Place; Good visibility from Interstate-80, but has poor access |
| LS-4 | 015-220-08,09, 10,12,25,46,49,5 0,53,55,56,58,01 5-261-16-17 | E PLUMB LANE | 09/22/16 | \$26,347,183 | 45.60 | \$13.26 | NA | MUSV/CC | No SVL. Costar indicates SP = \$26,923,683, minus \$576,500 for add'l H2O rights = \$26,347,183 cash equiv. Terms were 63% down, and a mortgage for the remaining 37%. Various sources have quoted the owner as stating the future use of the property will be ~1,200 residential units, 100K Sq. Ft. of retail and 70-80K Sq. Ft. of office, all to be initiated in 2017. |

| |
|-------------------------------|
| COMMENTS: |
| SEE ATTACHED COMMENTS SECTION |

COMMENTS:

Improved Sales:

IS-1: Home Depot located on South Virginia Street that had ~6 years remaining on current lease at time of sale. Contract rent of \$0.80/SF is approximately \$0.15/SF above market rent. Consequently, a property rights adjustment of -\$1,005,000 is made for the excess rent. The adjusted sale price of \$14,975,000 or \$145/SF reflects the fee simple value. Buyer is a REIT that specializes in single tenant, free-standing retail properties and stated that this was an arms-length transaction.

IS-2: Kohl's has nine years remaining on a 20-year lease. They have six 5-year options, with rent escalations every five years. This was part of a 1031 tax deferred exchange. Market financing on this transaction. Contract rent of \$0.58/SF is within range of market for this property.

IS-3: Former Ross that was purchased by an owner/user and converted to Lee's Discount Liquor. Owner stated that the building required \$700,000 in repairs and improvements shortly after purchase. When the sale price is adjusted upward by \$700,000, the indicated sale price is \$3,050,000 or \$100/SF. Building is not visible from McCarran Boulevard.

Improved Sales Conclusion:

After adjusting IS-1 for property rights and IS-2 for expenditures after purchase, the comparable sale prices range from \$99/SF to \$145/SF. Similar to the subject, IS-1 is a first generation retail space designed specifically for the tenant, Home Depot. After adjusting the sale price for excess rent, the \$14,975,000 or \$145/SF adjusted sale price reflects a fee simple value for a well located big-box store. However, an additional 15% to 20% downward adjustment is necessary for the relatively small size of IS-1's building (102,832 SF) when compared to the subject (150,626 SF). Overall, IS-1 is considered a high indicator of value. Like the subject property, IS-2 is also a free-standing, single-tenant, retail building. While the Kohl's comp would require downward adjustments for superior finish and relatively small size, a significant upward adjustment is necessary for second generation use. Due to these offsetting factors, IS-1 is considered a reasonable indicator of value for the subject. IS-3 was purchased by an owner user and required significant repairs and improvements prior to occupancy. Similar to the subject, IS-3 has minimal interior finish. IS-3 is a second generation space that is inferior to the subject in location, access, and visibility. These inferior characteristics are somewhat offset by the relatively small size, which would require a downward adjustment. Based on the comparable sales, a market value of \$100/SF is supported.

Land Sales:

The subject parcel is located in the Fieldcreek Shopping Center in the Meadowood Submarket. In addition to the strong demographics of southwest Reno, the subject is in one of the main regional shopping areas of Reno/Sparks. Meadowood Mall is less a mile to the east and major arterial routes such as South McCarran Boulevard, South Virginia Street, and Interstate 580 are in close proximity to the subject. The McCarran On/Off ramp with Interstate 580 is less than a quarter of a mile to the southeast. The subject enjoys excellent access from Redfield Parkway and Kietzke Lane. Overall, this is considered a prime retail location. The comparable land sales share many of the subject's locational characteristics and retail/commercial land use. Their sale prices range from \$9.79/SF to \$14.53/SF. A 10% downward adjustment is applied to the subject's base \$11.00/SF for size. The subject's taxable land value of \$9.90/SF is supported by the comparable land sales.

WASHOE COUNTY BOARD OF EQUALIZATION

COMMERCIAL / INDUSTRIAL

| | | |
|----------------------|----------------------|-----------------------|
| | TAXABLE VALUE | ASSESSED VALUE |
| LAND: | \$5,248,663 | \$1,837,032 |
| IMPROVEMENTS: | \$7,436,496 | \$2,602,774 |
| TOTAL: | \$12,685,159 | \$4,439,806 |

| | |
|------------------|--------------------------|
| TAXABLE | HEARING: 19-0068 |
| \$/SF GBA | DATE: 02/27/19 |
| \$84.22 | TIME: |
| | TAX YEAR: 2019/20 |

APN: 024-055-52
OWNER: SAMS REAL ESTATE BUSINESS TRUST

TAXABLE
\$/SF Land
\$9.90

| | | | | |
|--|------------------|--------------|--------------|--|
| Income Approach | | | | |
| Potential Gross Income | 150,626 sq ft. @ | \$0.55 /mo = | \$82,844 | |
| | sq ft. @ | /mo = | \$0 | |
| | sq ft. @ | /mo = | \$0 | |
| | | | \$82,844 | |
| | x 12 months = | | 12 | |
| | | | \$994,132 | |
| - Vacancy & Collection loss | | 0% | \$0 | |
| = Effective Gross Income | | | \$994,132 | |
| - Operating Expenses | | 5% | \$49,706.58 | |
| =Net Operating Income | | | \$944,425 | |
| Divided by Overall Capitalization Rate | | 6.50% | \$14,529,616 | |
| | | Rounded | \$96 /sf GBA | |

Subject Income Information: The subject is a Sam's Club located in the Meadowood Submarket. The petitioner did not provide any information regarding store performance or gross sales.

Potential Gross Income: A survey of box store rents in Washoe County was conducted to estimate the PGI for the subject property(See Attached). The rents for box retail range from \$0.42/SF to \$0.69/SF on a triple net basis. The Subject's premier location, access, and visibility would command a rent at the high end of the range. However, this is somewhat offset by the relatively large size (150,626 SF) of the retail space. Overall, a market rent near the middle of the range or \$0.55/SF is reasonable for the retail space.

Effective Gross Income: Although most Wal-Mart/Sam's Club stores are owner occupied, triple net lease structures are standard when Wal-Mart/Sam's Club is the tenant. For high performing, well located stores, a lease term of at least 10 years with multiple options is common. Wal-Mart is a well-capitalized, credit tenant and would be considered a low risk to default on leasing terms. As a result, a vacancy/credit loss deduction is not necessary.

Net Operating Income: The owner of a building leased by Wal-Mart/Sam's Club would have minimal expenses. A 5% deduction for operation expenses is made to account for reserves for replacement and miscellaneous expenses incurred by the owner.

Capitalization Rate Analysis: Box retail and shopping center capitalization rates for Washoe County are provided in the Retail Capitalization Chart (See Attached). Similar to the Subject, the Home Depot and Kohl transactions represent free-standing, single-tenant, net leased properties. The cap rates for these deals range between 5.84% and 6.80%. Since the contract rent at the Kohl's is within the market rent range for a department store, it is likely a better indicator of local cap rate than the Home Depot. However, the credit risk associated with Wal-Mart is anticipated to be lower. Although not used in the Sales Comparison analysis, further evidence of cap rates for big box sales with credit tenants is also provided on the chart. The sales consist of 3 Wal-Marts in California and 2 Home Depots in Las Vegas. The cap rates for these regional big box sales range from 5.21% to 6.04% with a median of 5.59%. Based on the market data, a cap rate of 6.5% for the subject property is supported.

Indicated Value Income Approach: The value indicated by the income approach is \$14,529,616 or \$96/SF.

Comments: As of the lien date, the subject is a fully functioning building serving its highest and best use as designed by the owner. No under-utilization, functional obsolescence, or deferred maintenance was observed at the property. The leased fee interest at market rates is equivalent to the fee simple value.

Situs & Keyline Description:
4835 KIETZKE LN RENO
PM 4095
LT 1

Owner & Mailing Address:
SAMS REAL ESTATE BUSINESS TRUST
PO BOX 8050
BENTONVILLE, AR 72712

WASHOE COUNTY APPRAISAL RECORD 2019

APN: 024-055-52

Card 1 of 1
Bld. 1-1



FIRECREEK CROSSING

Tax District: 1000

printed: 2/11/2019

ACTIVE

1211.17

AIDQ - Commercial

| VALUATION HISTORY | | | | | | | | PARCEL VALUE SUMMARY | | | | Database | Roll Year | Prior % Complete | % Complete | | |
|--|--------------|---|-----------------------|-------------------------|---------------|------------------------------|---------------------|-----------------------------------|---------------------------|------------------|---------|--------------------|-----------|---------------------------|----------------|-----------------------|--|
| Roll Year | Taxable Land | Land New | Taxable Improvements | Improvement New | Total Taxable | Total Assessed | Primary Valuation | Building Level Cost | | | | | | | | | |
| 2019 NR | 5,248,663 | 0 | 7,436,496 | 0 | 12,685,159 | 4,439,806 | Building Value | 6,487,564 | | | PROD | | | | | | |
| 2018 FV | 5,301,680 | 0 | 7,416,441 | 0 | 12,718,121 | 4,451,342 | Extra Feature Value | 948,932 | | | | | | | | | |
| 2017 SBE | 5,301,680 | 0 | 5,242,140 | 0 | 10,543,820 | 3,690,337 | Land Value | 5,248,663 | | | | | | | | | |
| 2016 FV | 5,301,680 | 0 | 7,676,729 | 0 | 12,978,409 | 4,542,443 | Taxable Value | 12,685,159 | | | | | | | | | |
| 2015 FV | 5,301,680 | 0 | 7,659,921 | 0 | 12,961,601 | 4,536,560 | Exemption | 0 | | | | | | | | | |
| 2014 FV | 5,301,680 | 0 | 7,599,651 | 0 | 12,901,331 | 4,515,466 | FLAGS | | | | | | | | | | |
| 2013 FV | 5,301,680 | 0 | 7,546,364 | 0 | 12,848,044 | 4,496,815 | Type | Value | | | | | | | | | |
| 2012 FV | 5,301,680 | 0 | 7,664,200 | 0 | 12,965,880 | 4,538,058 | Cap Code | NFM | | | | | | | | | |
| 2011 FV | 5,301,680 | 0 | 7,166,178 | 0 | 12,467,858 | 4,363,750 | Eligible for Form? | NO | | | | | | | | | |
| 2010 FV | 5,301,700 | 0 | 7,105,098 | 0 | 12,406,798 | 4,342,379 | Low Cap Percentage | 0 | | | | | | | | | |
| 2009 FV | 5,858,370 | 0 | 7,225,526 | 0 | 13,083,896 | 4,579,364 | Parcel Map | 4095 | | | | | | | | | |
| 2008 FV | 6,241,161 | 0 | 7,331,863 | 0 | 13,573,024 | 4,750,558 | | | | | | | | | | | |
| BUILDING DETAILS | | | | | | | | BUILDING FEATURES AND ADJUSTMENTS | | | | BUILDING SUB-AREAS | | | | BUILDING COST SUMMARY | |
| Type | Code | Description | Category | Units | Code | Description | Yr Blt | Units | Cost New | Tot Lump Sum Adj | | | | | | | |
| Occupancy | 458 | Commercial/Industr | No of Stories | 1 | DRO | DO - No Value Drawn for Info | | 0 | | Sub Area-RCN | | 8,708,140 | | | | | |
| Story/Frame | C | Discount | Quality Class | 1 | | Base Cost | | 150,626 | 4,310,916 | % Incomplete | | 0 | | | | | |
| Quality | 0 | MSNRY BRNG ~ | Avg Wall Height/Floor | 32 | | Exterior Walls | | 150,626 | 2,640,925 | % Depreciation | | 25.50 | | | | | |
| Year Built | WAY | %Comp | Year of Addn/Remodel | | | Heating & Cooling | | 150,626 | 1,459,566 | \$ Dep & Inc | | 2,220,576 | | | | | |
| 2002 | 2002 | 100 | | | | Sprinklers | | 150,626 | 296,733 | Obso/Other Adj. | | 0 | | | | | |
| BUILDING CHARACTERISTICS | | | | | | | | GBA | GBA - GROSS BUILDING AREA | 150,626 | | | | | | | |
| Category | Code | Type | % | | | | | | | Sub Area DRC | | 6,487,564 | | | | | |
| Ext. Wall | 815 | CONC BLK TEX | 95 | | | | | | | Additive DRC | | 948,932 | | | | | |
| Ext. Wall | 804 | BLOCK W/STUC | 5 | | | | | | | Total DRC | | 7,436,496 | | | | | |
| Heating Type | 611 | PACKAGE UNIT | 100 | | | | | | | Override | | | | | | | |
| Base Rate Adjustment | | | | | | | | Adj. | | | | | | | | | |
| Construction Modifiers | | | | | | | | Adj. | | | | | | | | | |
| Gross Living/Building Area | | | | | | | | 150,626 | | | | | | | | | |
| Perimeter | | | | | | | | 1,775 | | | | | | | | | |
| # | Bld | Date | User ID | Activity Notes | | | | | | | | | | | | | |
| 1 | 0-0 | 10/30/2018 | eladouceu | REXT BY WJ - 09/19/2018 | | | | | | | | | | | | | |
| EXTRA FEATURES, ADDITIVES, AND ADJUSTMENTS | | | | | | | | | | | | | | | | | |
| # | Code | Description | Quality | Bld # | Length | Width | Units | Unit Price | Year Built | Roll Year | % Comp | RCN | % Good | DRC | Override Value | Notes | |
| 1 | CRBC | CONCRETE CURB 6", NO GUTTER | 30 | 1-1 | 0 | 0 | 3000 | 13.59 | 2002 | | 100 | 40,770 | 74.5 | 30,374 | | | |
| 2 | DKLV | DOCK LEVELER | 30 | 1-1 | 0 | 0 | 5 | 7,922.00 | 2002 | | 100 | 39,610 | 74.5 | 29,509 | | | |
| 3 | FWAS | FLATWORK ASPHALT | 30 | 1-1 | 0 | 0 | 350000 | 1.92 | 2002 | | 100 | 673,400 | 74.5 | 501,683 | | | |
| 4 | FWCO | FLATWORK CONCRETE | 30 | 1-1 | 0 | 0 | 2500 | 5.38 | 2002 | | 100 | 13,442 | 74.5 | 10,014 | | | |
| 5 | PKLT | PARKING LOT LIGHTING | 30 | 1-1 | 0 | 0 | 350000 | 0.65 | 2002 | | 100 | 227,500 | 74.5 | 169,488 | | | |
| 6 | TKR2 | TRUCK RAMPS CONCRETE | 30 | 1-1 | 0 | 0 | 603 | 65.34 | 2002 | | 100 | 39,400 | 74.5 | 29,353 | | | |
| 7 | TKW4 | TRUCK WELL CONCRETE WITH RETAINING WALL | 30 | 1-1 | 0 | 0 | 5481 | 18.76 | 2002 | | 100 | 102,824 | 74.5 | 76,604 | | | |
| 8 | WLCB | WALL CONCRETE BLOCK | 30 | 1-1 | 0 | 0 | 400 | 15.68 | 2002 | | 100 | 6,272 | 74.5 | 4,673 | | | |
| 9 | WLKC | WALK-IN COOLER | 20 | 1-1 | 0 | 0 | 1584 | 82.40 | 2002 | | 100 | 130,516 | 74.5 | 97,234 | | | |
| LAND VALUE | | DOR Code | 400 | Neighborhood | | 1211.17 | AIDQ - Commercial | | Land Size | | 12.1710 | Unit Type | | AC | | | |
| # | Code | Description | Zone | Units | Unit Type | Sub Type | Unit Price | Influence 1 Code | % | Influence 2 Code | % | Taxable Value | | Land Notes | | | |
| 1 | 400 | General Commercial: retail, | AC | 530,168.00 | SF | 5 | 11.00 | SZ | 0.90 | | | 5,248,663 | | WALMART PARC VAL TOGETHER | | | |

WASHOE COUNTY APPRAISAL RECORD

2019

APN: 024-055-52

FIRECREEK CROSSING

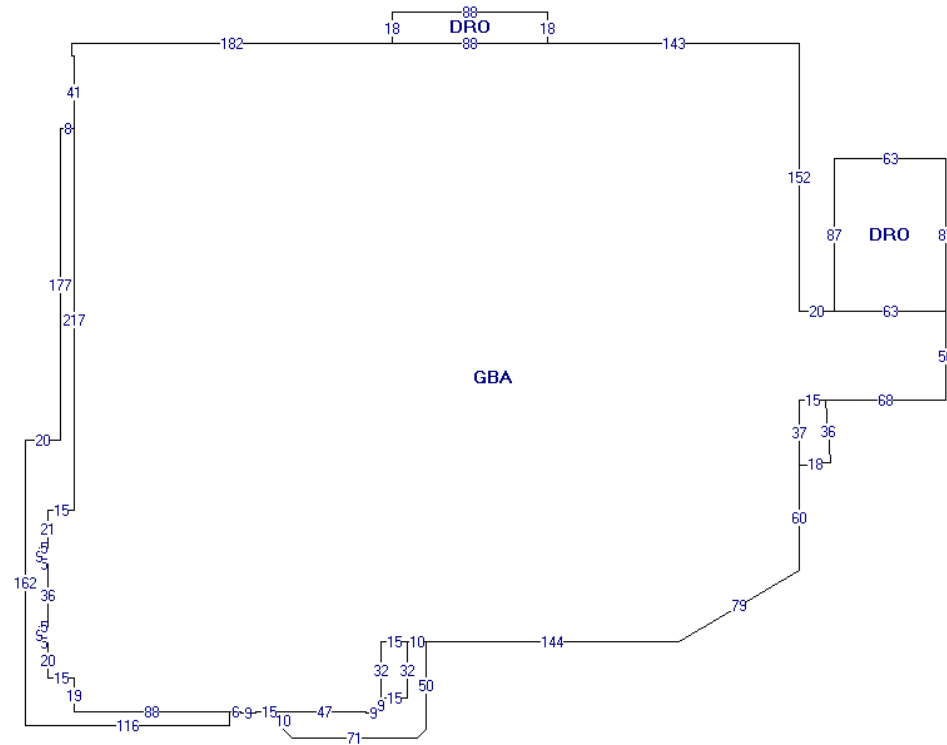
Tax District: 1000

printed: 2/11/2019

ACTIVE

1211.17

AIDQ - Commercial



BUILDING PERMITS

| Date | Permit # | Description | Amount | Status | % Comp | Last Visit/Appr/Results | Notes |
|-----------|-------------|-------------|-----------|--------|--------|-------------------------|-------|
| 3/26/2015 | BLD14-07035 | REMODEL | 1,500,000 | Compl | 100 | 05/29/15 GS Compl | |
| 2/25/2015 | SGN15-04368 | SIGN | 10,110 | Compl | 100 | 06/10/15 TAO Compl | NVC |
| 9/17/2003 | 03-02049 | TENANT | 75,000 | Compl | 0 | 11/14/03 SE Compl | NVC |

SALES/TRANSFER INFORMATION

| Grantor | Document | Date | LUC | Verif | Terms | Sales | Notes |
|----------------------|----------|------------|-----|-------|-------|-------|-------|
| WAL-MART STORES INC | 3142097 | 12/13/2004 | 400 | 3BGG | | | |
| WAL-MART STORES INC, | 2928144 | 9/24/2003 | 400 | 4BV | | | |

| # | Bld | Date | User ID | Activity Notes |
|----|-----|------------|---------|---|
| 2 | 1-1 | 2/20/2018 | elado | CBE BOARD YEAR 2018 PROTEST YEAR 2018/2019, VALUES UPHELD |
| 3 | 0-0 | 1/17/2018 | lzimm | UPDATE APPRAISER & SENIOR APPR ON APPEAL |
| 4 | 0-0 | 10/12/2017 | rdalt | REXT BY LLL - 10/10/2017 |
| 5 | 1-1 | 7/31/2017 | srsco | LAND OK |
| 6 | 0-0 | 2/28/2017 | srsco | CBOE BOARD YEAR 2017, PROTEST YEAR 2017/18- UPHELD |
| 7 | 0-0 | 2/23/2017 | lzimm | UPDATE CBE DECISION |
| 8 | 0-0 | 2/7/2017 | lzimm | rescheduled CBE hearing |
| 9 | 0-0 | 1/31/2017 | mjach | CBE HEARING NOTICE |
| 10 | 0-0 | 1/25/2017 | sjack | Entering Date Scheduled |

Box Store Rent Survey

| # | Location APN | Description | Sq Feet/ Year Built | Lease Date/ Term | Base Rent/SF | Lease Type | Comments |
|-----------------------|---|---|------------------------|---------------------|-----------------|---------------|---|
| Market Rents | | | | | | | |
| | Undisclosed (Spanish Springs Community Shopping Center) | Retail Store | 20,000-25,000 2007 | 9/1/2018 10 Year | \$0.69 | NNN* | *Rent adjusted downward \$0.15/SF to reflect NNN; Landlord provided \$7.00/SF TI allowance and 5 months free rent; Options exist at end of term; |
| | Undisclosed (Sparks Neighborhood Shopping Center inside McCarran Loop) | Retail Store | 15,000-20,000 1980 | 9/2018 10 Year | \$0.62 | NNN | Significant capitol improvements were completed by owner prior to occupancy; tenant responsible for interior TIs; 10% rent escalation after 5 years; Five (5) options; Tenant received 4 months free rent |
| | Undisclosed (Sparks Neighborhood Shopping Center inside McCarran Loop) | Retail Store | 35,000-40,000 1980 | 9/2018 10 Year | \$0.42 | NNN | Significant capitol improvements were completed by owner prior to occupancy; tenant responsible for interior Tis and store front; 10% rent escalation after 5 years; Five (5) options; Tenant received 3 months free rent |
| | 1350 Disc Drive, Suite A 035-263-09 | Big Lots | 32,285 1996 | 8/1/2018 10 Year | \$0.50 | NNN | Landlord contributed ~\$900,000 in Tis. Rent is flat except for one 10% escalation after 5 years |
| | 125-165 Disc Drive, Ste. DM-2 510-083-09 | Marshall's Home Goods | 40,149 2006 | 9/2016 5 Year | \$0.63 | NNN | Landlord responsible for Tis; 2% escalations |
| Market Rent Median: | | | | | \$0.62 | | |
| Contract Rents | | | | | | | |
| | 2863 Northtowne Lane 026-182-38 | Former Wal-Mart Teleperformance tenant (Call Center) | 42,780 1994 | 11/2015 6 Year | \$0.79 | NNN | Tenant paid for TIs; rent escalations exist; options exist to extend lease agreement to 12 years; tenant responsible for parking lot maintenance |
| | 2863 Northtowne Lane, Unit C 026-182-38 | Former Wal-Mart Planet Fitness tenant | 18,526 1994 | 11/2015 NA | \$0.75 | NNN | Tenant paid for TIs; Improvements will include gym and spa |
| | 5150 Mae Anne Avenue 039-750-13 | Kohl's | 94,213 1990 | 2006 20 Year | \$0.58 | NNN | Seven years remaining on current lease; Tenant has six 5-year options with rent escalations every 5 years |
| | 6590 S. Virginia St 025-570-01 | Home Depot | 102,832 1993 | 1993 30 Year | \$0.80 | NNN | No percentage rent; lease expires 2024 |
| Contract Rent Median: | | | | | \$0.77 | | |

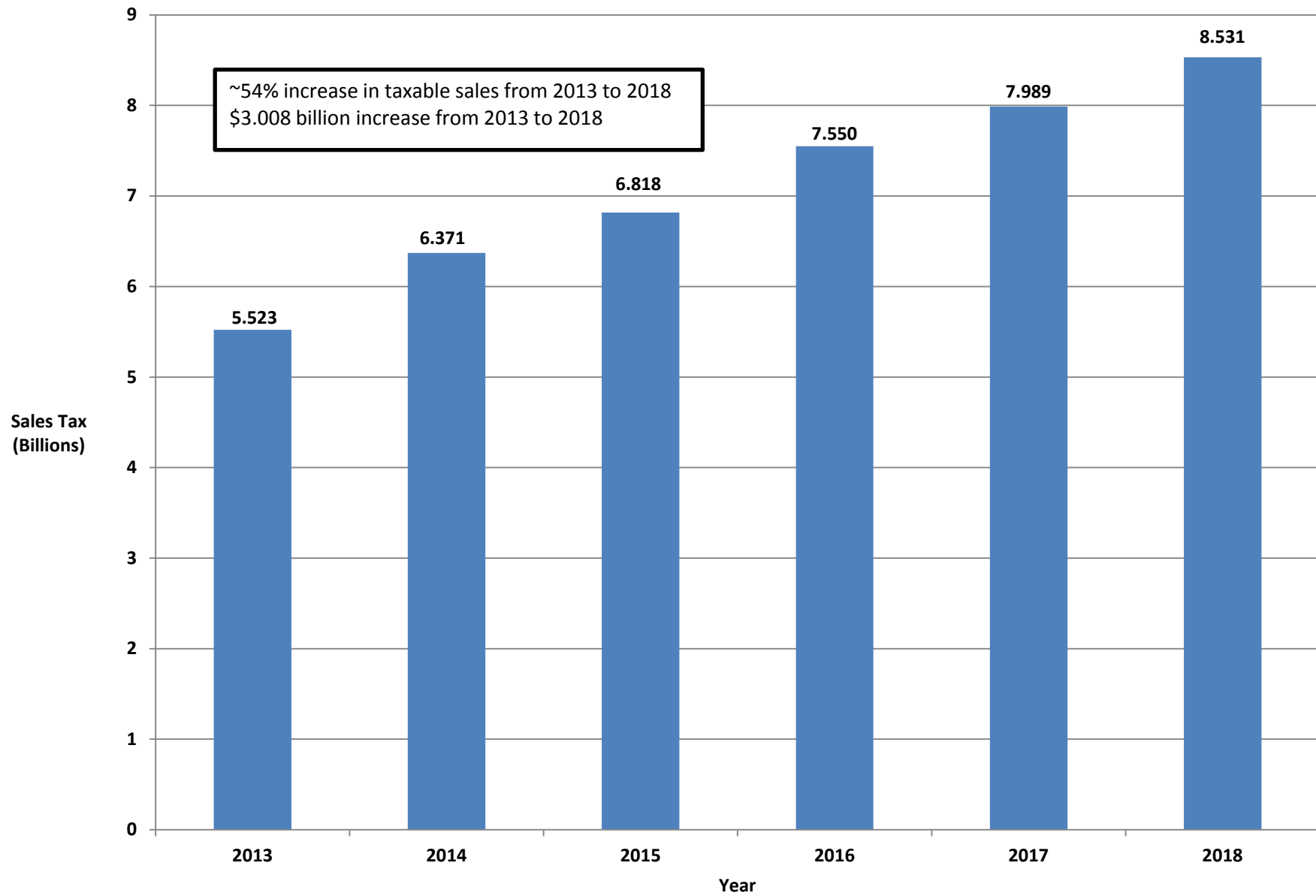
Grocery Store Rent Survey

| # | Location | APN | Description | Sq Feet/ Year Built | Lease Date/ Term | Base Rent/SF | Lease Type | Comments |
|-----------------------|---|-----|--------------------------------------|------------------------|----------------------|-----------------|---------------|--|
| Market Rents | | | | | | | | |
| | 1350 Disc Drive, Suite A 035-263-09 | | Grocery Outlet | 20,416 1996 | 11/1/2017 10 Year | \$0.75 | NNN | Landlord contributed ~\$600,000 in Tis. Rent is flat except for one 10% escalation after 5 years |
| | 125-165 Disc Drive, Ste. DM-1 510-083-09 | | Sprouts | 30,000 2006 | 9/2016 5 Year | \$1.17 | NNN | Landlord responsible for Tis; 2% escalations |
| Market Rent Median: | | | | | | \$0.96 | | |
| Contract Rents | | | | | | | | |
| | 4819 Kietzke Lane 024-055-33 | | Natural Grocers | 31,850 1996 | 2/2014 10 Year | \$0.67 | NNN | Landlord contributed ~\$17/SF in Tis; 2% rent escalations |
| | 2389 Wingfield Hills Road 528-321-06 | | Wingfield Springs Raleys Supermarket | 58,299 2008 | 2008 25 years | \$1.39 | NNN | 5 year options |
| | 18144 Wedge Parkway 049-731-10 | | Galena Junction Raleys Supermarket | 61,554 1996 | 1996 25 years | \$0.89 | NNN | Current lease has 3+ years left; Tenant has three 5-year options; percentage rent of 1% for gross receipts greater than \$30 million |
| | 3310 S McCarran Blvd. 021-281-12 | | Mira Loma Raley's Supermarket | 36,000 1985 | 2005 20 years | \$1.00 | NNN | Former Scolari's now occupied by Raley's; Owner hopes renegotiate lease at next renewal |
| Contract Rent Median: | | | | | | \$0.99 | | |

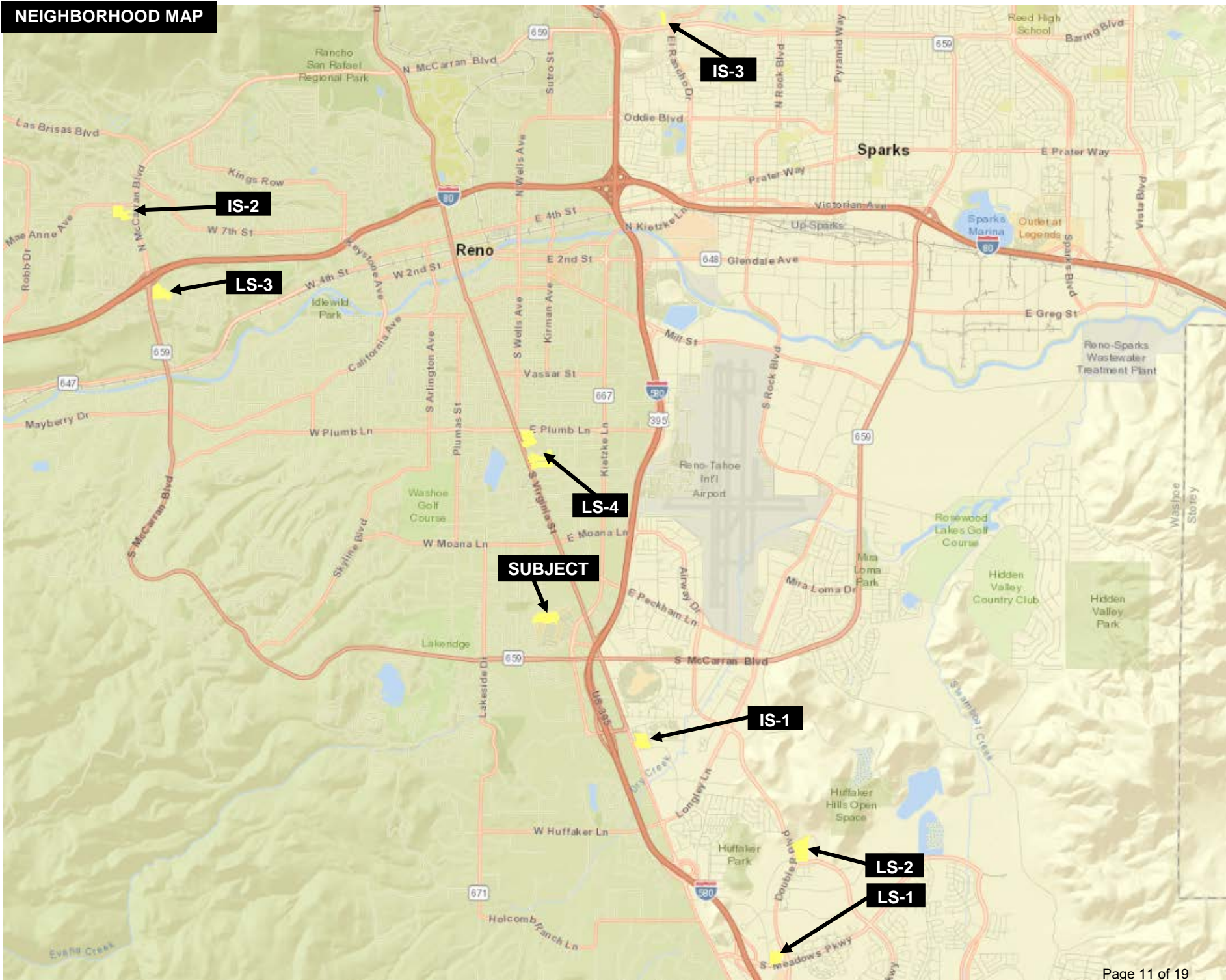
RETAIL CAPITALIZATION RATE CHART

| APN NBC | Location | Use % | Total Finish Area | Year Built | Land (SF) %Coverage Zoning | Sale Price Sale Date | NOI OAR | Notes |
|--|---|------------------------------|-------------------------|------------|----------------------------------|---------------------------|-------------------------------------|--|
| 025-570-01 OBGQ | 6590 S Virginia St. Home Depot | 100% Discount WH Store | 102,832 | 1993 | 435,382 24% MUSV | \$15,980,000 4/26/2018 | \$933,660 5.84% | Arms length transaction in an investment sale. The property is fully leased to national credit home improvement center with market big box lease rate and 6 more years left in the current lease |
| 039-750-13 BCAQ | 5150 Mae Anne Ave. Kohl's | 100% Discount Store | 94,213 | 1990 | 395,742 23% AC | \$9,350,000 9/12/2017 | \$636,250 6.80% | Kohl's has nine years remaining on a 20-year lease. They have six 5-year options, with rent escalations every five years. This was part of a 1031 tax deferred exchange. Market financing on this transaction. |
| 021-281- 08,12,13,14,02 NDEQ | 3310 S McCarran Blvd Mira Loma Shopping Center | N. Shopping Center | 104,717 | 1993 | 405,793 26% AC | \$16,350,000 3/2/2018 | \$1,150,000 7.03% | Buyer indicated that environmental issues exists (dry cleaners). Raleys took over the Sclaris lease and overall vacancy is very low. Buyer plans to renovate and increase rents in time. Buyer believes the new SE connector and future homes at Bella Vista will also add value. |
| 041-243- 09,10,11 RBEQ | 4780-4798 Caughlin Pkwy Caughlin Shopping Center | N. Shopping Center | 111,716 | 1992 | 478,332 23% PUD | \$18,000,000 8/29/2018 | \$1,413,000 7.85% | Raleys moved into the previous Sclaris's market prior to this transaction. This sale includes the Starbucks and Wells Fargo Bank parcels. Total bldg SF is 111,716. Total land 10.98 acres. \$161/SF is comparable to the Mira Loma Shopping center earlier. Costar reports 92% of space was leased at time of sale. NOI reported as actual. |
| 039-750-03, 09, 11 BCAQ | 5110 Mae Anne Ave. Ridgeview Plaza | 60% Box 40% Line | 173,877 | 1989 | 736,224 24% AC | \$33,000,000 1/14/2016 | \$2,258,144 6.84% | Center Co-Anchored with Safeway and Kohl's. Other box retail tenants include Ross Dress For Less, and PetSmart. Center was 98.5% occupied at time of sale. No deferred maintenance reported. |
| Big Box Sales with Credit Tenants | | | | | | | | |
| 0823-026-040 | 11729 Imperial Hwy Norwalk CA Wal-Mart | Discount Store | 111,830 | 1998 | 334,105 33% N/A | \$20,200,000 05/02/17 | \$1,100,000 5.45% | Located in Los Angeles County with good visibility and access to Interstate 5; Seven years remaining on net lease; Sale Price is ~\$181/SF |
| 223-0082-20,49 | 8961 Greenback Ln Orangevale CA Wal-Mart | Discount Store | 98,000 | 2006 | 422,532 23% N/A | \$13,500,000 02/17/17 | \$703,350 5.21% | Located ~ 20 miles from Downtown Sacramento; Nine years remaining on net lease; Store smaller than typical supercenter due to zoning and building restrictions; Sale price is \$138/SF |
| 104-080-14 | 1189 E March Ln Stockton CA Wal-Mart | Discount Store | 54,159 | 2012 | 210,830 26% N/A | \$9,200,000 01/18/17 | \$514,506 5.59% | "Neighborhood Market" concept store; Seven years remaining on net lease; Located on high traffic corner with good visibility; Sale price is \$170/SF |
| 138-34-717-015 | 861 S. Rainbow Blvd. Las Vegas, NV Home Depot | 100% Discount Store | 105,275 | 1993 | 436,907 24% C-1 | \$23,100,000 01/05/17 | \$1,386,000 6.00% | Located just north of the West Charleston Blvd. and South Rainbow Blvd. intersection in West Las Vegas. Long term, net leased property to credit tenant. |
| 178-03-610-011 | 1030 W. Sunset Rd. Las Vegas, NV Home Depot | 100% Discount Store | 102,370 | 1992 | 383,763 27% CC | \$23,162,717 06/10/16 | \$1,400,000 6.04% (pro forma) | Located just west of U.S Highway 95 in Henderson. Tenant signed 10 year extension prior to sale which resulted in pro forma cap rate of 6.04% |

Annual Washoe County Sales & Use Tax



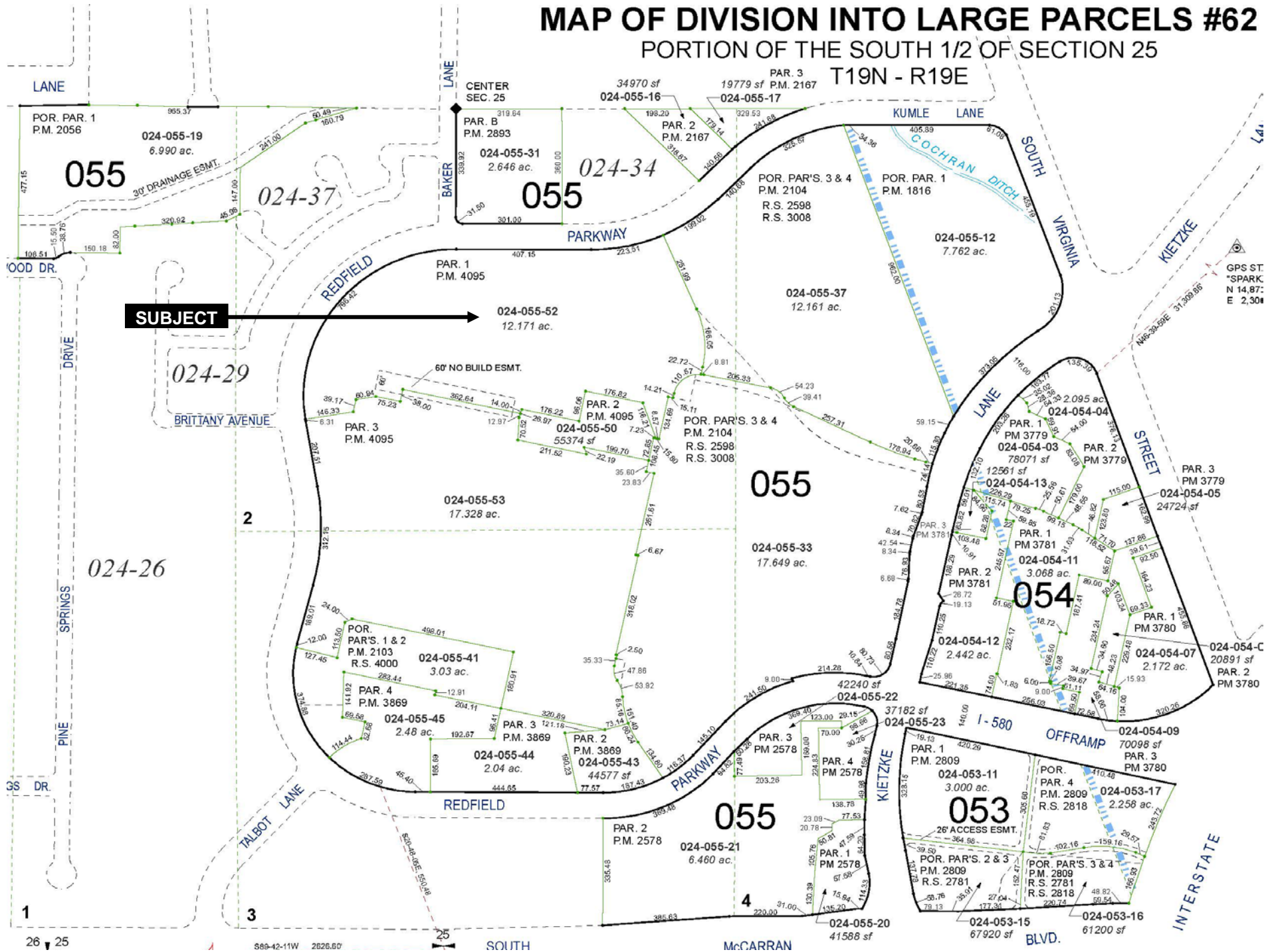
NEIGHBORHOOD MAP



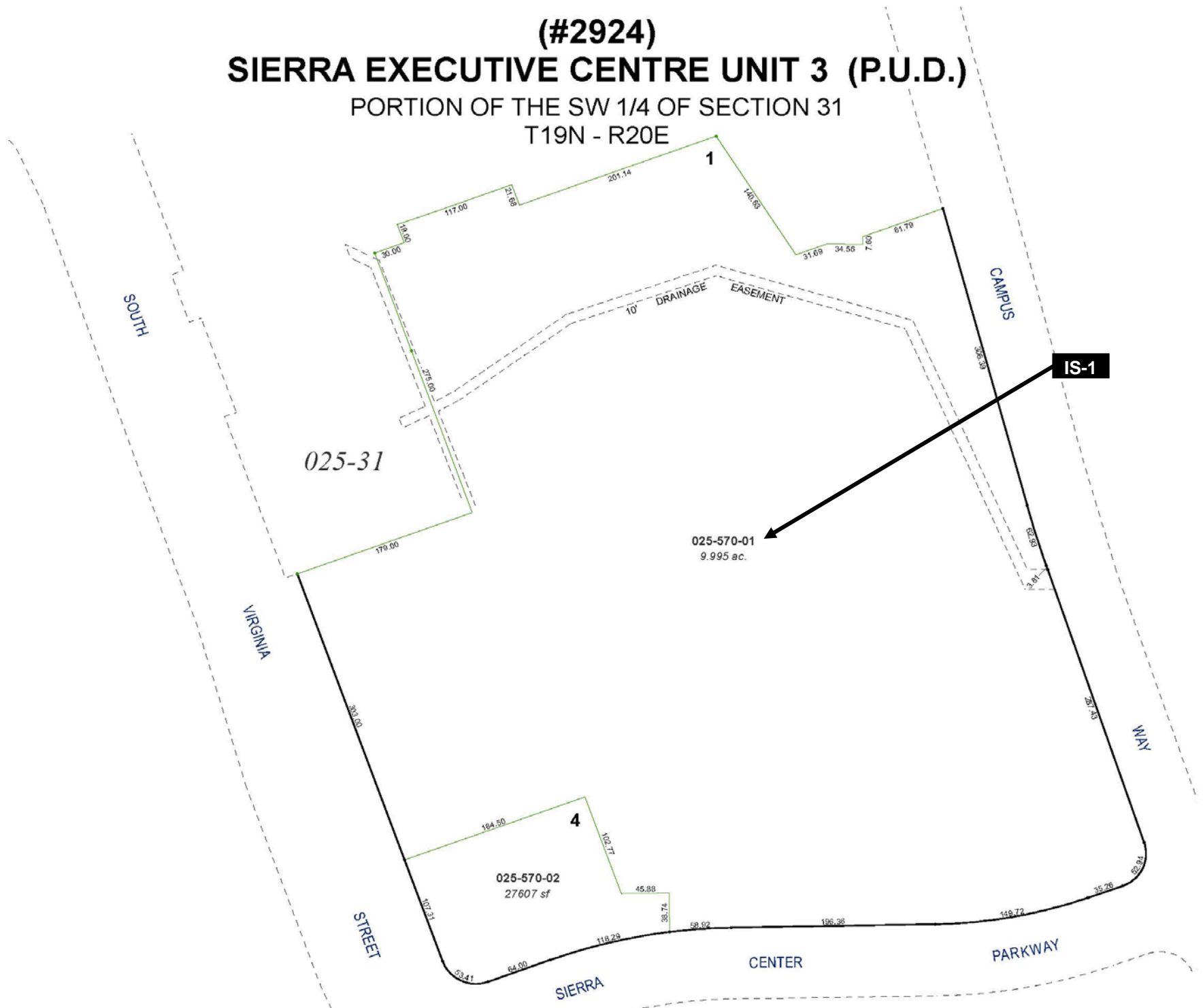
MAP OF DIVISION INTO LARGE PARCELS #62

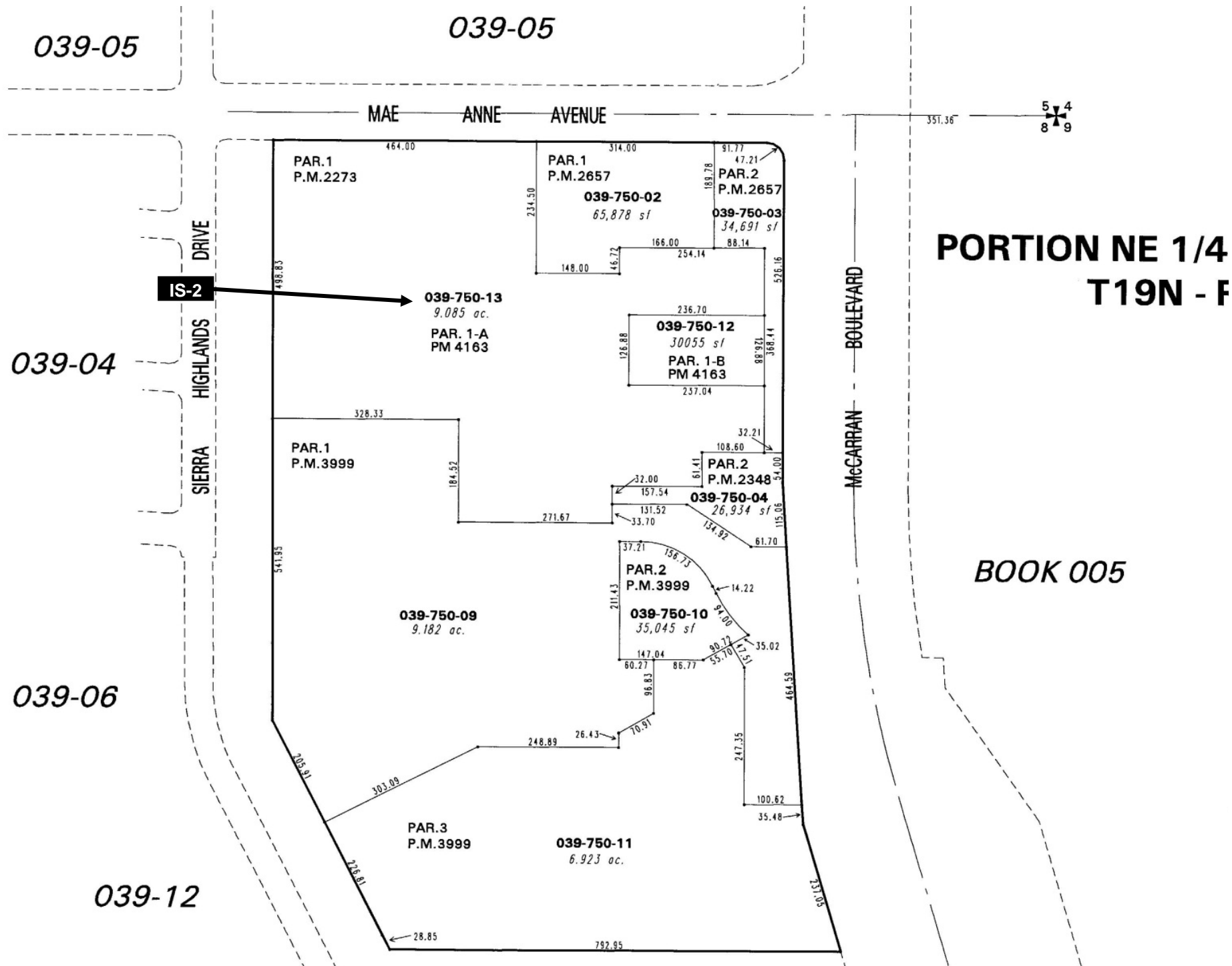
PORTION OF THE SOUTH 1/2 OF SECTION 25

T19N - R19E

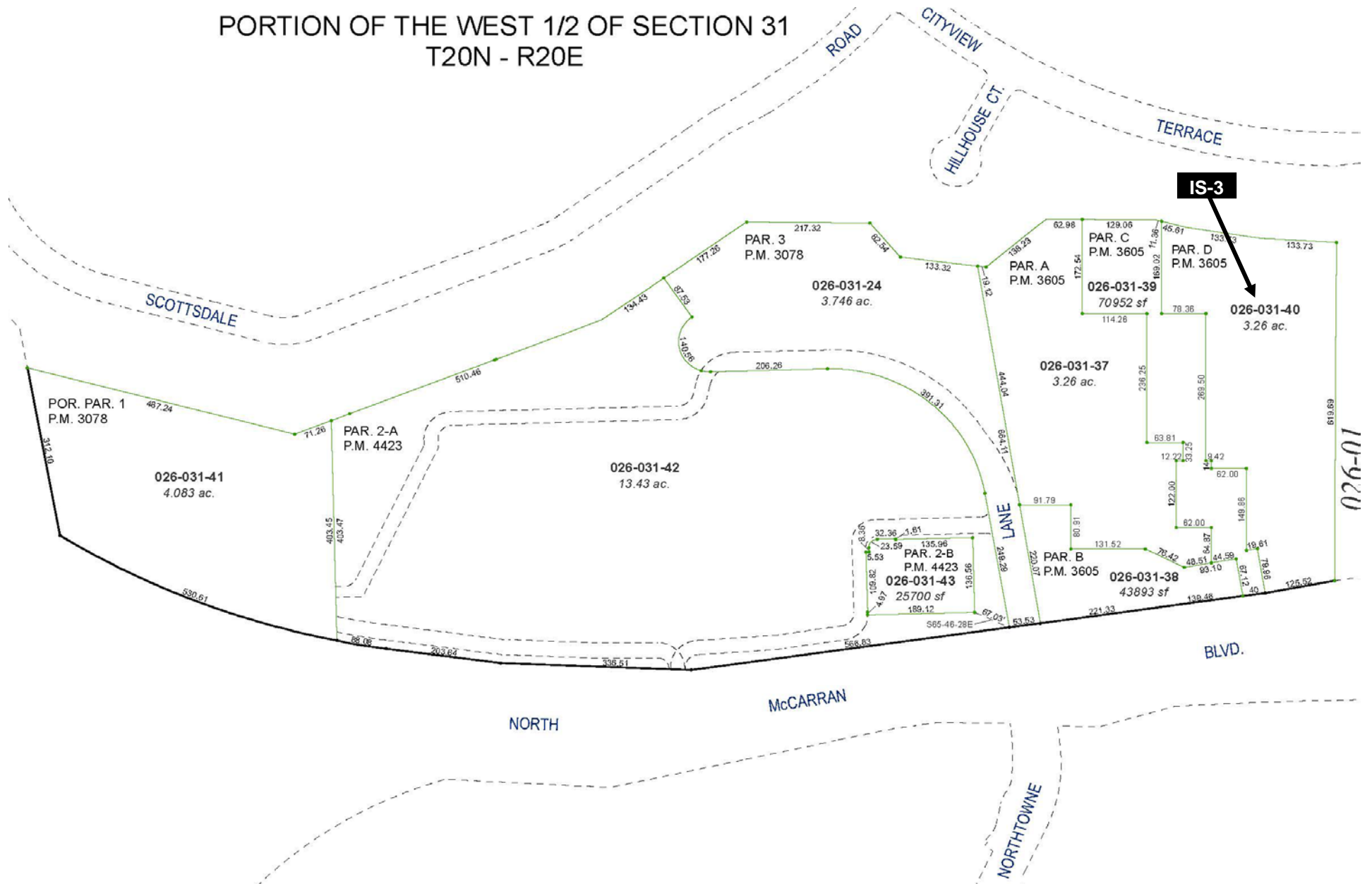


(#2924)
SIERRA EXECUTIVE CENTRE UNIT 3 (P.U.D.)
PORTION OF THE SW 1/4 OF SECTION 31
T19N - R20E





PORTION OF THE WEST 1/2 OF SECTION 31 T20N - R20E

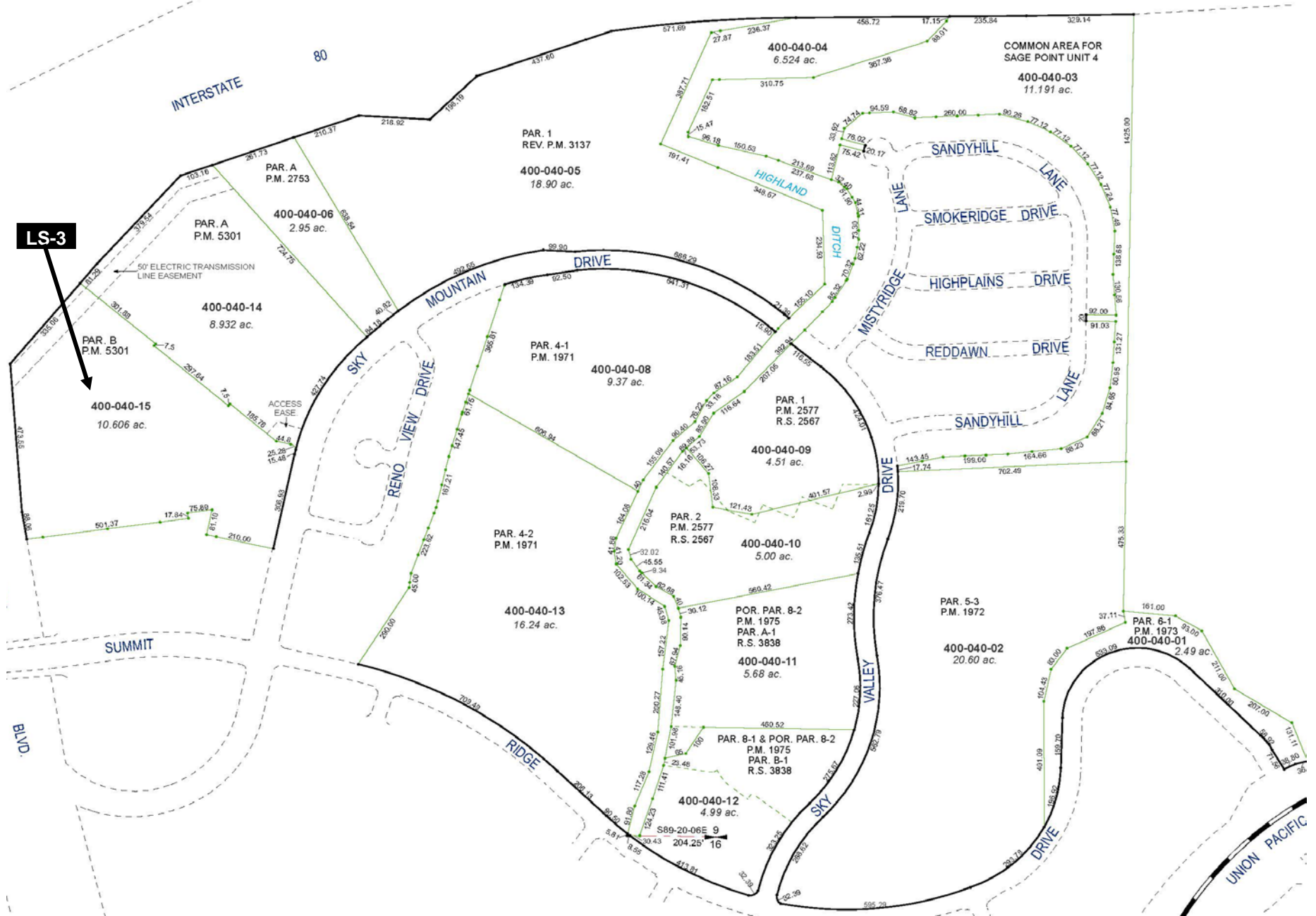


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within an industrial subdivision pursuant to NRS 278.325

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PORTIONS OF SOUTH 1/2 OF SEC. 9 & NORTH 1/2 OF SEC. 16, T19N - R19E



PORTION OF N 1/2 SECT
T19N - R19E

