Commissioners' Meeting Agenda Item Request
Date of Meeting: 03-21-17

Stormo Investments LLC has requested that the following documents be transferred from the Storey County Assessor's office to the Storey County Commissioners' office for the meeting of 03-21-17:

(2) Appraisals—Urmston and Kimmel in pdf format
(1) Engineer's Plaintiff Cost of Repair in paper form
(1) Engineer's Presentation of Defects and Deficiencies in paper form

The Storey County Board of Equalization Determination from the meeting held on February 24th.

With this request, Stormo Investments LLC is submitting a copy of the prepared remarks read into the record at the Storey County Board of Equalization meeting held on February 24th.

Also, with this request, Stormo Investments LLC is submitting photographs and copies of photographs dated May 15, 2015—TWO DAYS AFTER RECEIVING THE CERTIFICATE OF OCCUPANCY—which clearly show the extent of water intrusion on that date.*

*Stormo Investments LLC will bring a binder with additional photographic evidence of the state of our building for the Commissioners' review.

APPLICATION FOR REFUND OF PROPERTY TAXES

Per NRS 354.240(2) The application for the refund of property taxes must be made within three years after the tax was due.

In accordance with NRS 354.240(2) Stormo Investments LLC is requesting a refund of property tax for the following years:

2015-2016	$ 9,523.29
2106-2017	$ 9,666.29
	$19,189.58 total refund requested

Per NRS 354.220(4) In the opinion of the Board of County Commissioners, [ ], the applicant for refund has a just cause for making the application and the granting of the refund would be equitable.

Stormo Investments LLC believes that the Certificate of Occupancy—the vehicle by which new buildings are placed on the tax rolls—should not have been issued for a building which cannot be leased or sold due to structural deficiencies.

I would like to thank Jana, the Storey County Assesor, for allowing us this opportunity to address the Board. Last year, we paid almost $10K in property tax for a building which we cannot sell or lease—it was rather like having salt rubbed into a wound. [We believe that our previous years' property taxes should also be refunded.] We commissioned two appraisals and submitted them with our professional engineer reports to the Storey County Assessor. In the professional opinions of one forensic engineer and two engineering firms, our building—as it stands—is unsafe. The Storey County Assessor and the Storey County Appraiser agree that under these extraordinary circumstances our new building should be regarded as a salvage. I believe that the Board will concur with the stipulation as submitted; however, we would like to enter, for the record, the events which led to this designation.

Before I begin our presentation, I would like the Board to keep-in-mind the terms "unintentional" and "intentional". Occasionally, things go wrong on a project—unintentionally. No harm was intended and the project is halted until corrective action can be implemented. Signing contracts which do not adhere to the approved plans and specifications of the project, accepting the placement of inferior or altered materials, or accepting substandard workmanship are usually regarded as intentional acts. In the context of construction, the terms "unintentional" and "intentional" are synonymous with "incompetence", "negligence", and "fraud". I will not use these actual terms as they also have legal connotations. I will merely state the facts for the record and the Board can arrive at their own conclusions.

I will begin with the most egregious structural issue: The CMU. For those Board members who may be unfamiliar with this term, CMU, concrete masonry unit, refers to the cement blocks with which our building is constructed. Lintels are to block construction what headers are to wood construction. These are the beams which support the weight of the walls and roof above the doors and windows.

Under the supervision of our general contractor, Dennis Banks Construction, Keystone Masonry not only failed to properly install the structural rebar in the walls, Keystone Masonry also failed to properly construct the lintels at the storefronts and windows and there are no lintels above the warehouse man doors. With complete disregard for the lintel schedule in the plans, Keystone Masonry failed to construct the 62" high x 20' long lintels required for the large roll-up doors—The lintels simply do not exist. The resulting stress cracks at the westerly roll-up door have opened to allow sight through to the outside. The engineers who have been to our building, agree that this area, as-well-as the deficiently built lintels at the other roll-up doors, have created an unsafe condition.

Furthermore, Keystone Masonry constructed the westerly wall 1 ½" out-of-plumb which is well outside of code tolerances and Keystone Masonry failed to properly grout the building, leaving large voids in the CMU walls. These voids provide a vantage point to witness the rust caused by the water intrusion through the CMU. Despite the fact that weather protection was specifically required in the contract with Dennis Banks Construction and in the Keystone

Masonry contract, Keystone Masonry neglected to protect their work from the cold weather even though 55 gallon drums of water froze at the site. The CMU blocks, the grout, and the mortar froze. The damage from the cold weather resulted in cracks and fissures throughout the CMU block walls which allow water to stream into the building.

The center steel columns which support the roof may have been compromised. As recently revealed in deposition, and evidenced by a **change order** issued by Dennis Banks Construction, Dan's Welding testified that they torched-off the two center column base plates; turned them 45*, and filet-welded the base plates back onto the steel columns without the required engineer's approval and without having the welds inspected as is required for this structural component. Our engineering firm has not yet determined the severity of this situation and whether correction is required.

Our Storey County approved set of plans specify an SBS roof. Dennis Banks Construction **contracted** with Sierra Coast Roofing to install a TPO roof without an engineered TPO roof plan or approval from Storey County. No doubt, Sierra Coast's substandard installation of the TPO membrane combined with the deficient roof design—no cants at the 90* intersections, no crickets at the curbs, and improper water-flow from the roof—has made it difficult for Dennis Banks Construction to find an engineer to provide an as-built for the TPO roof.

Under the supervision of Dennis Banks Construction, L&H Concrete failed to adhere to the mixture requirements of the cement; failed to provide key-joints in the foundation footing; failed to provide key-joints with greased dowels in the slab, and L&H Concrete short-poured the entire slab by 1". The resulting 4" slab in the warehouse will not tolerate forklift traffic and the 3" slab under the office and in the future office area do not meet code. Core drilling revealed areas that are actually less than 3" thick. Furthermore, Dennis Banks Construction and an as-yet-to-be-determined subcontractor failed to remove the vapor barrier from the interior wall footings before the slab was poured creating a cold joint which is also a violation of code.

Dennis Banks Construction **contracted** with Century Glass to install ½" insulated glass windows instead of providing the 1" insulated glass windows specified on the plans. Furthermore, under the supervision of Dennis Banks Construction, Century Glass failed to install sill flashing under the windows as specified by the plans. Dennis Banks Construction also **permitted** Century Glass to install inferior hardware for the storefronts and allowed Century Glass to install single-pane plastic framed skylights instead of the dual-pane aluminum framed skylights specified in the plans. The installed skylights do not meet code.

Under the direct supervision of Dennis Banks Construction, Alexander Heating/Plumbing installed a three-year-old heating unit. The three-year-old HVAC unit is not high efficiency as specified in the plans. Alexander Heating/Plumbing installed the HVAC unit without a condensate line; installed crushed and bent ducts so there is no air flow from the bathrooms,

and installed vent pipes for the gas furnaces which do not meet code. Furthermore, the hot water heater was not per plan and is not large enough to supply the emergency eye-wash/shower. It appears that Alexander also failed to connect the emergency eye-wash/shower to the hot water. Alexander installed a 1 ½" drain instead of the required 3" into 4" drain, therefore, rendering the emergency eye-wash/shower useless. It should also be noted that Alexander Heating/Plumbing installed the roof scuppers which are not per plan and which will not permit adequate water-flow from the roof.

There are numerous other issues with our building: The asphalt is higher than specified on the plans which causes water to flow into the building under the doors; the mezzanine roof joist was not pressure treated, and the 24' ladder does not have a cage as required by code. Far less important, **by contract** with Dennis Banks Construction, Dan's Welding provided steel frames for the awnings though aluminum frames are specified in the plans.

For several months, we tried to get Dennis Banks Construction to make repairs. Dennis Banks Construction did modify the roof which leaked profusely and then had the gall to request reimbursement for the repair in the amount of $4,500. Later, Dennis Banks personally informed us that any corrective work on the CMU would be on a T&M basis. We filed a complaint with the State Contractor's License Board. The State Board insisted that Dennis Banks Construction make repairs and replace the slab. Indicative of all of their repairs, Dennis Banks Construction proposed saw cutting around the office and the fire command room and then re-pouring the warehouse slab 1" higher than the office area. The State Contractor's Board agreed that we did not have to accept this ridiculous proposal which prompted Dennis Banks Construction to have the complaint set aside by suing us for non-payment. (We withheld $40K of our $1.2M contract pending resolution of the warranty issues.) We are currently in litigation. [To date we have incurred over $350K in legal fees. We are fighting the insurance companies and I have placed my family in jeopardy because I signed a contract without a prevailing party clause.]

Storey County issued our Certificate of Occupancy on May 15, 2015. Two days later, a rain storm with high winds revealed our building had significant issues. <u>Had that storm occurred a few days sooner, Storey County would not have issued a Certificate of Occupancy.</u>

The issues with our building date to the beginning of the construction, January 2015. It took us some time to expose and document the deficiencies, so we were unable to petition for appeal of our 2016/17 taxes. We ask the Board to retroactively designate our building as salvage, so that the Storey County Assessor can issue a refund of the property taxes we paid on a building which cannot be occupied.

Thank-you for your consideration.

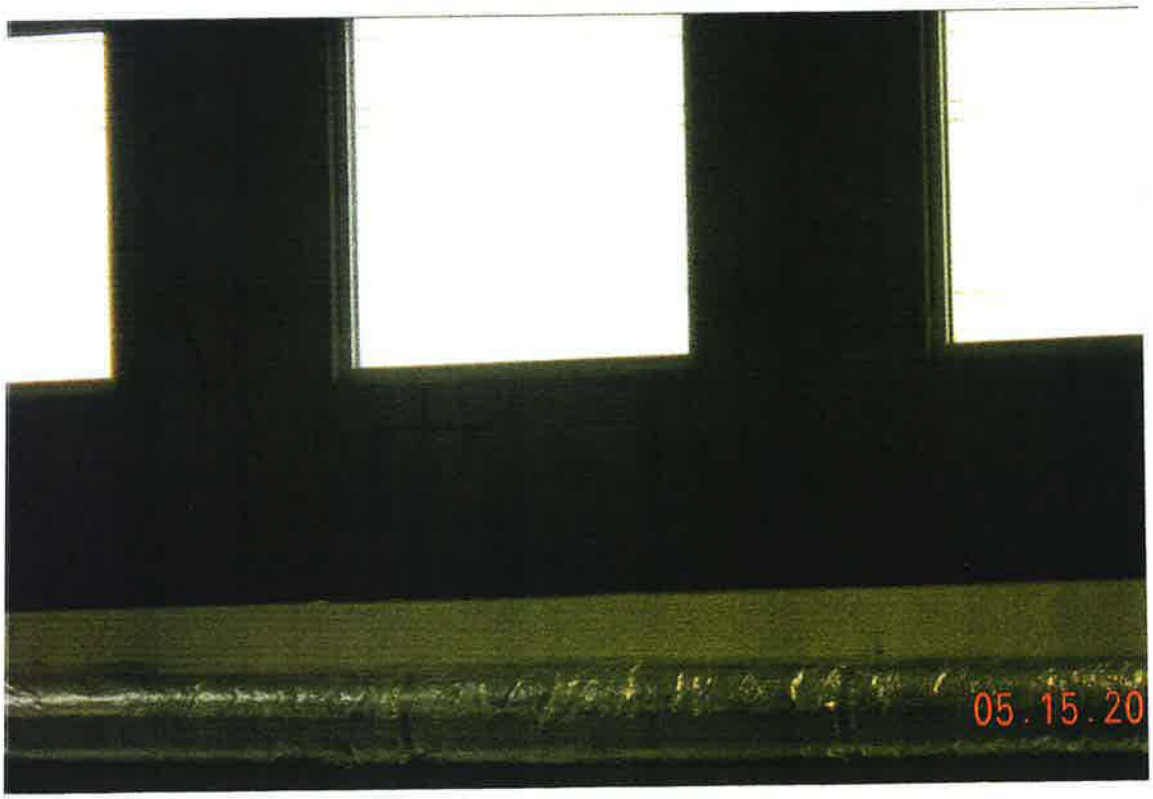

05.15.20


05.15.20


05.15.2


05 15 20


05.15.2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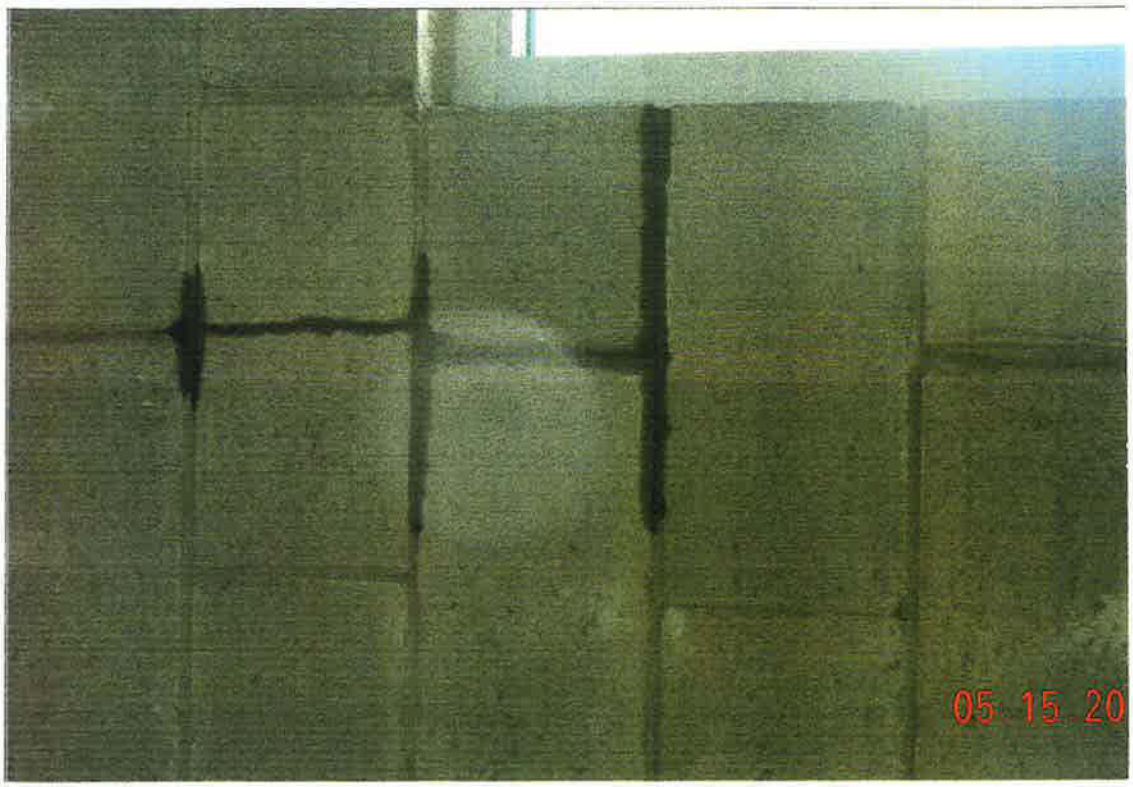
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OVERHEAD DOOR
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PRELIMINARY 7-1-2016

Stormo Investments v. Dennis Banks Construction

Plaintiff Cost of Repair

Friday, July 1, 2016

MKA # 2015.1832

Prepared For:

Paul Matteoni, Esq.

Lewis & Roca

50 West Liberty Street, Suite 410

Reno, NV 89501

775-321-3425

Prepared By:

A. Marc Goupille

Madsen, Kneppers & Associates, Inc.

4025 S. El Capitan Way

Las Vegas, Nevada 89147-3430

(702) 895-7100

Engineer Firm

This report is part of Kimmel appraisal.

Madsen, Kneppers & Associates, Inc.
Construction Consultants & Engineers

MKA Project No. 2015.2013

PRELIMINARY 7-1-2016

Stormo Investments v. Dennis Banks Construction

Issue Summary Detail Report with Soft Costs

Estimate Plaintiff Cost of Repair
Building Desc. Commercial Building

Prepared By JCL / AMG

	Total Hard Cost	General Conditions	Bonds / Insurance	Overhead / Profit	Subtotal Contractor	Contingency	Consultants	Permit Fees	Location Factor	Testing and Inspections	Total Estimated Cost
		8.50%	2.50%	15.00%		10.00%	5.00%	1.50%	5.00%	1.00%	
Issue No. 1.0 Architectural / Structural											
Total for Issue No. 1.0 Architectural / Structural	$1,058,240.04	$89,950.40	$28,704.76	$176,534.28	$1,353,429.49	$135,342.95	$67,671.47	$20,301.44	$67,671.47	$13,534.29	$1,657,951.12
Total Estimated Price for Stormo Investments v. Dennis Banks Construction	**$1,058,240.04**	**$89,950.40**	**$28,704.76**	**$176,534.28**	**$1,353,429.49**	**$135,342.95**	**$67,671.47**	**$20,301.44**	**$67,671.47**	**$13,534.29**	**$1,657,951.12**

MKA Madsen, Kneppers & Associates, Inc.
Construction Consultants & Engineers
100% Employee Owned Company

MKA Project No. 2015.2013

PRELIMINARY 7-1-2016

Stormo Investments v. Dennis Banks Construction

Plaintiff Cost of Repair

Estimate Summary Report

Building Desc. Commercial Building
Location 150 Denmark Drive, McCarran, NV 89434
Client Paul Matteoni, Esq. - Lewis, Roca, Rothgerber & Christie

Prepared By JCL / AMG
Bldg Sq Ft N/A

C.S.I Section	Section Description	Bldg Cost per Sq Ft	Total Section Cost
02.10	Demolition		$77,826.00
02.20	Excavation, Fill & Grading		N/A
02.40	Underpinning, Shoring, Dewatering		N/A
02.50	Site Utilities		N/A
02.60	General Site		$43,085.00
02.69	Off Site Work		N/A
02.70	Misc. Site Improvements		N/A
	Sub Total		$120,911.00
02.30	Piling, Piers & Caissons		N/A
02.80	Excavation & Fill		N/A
03.10	Concrete Foundations		N/A
03.20	Concrete, Structural		N/A
03.30	Concrete, Architectural		N/A
03.40	Concrete, Precast		N/A
03.50	Concrete, Slabs On Grade		$107,334.76
03.60	Reinforcing		N/A
03.70	Cementitious Decks		N/A
04.00	Masonry & Stone		N/A
05.10	Structural Steel		$20,895.20
05.30	Metal Siding & Decks		N/A
05.50	Misc Iron & Arch. Metal		N/A
06.10	Carpentry, Rough		$20,688.30
06.20	Carpentry, Finish		N/A
06.30	Glu-Lam Beams & Trusses		N/A
06.50	Stairs & Rails Wood		N/A
06.60	Rough Hardware		N/A
07.10	Waterproofing		N/A
07.20	Thermal & Sound Insulation		N/A
07.30	Roofing & Rigid Insulation		$53,620.00
07.40	Siding		N/A
07.60	Sheet Metal & Skylights		$14,638.10
07.70	Architectural Sheet Metal		$5,257.59
07.90	Caulking & Sealants		N/A
08.10	Hollow Metal Work		N/A
08.20	Wood Doors & Frames		N/A
08.30	Doors, Special		N/A
08.50	Glass, Glazing & Sash		N/A
08.70	Finish Hardware		N/A
08.90	Storefront & Curtain Walls		$83,526.20

Madsen, Kneppers & Associates, Inc.
Construction Consultants & Engineers
100% Employee Owned Company

Stormo Investments v. Dennis Banks Construction

Plaintiff Cost of Repair

Estimate Summary Report

09.10	Lath, Plaster, Fur & Stud		$119,677.92
09.20	Gyp. Wallboard, Fur & Stud		N/A
09.30	Ceramic Tile		N/A
09.40	Terrazzo		N/A
09.50	Acoustic Tile		N/A
09.60	Wood Flooring		N/A
09.70	Resilient Flooring		N/A
09.80	Painting		$4,261.48
09.90	Plastic Wall Surfaces		N/A
10.10	Chalk & Tack Board		N/A
10.15	Toilet Partitions		N/A
10.20	Folding & Demountable Partitions		N/A
10.40	Toilet Accessories		N/A
10.50	Building Specialties, General		$2,121.55
11.00	Equipment		$10,000.00
12.00	Furnishings		N/A
12.35	Laminated Plastics		N/A
13.00	Special Construction		$345,500.00
14.00	Conveying Systems		N/A
15.10	Plumbing		$6,123.43
15.30	Heat, Vent & Air Cond.		$14,445.22
15.95	Fire Protection		N/A
16.00	Electrical Work		$4,574.19
17.00	Misc		$124,665.10
	Sub Total		$1,058,240.04
	General Conditions	8.50%	$89,950.40
	Sub Total		$1,148,190.44
	Bonds / Insurance	2.50%	$28,704.76
	Sub Total		$1,176,895.20
	Overhead / Profit	15.00%	$176,534.28
	Sub Total		$1,353,429.48
	Contingency	10.00%	$135,342.95
	Consultants	5.00%	$67,671.47
	Permit Fees	1.50%	$20,301.44
	Location Factor	5.00%	$67,671.47
	Testing and Inspections	1.00%	$13,534.29
	Sub Total		$1,657,951.10
	Total Estimated Price for Stormo Investments v. Dennis Banks Con		**$1,657,951.10**

For Mediation & Settlement Purposes Only. Protected from Disclosure & Discovery by NV Evidence Code §48.109 & §40.680. NV Contractors License No. 0054156 – Bid Limit $9,500,000.

MKA Madsen, Kneppers & Associates, Inc.
Construction Consultants & Engineers
MKA Employee Owned Company

Stormo Investments v. Dennis Banks Construction

Plaintiff Cost of Repair

Estimate Summary Report

I. CAVEAT

This document has been prepared for Paul Matteoni, Esq. - Lewis, Roca, Rothgerber & Christie. Reliance upon this document or upon information, observations or opinions contained herein should not be made by any party except the intended recipient designated on the title sheet of this estimate report.

The intent of this evaluation is to prepare an opinion of the probable cost of construction for work to be performed at the Stormo Investments v. Dennis Banks Construction located at 150 Denmark Drive, McCarran, NV 89434.

This opinion assumes a specific scope and methodology; the user is cautioned that changes in either scope and/or methodology could have a reciprocal effect on this opinion. If this should occur, we reserve the right to review such changes and modify our opinion accordingly. Furthermore, our opinion assumes that the work will be competitively bid and, as such, it is advisable to solicit at least four (4) bids when a decision is made for the project to go forward. Our opinion is based on the following notes:

General Notes

The scope represented in the estimate was derived from repair recommendations based on the following reports:

1. Madsen, Kneppers & Associates, Inc. - Architectural / Structural Defect List dated 7/1/2016.

In addition, our evaluation used information gathered from the following:

- Verbal discussions with the above experts.
- Information obtained from various vendors.

Our evaluation contemplates returning the facility to its pre-loss configuration using contemporary materials of like kind and quality. Furthermore, this evaluation is governed by the following assumptions and exclusions.

Assumptions:

- Repair work to be performed under one contract.
- Access and continuity to be provided in an unimpeded manner to the contractor.
- Work will be performed in a code compliant manner.
- Internal footing reused.
- Consultants fees for Architectural and Engineering.
- Testing and inspection costs for special inspections.

Exclusions:

Costs associated with:

- Overtime.
- Accelerated construction.
- Work already completed.
- Investigative, forensic and/or destructive testing work.

Madsen, Kneppers & Associates, Inc.
Construction Consultants & Engineers
100% Employee Owned Company

Stormo Investments v. Dennis Banks Construction

Issue-SubIssue-Repair Group Summary Detail Report

Estimate Plaintiff Cost of Repair

Building Desc. Commercial Building

Prepared By JCL / AMG

CSI No.		Unit	Item Qty	Unit Cost	Total Cost
Issue No. 1.0 - Architectural / Structural					
SubIssue No. 1.0 - Site					
Repair Group 1 - 1.1 Asphalt Finish Grade - Grade to be lower than interior slab, as-built condition differs					
17.5005	Included in item 1.2	EA	0.00	$0.00	$0.00
Total for Repair Group	**1 - 1.1 Asphalt Finish Grade - Grade to be lower than interior slab, as-built condition differs**				**$0.00**
Repair Group 2 - 1.2 Asphalt Finish Grade - Slope on exterior to be away from building at 5%, as-built conditions differ					
02.1001	Saw cut asphalt at east and west junction to front parking lot	LS	1.00	$350.00	$350.00
02.1003	Demo asphalt finish grade	SF	8,650.00	$1.50	$12,975.00
02.1005	Haul asphalt debris for recycling	CY	107.00	$28.00	$2,996.00
02.1007	Lower base grade to allow for slope	EA	1.00	$2,200.00	$2,200.00
02.6001	Install new 4" asphalt finish grade	SF	8,650.00	$4.50	$38,925.00
Total for Repair Group	**2 - 1.2 Asphalt Finish Grade - Slope on exterior to be away from building at 5%, as-built conditions differ**				**$57,446.00**
Total for SubIssue No.	**1.0 - Site**				**$57,446.00**
SubIssue No. 2.0 - Slab on Grade					
Repair Group 1 - 2.1 Slab Thickness is Insufficient					
17.1001	Protect area	HR	24.00	$42.41	$1,017.84
02.1009	Demo office area for slab replacement	EA	1.00	$7,760.00	$7,760.00
02.1013	Provide dumpster for debris removal, 40 yard	EA	4.00	$750.00	$3,000.00
02.1011	Demo and dispose concrete interior slab	SF	13,870.00	$3.50	$48,545.00
03.5001	Form and pour new 5" interior slab with 6 mil vapor barrier, as part of a dual pour with greased dowels and key joints	SF	11,584.00	$7.00	$81,088.00
03.5003	Form and pour new 4" slab with 6 mil vapor barrier, as part of a dual pour with greased dowels and key joints	SF	2,286.00	$6.00	$13,716.00
03.5005	Additional cost for rebar dowling at 24"oc at building foundation.	EA	242.00	$51.78	$12,530.76
15.1015	Detach and reset eye wash station / shower	EA	1.00	$2,183.41	$2,183.41

Stormo Investments v. Dennis Banks Construction

Issue-SubIssue-Repair Group Summary Detail Report

Estimate Plaintiff Cost of Repair

Building Desc. Commercial Building

Prepared By JCL / AMG

CSI No.		Unit	Item Qty	Unit Cost	Total Cost
15.1001	Modify supply and drain lines to ensure adequate performance of eyewash station	LS	1.00	$2,916.64	$2,916.64
15.1003	Furnish and install hot water lines	EA	1.00	$618.06	$618.06
17.5013	Rebuild interior office space to pre demo condition and finish	SF	2,286.00	$50.00	$114,300.00
06.1001	Additional cost to tenant improvement for structural mezzanine level framing and supports	SF	2,286.00	$9.05	$20,688.30
02.6003	Use of a lift	DAY	4.00	$260.00	$1,040.00
17.1003	Clean up area	HR	24.00	$38.00	$912.00
	Total for Repair Group 1 - 2.1 Slab Thickness is Insufficient				**$310,316.01**
Repair Group	**2 - 2.2 Concrete Pour - Slab required dual pour with greased dowels with Key-Joints, the as-built condition differs**				
17.5009	Included in 2.1	EA	0.00	$0.00	$0.00
	Total for Repair Group 2 - 2.2 Concrete Pour - Slab required dual pour with greased dowels with Key-Joints, the as-built condition differs				**$0.00**
Repair Group	**3 - 2.3 Concrete Pour - Concrete Pour - Slab required dual pour with greased dowels with Key-Joints, the as-built condition differs**				
17.5009	Included in 2.1	EA	0.00	$0.00	$0.00
	Total for Repair Group 3 - 2.3 Concrete Pour - Concrete Pour - Slab required dual pour with greased dowels with Key-Joints, the as-built condition differs				**$0.00**
Repair Group	**4 - 2.4 Concrete Mix - Maximum 3" slump, plasticizers to 8" slump to be provided, the as-built condition differs**				
17.5009	Included in 2.1	EA	0.00	$0.00	$0.00
	Total for Repair Group 4 - 2.4 Concrete Mix - Maximum 3" slump, plasticizers to 8" slump to be provided, the as-built condition differs				**$0.00**
Repair Group	**5 - 2.5 Concrete Mix - Fibermesh to be added at plant. Fibermesh was added by the driver.**				
17.5009	Included in 2.1	EA	0.00	$0.00	$0.00
	Total for Repair Group 5 - 2.5 Concrete Mix - Fibermesh to be added at plant. Fibermesh was added by the driver.				**$0.00**
Repair Group	**6 - 2.6 Vapor Barrier - Vapor barrier is to be a minimum of 3.5 mil., the existing condition is 2 Mil.**				
17.5009	Included in 2.1	EA	0.00	$0.00	$0.00

Stormo Investments v. Dennis Banks Construction

Issue-Subissue-Repair Group Summary Detail Report

Estimate Plaintiff Cost of Repair

Building Desc. Commercial Building

Prepared By JCL / AMG

CSI No.		Unit	Item Qty	Unit Cost	Total Cost
	Total for Repair Group **6 - 2.6 Vapor Barrier - Vapor barrier is to be a minimum of 3.5 mil., the existing condition is 2 Mil.**				**$0.00**
Repair Group	**7 - 2.7 Vapor Barrier - Vapor barrier is inappropriately placed between the top of the interior footing and the bottom of the slab**				
17.5009	Included in 2.1	EA	0.00	$0.00	$0.00
	Total for Repair Group **7 - 2.7 Vapor Barrier - Vapor barrier is inappropriately placed between the top of the interior footing and the bottom of the slab**				**$0.00**
	Total for Subissue No. **2.0 - Slab on Grade**				**$310,316.01**
Subissue No.	**3.0 - CMU Walls**				
Repair Group	**1 - 3.1 Excessive Cracking / Water Intrusion**				
17.1001	Protect area	HR	40.00	$42.41	$1,696.40
13.0001	Fibrwrap the interior and exterior of all masonry walls. Price per Fibrwrap Construction Inc.	EA	1.00	$345,500.00	$345,500.00
11.0001	Provide boom lift, including delivery per month	EA	4.00	$2,500.00	$10,000.00
09.1003	Supply and install foam trim at corners of building	LF	224.00	$9.03	$2,022.72
09.1001	Apply 3 coat stucco finish coat over fibrwrap, not including paper or lath.	SF	21,788.00	$5.40	$117,655.20
16.0001	Provide an electrician to remove and re-install electrical conduit, lights and fixtures	EA	1.00	$4,574.19	$4,574.19
10.5001	Remove and re-install awnings on front of building	EA	1.00	$1,331.10	$1,331.10
07.7001	Install new parapet cap to allow for additional thickness of surface coatings	LF	482.00	$7.62	$3,672.84
09.8001	Prime and paint parapet cap	LF	482.00	$3.20	$1,542.40
17.1003	Clean up area	HR	40.00	$38.00	$1,520.00
	Total for Repair Group **1 - 3.1 Excessive Cracking / Water Intrusion**				**$489,514.85**
Repair Group	**2 - 3.2 Voids in CMU**				
17.5015	Repair included in item 3.1	EA	0.00	$0.00	$0.00
	Total for Repair Group **2 - 3.2 Voids in CMU**				**$0.00**

Stormo Investments v. Dennis Banks Construction

Issue-SubIssue-Repair Group Summary Detail Report

Estimate Plaintiff Cost of Repair

Building Desc. Commercial Building

Prepared By JCL / AMG

CSI No.		Unit	Item Qty	Unit Cost	Total Cost
Repair Group	**3 - 3.3 Horizontal Rebar Spacing**				
17.5015	Repair included in item 3.1	EA	0.00	$0.00	$0.00
	Total for Repair Group 3 - 3.3 Horizontal Rebar Spacing				**$0.00**
Repair Group	**4 - 3.4 Horizontal Rebar Laps**				
17.5015	Repair included in item 3.1	EA	0.00	$0.00	$0.00
	Total for Repair Group 4 - 3.4 Horizontal Rebar Laps				**$0.00**
Repair Group	**5 - 3.5 Lintel Rebar Above Door**				
17.1001	Protect area	HR	8.00	$42.41	$339.28
05.1001	Install an HSS 12x8x1/2 header beam welded to two HSS 8x4x1/4 posts at each roll up door with steel base plate. Fasten to opening at 24" oc with bolts epoxied to CMU wall.	EA	4.00	$5,223.80	$20,895.20
09.8003	Prime and paint 2 coats steel beams at each openeing	EA	4.00	$679.77	$2,719.08
02.6003	Use of a lift	DAY	4.00	$260.00	$1,040.00
17.1003	Clean up area	HR	8.00	$38.00	$304.00
	Total for Repair Group 5 - 3.5 Lintel Rebar Above Door				**$25,297.56**
Repair Group	**6 - 3.6 Stair Step Cracks**				
17.5015	Repair included in item 3.1	EA	0.00	$0.00	$0.00
	Total for Repair Group 6 - 3.6 Stair Step Cracks				**$0.00**
Repair Group	**7 - 3.7 Moisture Control Units**				
17.5015	Repair included in item 3.1	EA	0.00	$0.00	$0.00
	Total for Repair Group 7 - 3.7 Moisture Control Units				**$0.00**
	Total for SubIssue No. 3.0 - CMU Walls				**$514,812.41**

SubIssue No. 4.0 - Penetrations

Madsen, Kneppers & Associates, Inc.
Construction Consultants & Engineers
100% Employee Owned Company

Stormo Investments v. Dennis Banks Construction

Issue-SubIssue-Repair Group Summary Detail Report

Estimate Plaintiff Cost of Repair

Building Desc. Commercial Building

Prepared By JCL / AMG

CSI No.		Unit	Item Qty	Unit Cost	Total Cost
Repair Group 1 - 4.1 Not Sealed					
17.5015	Repair included in item 3.1	EA	0.00	$0.00	$0.00
	Total for Repair Group 1 - 4.1 Not Sealed				**$0.00**
	Total for SubIssue No. 4.0 - Penetrations				**$0.00**
SubIssue No. 5.0 - Framing					
Repair Group 1 - 5.1 Floor Joists					
17.5009	Included in 2.1	EA	0.00	$0.00	$0.00
	Total for Repair Group 1 - 5.1 Floor Joists				**$0.00**
	Total for SubIssue No. 5.0 - Framing				**$0.00**
SubIssue No. 6.0 - Windows					
Repair Group 1 - 6.1 Sill Flashing					
17.5011	Included in 6.2	EA	0.00	$0.00	$0.00
	Total for Repair Group 1 - 6.1 Sill Flashing				**$0.00**
Repair Group 2 - 6.2 1" Insulated Glass					
17.1001	Protect area	HR	38.00	$42.41	$1,611.58
08.9001	Remove and install new bronzed aluminum, 1" insulated glass, 5' 4" x 5' 4"window. Install backer rod and sealant at entire perimeter.	EA	32.00	$2,040.00	$65,280.00
08.9003	Remove and install new bronzed aluminium, 1" insulated glass storefront systems	EA	2.00	$5,364.00	$10,728.00
08.9005	Remove and install 5/8" glass entry doors, install backer rod and sealant at entire perimeter	EA	4.00	$1,879.55	$7,518.20
02.6003	Use of a lift	DAY	8.00	$260.00	$2,080.00
17.1003	Clean up area	HR	38.00	$38.00	$1,444.00

Stormo Investments v. Dennis Banks Construction

Issue-SubIssue-Repair Group Summary Detail Report

Estimate Plaintiff Cost of Repair

Building Desc. Commercial Building

Prepared By JCL / AMG

CSI No.		Unit	Item Qty	Unit Cost	Total Cost
	Total for Repair Group 2 - 6.2 1" Insulated Glass				**$88,661.78**
Repair Group 3 - 6.3 Window Not Flush to Outside Block					
17.5011	Included in 6.2	EA	0.00	$0.00	$0.00
	Total for Repair Group 3 - 6.3 Window Not Flush to Outside Block				**$0.00**
	Total for SubIssue No. 6.0 - Windows				**$88,661.78**
SubIssue No. 7.0 - Roll Up Doors					
Repair Group 1 - 7.1 Roll Up Doors Leak					
17.5019	Included in 1.2 and 2.1	EA	0.00	$0.00	$0.00
	Total for Repair Group 1 - 7.1 Roll Up Doors Leak				**$0.00**
	Total for SubIssue No. 7.0 - Roll Up Doors				**$0.00**
SubIssue No. 8.0 - Roofing					
Repair Group 1 - 8.1 TPO Roofing - Installed in place of specified					
07.3003	Remove existing TPO roofing	SQ	140.00	$58.00	$8,120.00
07.3005	Install new SBS Modified built up roofing system complete	SQ	140.00	$325.00	$45,500.00
07.6003	Remove wall cap flashing	LF	482.00	$2.09	$1,007.38
15.3001	Remove HVAC unit with the use of a lift	EA	1.00	$1,076.00	$1,076.00
07.7003	Lower and modify scupper	EA	3.00	$274.03	$822.09
07.7005	Detach and reset down spouts	EA	3.00	$254.22	$762.66
17.1003	Clean up area	HR	40.00	$38.00	$1,520.00
	Total for Repair Group 1 - 8.1 TPO Roofing - Installed in place of specified				**$58,808.13**
Repair Group 2 - 8.2 TPO Roofing - Missing crickets at all curbs					
17.5007	Included in 8.1	EA	0.00	$0.00	$0.00

Stormo Investments v. Dennis Banks Construction

Issue-SubIssue-Repair Group Summary Detail Report

Estimate Plaintiff Cost of Repair

Building Desc. Commercial Building

Prepared By JCL / AMG

CSI No.		Unit	Item Qty	Unit Cost	Total Cost
	Total for Repair Group 2 - 8.2 TPO Roofing - Missing crickets at all curbs				**$0.00**
Repair Group 3 - 8.3 TPO Roofing - Membrane not adhered to cricket					
17.5007	Included in 8.1	EA	0.00	$0.00	$0.00
	Total for Repair Group 3 - 8.3 TPO Roofing - Membrane not adhered to cricket				**$0.00**
Repair Group 4 - 8.4 TPO Roofing - Not built per plans					
17.5007	Included in 8.1	EA	0.00	$0.00	$0.00
	Total for Repair Group 4 - 8.4 TPO Roofing - Not built per plans				**$0.00**
	Total for SubIssue No. 8.0 - Roofing				**$58,808.13**
SubIssue No. 9.0 - Scuppers & Downspouts					
Repair Group 1 - 9.1 Scuppers - Installed too high					
17.5007	Included in 8.1	EA	0.00	$0.00	$0.00
	Total for Repair Group 1 - 9.1 Scuppers - Installed too high				**$0.00**
Repair Group 2 - 9.2 Scuppers - Construction documents differ from as-built conditions					
17.5007	Included in 8.1	EA	0.00	$0.00	$0.00
	Total for Repair Group 2 - 9.2 Scuppers - Construction documents differ from as-built conditions				**$0.00**
Repair Group 3 - 9.3 Downspouts - Construction documents differ from as-built conditions					
17.5007	Included in 8.1	EA	0.00	$0.00	$0.00
	Total for Repair Group 3 - 9.3 Downspouts - Construction documents differ from as-built conditions				**$0.00**
	Total for SubIssue No. 9.0 - Scuppers & Downspouts				**$0.00**
SubIssue No. 10.0 - Skylights					

Stormo Investments v. Dennis Banks Construction

Issue-SubIssue-Repair Group Summary Detail Report

Estimate Plaintiff Cost of Repair

Building Desc. Commercial Building

Prepared By JCL / AMG

CSI No.		Unit	Item Qty	Unit Cost	Total Cost
Repair Group	**1 - 10.1 Skylights**				
07.6001	Remove 4'x8' skylights for new roof install	EA	8.00	$252.00	$2,016.00
07.6009	Furnish and install new 4' x 8' skylight	EA	8.00	$1,451.84	$11,614.72
	Total for Repair Group 1 - 10.1 Skylights				**$13,630.72**
Repair Group	**2 - 10.2 Skylight Curb Earthquake Straps**				
17.5025	Included in 10.1	EA	0.00	$0.00	$0.00
	Total for Repair Group 2 - 10.2 Skylight Curb Earthquake Straps				**$0.00**
	Total for SubIssue No. 10.0 - Skylights				**$13,630.72**
SubIssue No.	**12.0 - HVAC**				
Repair Group	**1 - 12.1 Units Are Not New**				
15.3003	Install new 6 ton HVAC unit	EA	1.00	$13,369.22	$13,369.22
	Total for Repair Group 1 - 12.1 Units Are Not New				**$13,369.22**
Repair Group	**2 - 12.2 Units Are Still Sitting in the Shipping Pallet**				
17.5023	Included in 12.1	EA	0.00	$0.00	$0.00
	Total for Repair Group 2 - 12.2 Units Are Still Sitting in the Shipping Pallet				**$0.00**
Repair Group	**3 - 12.3 Energy Efficient Units**				
17.5023	Included in 12.1	EA	0.00	$0.00	$0.00
	Total for Repair Group 3 - 12.3 Energy Efficient Units				**$0.00**
Repair Group	**4 - 12.4 Fire Rated Caulk Required at A/C Vents & 1 Hr. Walls**				
17.5009	Included in 2.1	EA	0.00	$0.00	$0.00
	Total for Repair Group 4 - 12.4 Fire Rated Caulk Required at A/C Vents & 1 Hr. Walls				**$0.00**

Stormo Investments v. Dennis Banks Construction

Issue-Subissue-Repair Group Summary Detail Report

Estimate Plaintiff Cost of Repair

Building Desc. Commercial Building

Prepared By JCL / AMG

CSI No.		Unit	Item Qty	Unit Cost	Total Cost
Repair Group	**5 - 12.5 Bent and Deformed Ductwork**				
17.5009	Included in 2.1	EA	0.00	$0.00	$0.00
Total for Repair Group	**5 - 12.5 Bent and Deformed Ductwork**				**$0.00**
Repair Group	**6 - 12.6 Heater vent pipe clearance**				
17.5009	Included in 2.1	EA	0.00	$0.00	$0.00
Total for Repair Group	**6 - 12.6 Heater vent pipe clearance**				**$0.00**
Total for Subissue No.	**12.0 - HVAC**				**$13,369.22**
Subissue No.	**13.0 - Plumbing**				
Repair Group	**1 - 13.1 Undersized Water Heater Installed - 1500W water heater installed in lieu of specified 2500W unit**				
10.5003	Install new water heater, 20 gal commercial grade	EA	1.00	$790.45	$790.45
Total for Repair Group	**1 - 13.1 Undersized Water Heater Installed - 1500W water heater installed in lieu of specified 2500W unit**				**$790.45**
Repair Group	**2 - 13.2 Emergency Eye Wash/Shower - Manufacture requires tepid water. The as-built condition only cold water is supplied.**				
17.5009	Included in 2.1	EA	0.00	$0.00	$0.00
Total for Repair Group	**2 - 13.2 Emergency Eye Wash/Shower - Manufacture requires tepid water. The as-built condition only cold water is supplied.**				**$0.00**
Repair Group	**3 - 13.3 Emergency Eye Wash/Shower - Manufacturer requires 1-1/4" supply line with 20gal/min. 1/2" line was installed with 6 gal/min flow**				
17.5009	Included in 2.1	EA	0.00	$0.00	$0.00
Total for Repair Group	**3 - 13.3 Emergency Eye Wash/Shower - Manufacturer requires 1-1/4" supply line with 20gal/min. 1/2" line was installed with 6**				**$0.00**
Repair Group	**4 - 13.4 Emergency Eye Wash/Shower - Manufacturer requires proper drainage. The as-built condition will allow the flat drainage to flow into the office.**				
17.5009	Included in 2.1	EA	0.00	$0.00	$0.00
Total for Repair Group	**4 - 13.4 Emergency Eye Wash/Shower - Manufacturer requires proper drainage. The as-built condition will allow the flat drainage**				**$0.00**

Stormo Investments v. Dennis Banks Construction

Issue-SubIssue-Repair Group Summary Detail Report

Estimate Plaintiff Cost of Repair

Building Desc. Commercial Building

Prepared By JCL / AMG

CSI No.		Unit	Item Qty	Unit Cost	Total Cost
Repair Group	**5 - 13.5 Hot Water - The shower is not receiving any hot water.**				
17.5009	Included in 2.1	EA	0.00	$0.00	$0.00
Total for Repair Group	**5 - 13.5 Hot Water - The shower is not receiving any hot water.**				**$0.00**
Repair Group	**6 - 13.6 Plumbing Vent Pipe - Vent piping for restroom fixtures is only 2" diameter. Plans call for 3" diameter**				
15.1017	Extend vent pipes (4') including bracing.	EA	2.00	$202.66	$405.32
Total for Repair Group	**6 - 13.6 Plumbing Vent Pipe - Vent piping for restroom fixtures is only 2" diameter. Plans call for 3" diameter**				**$405.32**
Total for SubIssue No.	**13.0 - Plumbing**				**$1,195.77**
Total for Issue No.	**1.0 - Architectural / Structural**				**$1,058,240.04**

Total Hard Cost for Stormo Investments v. Dennis Banks Construction **$1,058,240.04**

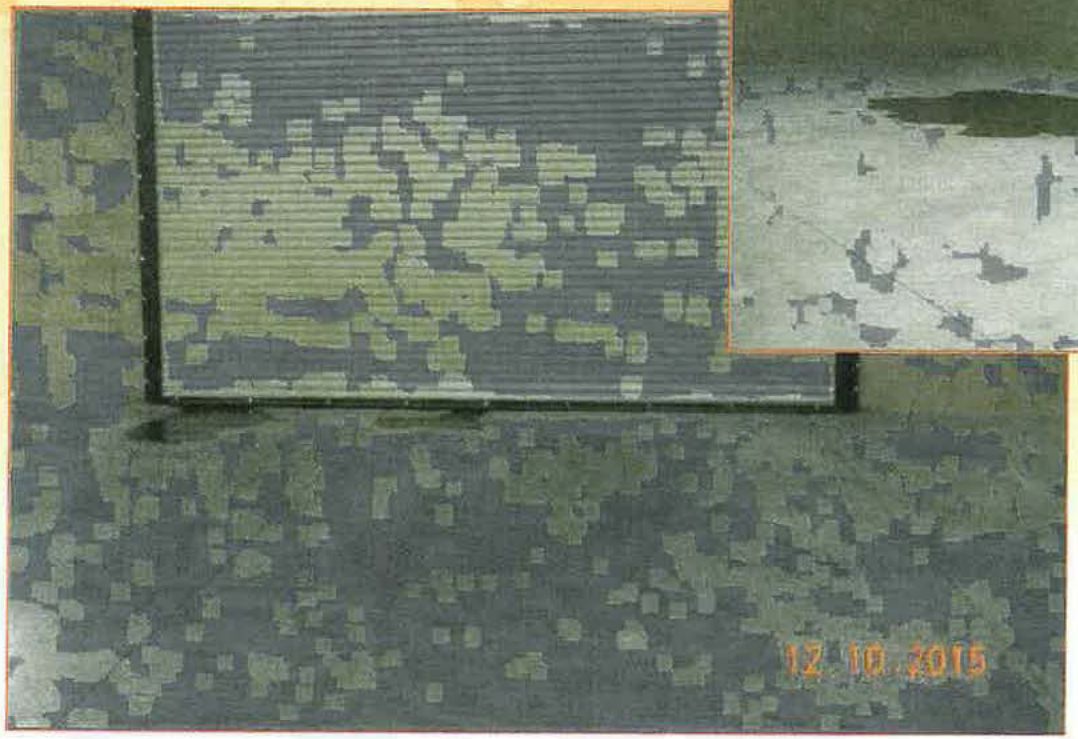
STORMO INVESTMENTS
V.
DENNIS BANKS CONSTRUCTION

1.1 Asphalt Finish Grade -

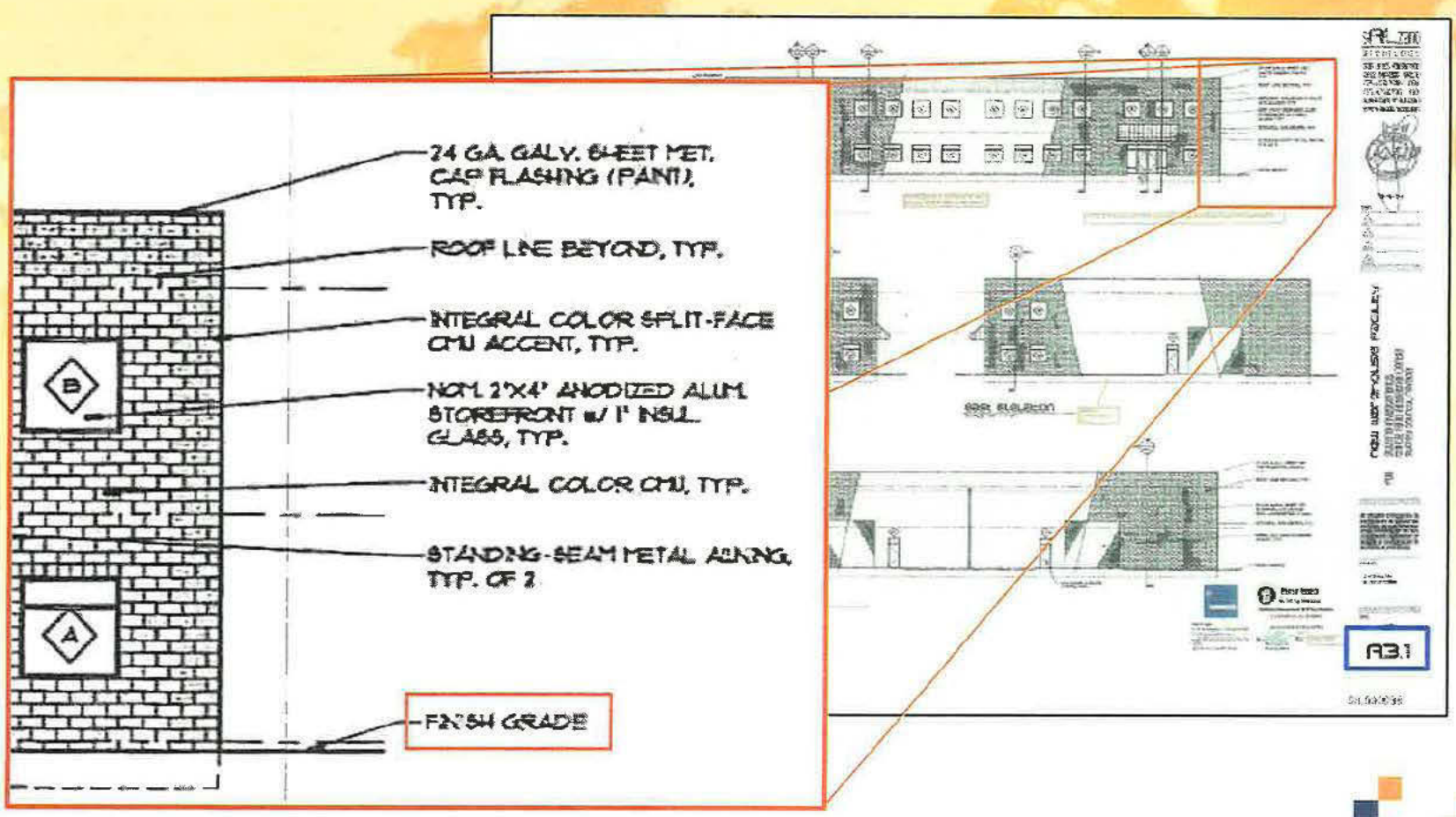
Construction Documents identify the finish grade to be lower than the interior slab. The as-built condition is above the interior slab.

1.1 Asphalt Finish Grade -

Construction Documents identify the finish grade to be lower than the interior slab. The as-built condition is above the interior slab.

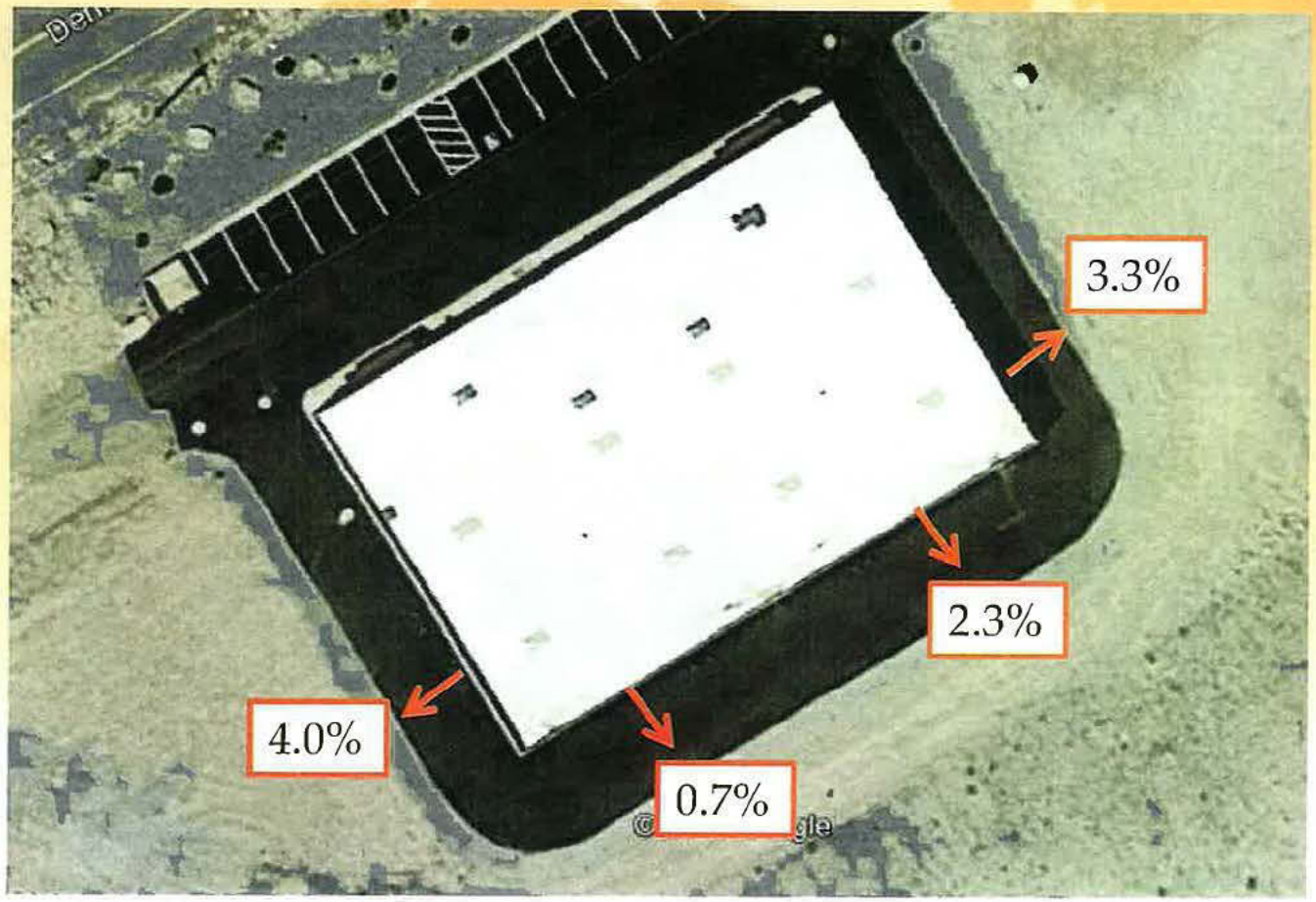


Construction Documents A3.1 - Not built per plans

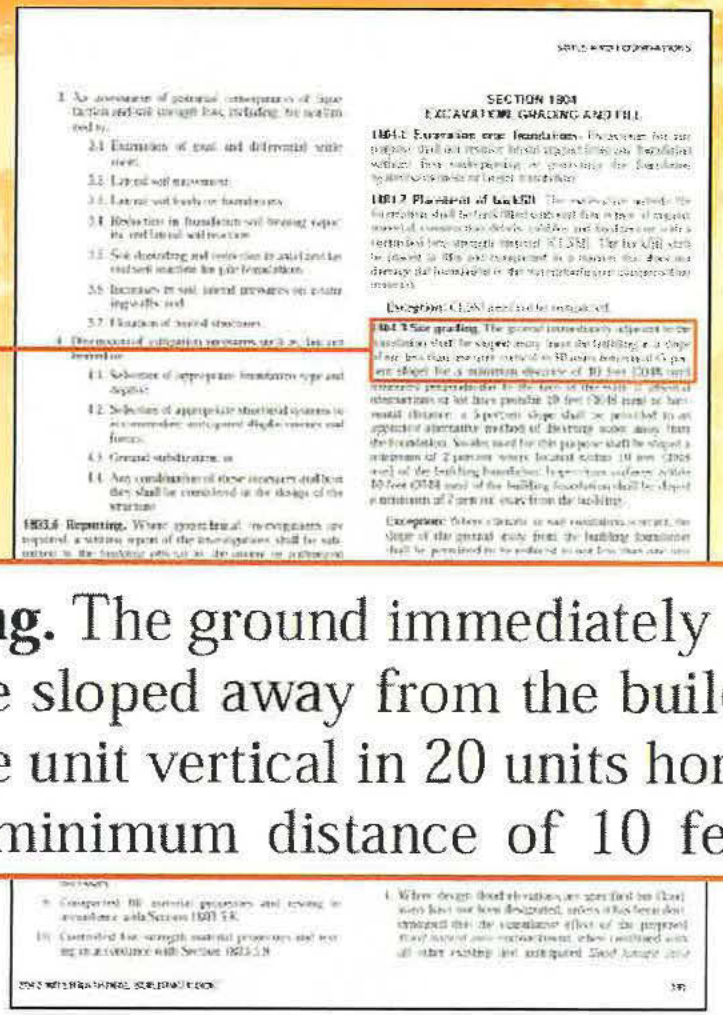


1.2 Asphalt Finish Grade -

Code and Construction Documents require the slope on the exterior to be away from the building at a 5% slope. The as-built condition is between 0.7% and 4%.



2012 IBC
SECTION 1804.3
Site Grading

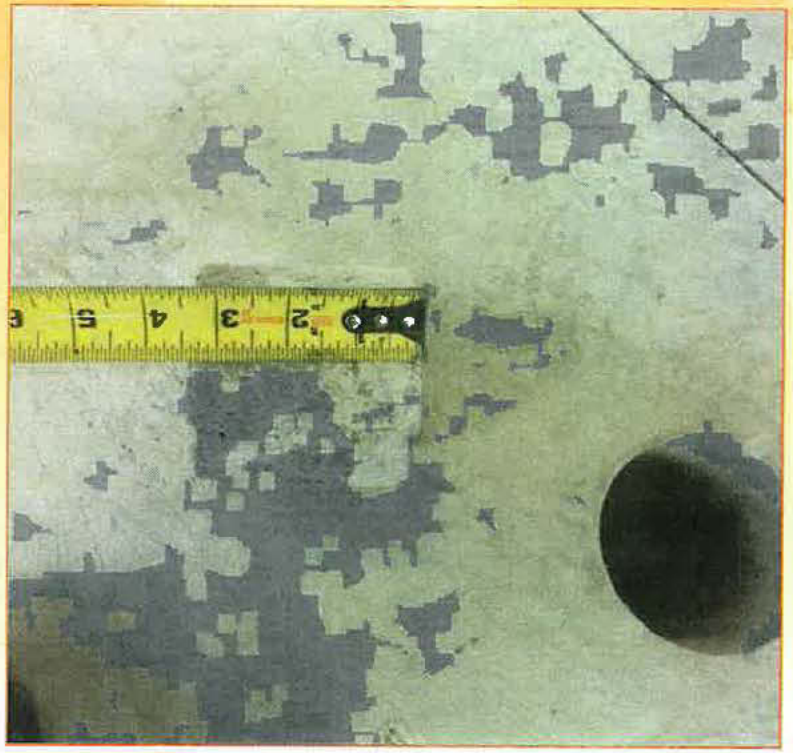


SECTION 1804
EXCAVATION, GRADING AND FILL

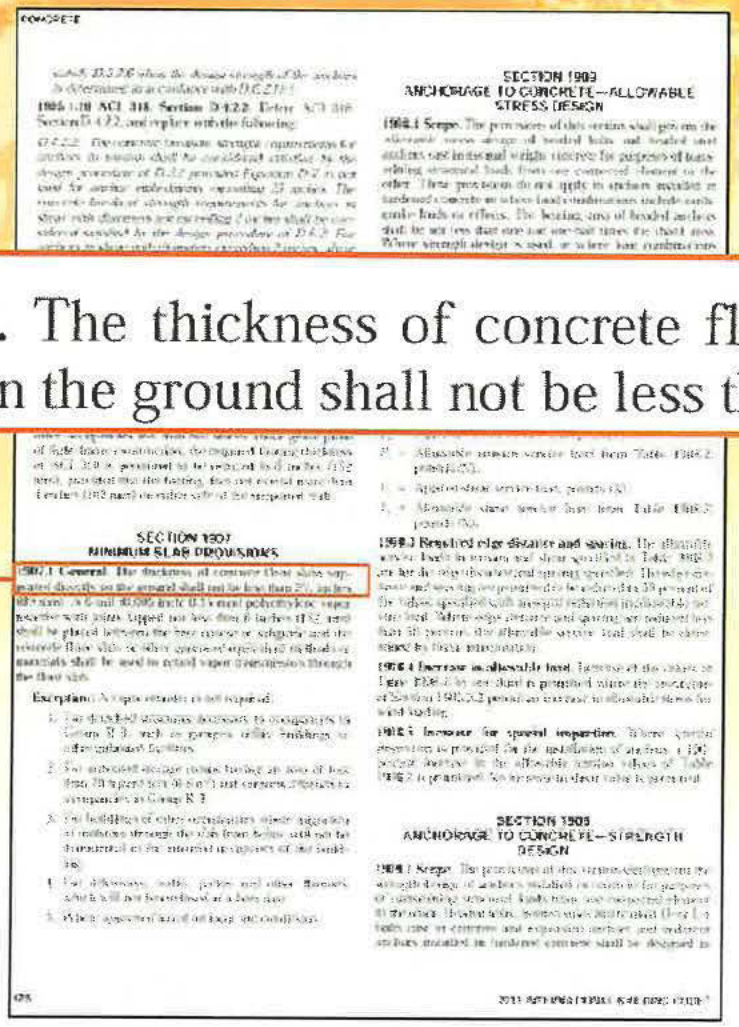
1804.3 Site grading. The ground immediately adjacent to the foundation shall be sloped away from the building at a slope of not less than one unit vertical in 20 units horizontal (5-percent slope) for a minimum distance of 10 feet (3048 mm)

2.1 Slab thickness is insufficient -

Construction Documents identify 5" slab in the warehouse area and 4" slab in the office area. The as-built condition, based on concrete removal and core samples is as low as 4" in the warehouse and 2-3/4" in the office.



2012 IBC
SECTION 1907.1



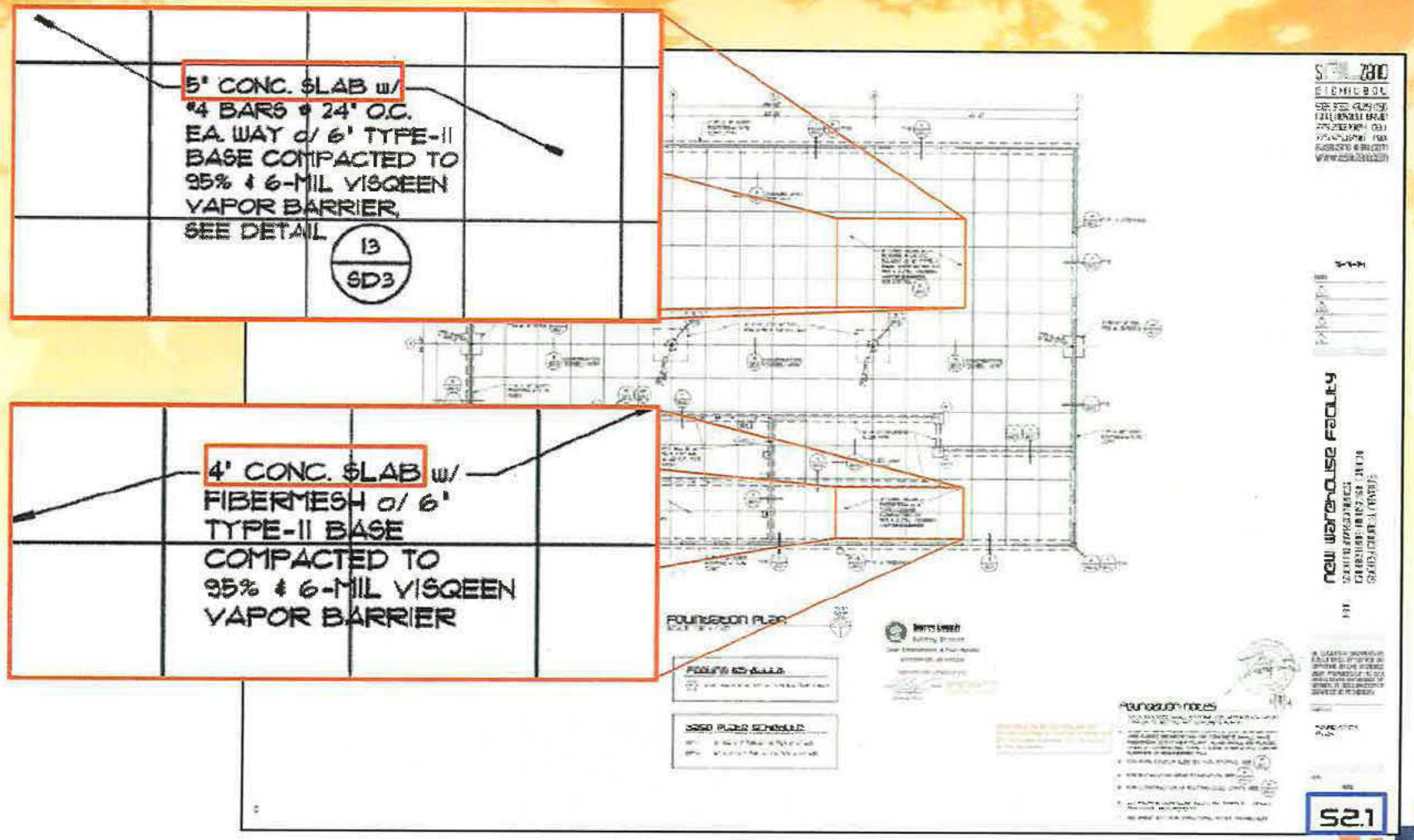
SECTION 1907
MINIMUM SLAB PROVISIONS

1907.1 General. The thickness of concrete floor slabs supported directly on the ground shall not be less than $3^1/_2$ inches

SECTION 1909
ANCHORAGE TO CONCRETE—ALLOWABLE STRESS DESIGN

SECTION 1908
ANCHORAGE TO CONCRETE—STRENGTH DESIGN

Construction Documents S2.1 – Not built per plans.



American Ready Mix Delivery Tickets

Item #	Invoice #	Date	Ticket #	Date	Truck #	Load	Leave Plant	Arrive Job	Start Pour	End Pour	Leave Job	Arrive Plant	Yards Ordered	Yards Delivered
1	3224292	2/3/2015	11024820	2/3/2015	511	12:57 AM	1:06 AM	1:30 AM	1:35 AM	1:46 AM	1:56 AM	2:19 AM	1	1
2	3225304	2/4/2015	15006454	2/4/2025	587		2:27 AM	2:40 AM	2:50 AM	3:10 AM	3:12 AM	3:23 AM	200.1	10
3	3225304	2/4/2015	15006455	2/4/2025	488	2:31 AM	2:41 AM	2:52 AM	3:07 AM	3:18 AM	3:20 AM	3:29 AM	200.1	20
4	3225304	2/4/2015	15006456	2/4/2025	524		2:50 AM	3:03 AM	3:20 AM	3:28 AM	3:20 AM	3:45 AM	200.1	30
5	3225304	2/4/2015	15006457	2/4/2025	498	2:46 AM	3:03 AM	3:25 AM	3:25 AM	3:33 AM	3:38 AM	3:45 AM	200.1	40
6	3225304	2/4/2015	15006458	2/4/2025	457		3:00 AM	3:15 AM			3:45 AM		200.1	50
7	3225304	2/4/2015	15006459	2/4/2025	509		3:14 AM	3:26 AM	3:36 AM	3:48 AM	3:51 AM	4:01 AM	200.1	60
8	3225304	2/4/2015	15006460	2/4/2025	489		3:27 AM	3:36 AM	3:44 AM	3:55 AM	4:00 AM	4:10 AM	200.1	70
9	3225304	2/4/2015	15006461	2/4/2025	502		3:30 AM	3:45 AM			4:05 AM	4:20 AM	200.1	80
10	3225304	2/4/2015	15006462	2/4/2025	523	3:27 AM	3:39 AM	3:49 AM	3:58 AM	4:15 AM	4:18 AM	4:25 AM	200.1	90
11	3225304	2/4/2015	15006463	2/4/2025	498	3:36 AM	3:46 AM	3:55 AM	4:11 AM	4:22 AM	4:36 AM	4:34 AM	200.1	100
12	3225304	2/4/2015	15006464	2/4/2025	557		3:49 AM	4:00 AM	4:20 AM	4:33 AM	4:32 AM	4:41 AM	200.1	110
13	3225304	2/4/2015	15006465	2/4/2025	524		3:55 AM	4:10 AM	4:28 AM	4:40 AM	4:45 AM	5:00 AM	200.1	120
14	3225304	2/4/2015	15006466	2/4/2025	498	3:50 AM	4:03 AM	4:10 AM	4:40 AM	4:49 AM	4:54 AM	5:02 AM	200.1	130
15	3225304	2/4/2015	15006467	2/4/2025	481		4:00 AM	4:20 AM			5:00 AM	5:15 AM	200.1	140
16	3225304	2/4/2015	15006468	2/4/2025	509		4:15 AM	4:25 AM	4:38 AM	5:05 AM	5:16 AM	5:25 AM	200.1	150
17	3225304	2/4/2015	15006469	2/4/2025	489		4:27 AM	4:36 AM	5:04 AM	5:26 AM	5:32 AM	5:39 AM	200.1	160
18	3225304	2/4/2015	15006471	2/4/2025	502		4:39 AM	4:50 AM			5:35 AM	5:50 AM	200.1	170
19	3225304	2/4/2015	15006472	2/4/2025	523	4:30 AM	4:44 AM	4:53 AM	5:15 AM	5:30 AM	5:33 AM	5:45 AM	200.1	180

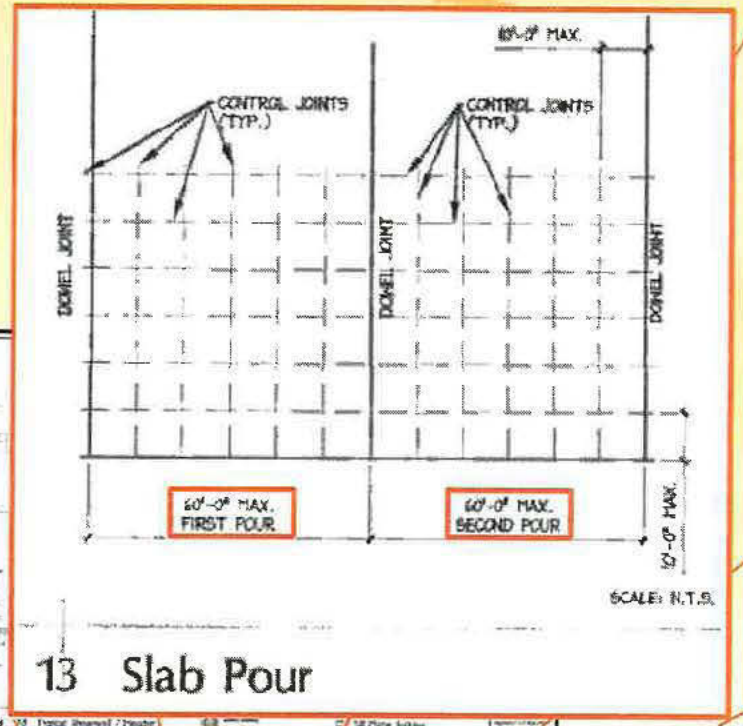
Calculated volume based on 4″ and 5″ thickness per plans is 200yds. Average decrease in thickness based on 180yds is ½″.

Ordered 200.1 yds and delivered 180yds

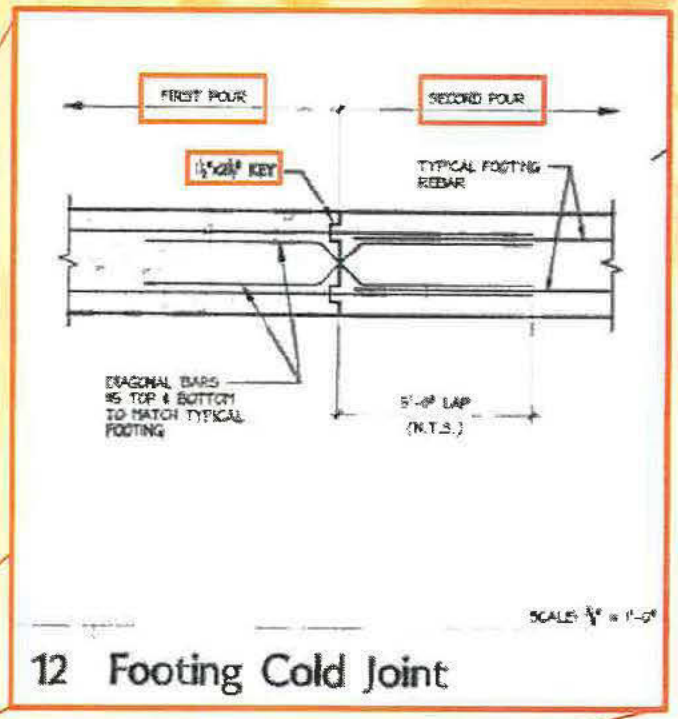
2.2 Concrete Pour -

Slab required dual pour with greased dowels with Key-Joints. The as-built condition is a continuous pour, dowels not greased, no key-joint. As-built condition has resulted in large cracks to develop primarily along the building centerline.

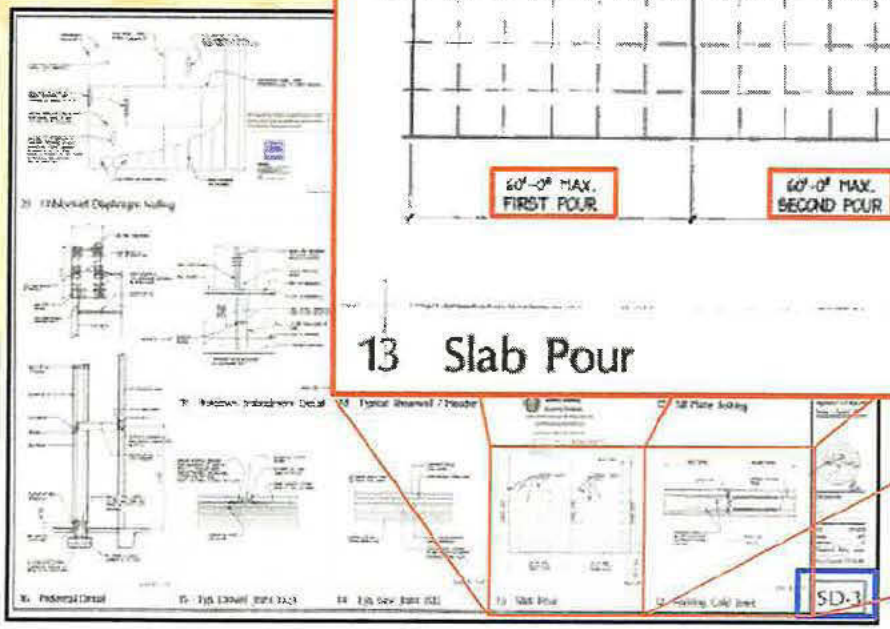
Construction Documents SD-3 #12 & 13 – Not built per plans.



13 Slab Pour



12 Footing Cold Joint



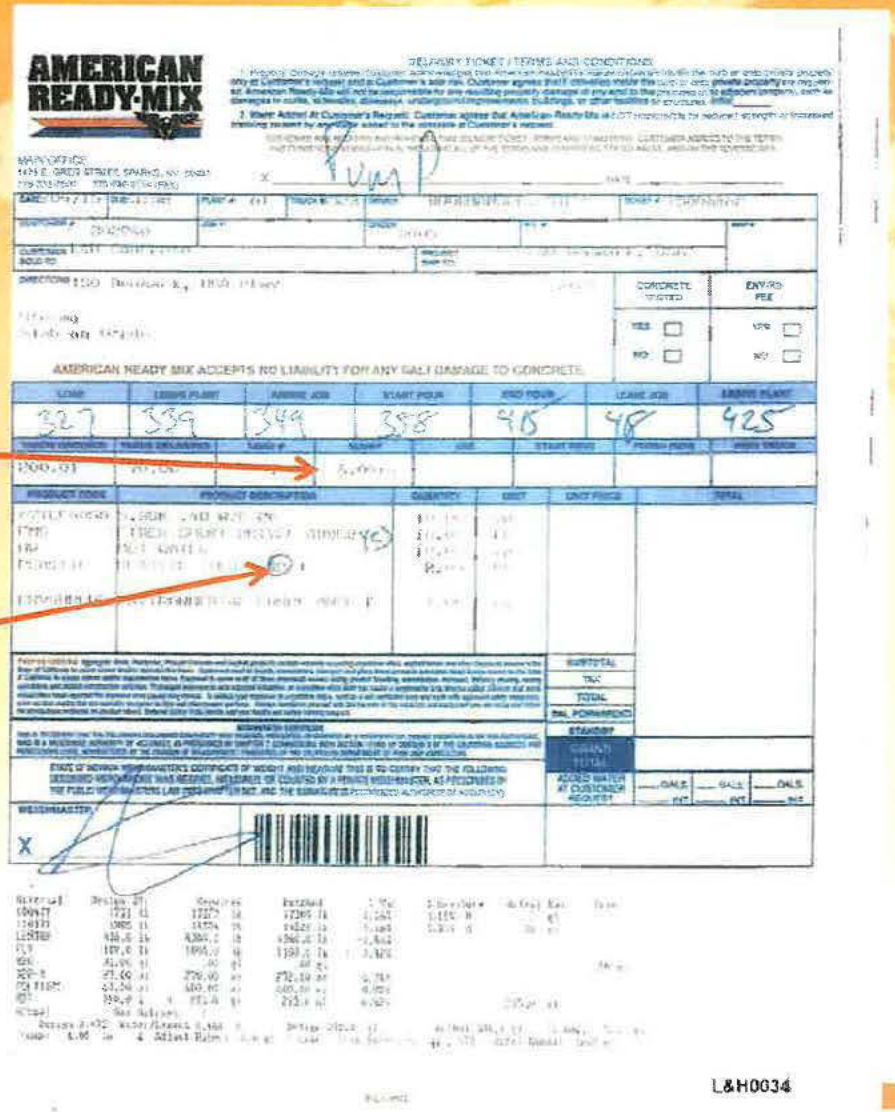
2.2 Concrete Pour -

2.4 Concrete Mix -

Maximum 3" slump, plasticizers to 8" slump to be provided. The as-built conditions started with 6" slump, some with no plasticizers and water was used.

6" Slump

No Plasticizers



L&H0034

Construction Documents SD-1 – Concrete #7

PROJECT STRUCTURAL NOTES

HOLDOWN SCHEDULE

FOOTING SCHEDULE

Stormo CMU Warehouse

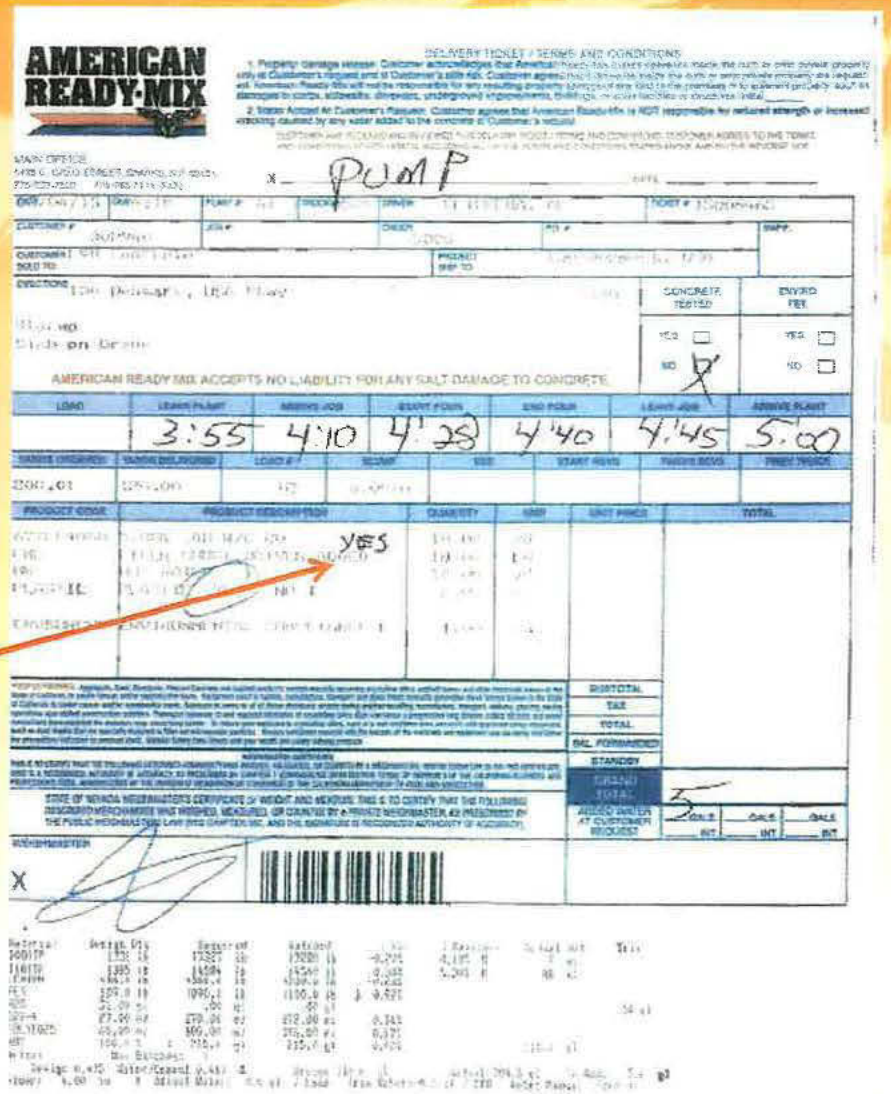
SD-1

7. THE MAXIMUM SLUMP SHALL NOT EXCEED 3". PLASTICIZERS MAY BE USED TO INCREASE SLUMP TO 8" MAXIMUM PROVIDED THEY DO NOT INCREASE SHRINKAGE.

2.5 Concrete Mix -

Fibermesh to be added at plant.
Fibermesh was added by the driver.

Fibermesh Added By Driver



AMERICAN READY-MIX

DELIVERY TICKET / TERMS AND CONDITIONS

X PUMP

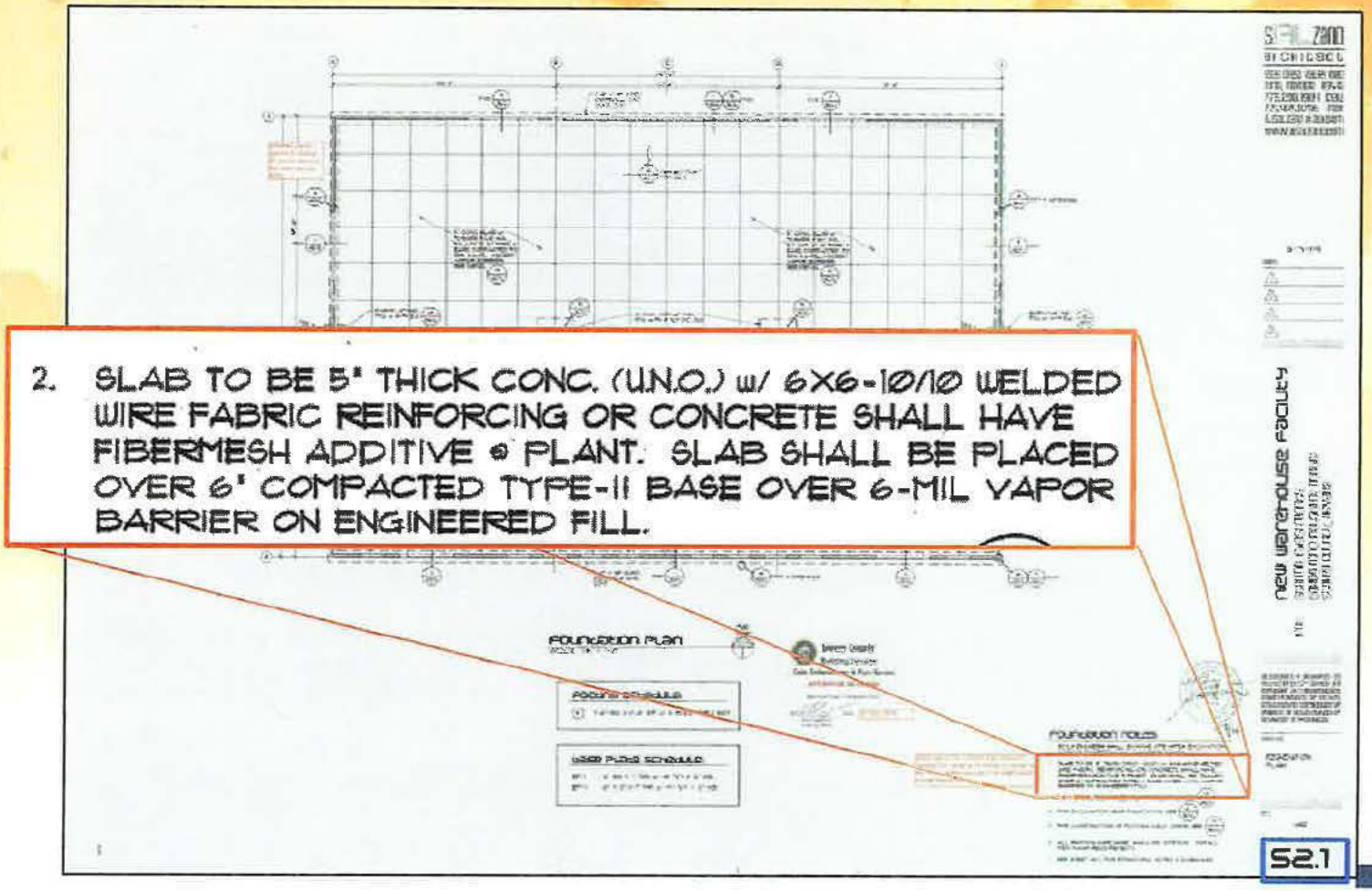
AMERICAN READY MIX ACCEPTS NO LIABILITY FOR ANY SALT DAMAGE TO CONCRETE

LOAD	LEAVE PLANT	ARRIVE JOB	START POUR	END POUR	LEAVE JOB	ARRIVE PLANT
	3:55	4:10	4:28	4:40	4:45	5:00

PRODUCT CODE	PRODUCT DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	TOTAL
	YES				

L&H0037

Construction Documents S2.1 – Note#2

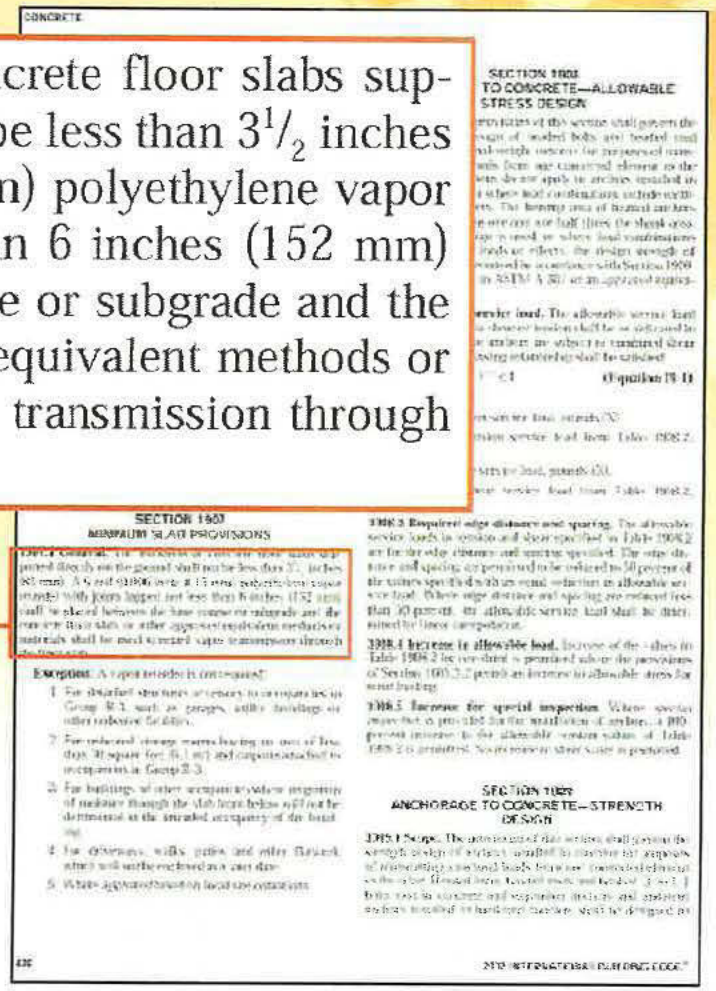


2.6 Vapor Barrier -

Per code the vapor barrier is to be a minimum of 6 mil. The existing condition is 2 mil.

2012 IBC
SECTION 1907.1

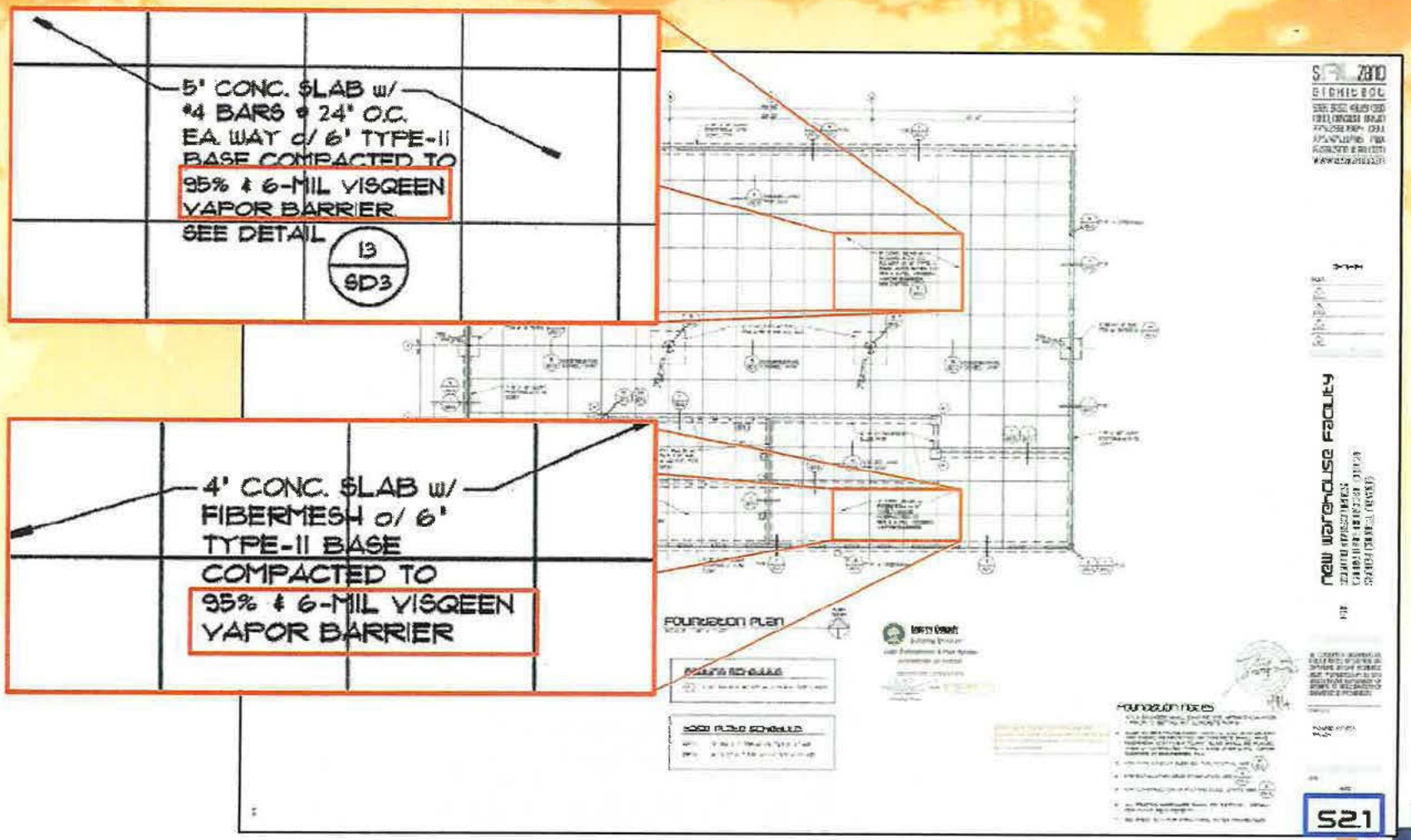
1907.1 General. The thickness of concrete floor slabs supported directly on the ground shall not be less than $3^1/_2$ inches (89 mm). A 6-mil (0.006 inch; 0.15 mm) polyethylene vapor retarder with joints lapped not less than 6 inches (152 mm) shall be placed between the base course or subgrade and the concrete floor slab, or other *approved* equivalent methods or materials shall be used to retard vapor transmission through the floor slab.


CONCRETE

SECTION 1907
MINIMUM SLAB PROVISIONS

SECTION 1909
ANCHORAGE TO CONCRETE—STRENGTH DESIGN

Construction Documents S2.1 – Not built per plans.



2.7 Vapor Barrier -

The vapor barrier is inappropriately placed between the top of all interior footings and the bottom of the slab, creating a cold joint between the two.

2.7 Vapor Barrier -

The vapor barrier is inappropriately placed between the top of all interior footings and the bottom of the slab, creating a cold joint between the two.

NORTECH Geotechnical/Civil Consultants, Ltd.

FIELD CONSTRUCTION INSPECTION REPORT

PROJECT Stormo - Denmark JOB NO. 1020-102C

LOCATION Storey County, Nevada REPORT NO. 5

CONTRACTOR Banks Construction WEEK ENDING 02-07-15

Work Description

February 2 - On site to review plans for slab steel and I observed placement of vapor barrier below steel reinforcement as it was placed in accordance with structural details on approved plans. (MSV)

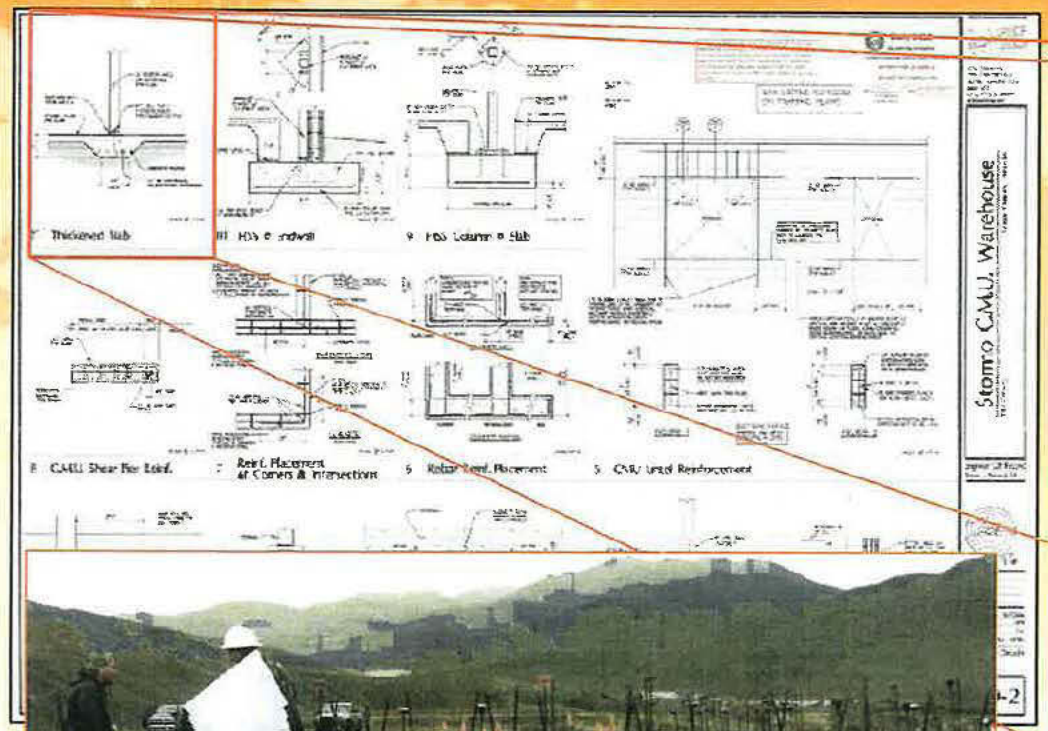
February 3 - I inspected steel reinforcement in building slab. Rebar was placed in accordance with structural details on approved plans. (MSV)

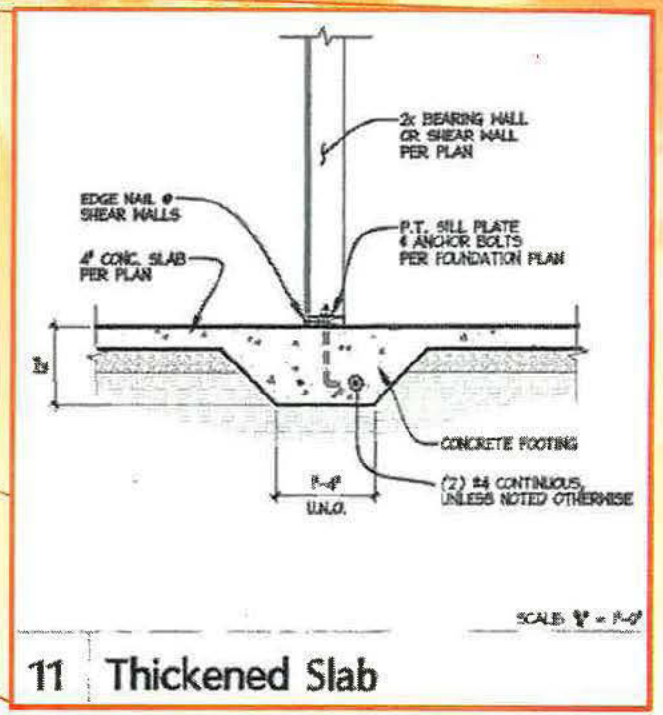
February 4 - On site for concrete pour on building slab. I cast two sets of concrete cylinders and I performed two slump and temperature tests. (MSV)

February 5 - Transported previously cast cylinders to our laboratory for testing. (TJD)

February 2 - On site to review plans for slab steel and I observed placement of vapor barrier below steel reinforcement as it was placed in accordance with structural details on approved plans. (MSV)

Construction Documents SD-2 #11 – Not built per plans





3.1 Excessive Cracking/ Water Intrusion-

There are extensive shrinkage cracks within the CMU that is allowing water entry into the building.

3.1 Excessive Cracking/ Water Intrusion-

Temperatures during CMU construction below 40°F- Cold Weather Construction applies

((•)) MUR008 About this PWS Report

Forecast for Sparks, NV > 39.510 -119.658 > 4388 ft

PWS Data PWS Widgets WunderStation

Status:

PWS viewed 2 times since September 1, 2016

Radar Webcam Icon

Rain: Light, Heavy; Mixed: Light, Heavy; Frozen: Light, Heavy

View WunderMap

February 2, 2015 - March 1, 2015

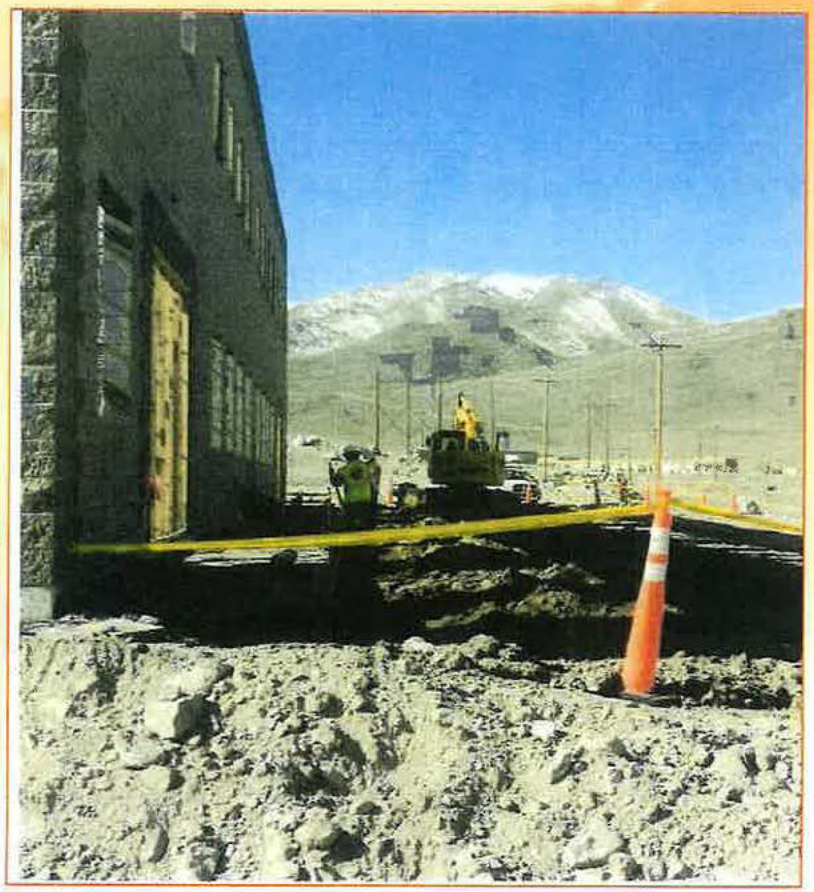
2015	Temperature		
Feb	High	Avg	Low
2	56 °F	43.3 °F	32 °F
3	65 °F	50.9 °F	36 °F
4	65 °F	50.9 °F	34 °F
5	60 °F	55.6 °F	42 °F
6	68 °F	58.3 °F	44 °F
7	58 °F	49 °F	39 °F
8	56 °F	43.3 °F	32 °F
9	51 °F	44.2 °F	34 °F
10	54 °F	39.3 °F	27 °F
11	54 °F	43.8 °F	20 °F
12	63 °F	45.9 °F	30 °F
13	71 °F	51.4 °F	34 °F
14	73 °F	50.3 °F	33 °F
15	61 °F	44.9 °F	32 °F
16	63 °F	47.2 °F	29 °F
17	55 °F	46.3 °F	29 °F
18	71 °F	50.3 °F	32 °F
19	60 °F	53 °F	32 °F
20	59 °F	44.7 °F	34 °F
21	59 °F	40.3 °F	27 °F
22	42 °F	34.5 °F	29 °F
23	59 °F	29.7 °F	16 °F
24	56 °F	36.2 °F	39 °F
25	61 °F	41.4 °F	24 °F
26	64 °F	44.6 °F	34 °F
27	59 °F	45.3 °F	32 °F
28	34 °F	31.7 °F	30 °F
2015	Temperature		

Table 1. Cold Weather Construction Requirements

Ambient temperature	Cold weather procedures for **work in progress**
Above 40°F (4.4°C)	No special requirements.
Below 40°F (4.4°C)	Do not lay glass unit masonry.
32°F to 40°F (0°F to 4.4°C)	Heat sand or mixing water to produce mortar temperature between 40°F and 120°F (4.4°C and 48.9°C) at the time of mixing. Heat materials for grout only if they are below 32°F (0°C).
25°F to 32°F (-3.9°C to 0°C)	Heat sand or mixing water to produce mortar temperature between 40°F and 120°F (4.4°C and 48.9°C) at the time of mixing. Keep mortar above freezing until used in masonry. Heat materials to produce grout temperature between 70°F and 120°F (21.1°C and 48.9°C) at the time of mixing. Keep grout temperature above 70°F (21.1°C) at the time of placement.
20°F to 25°F (-6.7°C to -3.9°C)	In addition to requirements for 25°F to 32°F (-3.9°C to 0°C), heat masonry surfaces under construction to 40°F (4.4°C) and use wind breaks or enclosures where the wind velocity exceeds 15 mph (24 km/h). Heat masonry to a minimum of 40°F (4.4°C) prior to grouting.
20°F (-6.7°C) and below	In addition to all of the above requirements, provide an enclosure and auxiliary heat to keep air temperature above 32°F (0°C) within the enclosure.
Ambient temperature (minimum for grouted; mean daily for ungrouted)	**Cold weather procedures for newly completed masonry**
Above 40°F (4.4°C)	No special requirements, except for the following: Maintain glass unit masonry above 40°F (4.4°C) for the first 48 hours after construction. Maintain autoclaved aerated concrete (AAC) above 32°F (0°C) for the first 24 hours after thin-bed mortar application.
25°F to 40°F (-3.9°C to 4.4°C)	Cover newly constructed masonry with a weather-resistive membrane for 24 hours after being completed.
20°F to 25°F (-6.7°C to -3.9°C)	Cover newly constructed masonry with weather-resistive insulating blankets (or equal protection) for 24 hours after being completed. Extend the time period to 48 hours for grouted masonry, unless the only cement used in the grout is ASTM C 150 Type III.
20°F (-6.7°C) and below	Keep newly constructed masonry above 32°F (0°C) for at least 24 hours after being completed. Use heated enclosures, electric heating blankets, infrared lamps, or other acceptable methods. Extend the time period to 48 hours for grouted masonry, unless the only cement used in the grout is ASTM C 150 Type III.

PCA- IS248.04-Cold Weather Masonry Construction

Cold Weather Protection included in Dennis Banks Bid- None Performed



Dennis Banks CONSTRUCTION CO.

STORMO PROPERTIES WAREHOUSE –12/4/14

REVISED #2

Base Bid: (Includes Bid Addendum #1 other than Alt listed below) (Includes Fire Hydrant/FDC not listed on addenda)	$1,323,439
Add Weed Barrier	$2,920
Add 3-4" Fractured Rock in lieu of DG	$7,760
Add Hose bib (see quote)	$106
Add Alternate Per Addenda #1 –Roof Curbs (2) each (see quote)	$932
Add for Steel Trash Gate (chain link included in base bid)	$1,350
Add for Asphalt –Note (M) Sheet C1 – Drive Access 4"AC on 6"Base	$49,780

Schedule:

- 120 Calendar Days from Notice to Proceed (weather permitting)
- [illegible]
- Cold Weather Protection included in this cost estimate

Clarifications and Exclusions for DBC Cost Estimated Dated 12/3/14

- Electrical Service and Gas Service Are Estimates (105 feet of trench for each service has been included in this estimate), included T Pad in Estimate
- NV Energy Design Fees and Contract Service Fees Are By Owner
- Estimate provided is based on plans issued for bid and scope of work issued on 11/10/14

CA LICENSE [illegible] NV LICENSE 007816, BID LIMIT: UNLIMITED• OR LICENSE [illegible]
935 MARSTRO DRIVE, RENO NV 89511
PHONE: (775) 827-0545 • FAX: (775) 827-0698

DIL000736

3.2 Void in CMU -

There are numerous locations where voids are present within the CMU wall.

3.2 Void in CMU -

Keystone Masonry Warranty

KEYSTONE MASONRY
P.O. BOX 3742
CARSON CITY, NEVADA 89702-3742
PHONE (775) 267-2589 FAX
NV. LICENSE #25672
keystonemasonryny@hotmail.com

Warranty Letter

We hereby guarantee that all work installed 150 Demark Drive, McCarran, Nevada 89434 Has been done in accordance with the plans and specifications and that the work as installed will fulfill the requirements of the one (1) year guarantee. We agree to repair or replace any or all of our work, that may prove to be defective in its workmanship or material within a period of one (1) year from the date of filling of notice of completion on the above name project, without any expense whatsoever to the owner, ordinary wear and tear and unusual abuse or neglect excepted.

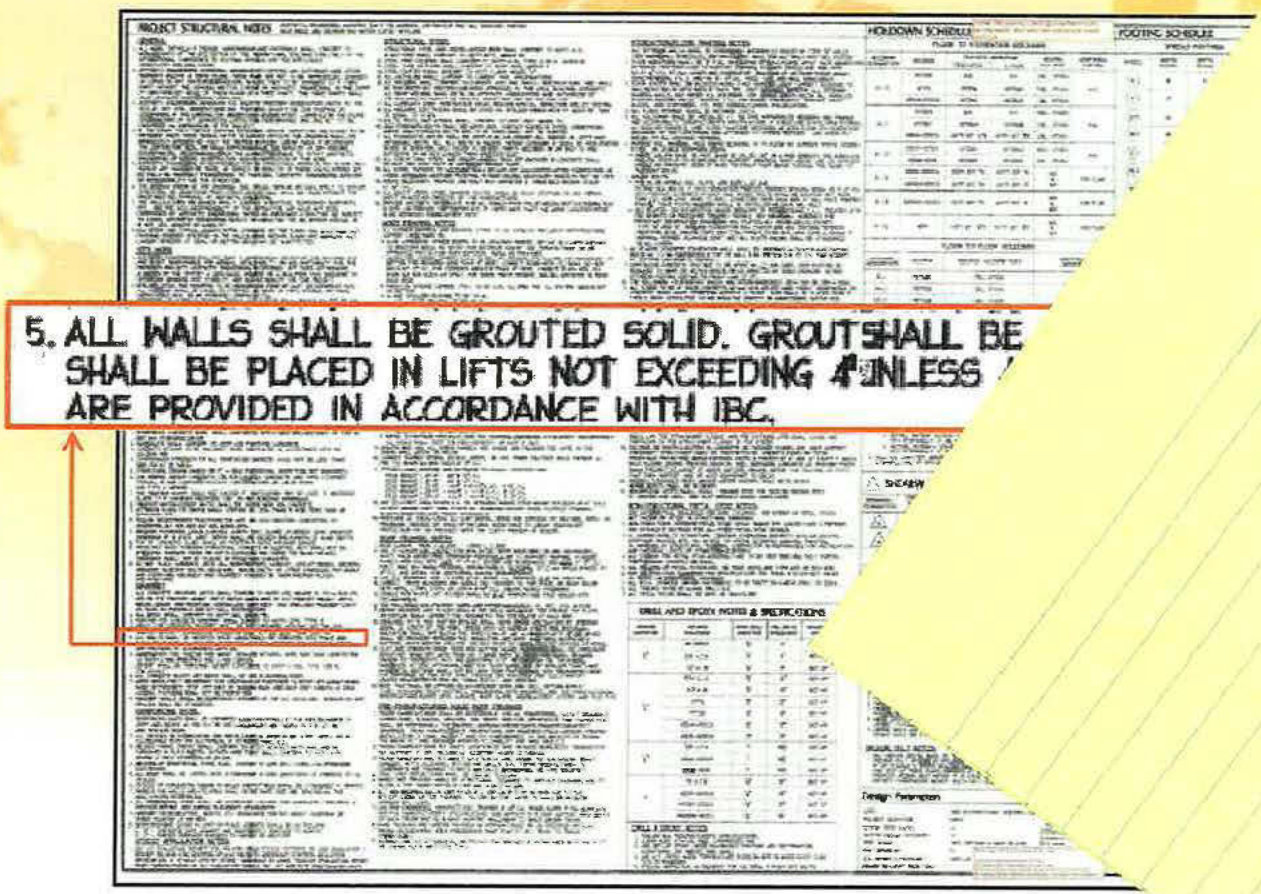
Keystone Masonry shall unconditionally guarantee the workmanship and materials of the masonry contract to be remain free of defects for a period of one (1) year from date of filing the notice of completion on the contract.

We hereby guarantee that all work installed 150 Demark Drive, McCarran, Nevada 89434 Has been done in accordance with the plans and specifications and that the work as installed will fulfill the requirements of the one (1) year guarantee. We agree to repair or replace any or all of our work, that may prove to be defective in its workmanship or material within a period of one (1) year from the date of filling of notice of completion on the above name project, without any expense whatsoever to the owner, ordinary wear and tear and unusual abuse or neglect excepted.

This guarantee does not extend to maintenance items.

Evelyn Lukas
Keystone Masonry
Office Manager

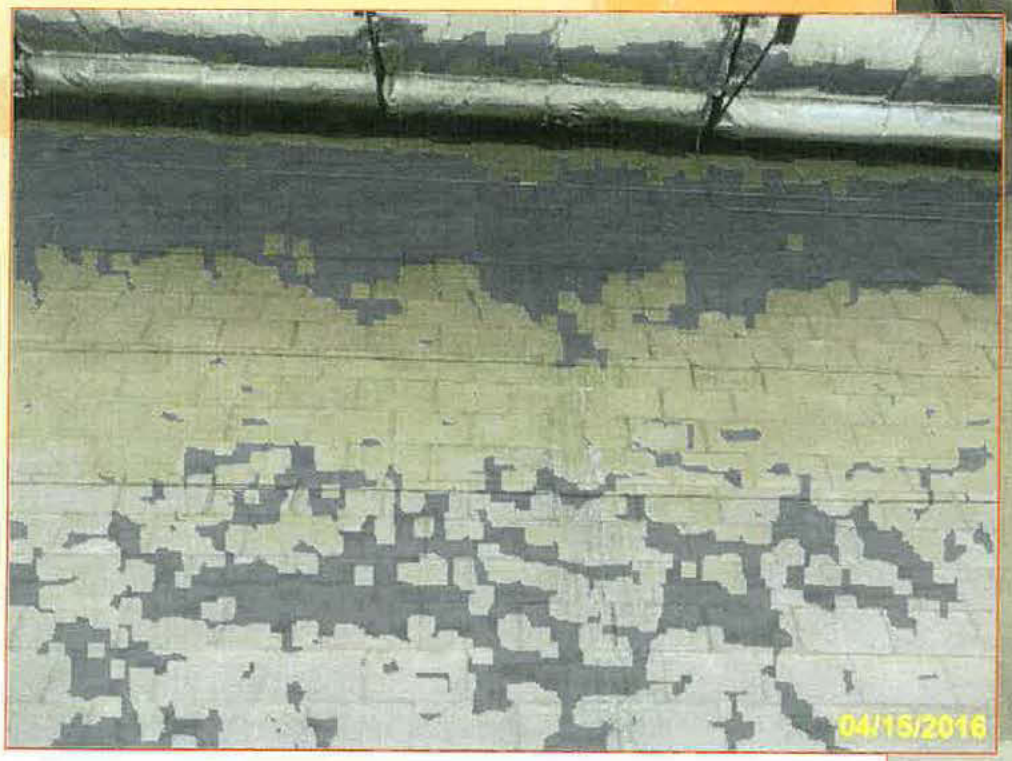
Construction Documents SD-1 Masonry Note #5 and SD-2 #1 – Not built per plans.



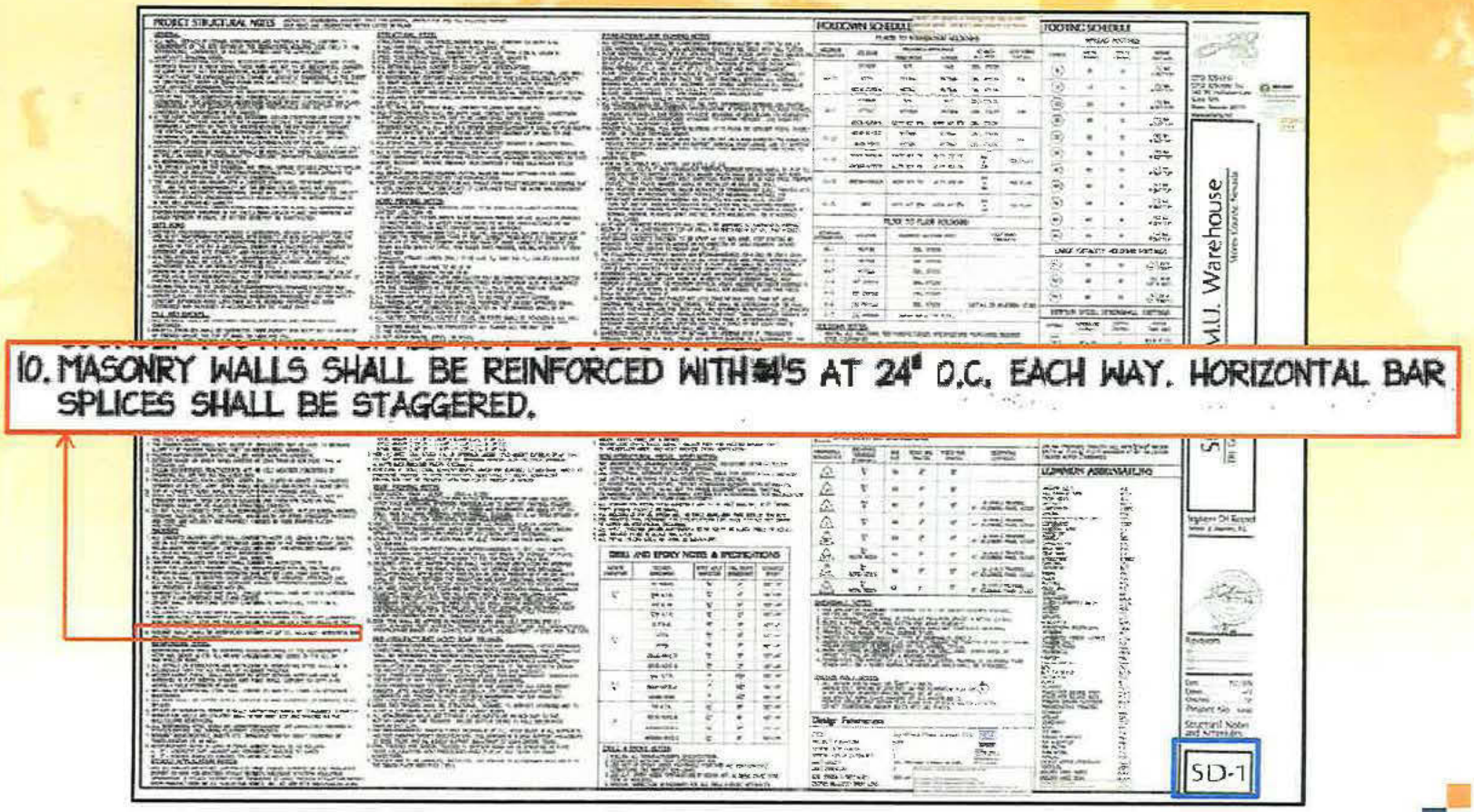
5. ALL WALLS SHALL BE GROUTED SOLID. GROUT SHALL BE
SHALL BE PLACED IN LIFTS NOT EXCEEDING 4' UNLESS
ARE PROVIDED IN ACCORDANCE WITH IBC.

3.3 Horizontal rebar spacing -

Construction Documents identify rebar at 24" O.C. The as-built condition is between 24" and 32".

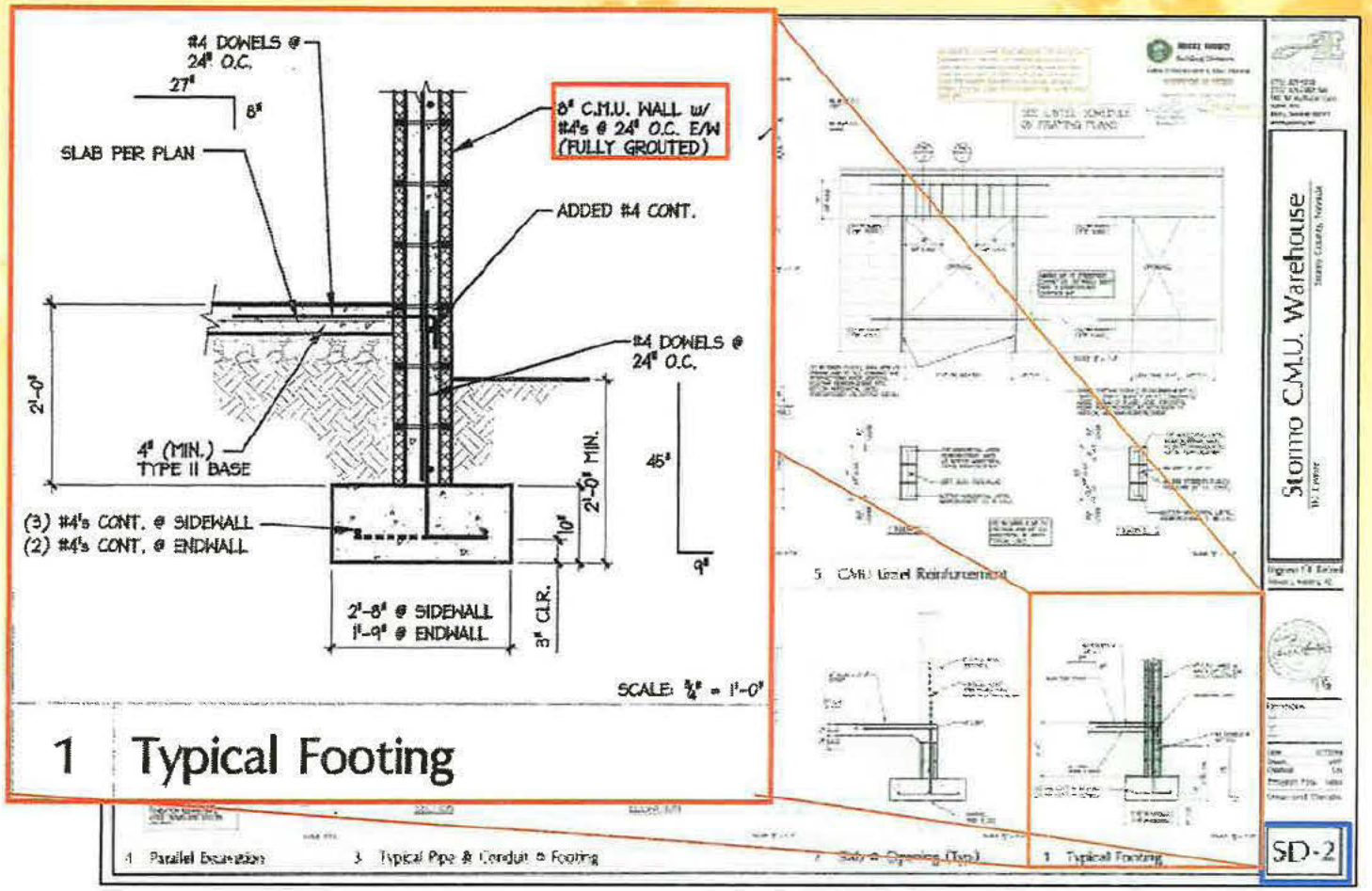


Construction Documents SD-1 Masonry Note #10 and SD-2 #1 – No built per plans.

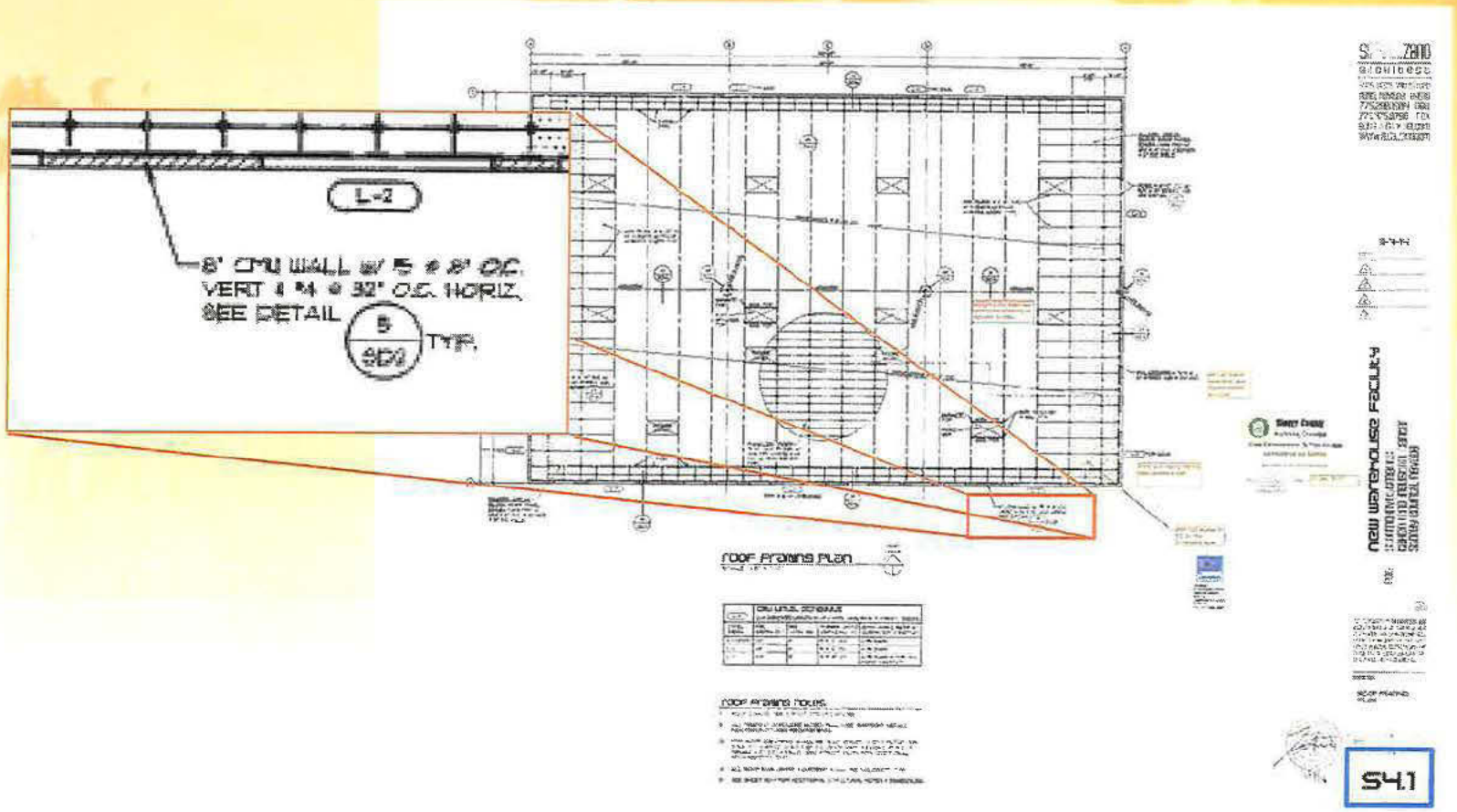


10. MASONRY WALLS SHALL BE REINFORCED WITH #4'S AT 24" O.C. EACH WAY. HORIZONTAL BAR SPLICES SHALL BE STAGGERED.

Construction Documents SD-1 Masonry Note #10 and SD-2 #1 – No built per plans.



Construction Documents S4.1 Notes #4 @ 32" o.c.



Shop Drawings Note 32" o.c. Spacing

From: JUSTIN IVORY (a-1steel@msn.com)
Sent: Sun 1/11/15 2:39 PM
To: Casey Solum (csolum@dennisbanksconstruction.com); dmartin@dennisbanksconstruction.com (dmartin@dennisbanksconstruction.com)
Cc: darint1972@gmail.com (darint1972@gmail.com)
4 attachments
Stormo M1.pdf (561.6 KB), Stormo M2.pdf (678.5 KB), Stormo S1 R1.pdf (424.0 KB), Stormo S2 R1.pdf (382.9 KB)

Guys,

I have attached the shop drawings for the poured in place and masonry rebar.

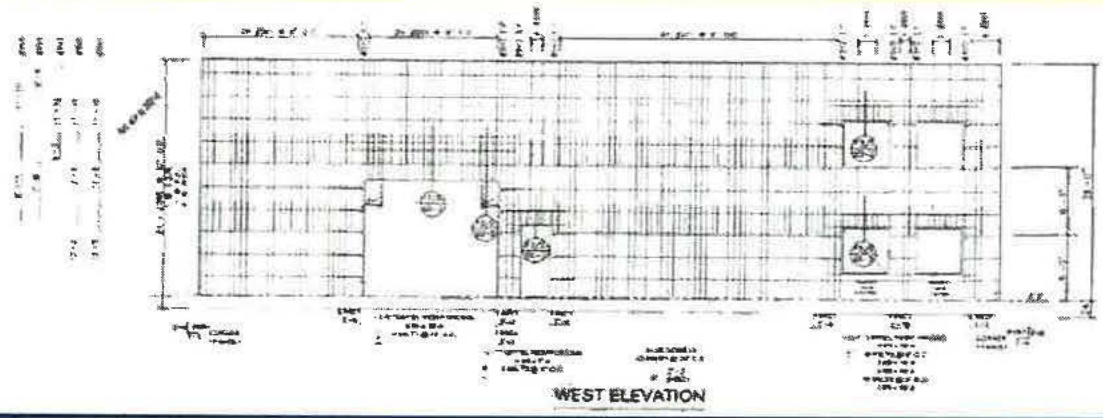
Please return approved so we can get it into fabrication.

thanks,

Justin Ivory
President
A-1 Steel, Inc.
Sparks, Nevada
p 775-358-8666
f 775-358-4009
c 775-690-8968
Nevada Lic #48530

> On Jan 12, 2015, at 12:16 PM, "Casey Solum" <csolum@dennisbanksconstruction.com> wrote:
>
> Approved Submittal, Please Proceed with Fabrication
>
>
>
>
>
> CASEY SOLUM • OWNER, LEED AP
>
> 835 Maestro Drive • Reno, NV 89511
>
> Phone: (775) 827-0545, Ext 7117 • Fax: (775) 827-0698
>
> Cell: (775) 690-7980
>
> NV License #20781A • Bid Limit: Unlimited
>
> OR License #183634 • CA License #831363
>
> Email: csolum@dennisbanksconstruction.com
<mailto:csolum@dennisbanksconstruction.com>

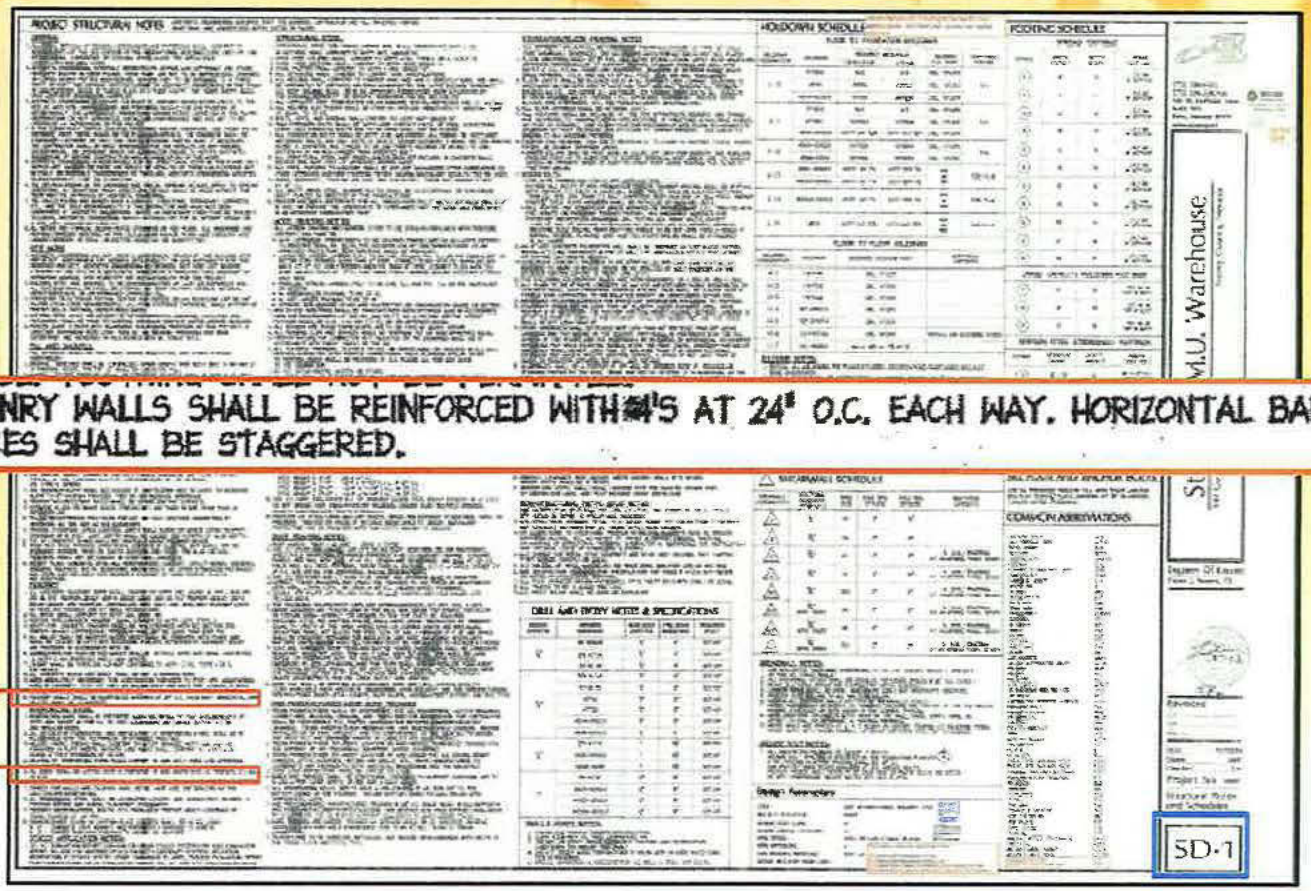
A-10016



No evidence the EOR reviewed the steel shop drawings

3.4 Horizontal rebar lap -

Construction Documents SD-1 Reinforcing Steel Note #5 and #10 – No built per plans.



10. MASONRY WALLS SHALL BE REINFORCED WITH #4'S AT 24" O.C. EACH WAY. HORIZONTAL BAR SPLICES SHALL BE STAGGERED.

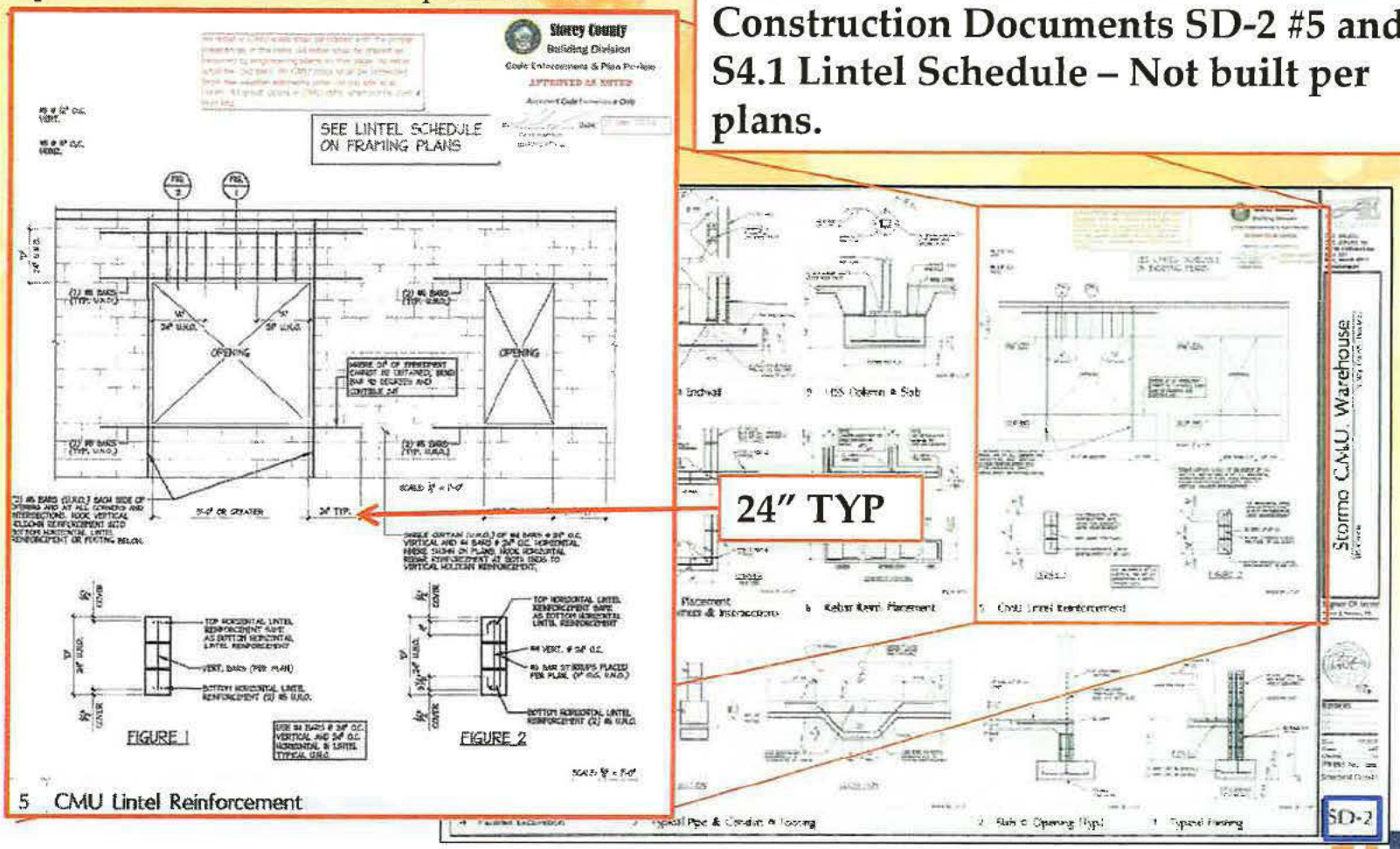
5. ALL BARS SHALL BE LAPPED WITH A MINIMUM OF 40 BAR DIAMETERS (2' MINIMUM) AT ALL SPLICES.

PER SD9 NOTE 27 INCREASE lap 30% IF MORE THAN 12" CONCRETE IS POURED BELOW LAP

3.5 Lintel rebar above door-

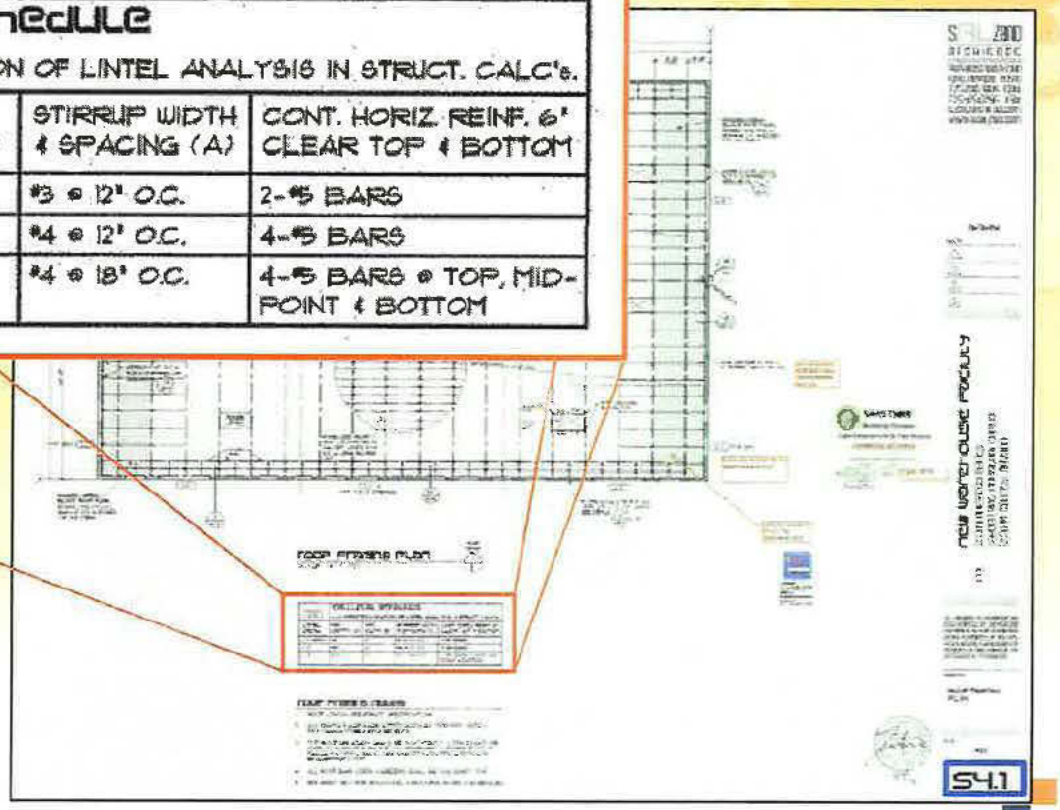
Missing and short reinforcing noted. Should extend 24" beyond the door and determined to be between 9" and 11" at some locations. Some reinforcing missing and/or miss-located above roll-up doors with areas of inadequate cover.

Construction Documents SD-2 #5 and S4.1 Lintel Schedule – Not built per plans.

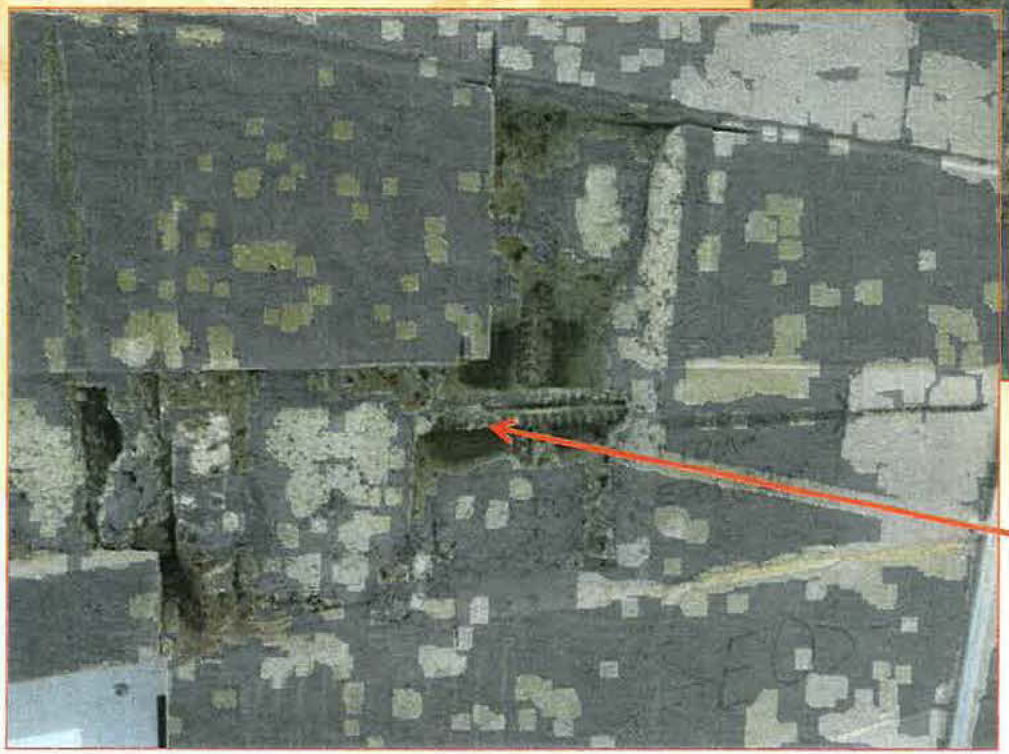


Construction Documents SD-2 #5 and S4.1 Lintel Schedule – No built per plans.

(L-X)	CMU LINTEL SCHEDULE L-X DENOTES LOCATION OF LINTEL ANALYSIS IN STRUCT. CALC's.			
LINTEL DESIG.	MIN. DEPTH (D)	MIN. WIDTH (B)	STIRRUP WIDTH & SPACING (A)	CONT. HORIZ. REINF. 6" CLEAR TOP & BOTTOM
L-1 (U.N.O.)	24"	8"	#3 @ 12" O.C.	2-#5 BARS
L-2	48"	8"	#4 @ 12" O.C.	4-#5 BARS
L-3	64"	8"	#4 @ 18" O.C.	4-#5 BARS @ TOP, MID-POINT & BOTTOM

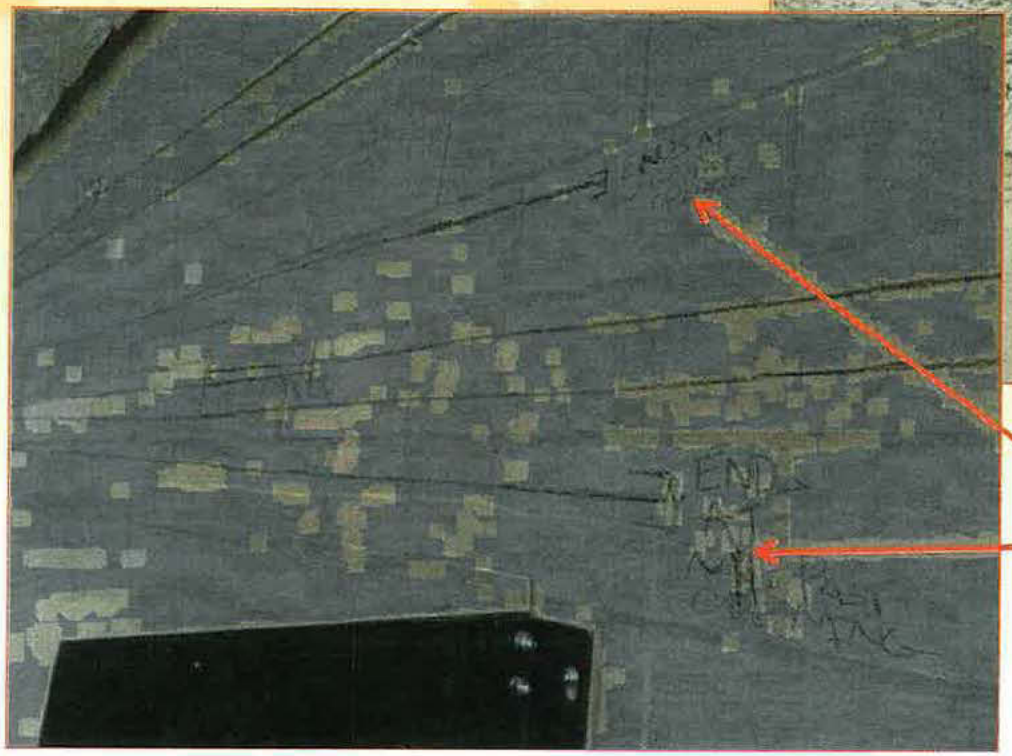


3.5 Lintel rebar above door-



3.5 Lintel rebar above door-

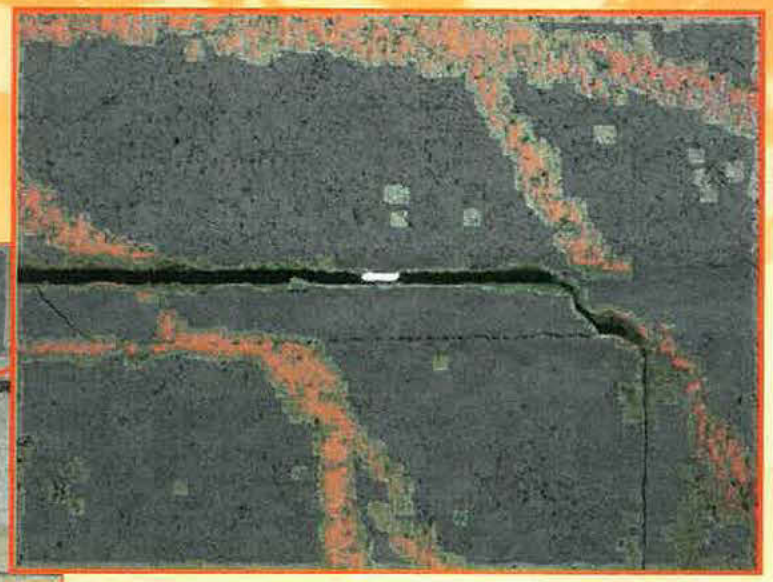
Inadequate Cover

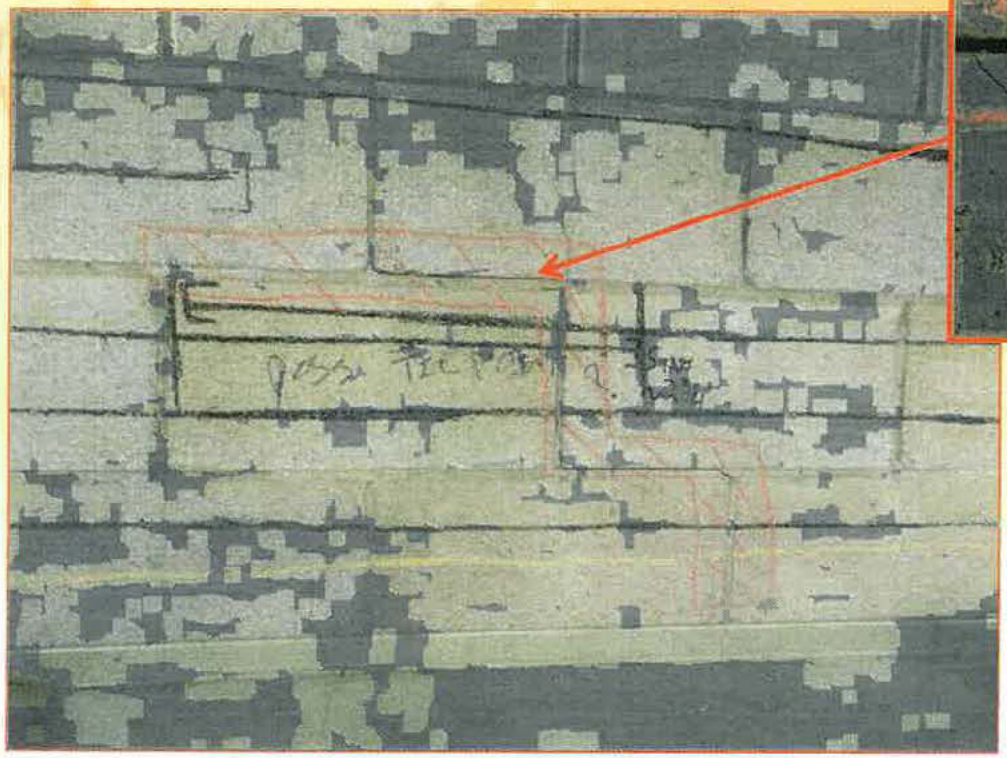


Lintel L-3

3.6 Stair step cracks -

At door, extending to roof, likely the resultant damage due to items listed previously. At some cracks, daylight is visible.





2012 IBC
Section 3401.5
Dangerous Conditions.

CHAPTER 34

EXISTING BUILDINGS AND STRUCTURES

SECTION 3401
GENERAL

3401.5 Dangerous conditions. The building official shall have the authority to require the elimination of conditions deemed dangerous.

3401.5 Dangerous conditions. The *building official* shall have the authority to require the elimination of conditions deemed *dangerous.*

3.7 Wall not plumb – NEW ITEM

West CMU wall up to 1-1/4" out of plumb

No distress at Fire Command Room

Area of wall bowing inward up to 1-1/4"

3.7 Wall not plumb – NEW ITEM

West CMU wall up to 1-1/4" out of plumb

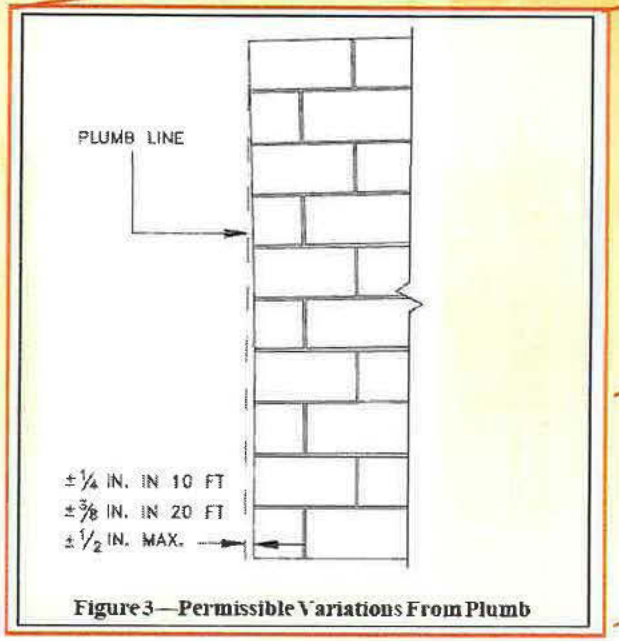
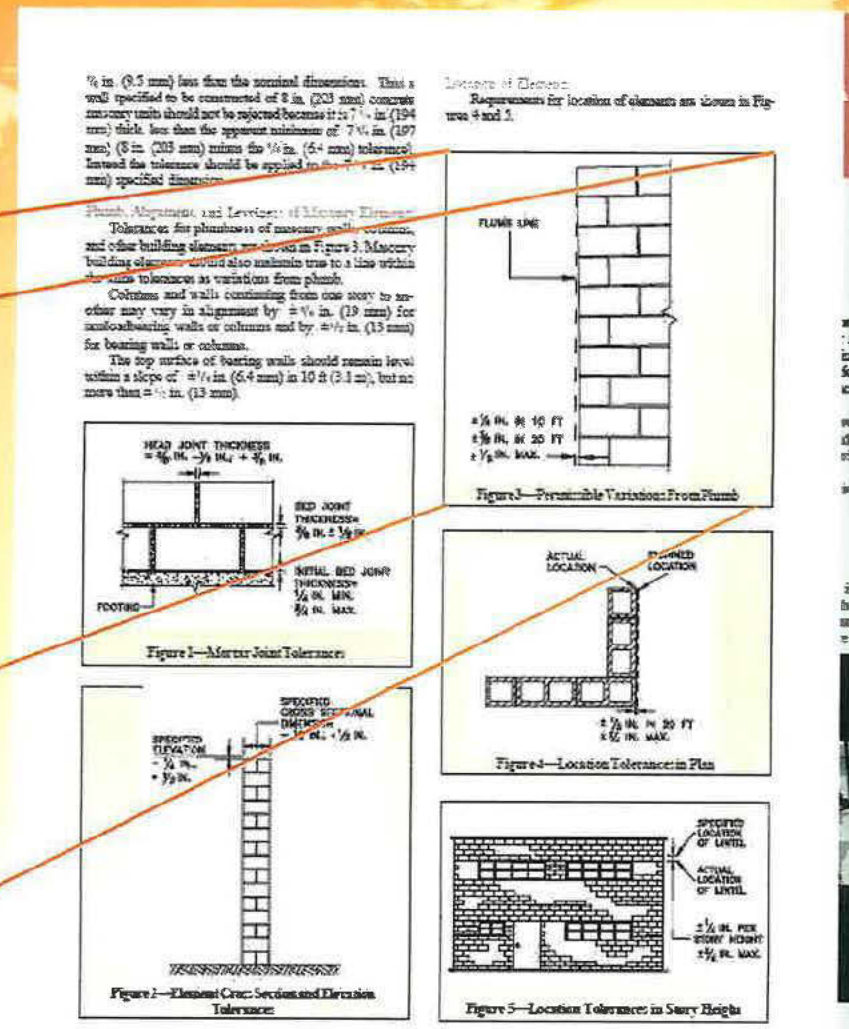


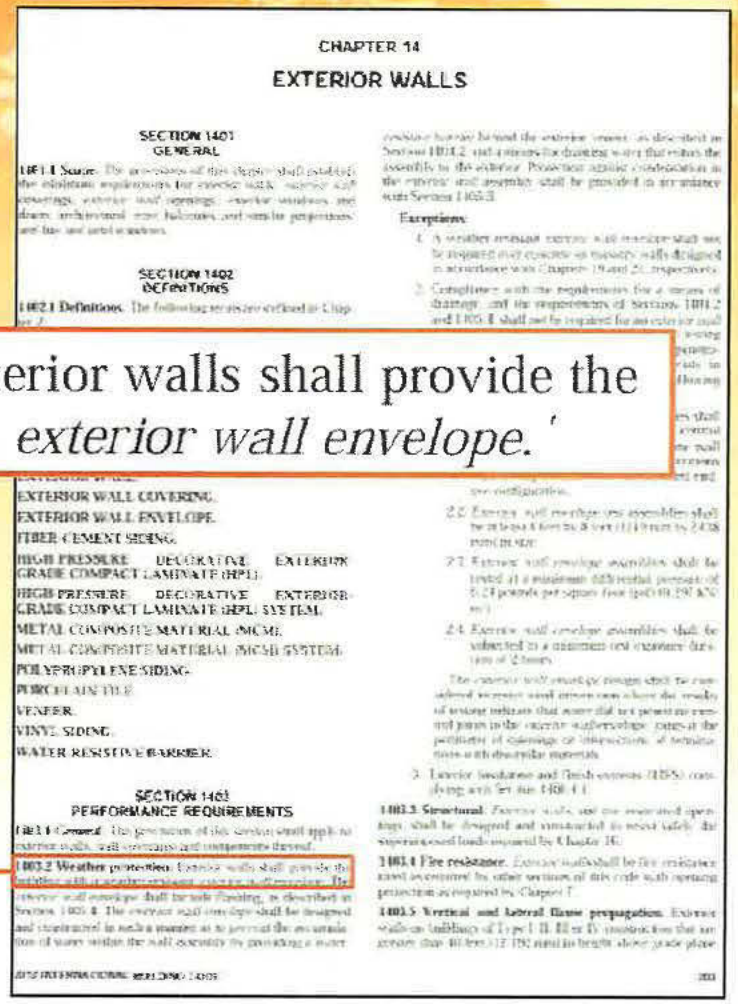
Figure 3—Permissible Variations From Plumb



4.1 Penetrations not sealed -

Exterior wall penetration are required to be sealed from the outside with backer rod and sealant.

2012 IBC
Section 1403.2
Weather Protection.



CHAPTER 14

EXTERIOR WALLS

SECTION 1401
GENERAL

SECTION 1402
DEFINITIONS

EXTERIOR WALL COVERING.
EXTERIOR WALL ENVELOPE.
FIBER CEMENT SIDING.
HIGH PRESSURE DECORATIVE EXTERIOR GRADE COMPACT LAMINATE (HPL).
HIGH PRESSURE DECORATIVE EXTERIOR-GRADE COMPACT LAMINATE (HPL) SYSTEM.
METAL COMPOSITE MATERIAL (MCM).
METAL COMPOSITE MATERIAL (MCM) SYSTEM.
POLYPROPYLENE SIDING.
PORCELAIN TILE.
VENEER.
VINYL SIDING.
WATER RESISTIVE BARRIER.

SECTION 1403
PERFORMANCE REQUIREMENTS

1403.2 Weather protection. Exterior walls shall provide the building with a weather-resistant *exterior wall envelope.*

1403.3 Structural.

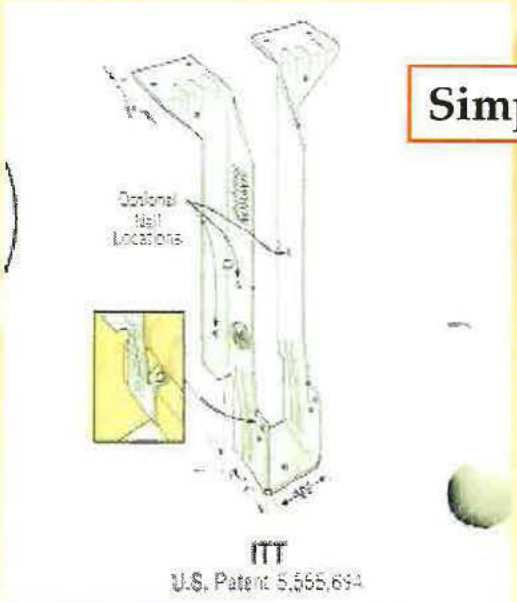
1403.4 Fire resistance.

1403.5 Vertical and lateral flame propagation.

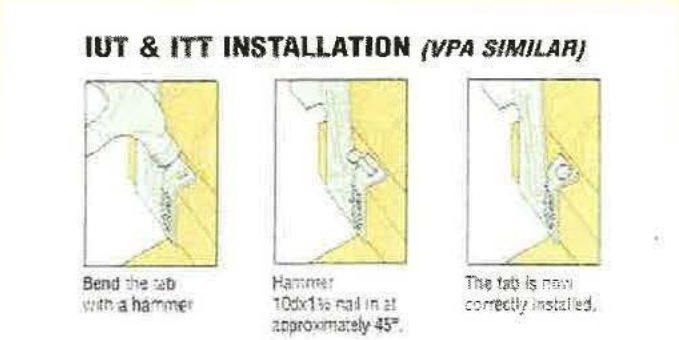
1403.2 Weather protection. Exterior walls shall provide the building with a weather-resistant *exterior wall envelope.*

5.1 Floor Joists-

Floor joists not properly secured to joist hangers.



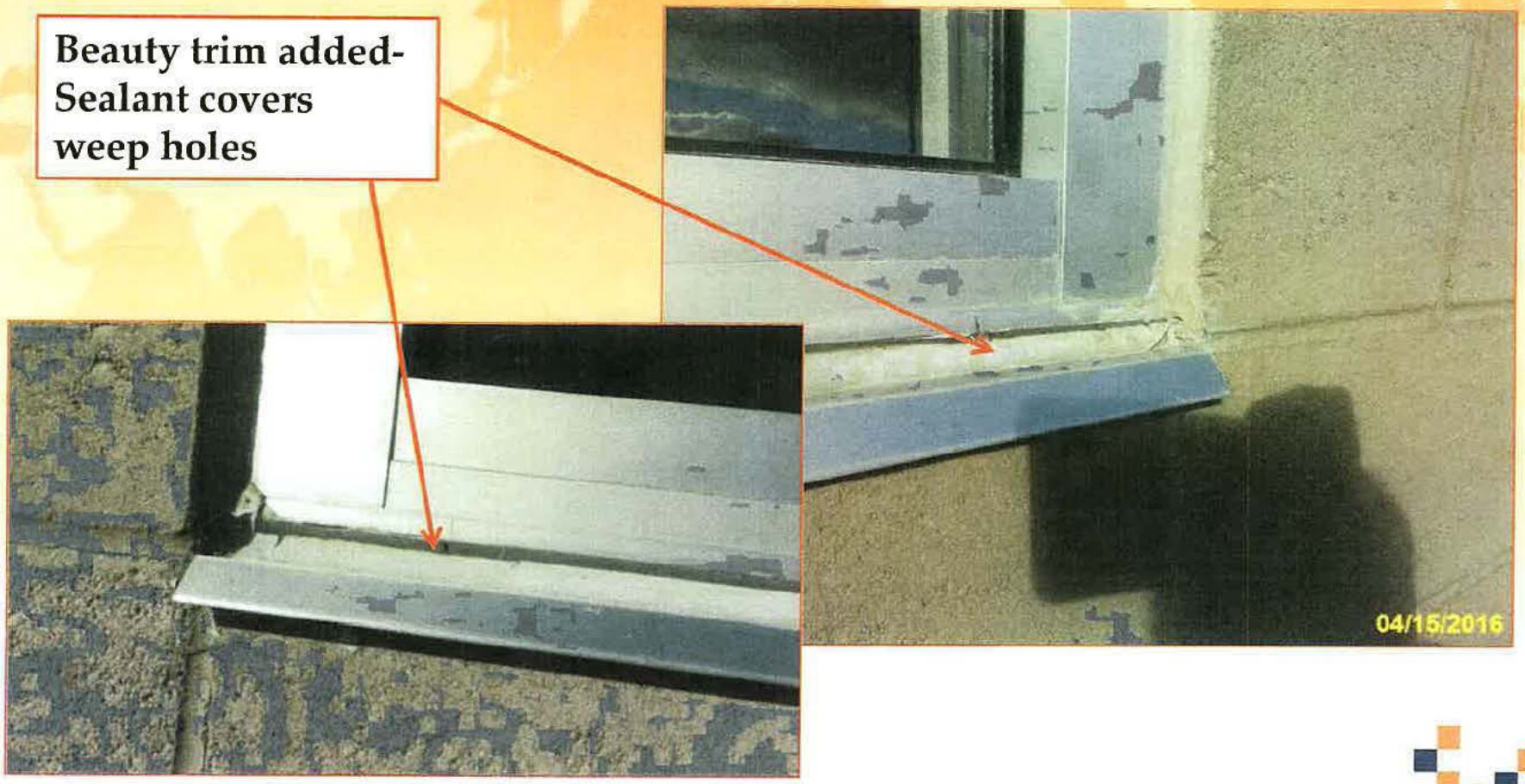
Simpson ITT2.1/14



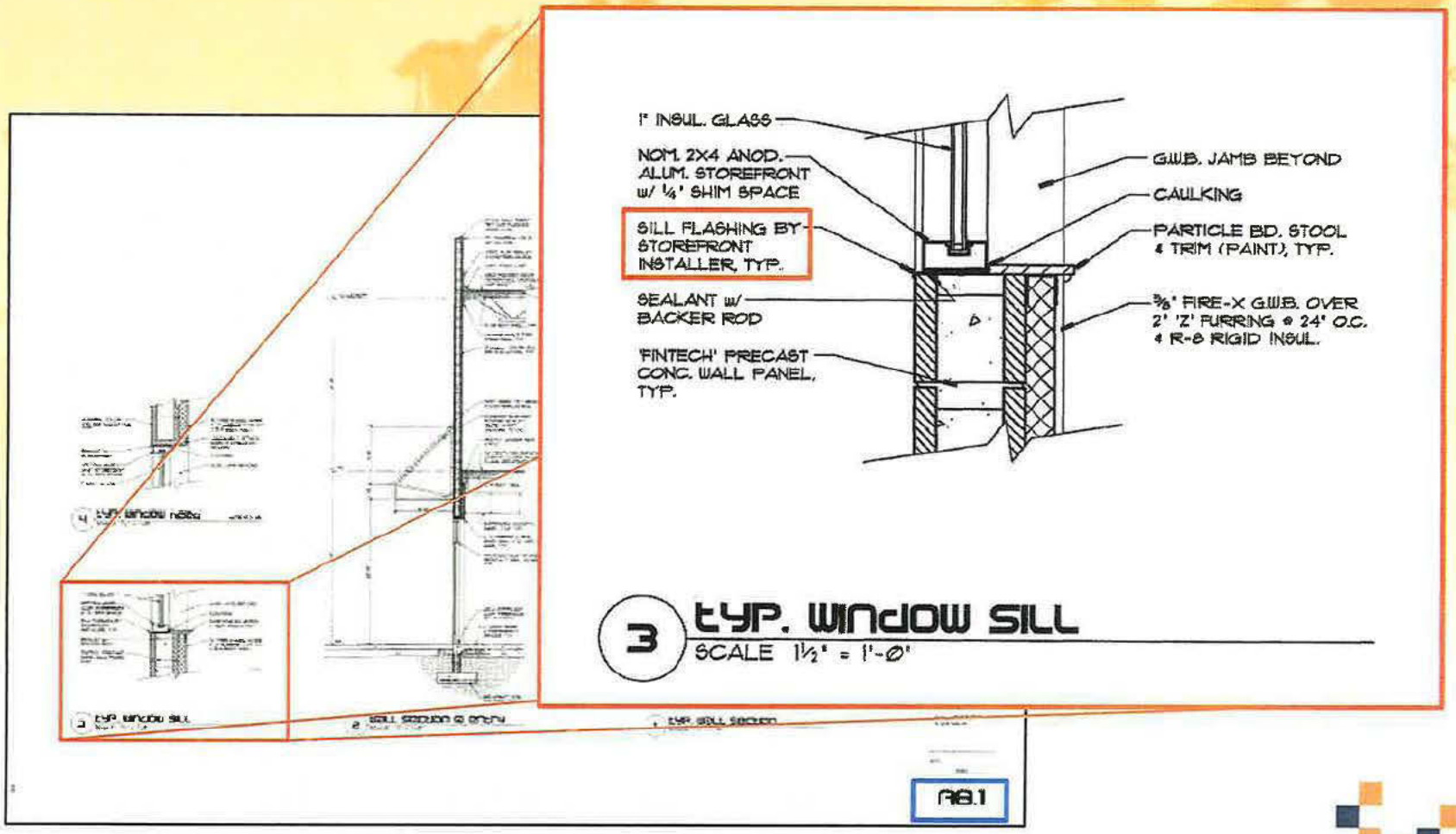
6.1 Sill Flashing-

Construction Documents identify exterior sill flashing. The as-built condition includes a "Beauty Trim" opposed to sill flashing.

**Beauty trim added-
Sealant covers
weep holes**



Construction Documents A8.1 Detail 3 & 4 – Not Built per plan

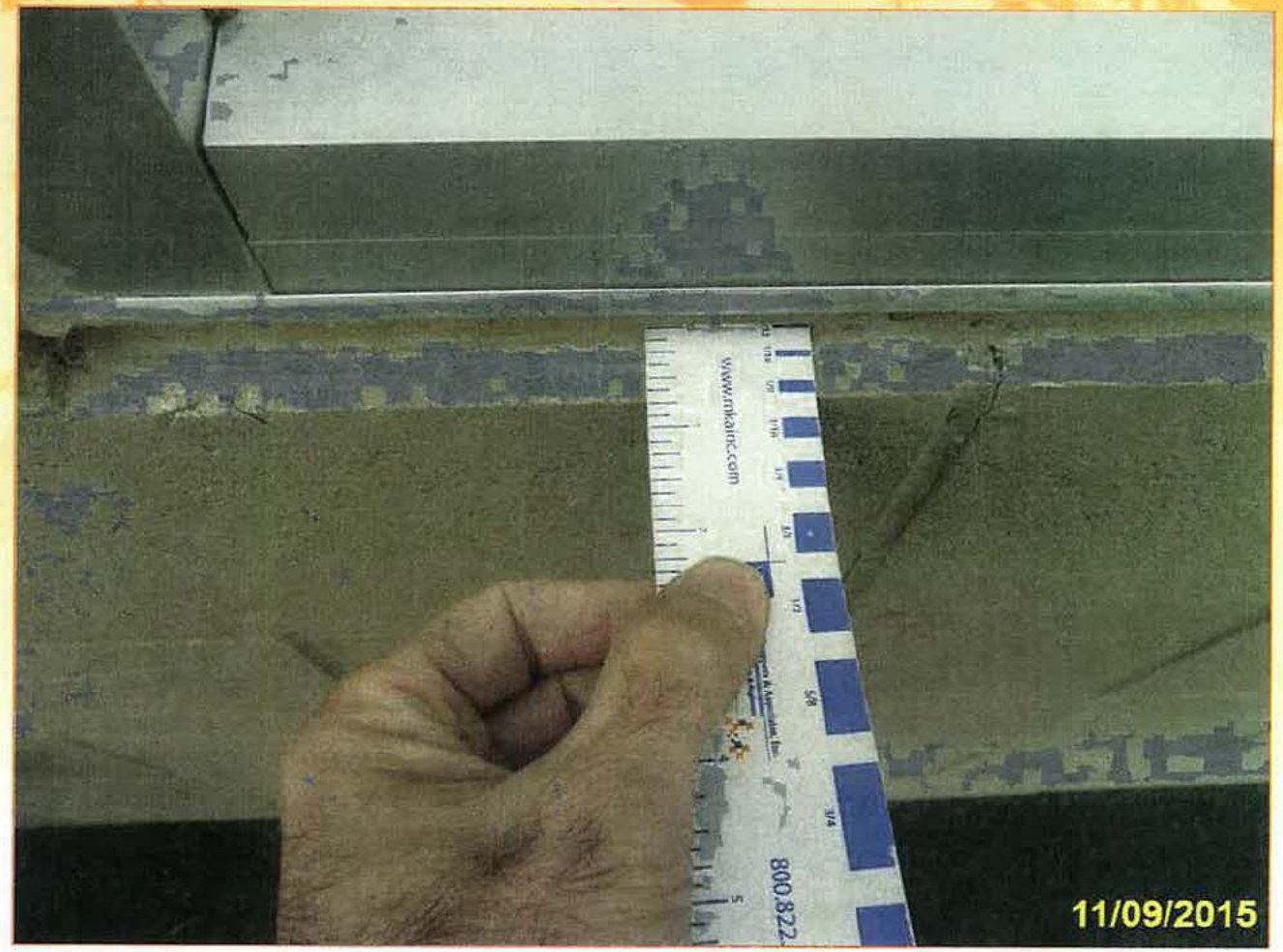


6.2 1" Insulated Glass

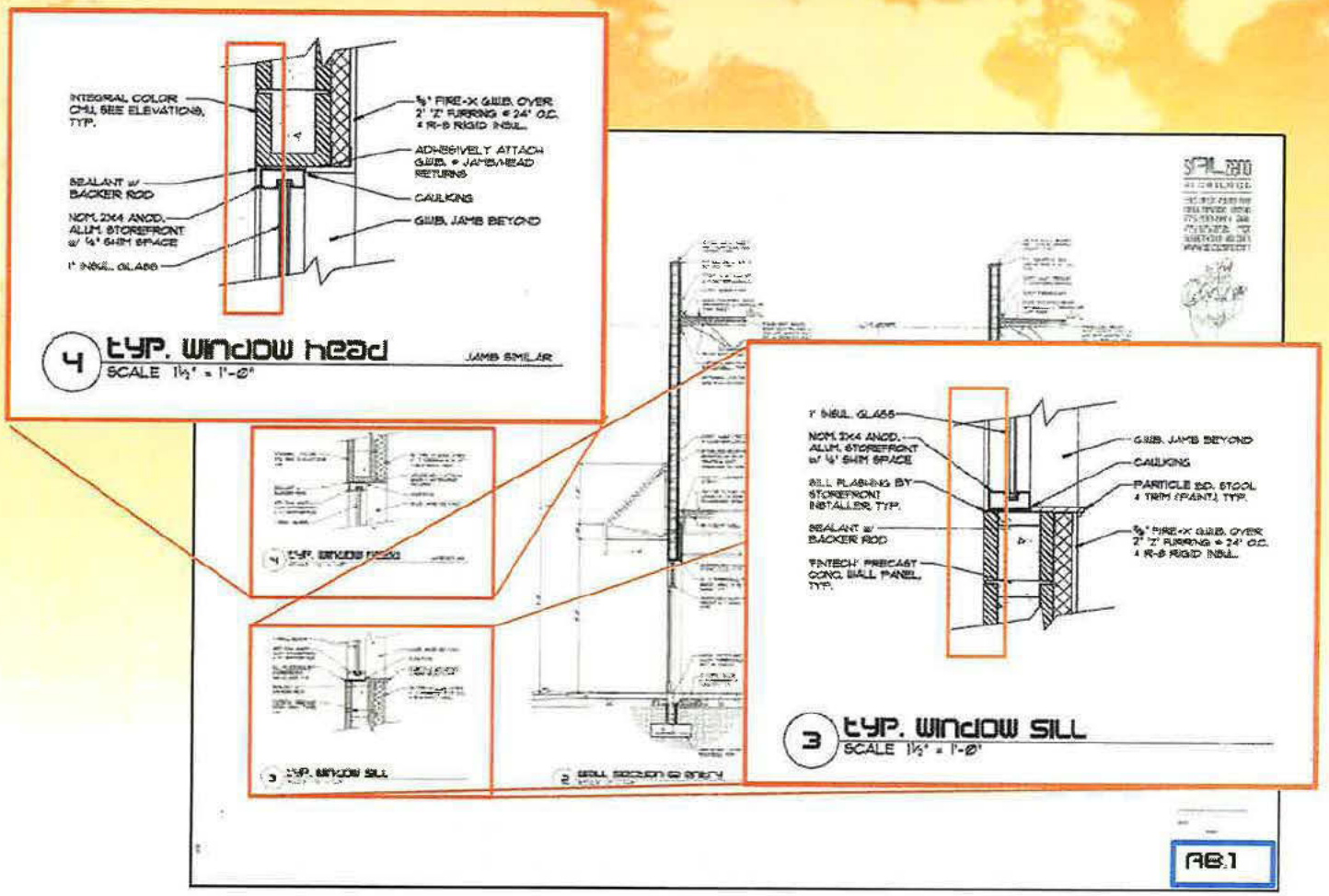
Construction Documents identify 1" Insulated Low E glazing. 5/8" installed. Owner paid for 1".

Under Investigation

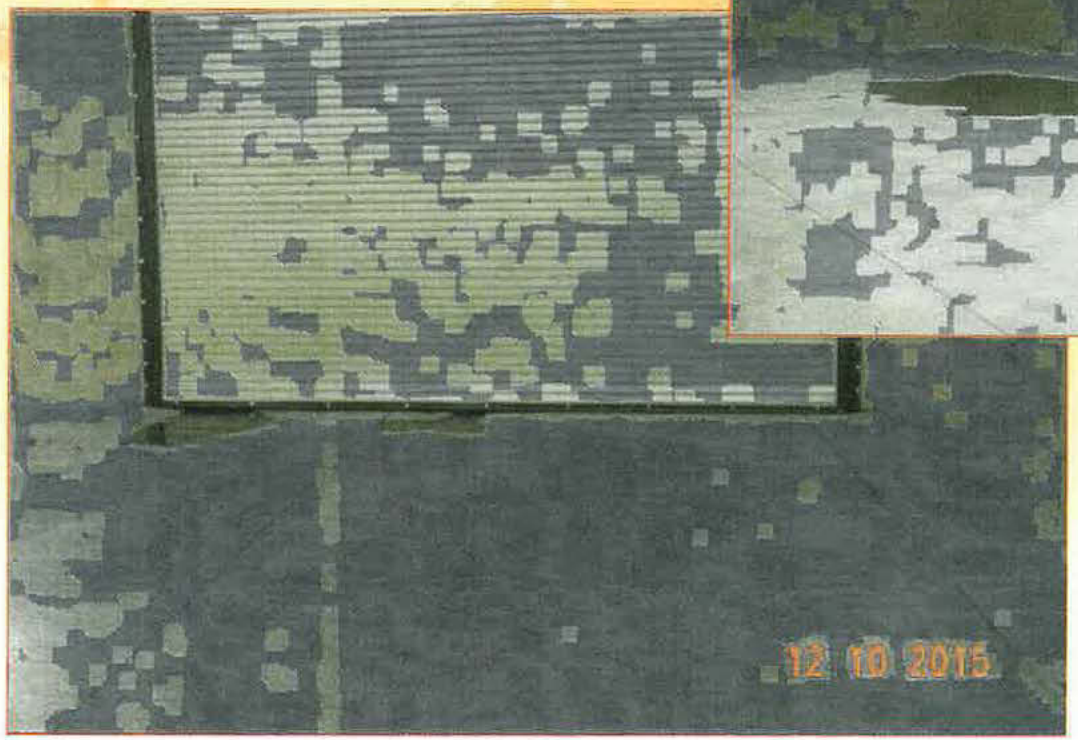
6.3 Windows not flush to outside block



Construction Documents A8.1 Detail 3 & 4 – Not Built per plan



7.1 Roll up doors leak -



2012 IBC
Section 1403.2
Weather Protection.

CHAPTER 14

EXTERIOR WALLS

SECTION 1401
GENERAL

SECTION 1402
DEFINITIONS

ADHERED MASONRY VENEER
ANCHORED MASONRY VENEER
BACKING

HIGH PRESSURE DECORATIVE EXTERIOR GRADE COMPACT LAMINATE (HPL)
HIGH PRESSURE DECORATIVE EXTERIOR GRADE COMPACT LAMINATE (HPL) SYSTEM
METAL COMPOSITE MATERIAL (MCM)
METAL COMPOSITE MATERIAL (MCM) SYSTEM
POLYPROPYLENE SIDING
PERCELAIN TILE
VENEER
VINYL SIDING
WATER RESISTIVE BARRIER

SECTION 1403
PERFORMANCE REQUIREMENTS

1403.2 Weather protection. Exterior walls shall provide the building with a weather-resistant *exterior wall envelope.*

8.1 TPO Roofing (see A2-2)-

Installed TPO in place of roofing specified without approval from owner or building department.

Dennis Banks
CONSTRUCTION CO.
NV license #20791

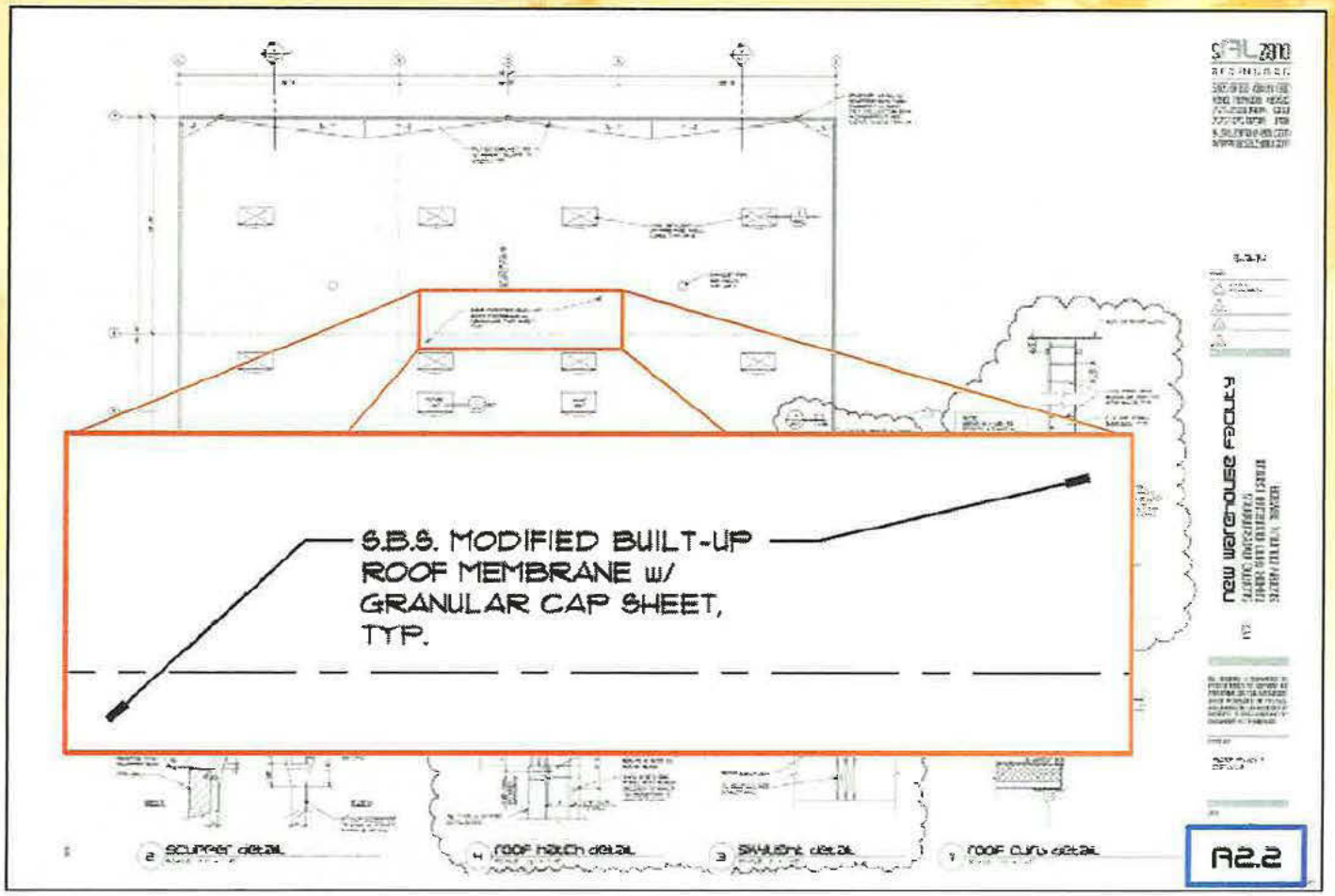
Stormo Properties Warehouse

COST CODE	DESCRIPTION	QTY	UNIT	UNIT COST	TOTAL	COMMENTS
	12/1/2014					
5000	STEEL					
6000	WOODS & PLASTICS					
6100	Rough Carpentry	1	Ls	$ 67,795.00	$67,795	
6120	Telephone Backboard	1	Ea	150	$150	
6130	Panelized Roof Structure	1	Ls	$ 84,978.00	$84,978	
6200	Finish Carpentry	-	Ls	$ -	$0	
6410	Cabinets & Casework	1	Ls	$ 6,500.00	$6,500	
6420	Paneling (FRP)	-	SF	$ 5.00	$0	
6000	WOODS & PLASTICS					
7000	THERMAL & MOISTURE PROTECTION					
7200	Insulation	1	Ls	$ 14,945.00	$14,945	
7320	Skylights	1	LS	$ 10,694.00	$10,694	
7510	TPO Roofing 60 Mil	1	Ls	$ 41,763.00	$41,763	
[illegible]	[illegible]	1	Ls	$ 5,692.00	$5,692	
7830	Roof Hatches	1	Ea	$ 1,250.00	$1,250	
7920	Masonry Exp. Joint Caulking	1	Ls	$ 2,200.00	$2,200	
7920	Misc. Caulking	1	Ls	$ 500.00	$500	
7000	THERMAL & MOISTURE PROTECTION					
8000	DOORS & WINDOWS					
8100	Metal Doors / Frames	1		$ 11,800.00	$11,800	
8120	Aluminum Doors / Frames	-		$ -	$0	
8200	Wood / Plastic Doors	-		$ -	$0	
8300	DFH (Material)	-	Ls	$ -	$0	
8300	DFH (Labor)	1	Ls	$ -	$0	
8300	Access Panels	-	Ls	$ -	$0	
8340	Overhead Doors	1	Ls	$ 20,100.00	$20,100	
8400	Entrances / Storefronts	1	Ls	$ 32,000.00	$32,000	
8500	Aluminum Windows	-		$ -	$0	
8700	Door Hardware	-		$ -	$0	
8800	Glass & Glazing	-		$ -	$0	

7510	TPO Roofing 60 Mil	1	Ls	$ 41,763.00

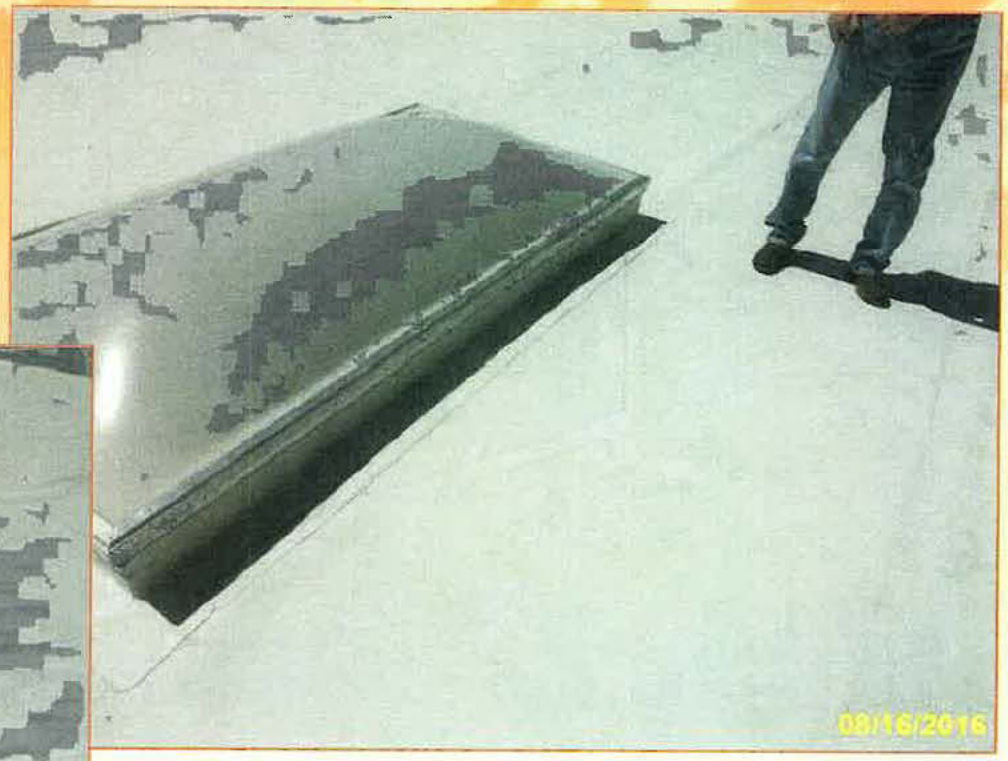
SR.000752

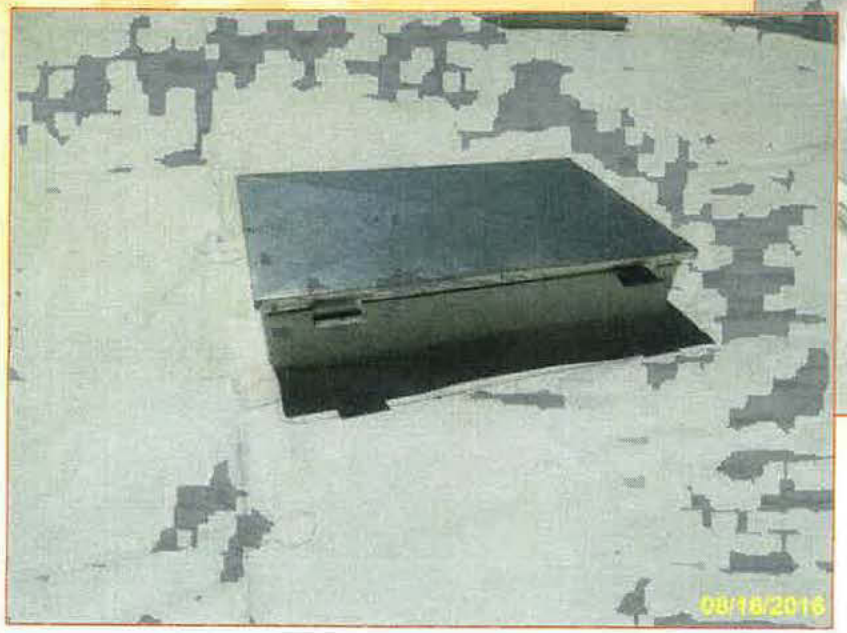
Construction Documents A2.2 – Not Built per plan



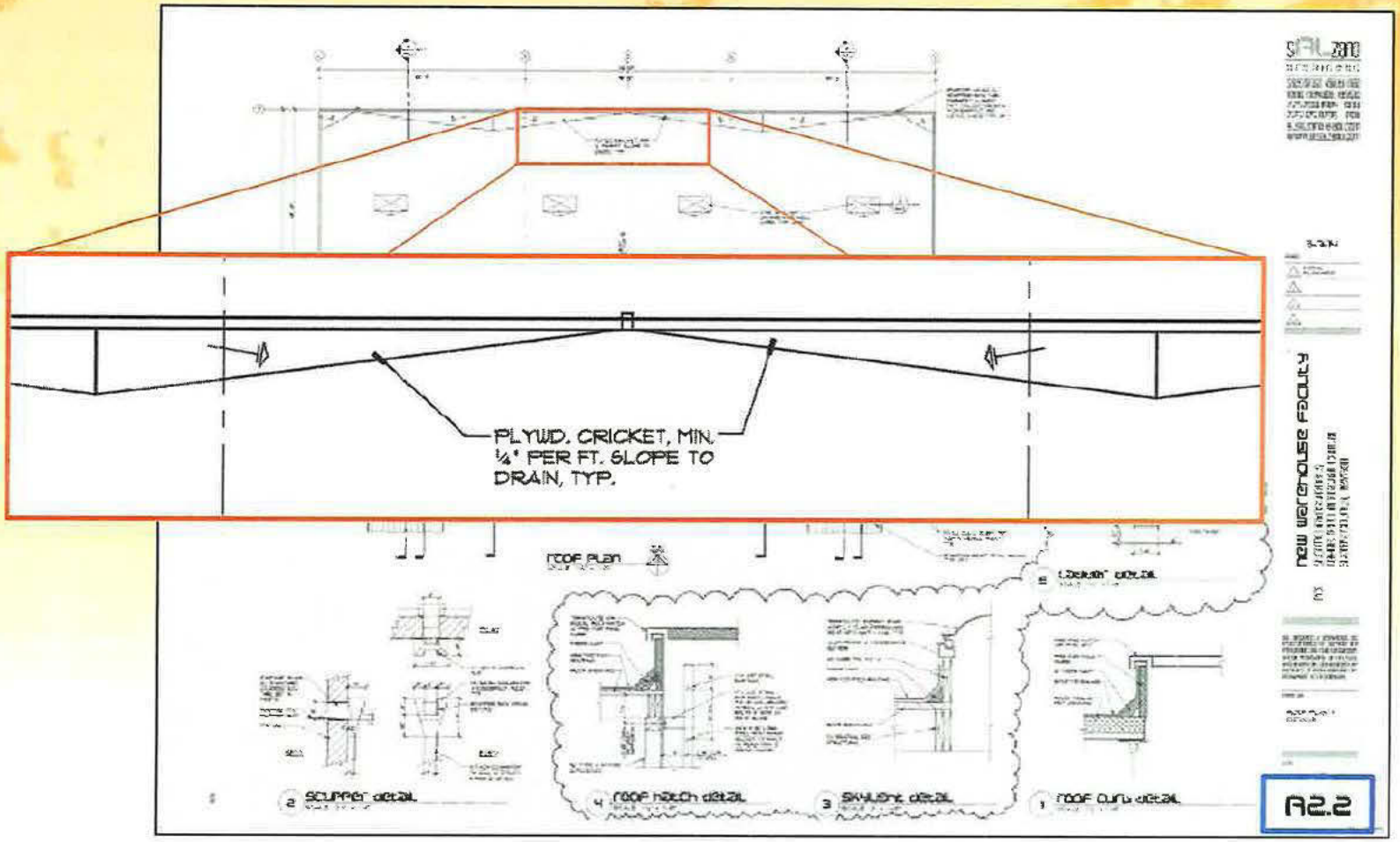
8.2 Crickets -

Missing crickets at all skylight and mechanical unit curbs.





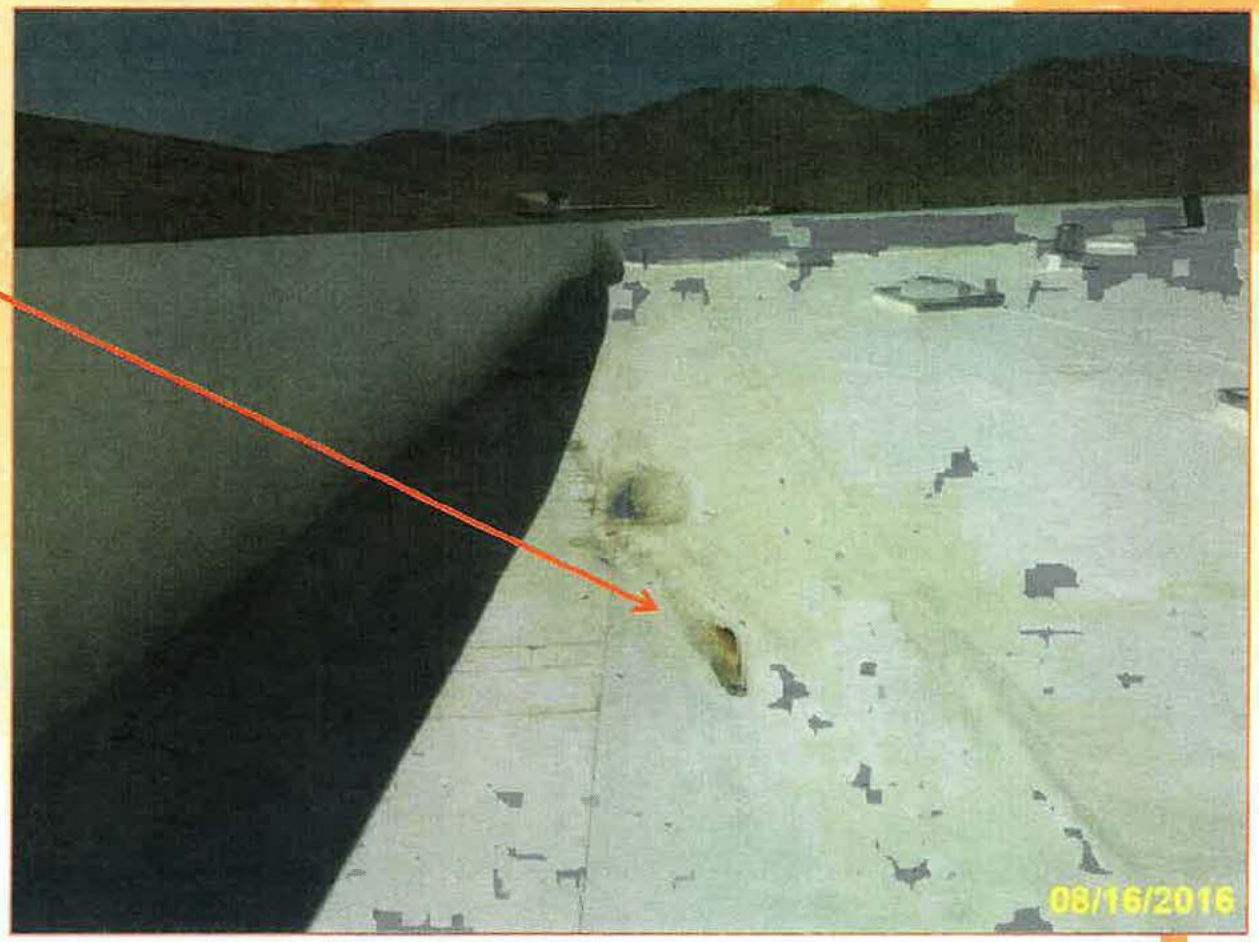
Construction Documents A2.2 – Not Built per plan



8.3 TPO roofing membrane -

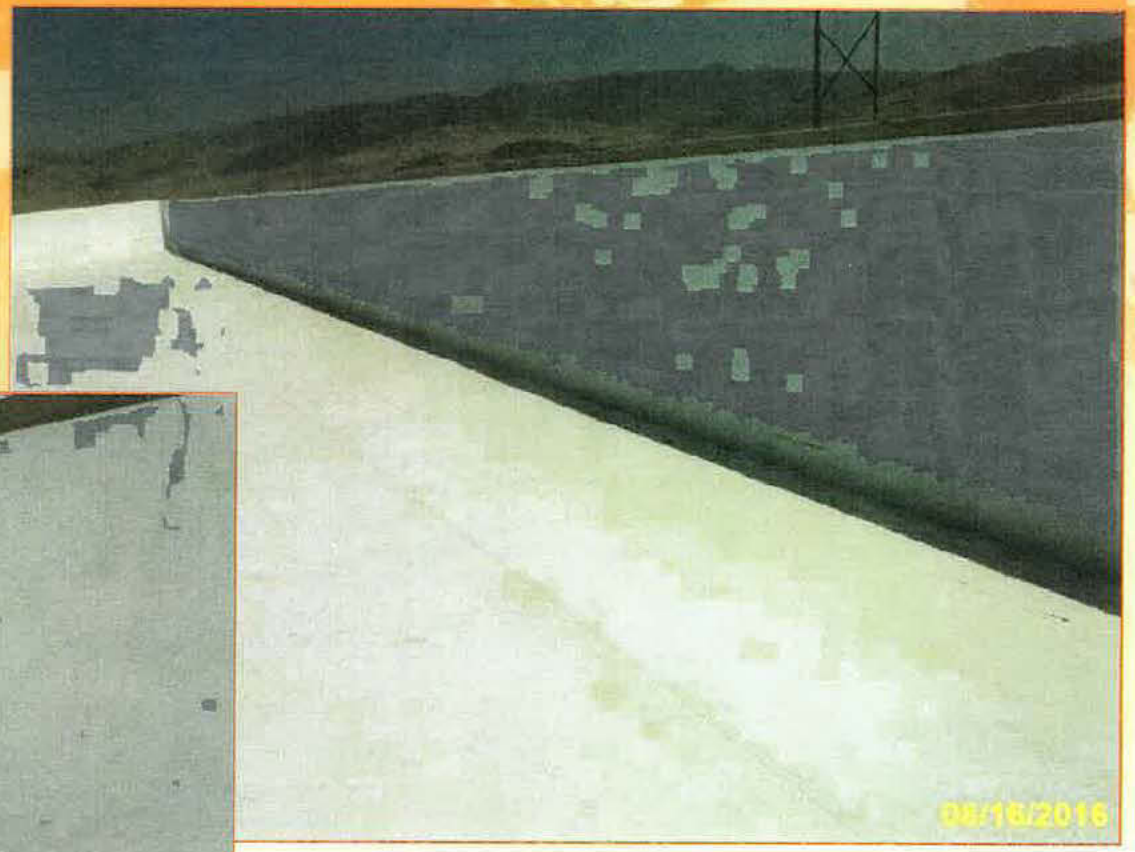
Membrane not adhered to cricket

Membrane at crickets along south end of roof is loose and not adhered to substrate

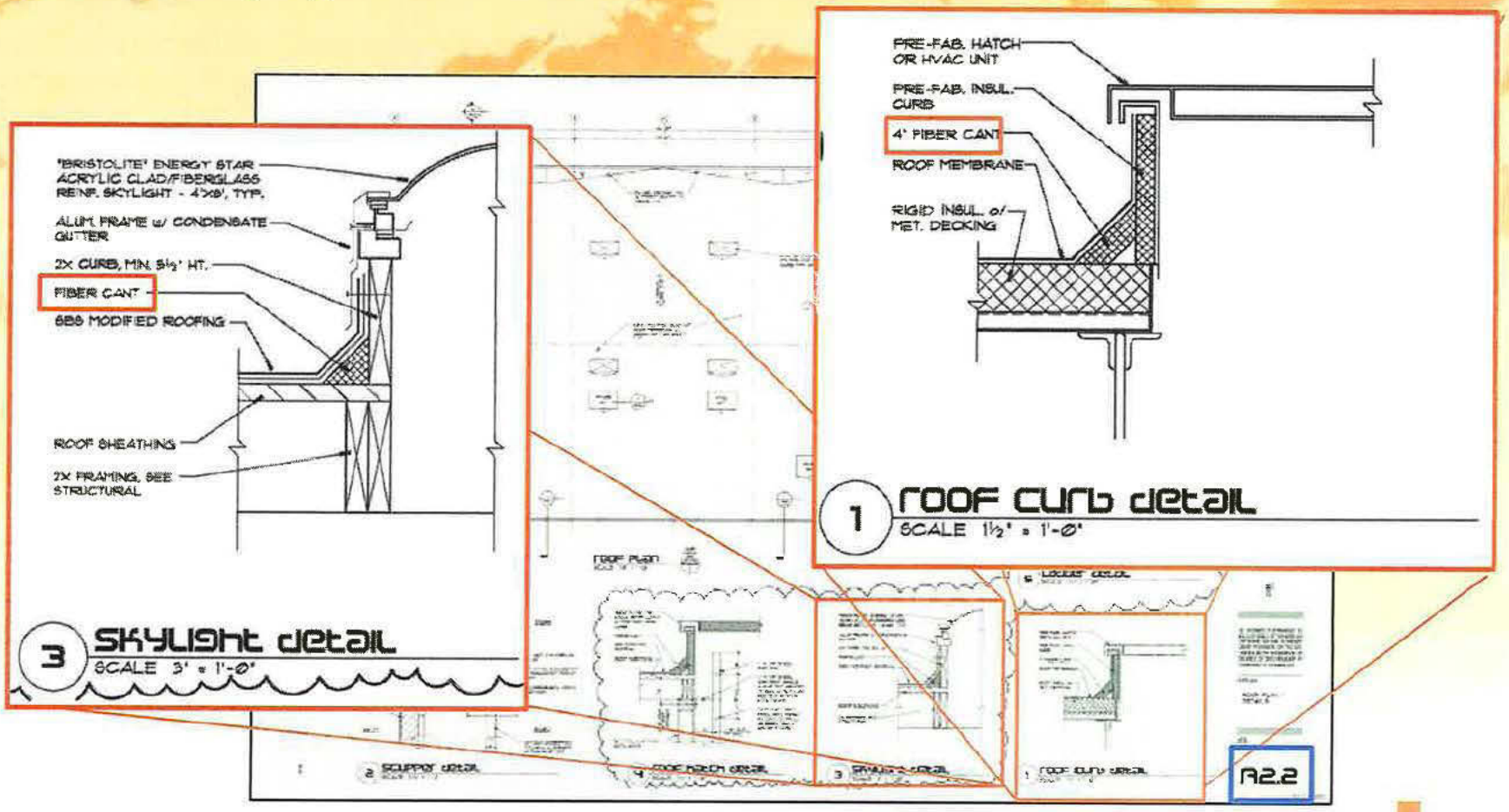


8.4 Cants -

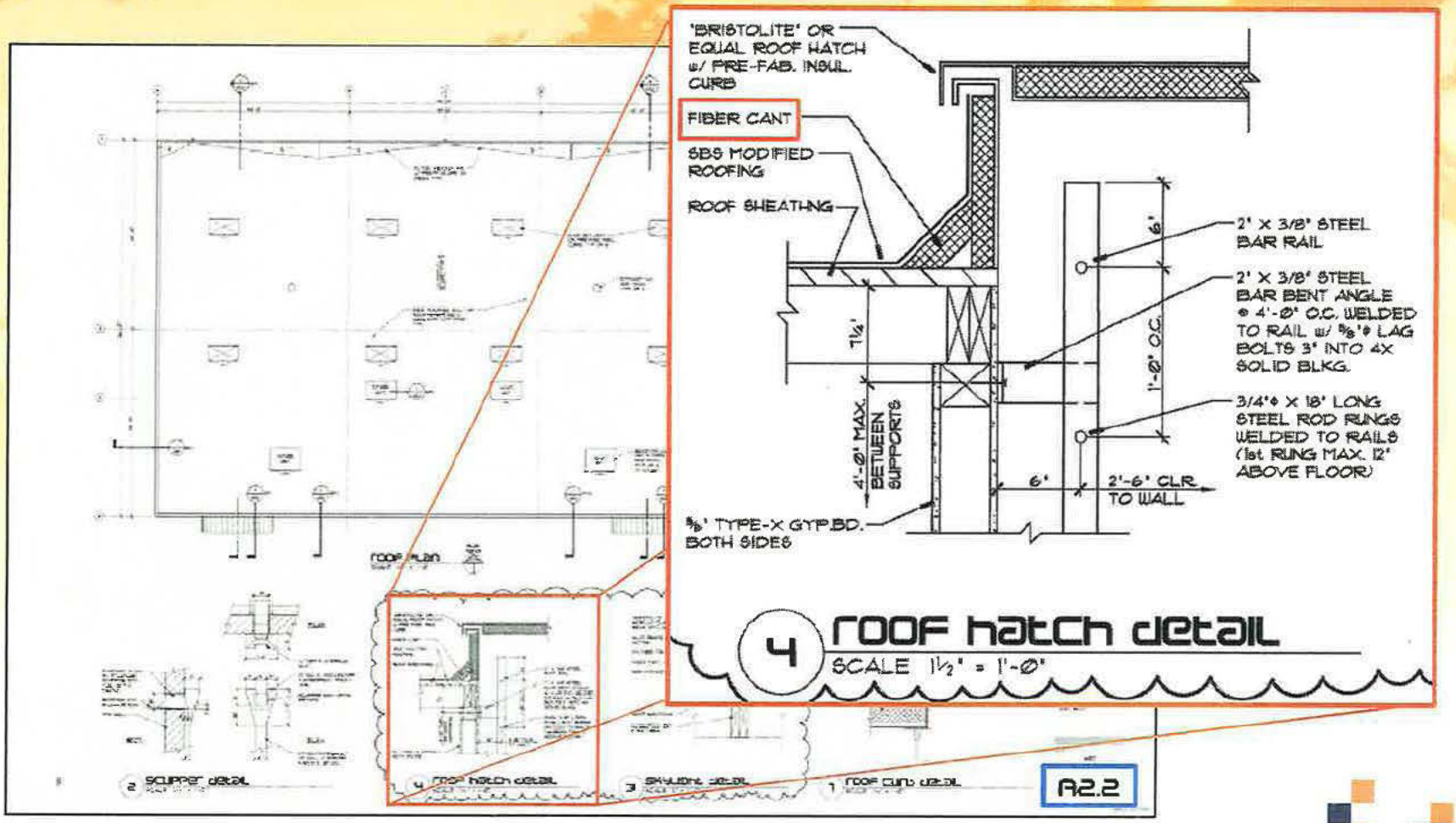
Missing cants where specified.



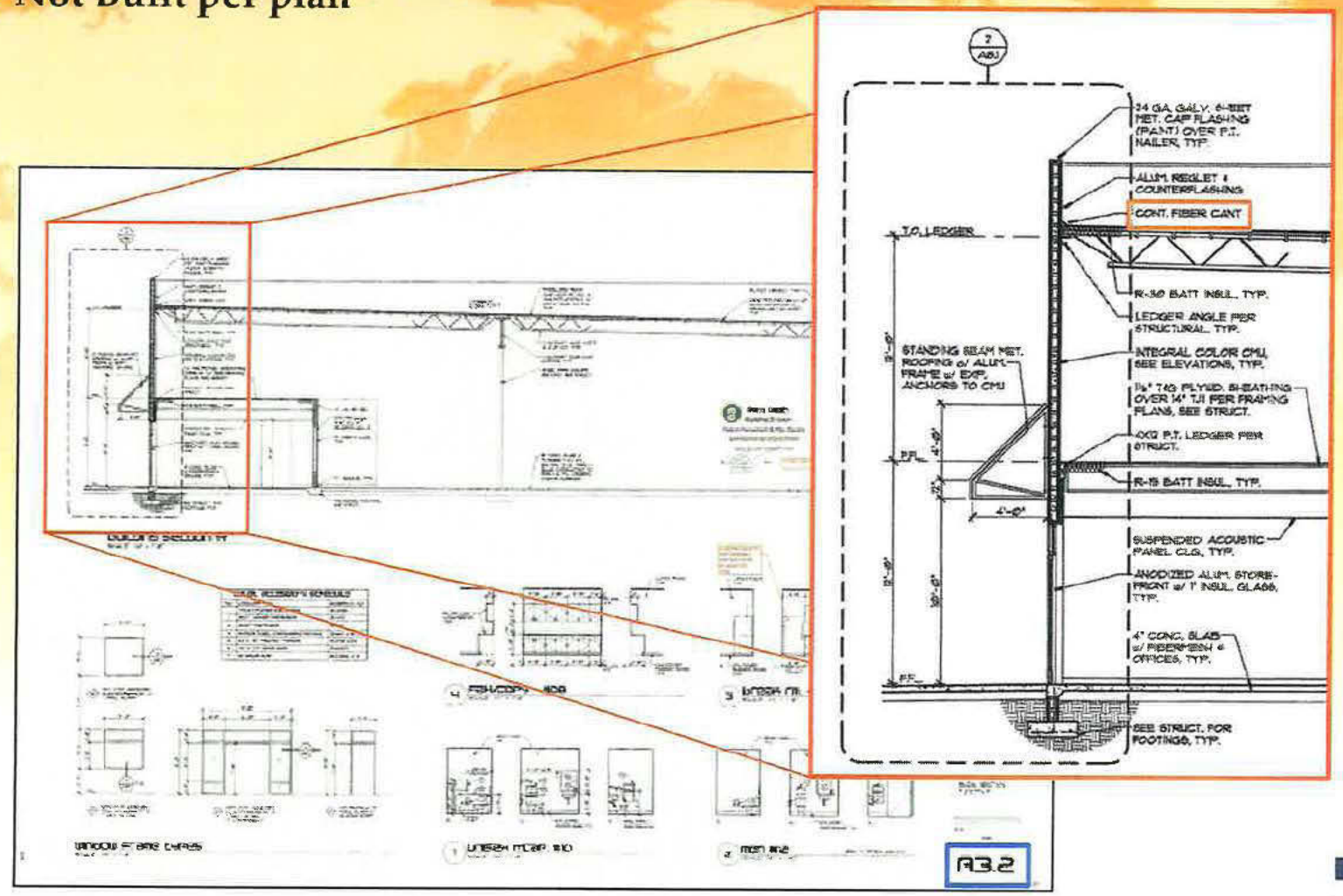
Construction Documents A2.2 Detail 1 , 3 and 4, A3.2, A8.1 Detail 1 – Not Built per plan



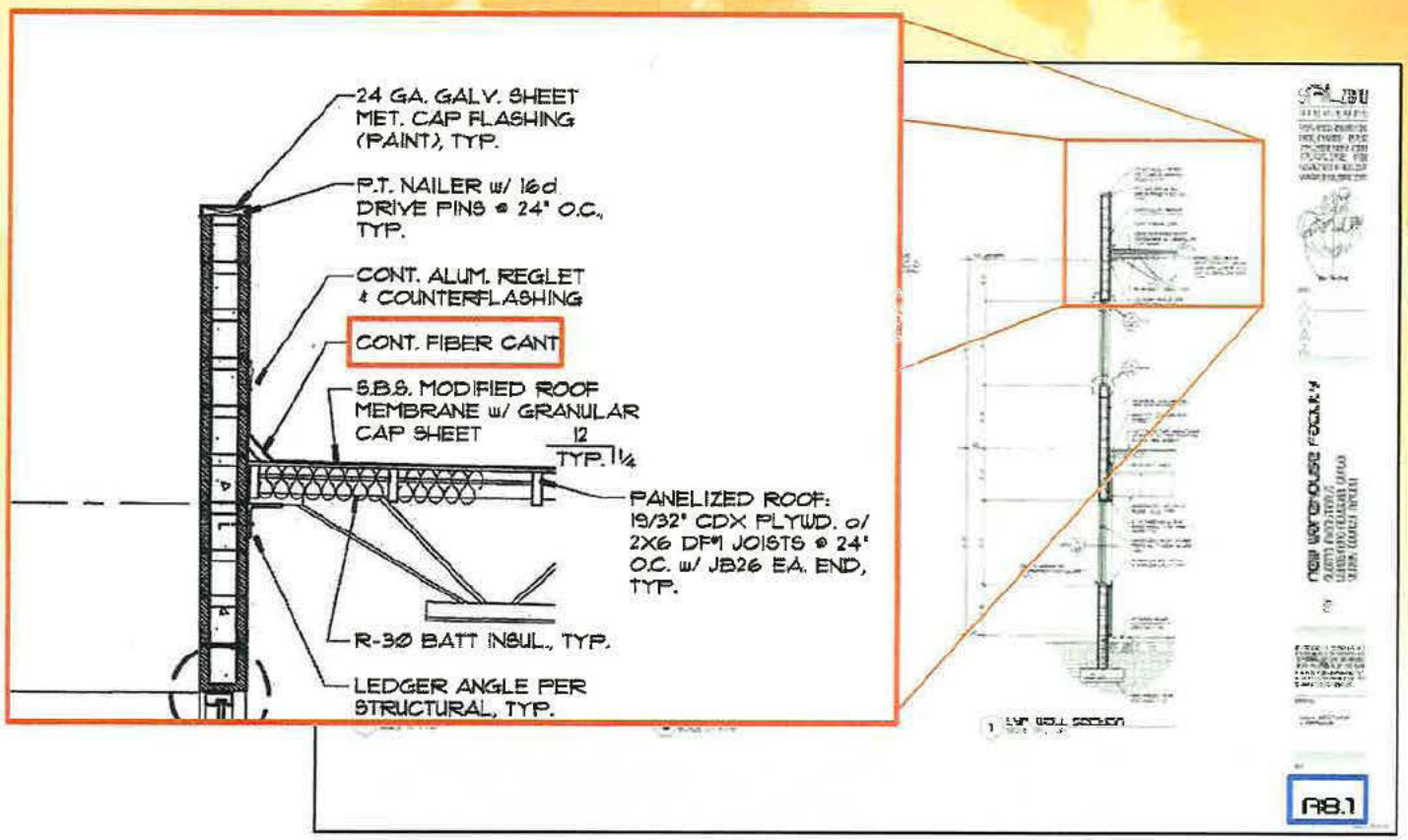
Construction Documents A2.2 Detail 1, 3 and 4, A3.2, A8.1 Detail 1 – Not Built per plan



Construction Documents A2.2 Detail 1, 3 and 4, A3.2 , A8.1 Detail 1 – Not Built per plan

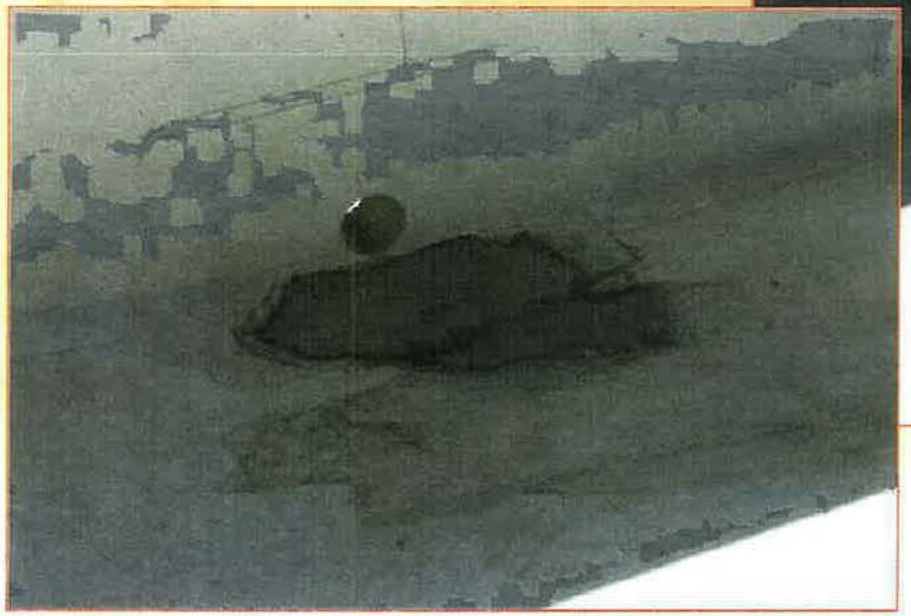


Construction Documents A2.2 Detail 1, 3 and 4, A3.2, A8.1 Detail 1 – Not Built per plan

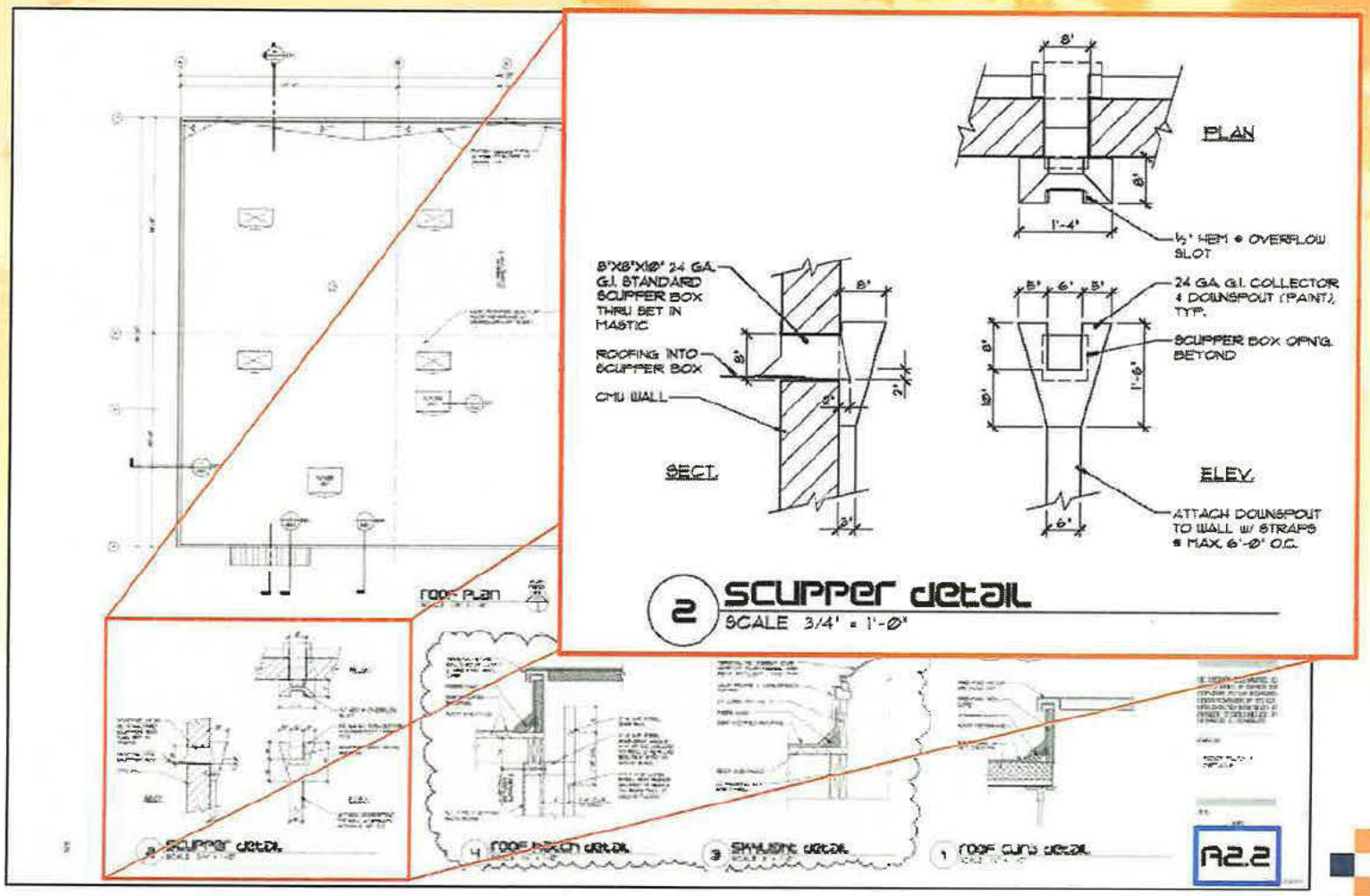


9.1 Scuppers -

Installed too high.

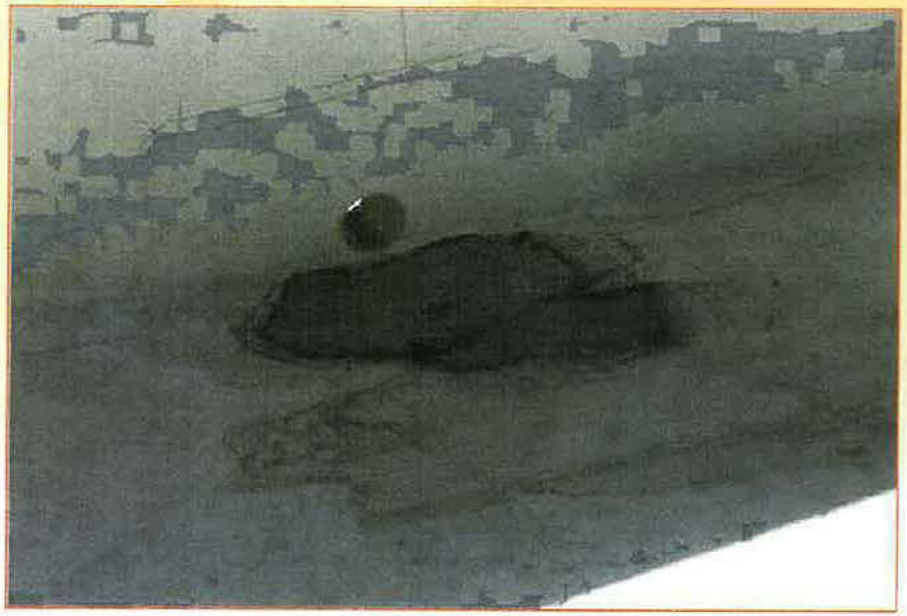


Construction Documents A2.2 Detail 2 – Not Built per plan

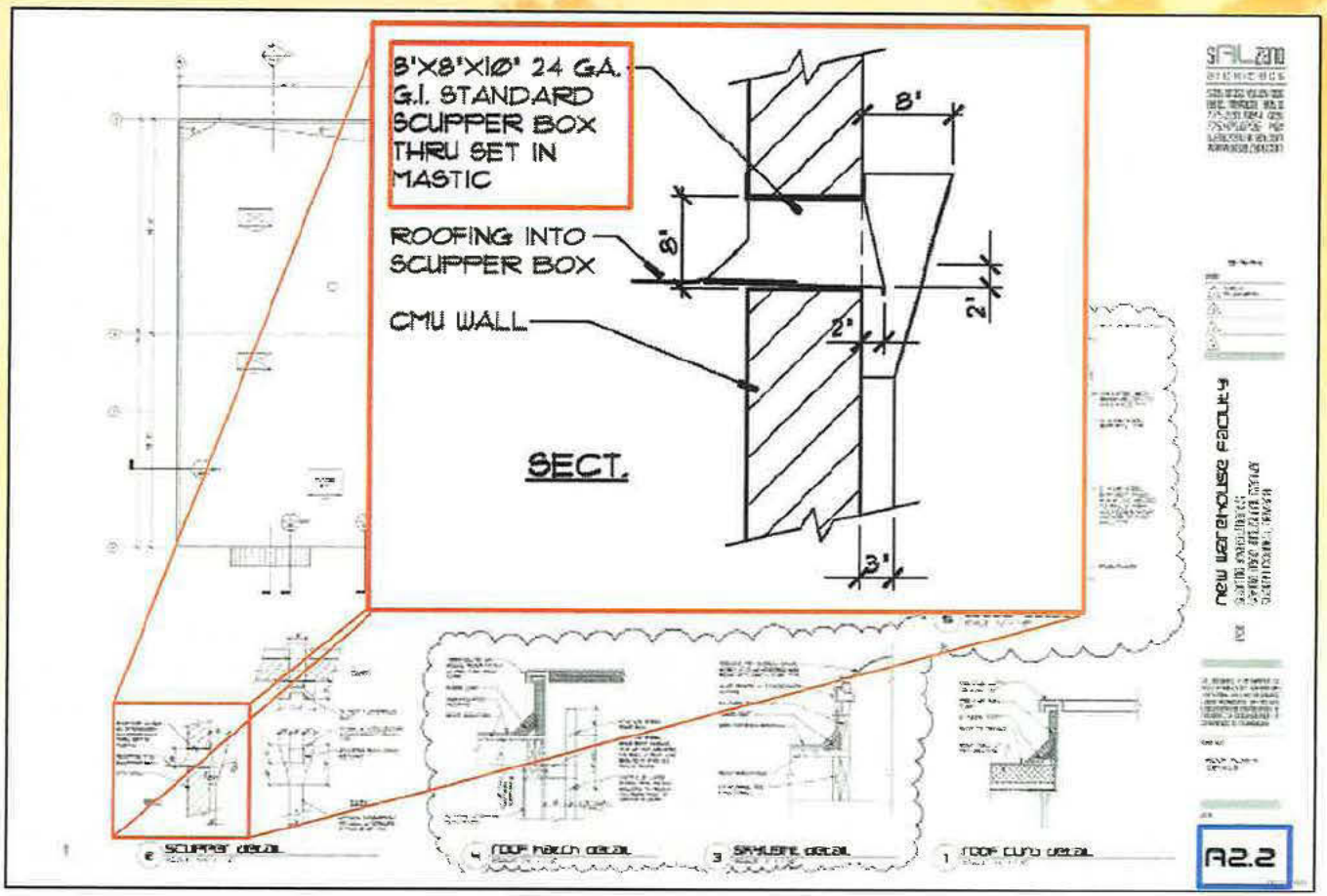


9.2 Scuppers -

Construction Documents identify 8" x 8" metal scupper. The as-built condition is 5 ½"

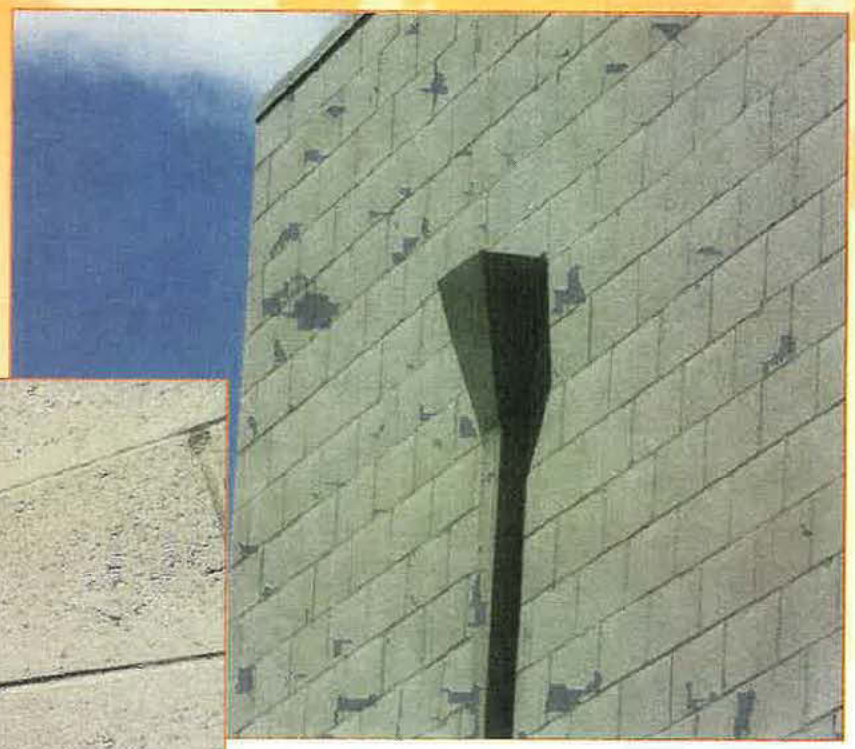


Construction Documents A2.2 Detail 2 – Not Built per plan

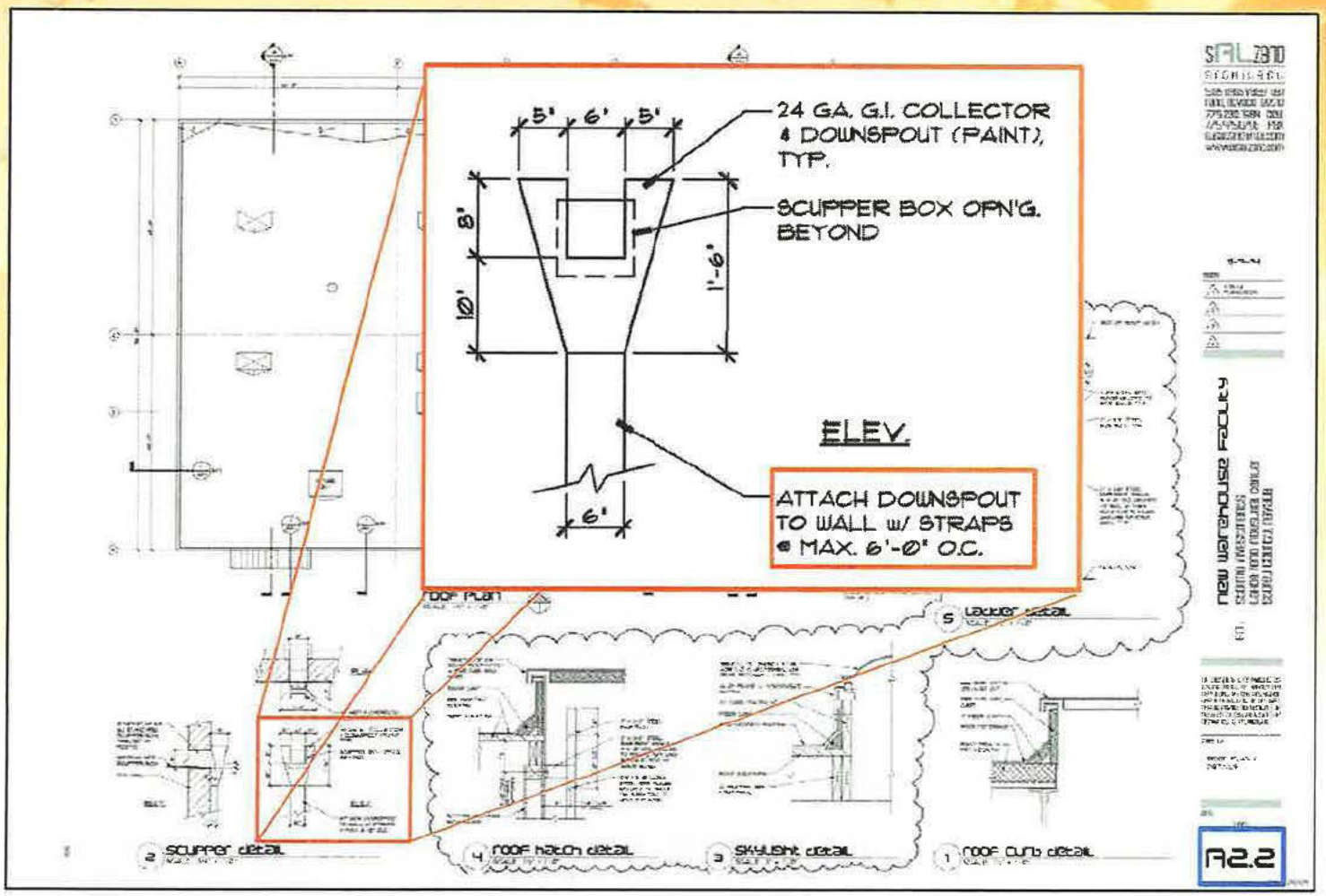


9.3 Downspouts -

Construction Documents identify cut-out at downspout and tie down straps at 6′ centers. The as-built conditions does not have cut outs and plastic anchors are not sufficient.

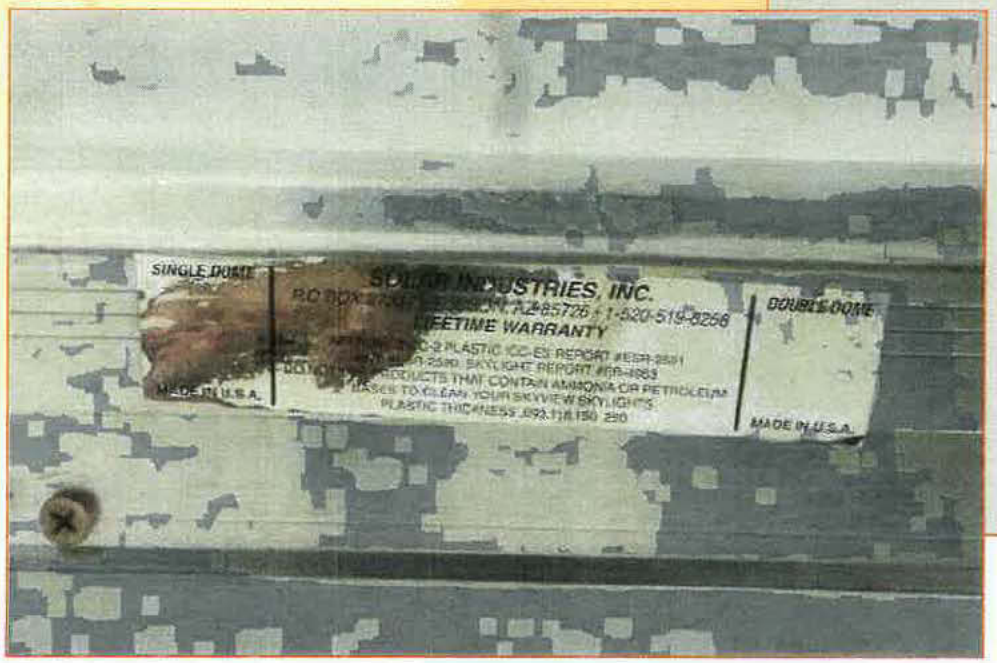


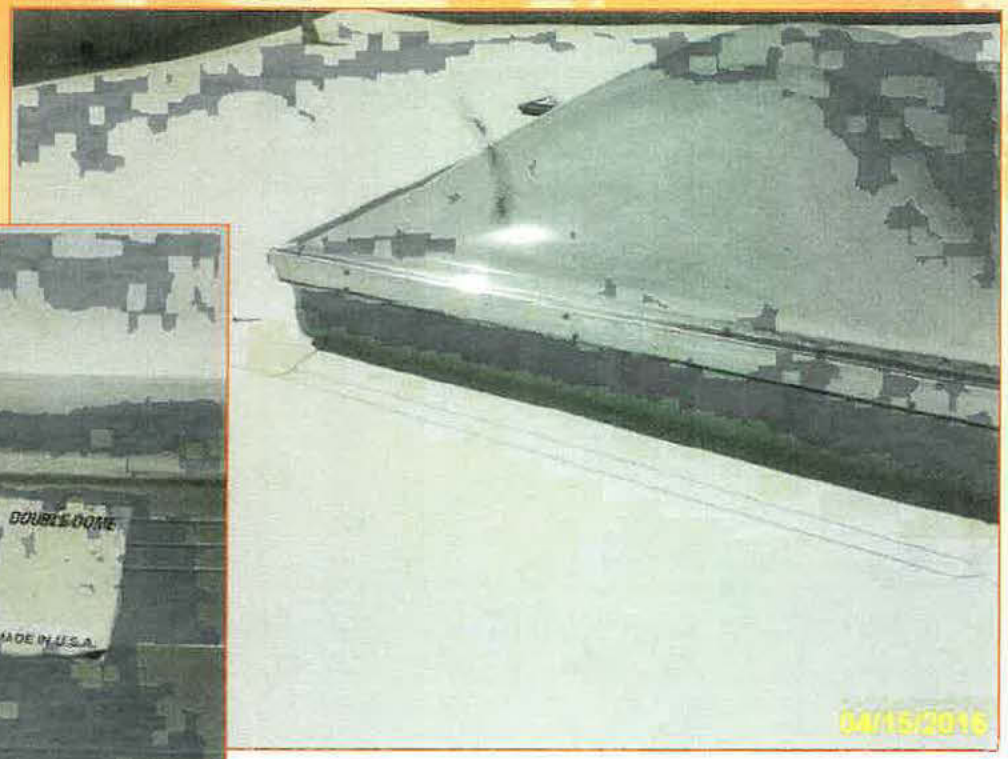
Construction Documents A2.2 Detail 2 – Not Built per plan



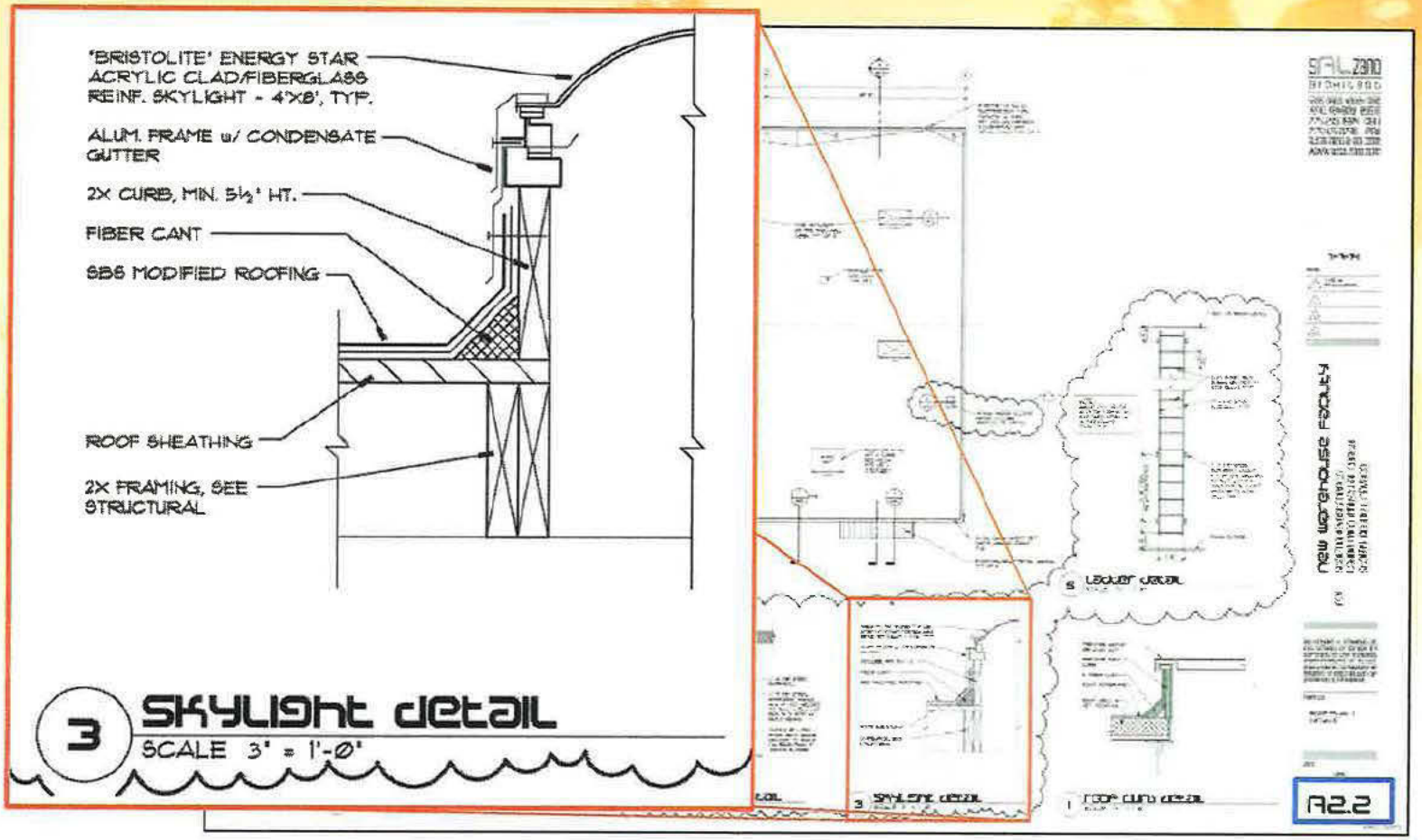
10.1 Skylights -

Construction Documents identify dual panel, aluminum frame. Per Century Glass the as-built condition is not per plans and does not comply with OSHA.



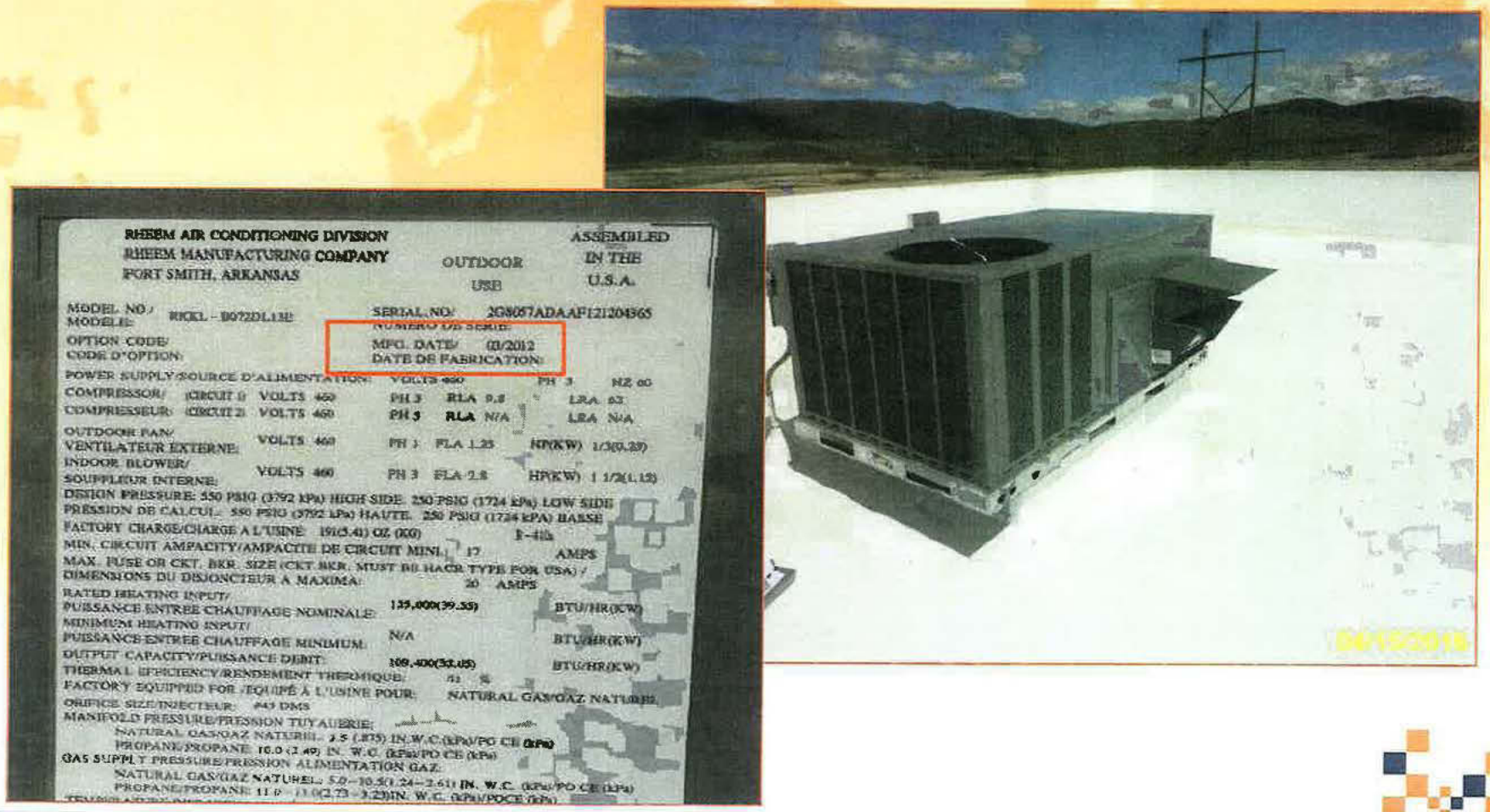


Construction Documents A2.2 – Not Built per plan



12.1 Items are not new -

Contract identifies all material to be new. The as-built condition includes units that were manufactured in March 2012, 2 years and 8 months old when installed.

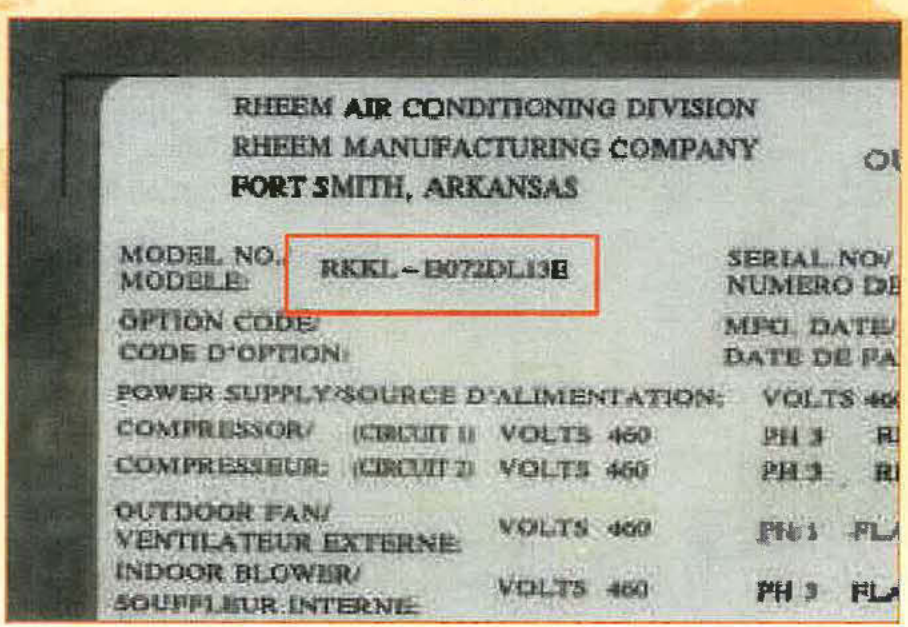


12.2 Units are still sitting in the shipping pallet -

The as-built condition is not per the manufacturers installation instruction

12.3 Energy Efficient Units -

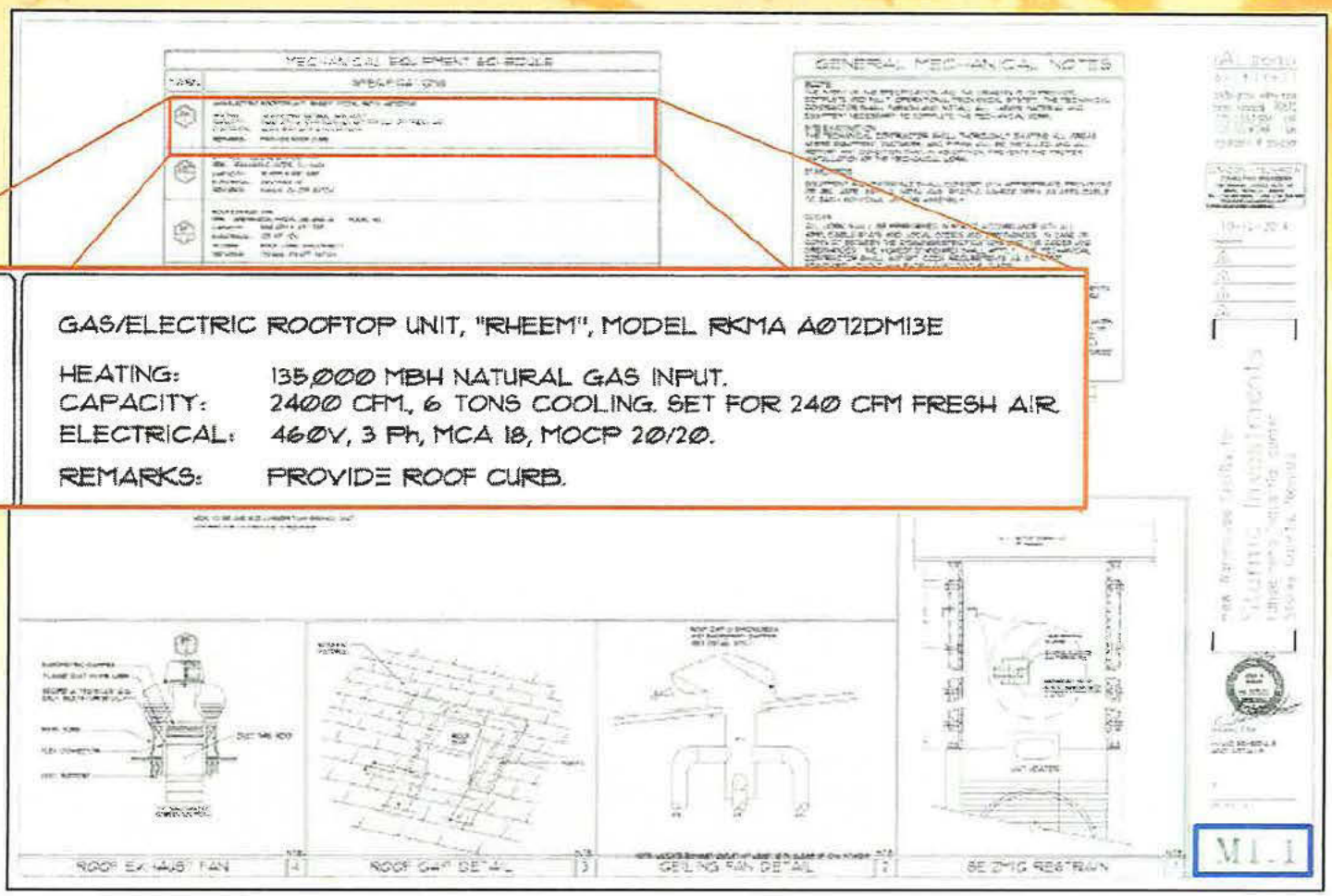
Construction documents identify energy efficient units. The as-built condition includes units that are not energy efficient.


RHEEM AIR CONDITIONING DIVISION
RHEEM MANUFACTURING COMPANY
FORT SMITH, ARKANSAS

MODEL NO./ MODELE: RKKL-B072DL13B
SERIAL NO/ NUMERO DE
OPTION CODE/ CODE D'OPTION:
MFG. DATE/ DATE DE FA
POWER SUPPLY/SOURCE D'ALIMENTATION: VOLTS 46
COMPRESSOR/ COMPRESSEUR: (CIRCUIT 1) VOLTS 460 PH 3
(CIRCUIT 2) VOLTS 460 PH 3
OUTDOOR FAN/ VENTILATEUR EXTERNE: VOLTS 460 PH 3 FL
INDOOR BLOWER/ SOUFFLEUR INTERNE: VOLTS 460 PH 3 FL


Rheem
Rheem Commercial Value Series
Package Gas Electric Unit
RKKL-B Standard Efficiency Series
Nominal Sizes 7.5, 10 & 12.5 Tons
ASHRAE 90.1-2010 Compliant Models

Construction Documents S4.1 - Not Built per plan



12.3 Energy Efficient Units -

Construction documents identify energy efficient units. The as-built condition includes units that are not energy efficient.

Seasonal Energy Efficiency Ratio (SEER) Rating 10

Unit Installed

GROSS SYSTEMS PERFORMANCE DATA—RKKL-B072

NOTES:

Unit Specified

GROSS SYSTEMS PERFORMANCE DATA—A072

NOTES:

} Designates Metric Conversions

20% MORE EFFICIENT

12.4 Fire rated caulk required at A/C vents in 1 hour wall -

Code requires fire rated caulking where required. The as-built condition does not have caulking to meet code.

2012 IBC
Section 714.3.1.2

FIRE AND SMOKE PROTECTION FEATURES

SECTION 714
PENETRATIONS

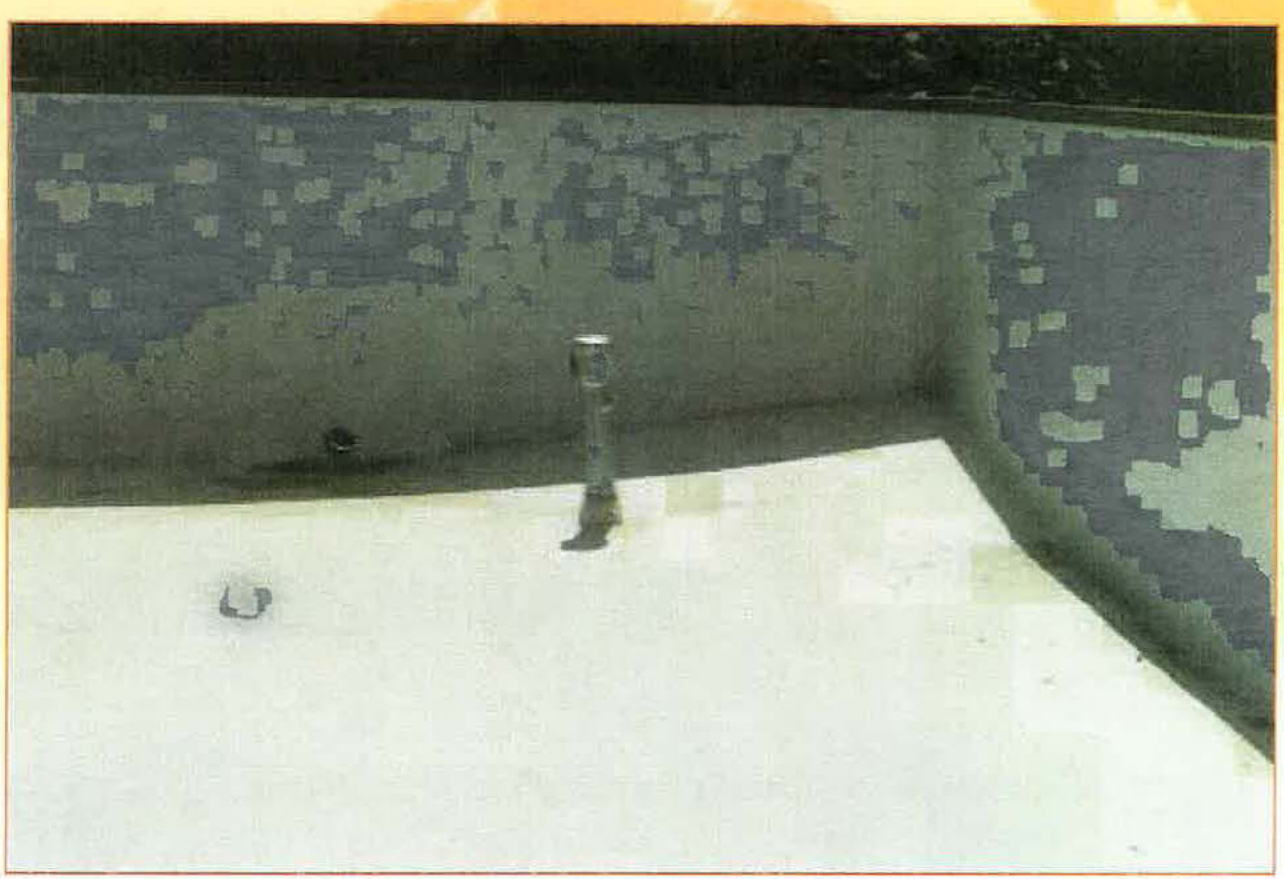
714.3.1.2 Through-penetration firestop system. *Through penetrations* shall be protected by an *approved* penetration firestop system installed as tested

12.5 Bent and Deformed Ductwork -

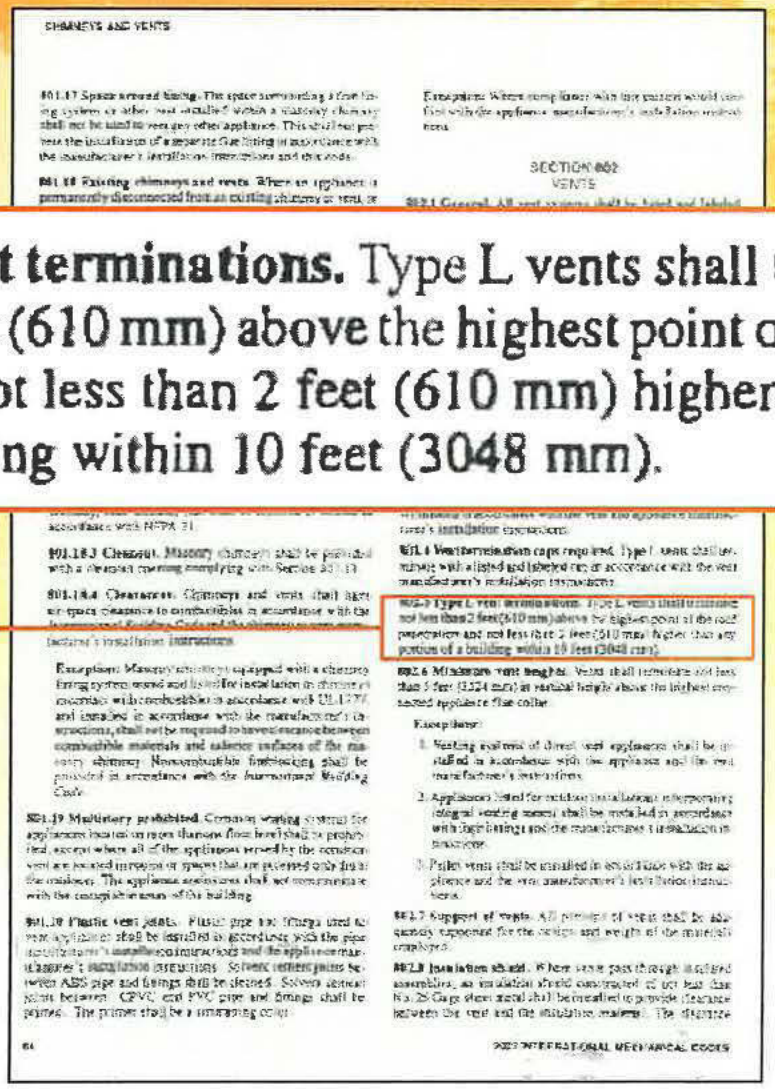
Flexible ductwork is bent, twisted and deformed, restricting airflow to areas of the office build-out.

12.6 Heater vent pipe clearance -

Vent pipe does not have adequate clearance to adjacent parapet walls.



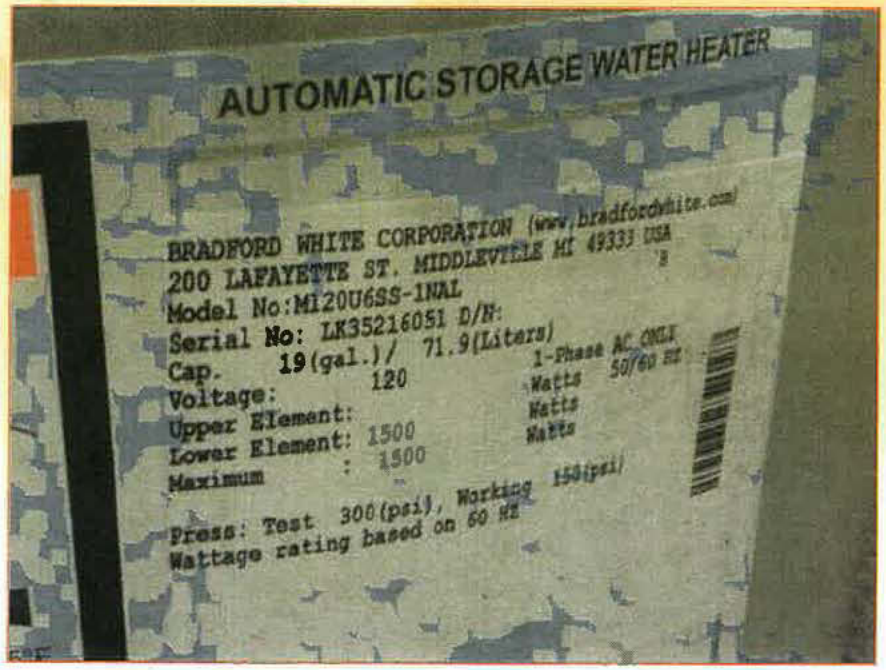
2012 IMC
Section 802.5



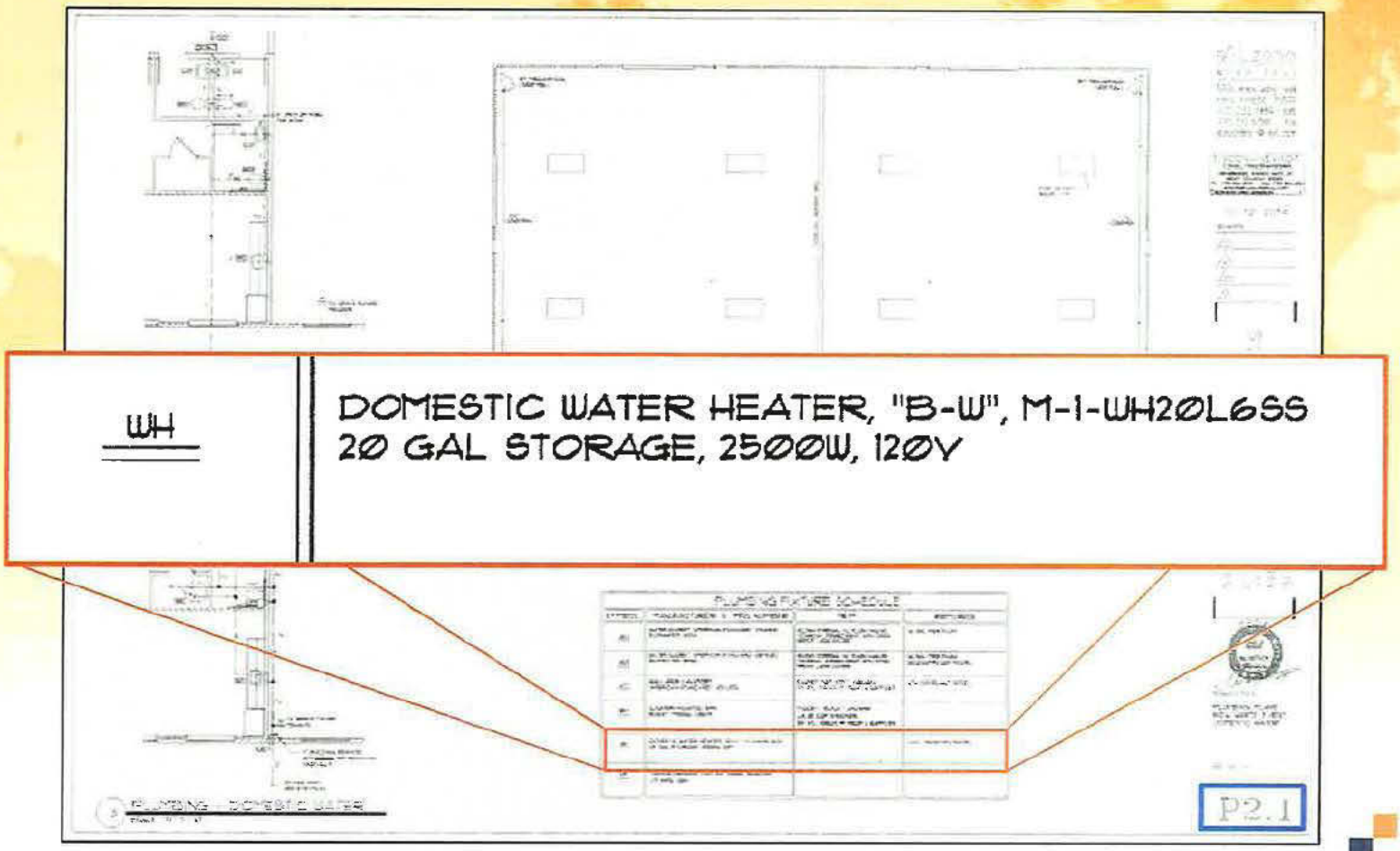
802.5 Type L vent terminations. Type L vents shall terminate not less than 2 feet (610 mm) above the highest point of the roof penetration and not less than 2 feet (610 mm) higher than any portion of a building within 10 feet (3048 mm).

13.1 Undersized water heater installed -

1500W water heater installed in lieu of specified 2500W unit.

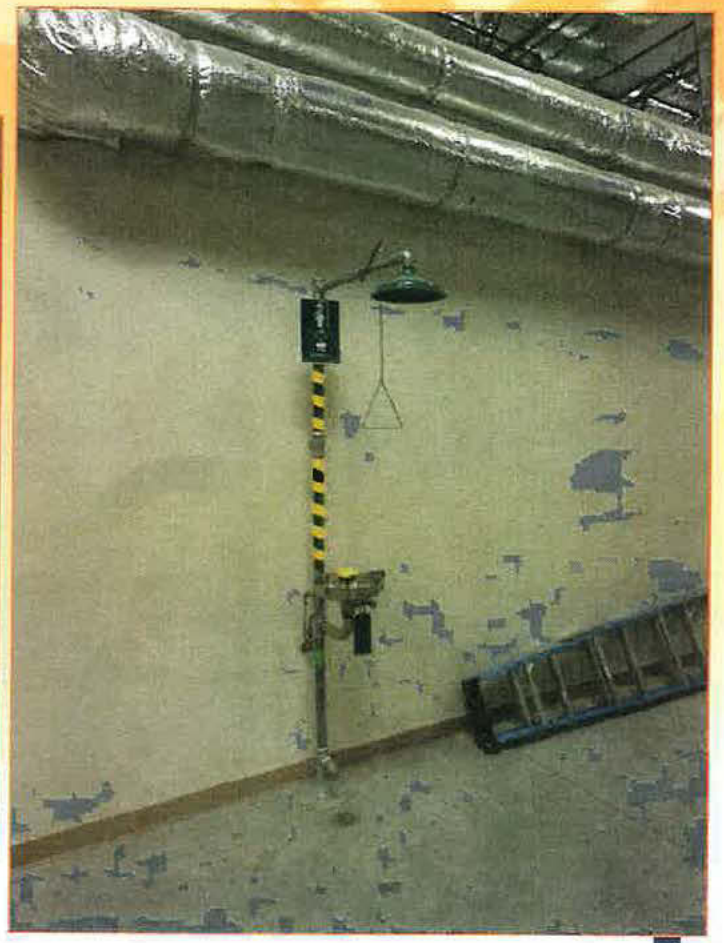


Construction Document P2.1



13.2 Emergency eye wash/shower -

Manufacturer requires tepid water. The as-built condition only cold water is supplied.



13.2 Emergency eye wash/shower -

Manufacturer requires tepid water. The as-built condition only cold water is supplied.

TEMPERATURE

☐ Deliver tepid flushing fluid.* (Sec. 4.5.6, 5.4.6, 6.4.6, 7.4.5)

*Suggested temperature range – above 60° F (16° C) and below 100° F (38° C).

ANSI Z358.1 SAFETY EQUIPMENT ANNUAL MINIMUM PERFORMANCE CHECKLIST

2014 REVISIONS INDICATED IN ORANGE Requirements for Weekly Testing are indicated with (w).

☐ All shower units shall be inspected annually to assure conformance with ANSI Z358.1. Recommended Testing Flow Pressure is 30 psi (+ .5 psi – .0 psi).

LOCATION

☐ Emergency equipment shall be activated weekly.

☐ Safety station shall be accessible within 10 seconds at hazard, approximately 32 ft (10 m). (Sec. 4.5.2, 5.4.2, 6.4.2, 7.4.2) (w)

☐ Safety station shall be located on the same level as the hazard and the path of travel shall be free of obstructions. (Sec. 4.5.2, 5.4.2, 6.4.2, 7.4.2) (w)

☐ Emergency equipment location shall be well lit and identified with a highly visible sign. (Sec. 4.5.3, 5.4.3, 6.4.3, 7.4.3) (w)

☐ All employees subject to exposure to hazardous material should be instructed in the location and proper use of emergency equipment. (Sec. 4.6.4, 5.5.4, 6.5.4, 7.5.4)

COMBINATION UNIT

☐ Combination unit components shall be capable of operating simultaneously and shall be positioned so that components may be used simultaneously by the same user. (Sec. 7.2, 7.4.4) (w)

DRENCH HOSE

☐ Drench hose must deliver a controlled flow of flushing fluid at a velocity low enough to be non-injurious. (Sec. 8.2.1)

☐ A drench hose can only be considered an eyewash – eye/face wash if it meets performance requirements in Sec. 5 and/or 6.

TEMPERATURE

☐ Deliver tepid flushing fluid.* (Sec. 4.5.6, 5.4.6, 6.4.6, 7.4.5)

*Suggested temperature range – above 60° F (16° C) and below 100° F (38° C).

SHOWER

☐ Showerhead must be 82 to 96 inches (208.3 cm - 243.8 cm) above the surface floor of user. (Sec. 4.1.3, 7.1)

☐ Shower must deliver minimum of 20 gallons (75.7L) per minute and provide a column of water 20 inches (50.8 cm) wide at 60 inches (152.4 cm) above the surface floor of user. (Sec. 4.1.2, 4.1.4, 7.1)

☐ Shall be designed so that the flushing flow remains on without the use of the operator's hands. The valve shall be simple to operate and go from "off" to "on" in one second or less and actuator can not be more than 69 inches (175.3 cm) from the surface floor of user. (Sec. 4.2, 7.2) (w)

EYEWASH / EYE/FACE WASH

☐ Must provide a means of controlled flow to both eyes simultaneously at a velocity low enough to be non-injurious. (Sec. 5.1.1, 6.1.1, 7.1) (w)

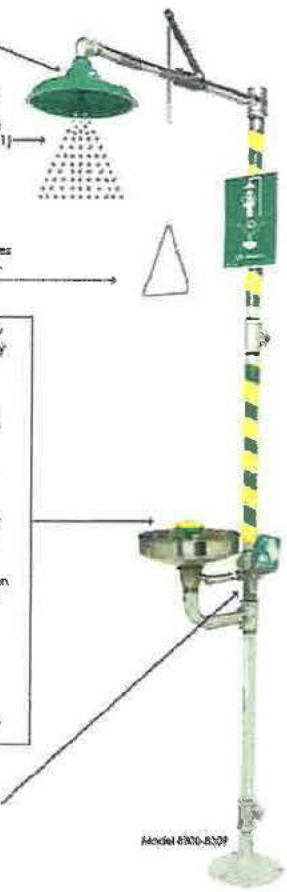
☐ Eye/face wash equipment must deliver minimum of 3 gallons (11.4 L) per minute of water for 15 minutes. (Sec. 6.1.6, 7.1) Eyewash only must deliver minimum of .4 gallon (1.5 L) per minute of water for 15 minutes. (Sec 5.1.6, 7.1)

☐ Outlets shall be protected from airborne contaminants. (Sec. 5.1.2, 6.1.2, 7.1) (w)

☐ The flushing fluid of an eyewash – eye/face wash shall cover the areas between the interior and exterior lines of a gauge at some point less than 8 inches (20.3 cm) above the eyewash nozzle. (Sec. 5.1.5, 6.1.5, 7.1)

☐ Flushing fluid flow pattern should be 30 to 60 inches (76.2 cm - 152.4 cm) from the surface floor of user and minimum of 6 inches (15.2 cm) from wall. (Sec. 5.4.4, 6.4.4, 7.1)

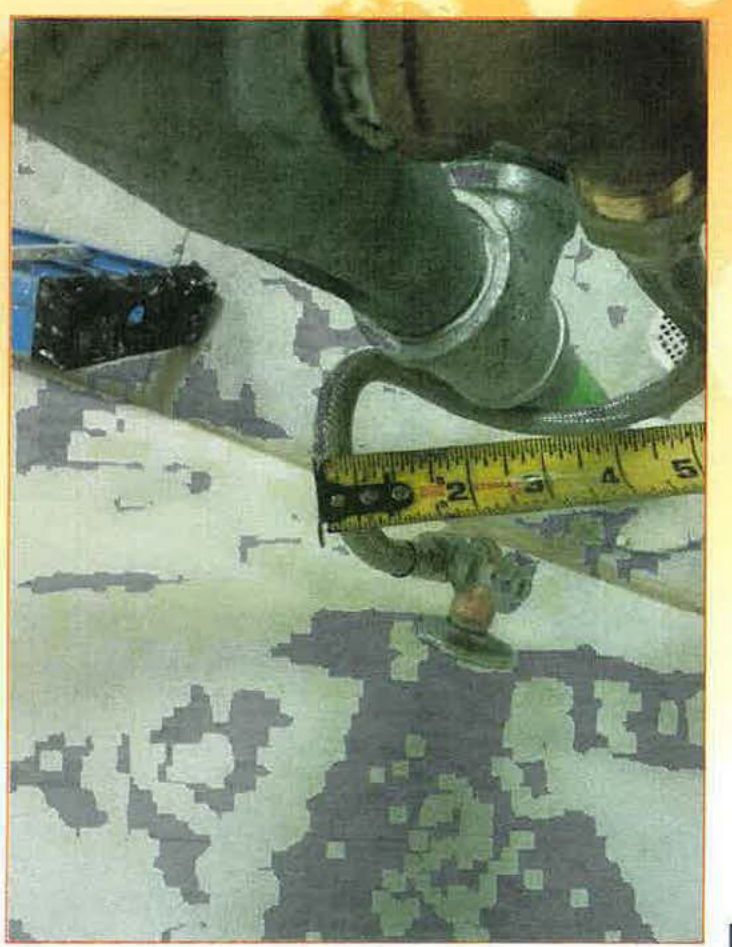
☐ Shall be designed so that the flushing flow remains on without the use of the operator's hands. The valve shall be simple to operate and go from "off" to "on" in one second or less. (Sec. 5.2, 6.2, 7.2) (w)



13.3 Emergency eye wash/shower -

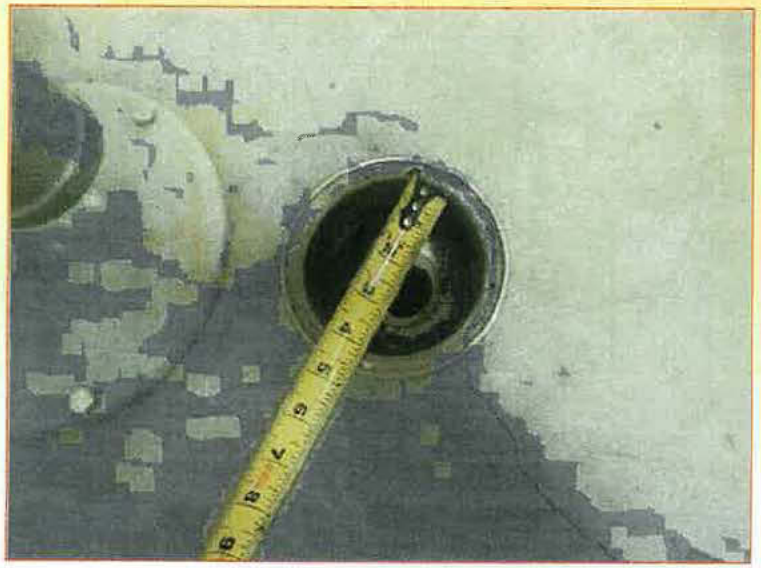
Manufacturer requires 1-1/4" supply line with 20gal/min. 1/2" line was installed with 6 gal/min flow.

- ☐ Shower must deliver minimum of 20 gallons (75.7L) per minute and provide a column of water 20 inches (50.8 cm) wide at 60 inches (152.4 cm) above the surface floor of user. (Sec. 4.1.2, 4.1.4, 7.1)



13.4 Emergency eye wash/shower -

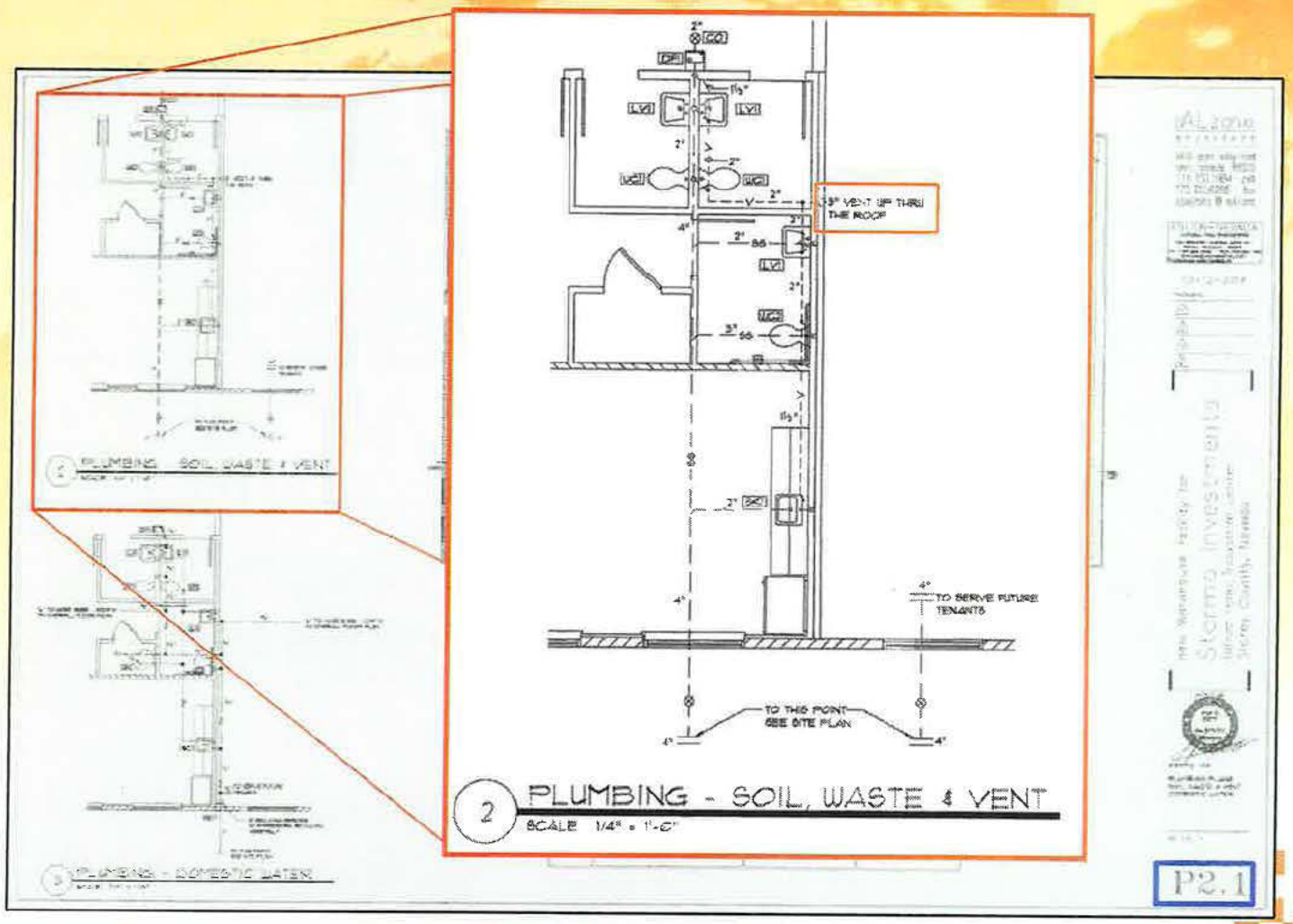
Manufacturer requires proper drainage. The as-built condition will allow the flat drainage to flow into the office.



13.6 Plumbing Vent Pipe -

Vent piping for restroom fixtures is only 2" diameter. Plans call for 3" diameter.

Construction Document P2.1



PRELIMINARY 7-1-2016

Stormo Investments v. Dennis Banks Construction

Plaintiff Cost of Repair

Note: Dan's Welding Deposition 01-04-17

Center Column base plates were torched-off in the field, turned 45° and fillet welded back on. No inspection. Without engineer approval

Friday, July 1, 2016

MKA # 2015.1832

Prepared For:

Paul Matteoni, Esq.

Lewis & Roca

50 West Liberty Street, Suite 410

Reno, NV 89501

775-321-3425

Prepared By:

A. Marc Goupille

Madsen, Kneppers & Associates, Inc.

4025 S. El Capitan Way

Las Vegas, Nevada 89147-3430

(702) 895-7100

Engineer firm

This report is part of Kimmel appraisal.

EXHIBIT A

MKA Madsen, Kneppers & Associates, Inc.
Construction Consultants & Engineers

MKA Project No. 2015.2013

PRELIMINARY 7-1-2016

Stormo Investments v. Dennis Banks Construction

Issue Summary Detail Report with Soft Costs

Estimate Plaintiff Cost of Repair
Building Desc. Commercial Building

Prepared By JCL / AMG

	Total Hard Cost	General Conditions	Bonds / Insurance	Overhead / Profit	Subtotal Contractor	Contingency	Consultants	Permit Fees	Location Factor	Testing and Inspections	Total Estimated Cost
		8.50%	2.50%	15.00%		10.00%	5.00%	1.50%	5.00%	1.00%	
Issue No. 1.0 Architectural / Structural											
Total for Issue No. 1.0 Architectural / Structural	$1,058,240.04	$89,950.40	$28,704.76	$176,534.28	$1,353,429.49	$135,342.95	$67,671.47	$20,301.44	$67,671.47	$13,534.29	$1,657,951.12
Total Estimated Price for Stormo Investments v. Dennis Banks Construction	**$1,058,240.04**	**$89,950.40**	**$28,704.76**	**$176,534.28**	**$1,353,429.49**	**$135,342.95**	**$67,671.47**	**$20,301.44**	**$67,671.47**	**$13,534.29**	**$1,657,951.12**

MKA Madsen, Kneppers & Associates, Inc.
Construction Consultants & Engineers

MKA Project No. 2015.2013

PRELIMINARY 7-1-2016

Stormo Investments v. Dennis Banks Construction

Plaintiff Cost of Repair

Estimate Summary Report

Building Desc. Commercial Building
Location 150 Denmark Drive, McCarran, NV 89434
Client Paul Matteoni, Esq. - Lewis, Roca, Rothgerber & Christie

Prepared By JCL / AMG
Bldg Sq Ft N/A

C.S.I Section	Section Description	Bldg Cost per Sq Ft	Total Section Cost
02.10	Demolition		$77,826.00
02.20	Excavation, Fill & Grading		N/A
02.40	Underpinning, Shoring, Dewatering		N/A
02.50	Site Utilities		N/A
02.60	General Site		$43,085.00
02.69	Off Site Work		N/A
02.70	Misc. Site Improvements		N/A
	Sub Total		$120,911.00
02.30	Piling, Piers & Caissons		N/A
02.80	Excavation & Fill		N/A
03.10	Concrete Foundations		N/A
03.20	Concrete, Structural		N/A
03.30	Concrete, Architectural		N/A
03.40	Concrete, Precast		N/A
03.50	Concrete, Slabs On Grade		$107,334.76
03.60	Reinforcing		N/A
03.70	Cementitious Decks		N/A
04.00	Masonry & Stone		N/A
05.10	Structural Steel		$20,895.20
05.30	Metal Siding & Decks		N/A
05.50	Misc Iron & Arch. Metal		N/A
06.10	Carpentry, Rough		$20,688.30
06.20	Carpentry, Finish		N/A
06.30	Glu-Lam Beams & Trusses		N/A
06.50	Stairs & Rails Wood		N/A
06.60	Rough Hardware		N/A
07.10	Waterproofing		N/A
07.20	Thermal & Sound Insulation		N/A
07.30	Roofing & Rigid Insulation		$53,620.00
07.40	Siding		N/A
07.60	Sheet Metal & Skylights		$14,638.10
07.70	Architectural Sheet Metal		$5,257.59
07.90	Caulking & Sealants		N/A
08.10	Hollow Metal Work		N/A
08.20	Wood Doors & Frames		N/A
08.30	Doors, Special		N/A
08.50	Glass, Glazing & Sash		N/A
08.70	Finish Hardware		N/A
08.90	Storefront & Curtain Walls		$83,526.20

MKA Madsen, Kneppers & Associates, Inc.
Construction Consultants & Engineers

Stormo Investments v. Dennis Banks Construction

Plaintiff Cost of Repair

Estimate Summary Report

09.10	Lath, Plaster, Fur & Stud		$119,677.92
09.20	Gyp. Wallboard, Fur & Stud		N/A
09.30	Ceramic Tile		N/A
09.40	Terrazzo		N/A
09.50	Acoustic Tile		N/A
09.60	Wood Flooring		N/A
09.70	Resilient Flooring		N/A
09.80	Painting		$4,261.48
09.90	Plastic Wall Surfaces		N/A
10.10	Chalk & Tack Board		N/A
10.15	Toilet Partitions		N/A
10.20	Folding & Demountable Partitions		N/A
10.40	Toilet Accessories		N/A
10.50	Building Specialties, General		$2,121.55
11.00	Equipment		$10,000.00
12.00	Furnishings		N/A
12.35	Laminated Plastics		N/A
13.00	Special Construction		$345,500.00
14.00	Conveying Systems		N/A
15.10	Plumbing		$6,123.43
15.30	Heat, Vent & Air Cond.		$14,445.22
15.95	Fire Protection		N/A
16.00	Electrical Work		$4,574.19
17.00	Misc		$124,665.10
	Sub Total		$1,058,240.04
	General Conditions	8.50%	$89,950.40
	Sub Total		$1,148,190.44
	Bonds / Insurance	2.50%	$28,704.76
	Sub Total		$1,176,895.20
	Overhead / Profit	15.00%	$176,534.28
	Sub Total		$1,353,429.48
	Contingency	10.00%	$135,342.95
	Consultants	5.00%	$67,671.47
	Permit Fees	1.50%	$20,301.44
	Location Factor	5.00%	$67,671.47
	Testing and Inspections	1.00%	$13,534.29
	Sub Total		$1,657,951.10
	Total Estimated Price for Stormo Investments v. Dennis Banks Con		**$1,657,951.10**

For Mediation & Settlement Purposes Only. Protected from Disclosure & Discovery by NV Evidence Code §48.109 & §40.680. NV Contractors License No. 0054156 – Bid Limit $9,500,000.

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MKA Madsen, Kneppers & Associates, Inc.
Construction Consultants & Engineers

Stormo Investments v. Dennis Banks Construction

Plaintiff Cost of Repair

Estimate Summary Report

I. CAVEAT

This document has been prepared for Paul Matteoni, Esq. - Lewis, Roca, Rothgerber & Christie. Reliance upon this document or upon information, observations or opinions contained herein should not be made by any party except the intended recipient designated on the title sheet of this estimate report.

The intent of this evaluation is to prepare an opinion of the probable cost of construction for work to be performed at the Stormo Investments v. Dennis Banks Construction located at 150 Denmark Drive, McCarran, NV 89434.

This opinion assumes a specific scope and methodology; the user is cautioned that changes in either scope and/or methodology could have a reciprocal effect on this opinion. If this should occur, we reserve the right to review such changes and modify our opinion accordingly. Furthermore, our opinion assumes that the work will be competitively bid and, as such, it is advisable to solicit at least four (4) bids when a decision is made for the project to go forward. Our opinion is based on the following notes:

General Notes

The scope represented in the estimate was derived from repair recommendations based on the following reports:

1. Madsen, Kneppers & Associates, Inc. - Architectural / Structural Defect List dated 7/1/2016.

In addition, our evaluation used information gathered from the following:

- Verbal discussions with the above experts.
- Information obtained from various vendors.

Our evaluation contemplates returning the facility to its pre-loss configuration using contemporary materials of like kind and quality. Furthermore, this evaluation is governed by the following assumptions and exclusions.

Assumptions:

- Repair work to be performed under one contract.
- Access and continuity to be provided in an unimpeded manner to the contractor.
- Work will be performed in a code compliant manner.
- Internal footing reused.
- Consultants fees for Architectural and Engineering.
- Testing and inspection costs for special inspections.

Exclusions:

Costs associated with:

- Overtime.
- Accelerated construction.
- Work already completed.
- Investigative, forensic and/or destructive testing work.

Madsen, Kneppers & Associates, Inc.
Construction Consultants & Engineers

Stormo Investments v. Dennis Banks Construction

Issue-SubIssue-Repair Group Summary Detail Report

Estimate Plaintiff Cost of Repair

Building Desc. Commercial Building

Prepared By JCL / AMG

CSI No.		Unit	Item Qty	Unit Cost	Total Cost
Issue No.	**1.0 - Architectural / Structural**				
SubIssue No.	**1.0 - Site**				
Repair Group	**1 - 1.1 Asphalt Finish Grade - Grade to be lower than interior slab, as-built condition differs**				
17.5005	Included in item 1.2	EA	0.00	$0.00	$0.00
	Total for Repair Group 1 - 1.1 Asphalt Finish Grade - Grade to be lower than interior slab, as-built condition differs				**$0.00**
Repair Group	**2 - 1.2 Asphalt Finish Grade - Slope on exterior to be away from building at 5%, as-built conditions differ**				
02.1001	Saw cut asphalt at east and west junction to front parking lot	LS	1.00	$350.00	$350.00
02.1003	Demo asphalt finish grade	SF	8,650.00	$1.50	$12,975.00
02.1005	Haul asphalt debris for recycling	CY	107.00	$28.00	$2,996.00
02.1007	Lower base grade to allow for slope	EA	1.00	$2,200.00	$2,200.00
02.6001	Install new 4" asphalt finish grade	SF	8,650.00	$4.50	$38,925.00
	Total for Repair Group 2 - 1.2 Asphalt Finish Grade - Slope on exterior to be away from building at 5%, as-built conditions differ				**$57,446.00**
	Total for SubIssue No. 1.0 - Site				**$57,446.00**
SubIssue No.	**2.0 - Slab on Grade**				
Repair Group	**1 - 2.1 Slab Thickness is Insufficient**				
17.1001	Protect area	HR	24.00	$42.41	$1,017.84
02.1009	Demo office area for slab replacement	EA	1.00	$7,760.00	$7,760.00
02.1013	Provide dumpster for debris removal, 40 yard	EA	4.00	$750.00	$3,000.00
02.1011	Demo and dispose concrete interior slab	SF	13,870.00	$3.50	$48,545.00
03.5001	Form and pour new 5" interior slab with 6 mil vapor barrier, as part of a dual pour with greased dowels and key joints	SF	11,584.00	$7.00	$81,088.00
03.5003	Form and pour new 4" slab with 6 mil vapor barrier, as part of a dual pour with greased dowels and key joints	SF	2,286.00	$6.00	$13,716.00
03.5005	Additional cost for rebar dowling at 24"oc at building foundation.	EA	242.00	$51.78	$12,530.76
15.1015	Detach and reset eye wash station / shower	EA	1.00	$2,183.41	$2,183.41

Madsen, Kneppers & Associates, Inc.
Construction Consultants & Engineers

Stormo Investments v. Dennis Banks Construction

Issue-SubIssue-Repair Group Summary Detail Report

Estimate Plaintiff Cost of Repair

Building Desc. Commercial Building

Prepared By JCL / AMG

CSI No.		Unit	Item Qty	Unit Cost	Total Cost
15.1001	Modify supply and drain lines to ensure adequate performance of eyewash station	LS	1.00	$2,916.64	$2,916.64
15.1003	Furnish and install hot water lines	EA	1.00	$618.06	$618.06
17.5013	Rebuild interior office space to pre demo condition and finish	SF	2,286.00	$50.00	$114,300.00
06.1001	Additional cost to tenant improvement for structural mezzanine level framing and supports	SF	2,286.00	$9.05	$20,688.30
02.6003	Use of a lift	DAY	4.00	$260.00	$1,040.00
17.1003	Clean up area	HR	24.00	$38.00	$912.00
	Total for Repair Group 1 - 2.1 Slab Thickness is Insufficient				**$310,316.01**
Repair Group	**2 - 2.2 Concrete Pour - Slab required dual pour with greased dowels with Key-Joints, the as-built condition differs**				
17.5009	Included in 2.1	EA	0.00	$0.00	$0.00
	Total for Repair Group 2 - 2.2 Concrete Pour - Slab required dual pour with greased dowels with Key-Joints, the as-built condition differs				**$0.00**
Repair Group	**3 - 2.3 Concrete Pour - Concrete Pour - Slab required dual pour with greased dowels with Key-Joints, the as-built condition differs**				
17.5009	Included in 2.1	EA	0.00	$0.00	$0.00
	Total for Repair Group 3 - 2.3 Concrete Pour - Concrete Pour - Slab required dual pour with greased dowels with Key-Joints, the as-built condition differs				**$0.00**
Repair Group	**4 - 2.4 Concrete Mix - Maximum 3" slump, plasticizers to 8" slump to be provided, the as-built condition differs**				
17.5009	Included in 2.1	EA	0.00	$0.00	$0.00
	Total for Repair Group 4 - 2.4 Concrete Mix - Maximum 3" slump, plasticizers to 8" slump to be provided, the as-built condition differs				**$0.00**
Repair Group	**5 - 2.5 Concrete Mix - Fibermesh to be added at plant. Fibermesh was added by the driver.**				
17.5009	Included in 2.1	EA	0.00	$0.00	$0.00
	Total for Repair Group 5 - 2.5 Concrete Mix - Fibermesh to be added at plant. Fibermesh was added by the driver.				**$0.00**
Repair Group	**6 - 2.6 Vapor Barrier - Vapor barrier is to be a minimum of 3.5 mil., the existing condition is 2 Mil.**				
17.5009	Included in 2.1	EA	0.00	$0.00	$0.00

Stormo Investments v. Dennis Banks Construction

Issue-SubIssue-Repair Group Summary Detail Report

Estimate Plaintiff Cost of Repair

Building Desc. Commercial Building

Prepared By JCL / AMG

CSI No.		Unit	Item Qty	Unit Cost	Total Cost
	Total for Repair Group **6 - 2.6 Vapor Barrier - Vapor barrier is to be a minimum of 3.5 mil., the existing condition is 2 Mil.**				**$0.00**
Repair Group	**7 - 2.7 Vapor Barrier - Vapor barrier is inappropriately placed between the top of the interior footing and the bottom of the slab**				
17.5009	Included in 2.1	EA	0.00	$0.00	$0.00
	Total for Repair Group **7 - 2.7 Vapor Barrier - Vapor barrier is inappropriately placed between the top of the interior footing and the bottom of the slab**				**$0.00**
	Total for SubIssue No. **2.0 - Slab on Grade**				**$310,316.01**
SubIssue No.	**3.0 - CMU Walls**				
Repair Group	**1 - 3.1 Excessive Cracking / Water Intrusion**				
17.1001	Protect area	HR	40.00	$42.41	$1,696.40
13.0001	Fibrwrap the interior and exterior of all masonry walls. Price per Fibrwrap Construction Inc.	EA	1.00	$345,500.00	$345,500.00
11.0001	Provide boom lift, including delivery per month	EA	4.00	$2,500.00	$10,000.00
09.1003	Supply and install foam trim at corners of building	LF	224.00	$9.03	$2,022.72
09.1001	Apply 3 coat stucco finish coat over fibrwrap, not including paper or lath.	SF	21,788.00	$5.40	$117,655.20
16.0001	Provide an electrician to remove and re-install electrical conduit, lights and fixtures	EA	1.00	$4,574.19	$4,574.19
10.5001	Remove and re-install awnings on front of building	EA	1.00	$1,331.10	$1,331.10
07.7001	Install new parapet cap to allow for additional thickness of surface coatings	LF	482.00	$7.62	$3,672.84
09.8001	Prime and paint parapet cap	LF	482.00	$3.20	$1,542.40
17.1003	Clean up area	HR	40.00	$38.00	$1,520.00
	Total for Repair Group **1 - 3.1 Excessive Cracking / Water Intrusion**				**$489,514.85**
Repair Group	**2 - 3.2 Voids in CMU**				
17.5015	Repair included in item 3.1	EA	0.00	$0.00	$0.00
	Total for Repair Group **2 - 3.2 Voids in CMU**				**$0.00**

Stormo Investments v. Dennis Banks Construction

Issue-SubIssue-Repair Group Summary Detail Report

Estimate Plaintiff Cost of Repair

Building Desc. Commercial Building

Prepared By JCL / AMG

CSI No.		Unit	Item Qty	Unit Cost	Total Cost
Repair Group 3 - 3.3 Horizontal Rebar Spacing					
17.5015	Repair included in item 3.1	EA	0.00	$0.00	$0.00
Total for Repair Group 3 - 3.3 Horizontal Rebar Spacing					**$0.00**
Repair Group 4 - 3.4 Horizontal Rebar Laps					
17.5015	Repair included in item 3.1	EA	0.00	$0.00	$0.00
Total for Repair Group 4 - 3.4 Horizontal Rebar Laps					**$0.00**
Repair Group 5 - 3.5 Lintel Rebar Above Door					
17.1001	Protect area	HR	8.00	$42.41	$339.28
05.1001	Install an HSS 12x8x1/2 header beam welded to two HSS 8x4x1/4 posts at each roll up door with steel base plate. Fasten to opening at 24" oc with bolts epoxied to CMU wall.	EA	4.00	$5,223.80	$20,895.20
09.8003	Prime and paint 2 coats steel beams at each openeing	EA	4.00	$679.77	$2,719.08
02.6003	Use of a lift	DAY	4.00	$260.00	$1,040.00
17.1003	Clean up area	HR	8.00	$38.00	$304.00
Total for Repair Group 5 - 3.5 Lintel Rebar Above Door					**$25,297.56**
Repair Group 6 - 3.6 Stair Step Cracks					
17.5015	Repair included in item 3.1	EA	0.00	$0.00	$0.00
Total for Repair Group 6 - 3.6 Stair Step Cracks					**$0.00**
Repair Group 7 - 3.7 Moisture Control Units					
17.5015	Repair included in item 3.1	EA	0.00	$0.00	$0.00
Total for Repair Group 7 - 3.7 Moisture Control Units					**$0.00**
Total for SubIssue No. 3.0 - CMU Walls					**$514,812.41**

SubIssue No. 4.0 - Penetrations

Madsen, Kneppers & Associates, Inc.
Construction Consultants & Engineers

Stormo Investments v. Dennis Banks Construction

Issue-SubIssue-Repair Group Summary Detail Report

Estimate Plaintiff Cost of Repair

Building Desc. Commercial Building

Prepared By JCL / AMG

CSI No.		Unit	Item Qty	Unit Cost	Total Cost
Repair Group 1 - 4.1 Not Sealed					
17.5015	Repair included in item 3.1	EA	0.00	$0.00	$0.00
	Total for Repair Group 1 - 4.1 Not Sealed				**$0.00**
	Total for SubIssue No. 4.0 - Penetrations				**$0.00**
SubIssue No. 5.0 - Framing					
Repair Group 1 - 5.1 Floor Joists					
17.5009	Included in 2.1	EA	0.00	$0.00	$0.00
	Total for Repair Group 1 - 5.1 Floor Joists				**$0.00**
	Total for SubIssue No. 5.0 - Framing				**$0.00**
SubIssue No. 6.0 - Windows					
Repair Group 1 - 6.1 Sill Flashing					
17.5011	Included in 6.2	EA	0.00	$0.00	$0.00
	Total for Repair Group 1 - 6.1 Sill Flashing				**$0.00**
Repair Group 2 - 6.2 1" Insulated Glass					
17.1001	Protect area	HR	38.00	$42.41	$1,611.58
08.9001	Remove and install new bronzed aluminum, 1" insulated glass, 5' 4" x 5' 4"window. Install backer rod and sealant at entire perimeter.	EA	32.00	$2,040.00	$65,280.00
08.9003	Remove and install new bronzed aluminium, 1" insulated glass storefront systems	EA	2.00	$5,364.00	$10,728.00
08.9005	Remove and install 5/8" glass entry doors, install backer rod and sealant at entire perimeter	EA	4.00	$1,879.55	$7,518.20
02.6003	Use of a lift	DAY	8.00	$260.00	$2,080.00
17.1003	Clean up area	HR	38.00	$38.00	$1,444.00

Stormo Investments v. Dennis Banks Construction

Issue-SubIssue-Repair Group Summary Detail Report

Estimate Plaintiff Cost of Repair
Building Desc. Commercial Building

Prepared By JCL / AMG

CSI No.		Unit	Item Qty	Unit Cost	Total Cost
	Total for Repair Group 2 - 6.2 1" Insulated Glass				**$88,661.78**
Repair Group 3 - 6.3 Window Not Flush to Outside Block					
17.5011	Included in 6.2	EA	0.00	$0.00	$0.00
	Total for Repair Group 3 - 6.3 Window Not Flush to Outside Block				**$0.00**
	Total for SubIssue No. 6.0 - Windows				**$88,661.78**
SubIssue No. 7.0 - Roll Up Doors					
Repair Group 1 - 7.1 Roll Up Doors Leak					
17.5019	Included in 1.2 and 2.1	EA	0.00	$0.00	$0.00
	Total for Repair Group 1 - 7.1 Roll Up Doors Leak				**$0.00**
	Total for SubIssue No. 7.0 - Roll Up Doors				**$0.00**
SubIssue No. 8.0 - Roofing					
Repair Group 1 - 8.1 TPO Roofing - Installed in place of specified					
07.3003	Remove existing TPO roofing	SQ	140.00	$58.00	$8,120.00
07.3005	Install new SBS Modified built up roofing system complete	SQ	140.00	$325.00	$45,500.00
07.6003	Remove wall cap flashing	LF	482.00	$2.09	$1,007.38
15.3001	Remove HVAC unit with the use of a lift	EA	1.00	$1,076.00	$1,076.00
07.7003	Lower and modify scupper	EA	3.00	$274.03	$822.09
07.7005	Detach and reset down spouts	EA	3.00	$254.22	$762.66
17.1003	Clean up area	HR	40.00	$38.00	$1,520.00
	Total for Repair Group 1 - 8.1 TPO Roofing - Installed in place of specified				**$58,808.13**
Repair Group 2 - 8.2 TPO Roofing - Missing crickets at all curbs					
17.5007	Included in 8.1	EA	0.00	$0.00	$0.00

Stormo Investments v. Dennis Banks Construction

Issue-SubIssue-Repair Group Summary Detail Report

Estimate Plaintiff Cost of Repair

Building Desc. Commercial Building

Prepared By JCL / AMG

CSI No.		Unit	Item Qty	Unit Cost	Total Cost
	Total for Repair Group 2 - 8.2 TPO Roofing - Missing crickets at all curbs				**$0.00**
Repair Group 3 - 8.3 TPO Roofing - Membrane not adhered to cricket					
17.5007	Included in 8.1	EA	0.00	$0.00	$0.00
	Total for Repair Group 3 - 8.3 TPO Roofing - Membrane not adhered to cricket				**$0.00**
Repair Group 4 - 8.4 TPO Roofing - Not built per plans					
17.5007	Included in 8.1	EA	0.00	$0.00	$0.00
	Total for Repair Group 4 - 8.4 TPO Roofing - Not built per plans				**$0.00**
	Total for SubIssue No. 8.0 - Roofing				**$58,808.13**
SubIssue No. 9.0 - Scuppers & Downspouts					
Repair Group 1 - 9.1 Scuppers - Installed too high					
17.5007	Included in 8.1	EA	0.00	$0.00	$0.00
	Total for Repair Group 1 - 9.1 Scuppers - Installed too high				**$0.00**
Repair Group 2 - 9.2 Scuppers - Construction documents differ from as-built conditions					
17.5007	Included in 8.1	EA	0.00	$0.00	$0.00
	Total for Repair Group 2 - 9.2 Scuppers - Construction documents differ from as-built conditions				**$0.00**
Repair Group 3 - 9.3 Downspouts - Construction documents differ from as-built conditions					
17.5007	Included in 8.1	EA	0.00	$0.00	$0.00
	Total for Repair Group 3 - 9.3 Downspouts - Construction documents differ from as-built conditions				**$0.00**
	Total for SubIssue No. 9.0 - Scuppers & Downspouts				**$0.00**
SubIssue No. 10.0 - Skylights					

Stormo Investments v. Dennis Banks Construction

Issue-SubIssue-Repair Group Summary Detail Report

Estimate Plaintiff Cost of Repair

Building Desc. Commercial Building

Prepared By JCL / AMG

CSI No.		Unit	Item Qty	Unit Cost	Total Cost
Repair Group	**1 - 10.1 Skylights**				
07.6001	Remove 4'x8' skylights for new roof install	EA	8.00	$252.00	$2,016.00
07.6009	Furnish and install new 4' x 8' skylight	EA	8.00	$1,451.84	$11,614.72
	Total for Repair Group 1 - 10.1 Skylights				**$13,630.72**
Repair Group	**2 - 10.2 Skylight Curb Earthquake Straps**				
17.5025	Included in 10.1	EA	0.00	$0.00	$0.00
	Total for Repair Group 2 - 10.2 Skylight Curb Earthquake Straps				**$0.00**
	Total for SubIssue No. 10.0 - Skylights				**$13,630.72**
SubIssue No.	**12.0 - HVAC**				
Repair Group	**1 - 12.1 Units Are Not New**				
15.3003	Install new 6 ton HVAC unit	EA	1.00	$13,369.22	$13,369.22
	Total for Repair Group 1 - 12.1 Units Are Not New				**$13,369.22**
Repair Group	**2 - 12.2 Units Are Still Sitting in the Shipping Pallet**				
17.5023	Included in 12.1	EA	0.00	$0.00	$0.00
	Total for Repair Group 2 - 12.2 Units Are Still Sitting in the Shipping Pallet				**$0.00**
Repair Group	**3 - 12.3 Energy Efficient Units**				
17.5023	Included in 12.1	EA	0.00	$0.00	$0.00
	Total for Repair Group 3 - 12.3 Energy Efficient Units				**$0.00**
Repair Group	**4 - 12.4 Fire Rated Caulk Required at A/C Vents & 1 Hr. Walls**				
17.5009	Included in 2.1	EA	0.00	$0.00	$0.00
	Total for Repair Group 4 - 12.4 Fire Rated Caulk Required at A/C Vents & 1 Hr. Walls				**$0.00**

Stormo Investments v. Dennis Banks Construction

Issue-SubIssue-Repair Group Summary Detail Report

Estimate Plaintiff Cost of Repair

Building Desc. Commercial Building

Prepared By JCL / AMG

CSI No.		Unit	Item Qty	Unit Cost	Total Cost
Repair Group	**5 - 12.5 Bent and Deformed Ductwork**				
17.5009	Included in 2.1	EA	0.00	$0.00	$0.00
Total for Repair Group	**5 - 12.5 Bent and Deformed Ductwork**				**$0.00**
Repair Group	**6 - 12.6 Heater vent pipe clearance**				
17.5009	Included in 2.1	EA	0.00	$0.00	$0.00
Total for Repair Group	**6 - 12.6 Heater vent pipe clearance**				**$0.00**
Total for SubIssue No.	**12.0 - HVAC**				**$13,369.22**
SubIssue No.	**13.0 - Plumbing**				
Repair Group	**1 - 13.1 Undersized Water Heater Installed - 1500W water heater installed in lieu of specified 2500W unit**				
10.5003	Install new water heater, 20 gal commercial grade	EA	1.00	$790.45	$790.45
Total for Repair Group	**1 - 13.1 Undersized Water Heater Installed - 1500W water heater installed in lieu of specified 2500W unit**				**$790.45**
Repair Group	**2 - 13.2 Emergency Eye Wash/Shower - Manufacture requires tepid water. The as-built condition only cold water is supplied.**				
17.5009	Included in 2.1	EA	0.00	$0.00	$0.00
Total for Repair Group	**2 - 13.2 Emergency Eye Wash/Shower - Manufacture requires tepid water. The as-built condition only cold water is supplied.**				**$0.00**
Repair Group	**3 - 13.3 Emergency Eye Wash/Shower - Manufacturer requires 1-1/4" supply line with 20gal/min. 1/2" line was installed with 6 gal/min flow**				
17.5009	Included in 2.1	EA	0.00	$0.00	$0.00
Total for Repair Group	**3 - 13.3 Emergency Eye Wash/Shower - Manufacturer requires 1-1/4" supply line with 20gal/min. 1/2" line was installed with 6**				**$0.00**
Repair Group	**4 - 13.4 Emergency Eye Wash/Shower - Manufacturer requires proper drainage. The as-built condition will allow the flat drainage to flow into the office.**				
17.5009	Included in 2.1	EA	0.00	$0.00	$0.00
Total for Repair Group	**4 - 13.4 Emergency Eye Wash/Shower - Manufacturer requires proper drainage. The as-built condition will allow the flat drainage**				**$0.00**

Stormo Investments v. Dennis Banks Construction

Issue-SubIssue-Repair Group Summary Detail Report

Estimate Plaintiff Cost of Repair

Building Desc. Commercial Building

Prepared By JCL / AMG

CSI No.		Unit	Item Qty	Unit Cost	Total Cost
Repair Group	**5 - 13.5 Hot Water - The shower is not receiving any hot water.**				
17.5009	Included in 2.1	EA	0.00	$0.00	$0.00
	Total for Repair Group 5 - 13.5 Hot Water - The shower is not receiving any hot water.				**$0.00**
Repair Group	**6 - 13.6 Plumbing Vent Pipe - Vent piping for restroom fixtures is only 2" diameter. Plans call for 3" diameter**				
15.1017	Extend vent pipes (4') including bracing.	EA	2.00	$202.66	$405.32
	Total for Repair Group 6 - 13.6 Plumbing Vent Pipe - Vent piping for restroom fixtures is only 2" diameter. Plans call for 3" diameter				**$405.32**
	Total for SubIssue No. 13.0 - Plumbing				**$1,195.77**
	Total for Issue No. 1.0 - Architectural / Structural				**$1,058,240.04**

Total Hard Cost for Stormo Investments v. Dennis Banks Construction	**$1,058,240.04**

James Urmston CCIM

APPRAISAL REPORT
REAL ESTATE
APPRAISAL

Of
Denmark Commerce Center

150 Denmark, McCarran
Storey County
NV, 89434

As of
April 13, 2016

Prepared For
Mr. & Mrs. Ed & Georgette Stormo
Stormo Investments LLC
14885 La Briana Avenue
Reno, NV, 89511

Prepared by
James Urmston, MAI, SRA, CCIM, Nevada
Lic. A.0000080-CG

File Name:
C16-11e

EXHIBIT
C

JAMES E. URMSTON, MAI, SRA, CCIM

James Urmston CCIM

4870 Pinesprings Drive
Reno, Nevada, 89509

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www.jeurmston.com

May 25, 2016

Mr. & Mrs. Ed & Georgette Stormo
Stormo Investments LLC
14885 La Briana Avenue
Reno, NV 89511

Re: Appraisal Report, Real Estate Appraisal
Denmark Commerce Center
150 Denmark, McCarran,
Storey County, NV, 89434

File Name: C16-11e

Dear Mr. & Mrs. Stormo:

At your request, I have prepared an appraisal for the above referenced property, which may be briefly described as follows:

26.19-acre industrial site with tentative subdivision map for 15 building pads with sites starting at 1.19+/- acres, ½ acre water right per acre and graded pad with underground utilities.

Please reference page 9 of this report for important information regarding the scope of research and analysis for this appraisal, including property identification, inspection, highest and best use analysis and valuation methodology.

I certify that I have no present or contemplated future interest in the property beyond this estimate of value. The appraiser has not performed any prior services regarding the subject within the previous three years of the appraisal date.

Your attention is directed to the Limiting Conditions and Assumptions section of this report (page 7). Acceptance of this report constitutes an agreement with these conditions and assumptions. In particular, I note the following:

Hypothetical Conditions:

- There are no hypothetical conditions for this appraisal.

Extraordinary Assumptions:

As will be discussed in the body of this report, there is a 14,000 ft.² industrial building with substantial defects that will result in the probable demolition of the improvements. It has been reported to the appraiser that the cost to cure is at or near the cost to replace. The estimated market value determined in this appraisal is based on the extraordinary assumption that the cost to cure the deferred maintenance is based on a reliable source and if not, then any changes may have an effect on the final value determined.

Based on the appraisal described in the accompanying report, subject to the Limiting Conditions and Assumptions, Extraordinary Assumptions and Hypothetical Conditions (if any), I have made the following value conclusion(s):

Current As Is Market Value:
The "As Is" market value of the Fee Simple estate of the property, as of April 13, 2016, is

Two Million Two Hundred Forty Thousand Dollars ($2,240,000)

The market exposure time preceding April 13, 2016 would have been 9 months and the estimated marketing period as of April 13, 2016 is 9 months.

Respectfully submitted,

James Urmston, MAI, SRA, CCIM
Nevada-A.0000080-CG

TABLE OF CONTENTS

Summary of Important Facts and Conclusions

GENERAL

Subject:	Denmark Commerce Center 150 Denmark, McCarran, Storey County, NV, 89434 26.19-acre industrial site with tentative subdivision map for 15 building pads with sites starting at 1.19+/- acres, ½ acre water right per acre, graded pad with underground utilities.
Owner:	Stormo Investments LLC
Legal Description:	Portion Sec. 2 T19N R22E
Date of Report:	May 25, 2016
Intended Use:	The intended use is for portfolio management.
Intended User(s):	The property owner.

Assessment:

Real Estate Assessment and Taxes

Tax ID	Land	Improvements	Other	Total	City Rate	County Rate	Other Rate	Tax Rate	Taxes
005-101-10	$464,178	$275,184	$0		$0.00	$0.03	$0.00	$0.03	$25,587
Totals	$464,178	$275,184	$0	$0					$25,587

Notes:

Sale History:	The subject has not sold in the last three years, according to public records.
Current Listing/Contract(s):	The subject is currently listed for sale (price negotiable) or offered for a build-to-suite opportunity.

Land:

Land Summary						
Parcel ID	**Gross Land Area (Acres)**	**Gross Land Area (Sq Ft)**	**Usable Land Area (Acres)**	**Usable Land Area (Sq Ft)**	**Topography**	**Shape**
005-101-10	26.19	1,140,836	26.19	1,140,836	te to steep slopes	s irregularly shaped

Notes:

Zoning:	I 2 - Heavy Industrial
Highest and Best Use of the Site:	Future Industrial Development
Type of Value:	Market Value

VALUE INDICATIONS

Sales Comparison Approach:	$2,240,000

Reconciled Value(s):	**As Is**
Value Conclusion(s)	$2,240,000
Effective Date(s)	April 13, 2016
Property Rights	Fee Simple

Limiting Conditions and Assumptions

Acceptance of and/or use of this report constitutes acceptance of the following limiting conditions and assumptions; these can only be modified by written documents executed by both parties.

This appraisal is to be used only for the purpose stated herein. While distribution of this appraisal in its entirety is at the discretion of the client, individual sections shall not be distributed; this report is intended to be used in whole and not in part.

No part of this appraisal, its value estimates or the identity of the firm or the appraiser(s) may be communicated to the public through advertising, public relations, media sales, or other media.

All files, work papers and documents developed in connection with this assignment are the property of James E. Urmston, MAI, SRA, CCIM. Information, estimates and opinions are verified where possible, but cannot be guaranteed. Plans provided are intended to assist the client in visualizing the property; no other use of these plans is intended or permitted.

No hidden or unapparent conditions of the property, subsoil or structure, which would make the property more or less valuable, were discovered by the appraiser(s) or made known to the appraiser(s). No responsibility is assumed for such conditions or engineering necessary to discover them. Unless otherwise stated, this appraisal assumes there is no existence of hazardous materials or conditions, in any form, on or near the subject property.

Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyl, petroleum leakage, or agricultural chemicals, which may or may not be present on the property, was not called to the attention of the appraiser nor did the appraiser become aware of such during the appraiser's inspection. The appraiser has no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraiser, however, is not qualified to test for such substances. The presence of such hazardous substances may affect the value of the property. The value opinion developed herein is predicated on the assumption that no such hazardous substances exist on or in the property or in such proximity thereto, which would cause a loss in value. No responsibility is assumed for any such hazardous substances, nor for any expertise or knowledge required to discover them.

Unless stated herein, the property is assumed to be outside of areas where flood hazard insurance is mandatory. Maps used by public and private agencies to determine these areas are limited with respect to accuracy. Due diligence has been exercised in interpreting these maps, but no responsibility is assumed for misinterpretation.

Good title, free of liens, encumbrances and special assessments is assumed. No responsibility is assumed for matters of a legal nature.

Necessary licenses, permits, consents, legislative or administrative authority from any local, state or Federal government or private entity are assumed to be in place or reasonably obtainable.

It is assumed there are no zoning violations, encroachments, easements or other restrictions which would affect the subject property, unless otherwise stated.

The appraiser(s) are not required to give testimony in Court in connection with this appraisal. If the appraisers are subpoenaed pursuant to a court order, the client agrees to pay the appraiser(s) James E. Urmston, MAI, SRA, CCIM's regular per diem rate plus expenses.

Appraisals are based on the data available at the time the assignment is completed. Amendments/modifications to appraisals based on new information made available after the appraisal was completed will be made, as soon as reasonably possible, for an additional fee.

Americans with Disabilities Act (ADA) of 1990
A civil rights act passed by Congress guaranteeing individuals with disabilities equal opportunity in public accommodations, employment, transportation, government services, and telecommunications. Statutory deadlines become effective on various dates between 1990 and 1997. James E. Urmston, MAI, SRA, CCIM has not made a determination regarding the subject's ADA compliance or non-compliance. **Non-compliance could have a negative impact on value, however this has not been considered or analyzed in this appraisal.**

Scope of Work

According to the Uniform Standards of Professional Appraisal Practice, it is the appraiser's responsibility to develop and report a scope of work that results in credible results that are appropriate for the appraisal problem and intended user(s). Therefore, the appraiser must identify and consider:

- the client and intended users;
- the intended use of the report;
- the type and definition of value;
- the effective date of value;
- assignment conditions;
- typical client expectations; and
- typical appraisal work by peers for similar assignments.

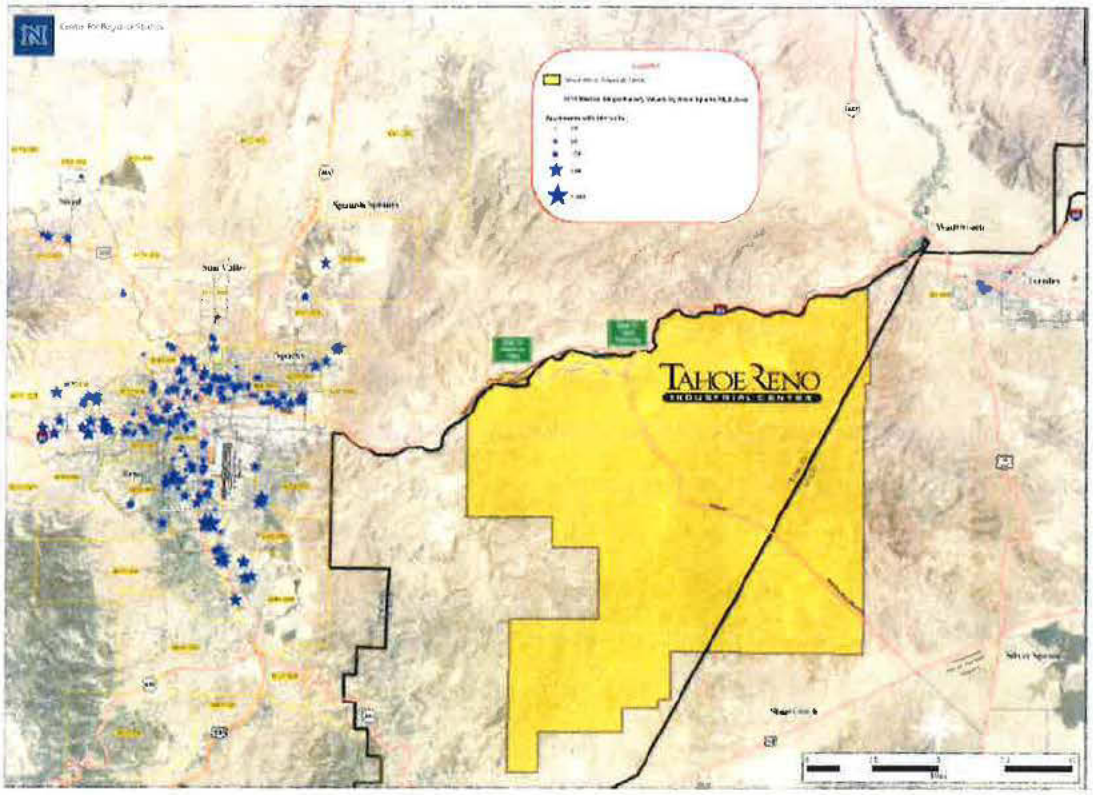
This appraisal is prepared for Mr. & Mrs. Ed & Georgette Stormo, Stormo Investments LLC. The problem to be solved is to estimate the current 'As Is' market value for asset management purposes. The intended use is for portfolio management. This appraisal is intended for the use of property owner.

	SCOPE OF WORK
Report Type:	This is an Appraisal Report as defined by Uniform Standards of Professional Appraisal Practice under Standards Rule 2-2(a). This format provides a summary or description of the appraisal process, subject and market data and valuation analyses.
Property Identification:	The subject has been identified by the legal description and the assessors' parcel number.
Inspection:	The site has been physically inspected by the appraiser.
Market Area and Analysis of Market Conditions:	A complete analysis of market conditions has been made. The appraiser maintains and has access to comprehensive databases for this market area and has reviewed the market for sales and listings relevant to this analysis.
Highest and Best Use Analysis:	A complete as vacant and as improved highest and best use analysis for the subject has been made. Physically possible, legally permissible and financially feasible uses were considered, and the maximally productive use was concluded.
Type of Value:	Market Value
Valuation Analyses	

Cost Approach:	A cost approach was not applied as the site is a vacant tract of land with the exception of a building that has been determined not to be contributing value. This will be discussed in more detail later in the report.
Sales Comparison Approach:	A sales approach to estimate the land value was applied as there is adequate data to develop a value estimate and this approach reflects market behavior for this property type.
Income Approach:	An income approach was not applied as the subject is not an income producing property and this approach does not reflect market behavior for this property type.
Hypothetical Conditions:	• There are no hypothetical conditions for this appraisal.
Extraordinary Assumptions:	As will be discussed in the body of this report, there is a 14,000 ft.^{2} industrial building with substantial defects that will result in the probable demolition of the improvements. It has been reported to the appraiser that the cost to cure is at or near the cost to replace. The estimated market value determined in this appraisal is based on the extraordinary assumption that the cost to cure the deferred maintenance is based on a reliable source and if not, then any changes may have an effect on the final value determined.
Information Not Available:	• Preliminary Title Report

Market Area Analysis

Tahoe-Reno Industrial Center



The Tahoe-Reno Industrial Center (TRI Center) is located in Storey County, Nevada, approximately fifteen miles east of the Reno-Sparks area on the Interstate 80 (I-80) Freeway. The main entrance to the project is the USA Parkway interchange at Interstate 80. Additional entrances are the Patrick and Tracy Interchanges from I-80. The Union Pacific Railroad and the Burlington Northern Santa Fe Railway tracks border the project on the north and serve selected areas of the project.

The Tahoe-Reno Industrial Center is a portion of the former Asamera Ranch, a 107,000-acre tract of private land owned by one of the project master developers, Tahoe-Reno Industrial Center, LLC. This ranch comprises approximately 54% of the land area of Storey County. The TRI Center currently consists of approximately 15,000 acres

zoned for industrial use, with, plans for expansion and is intended to be a mixed-use, nonresidential development, consisting of a wide range of industrial, office and commercial businesses. There is approximately 11 million SF of industrial space now in use by almost 130 companies including Tesla, Switch, Zulily and Wal-Mart Distribution.

Development of the project is guided by a development agreement between the master developers and the county, which incorporates the Development Handbook and the Storey County Zoning Ordinance. The entire project is zoned "I-2 Heavy Industrial" under the zoning ordinance, which allows most types of industrial and commercial uses.

On July 1, 1999, the Storey County Zoning Ordinance was adopted. As mentioned above, all of the TRI Center was zoned at that time "I-2 Heavy Industrial," which allows most industrial uses without any further discretionary permits, such as special use permits or conditional use permits. A few high-impact heavy industrial uses require special use permits. A majority of industrial uses can go straight to architectural review and building permits in order to develop. Commercial uses are allowed subject to county site plan review in an amount not to exceed 10% of the total land area. On February 1, 2000, the Development Agreement for the project was approved by Storey County.

TRI Center has no state or local government development fees or exactions. The only connection fees of any kind are charged by the private water and sewer provider, TRI Water and Sewer Company.

A private utility company, the TRI Water and Sewer Company, supplies community water and sewer service to properties within the TRI Center. The water resources come from groundwater approved by existing state permits and pumped from wells on the project. Additional wells, tanks and distribution lines are constructed as development occurs. Sewage treatment is provided for TRI Center from treatment plant facilities within the project, and effluent is reused in irrigation or for industrial applications within the center.

NV Energy provides electrical power and natural gas from main transmission lines at the north end of the project. Line extensions for power and gas are supplied to individual sites by the master developers. Telephone and cable TV are supplied from overhead lines to individual sites.

Streets within the project are being designed and constructed to carry traffic adequately as development occurs. Generally, individual sites have street access when sold, or the master developer constructs necessary off-site access prior to completion of site development. Storey County accepts dedication of all improved public streets and maintains them after completion. USA Parkway was originally a privately built 6-mile-long road connecting Interstate 80 to the Tahoe Reno Industrial Center. The Nevada Department of Transportation is in the process of extending the Parkway by more than 12 miles to reach US 50 near Silver Springs. The road will help support regional and economic development and service another route in the event of emergency whether related road closures. Project construction began in the spring of 2016 with the Parkway scheduled to open to traffic by late 2017.

The industrial zoning and use permit implemented July 1, 1999 by the story County zoning ordinance, restricts residential the development allowing industrial development to proceed without discretionary permits, such as special use permits or conditional use permits. This allows for most industrial development to fast-track through the building permit process. Residential development near the subject neighborhood includes the Rainbow Bend Subdivision located several miles to the west. This area also includes two trailer parks, the Hillside Elementary School, Louise Peri Park and various other mobile homes and single family residences.

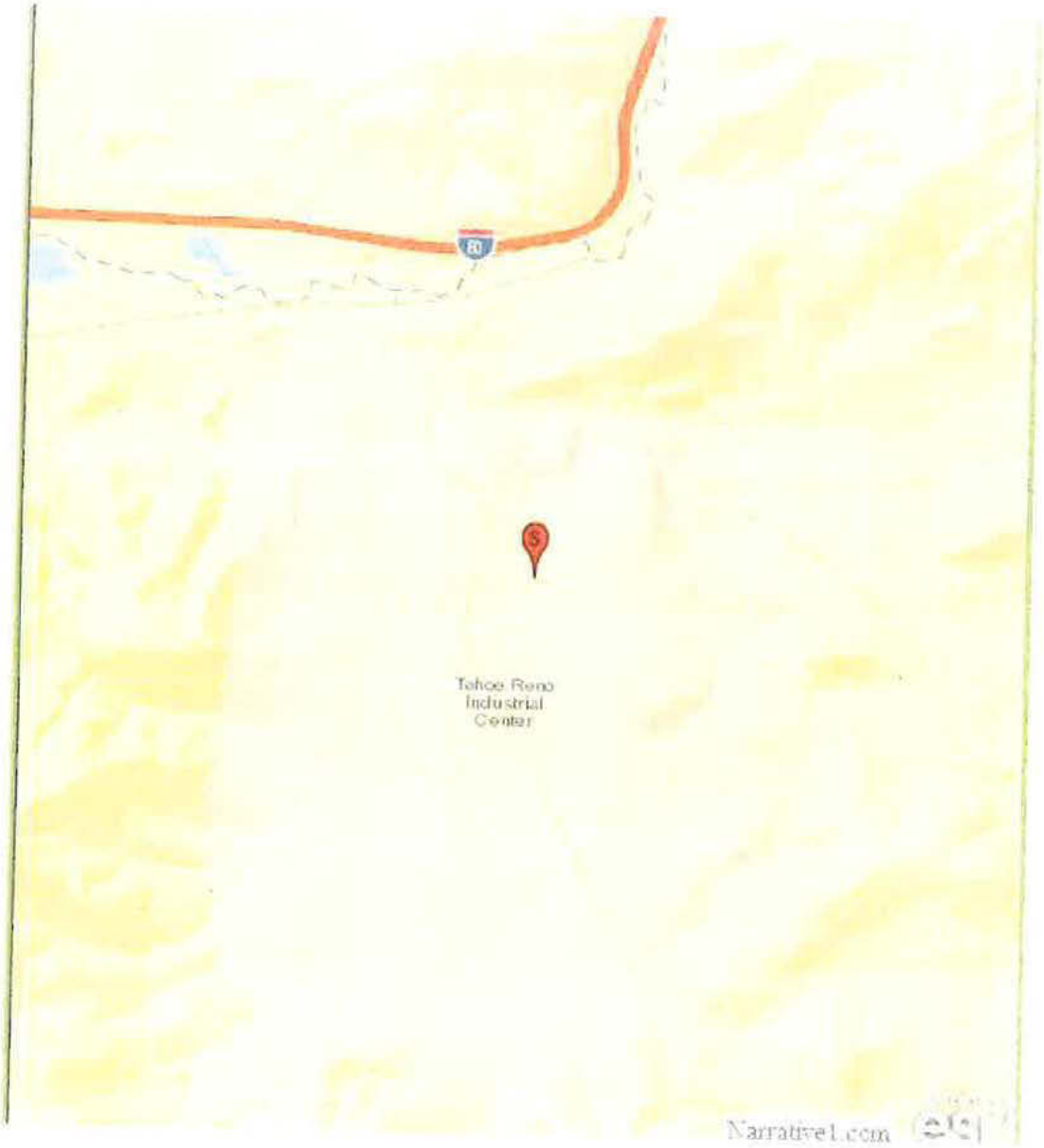
The Tracy and Pinon Power Plants are situated in the central portion of the neighborhood and include numerous electrical transmission lines, electrical generating power plants and support facilities. The Dove Substation is located to the southeast of the Tracy Power Plant. The Naniwa Power Plant is located south of Waltham Way within the Tahoe Reno Industrial Center project.

Typical community services are available to the subject neighborhood. Police protection is provided by the Storey County Sheriff's Department. Fire Station Number One is located in the westerly portion of the subject neighborhood on Waltham Way. The closest fire station to the subject is located at the corner of Peru Drive and Denmark Drive.

In summary, the subject neighborhood is a rural location generally located along the Interstate 80 corridor between the Reno-Sparks area and Fernley. Much of the subject neighborhood consists of large tracts of developed vacant land with parcels available in sizes ranging from ½ acre to over 5,000 acres. Development consists primarily of several electrical generating power plants and industrial uses. Currently there are 4,000 to 5,000 acres of developed land with asking rates of $1.00 psf for larger parcels up to $2.75 for smaller parcels. With the expansion and growth of the Reno-Sparks and Fernley areas and with the diminishing supply of vacant land in the urban areas, this development trend is expected to continue.

Similar to the rest of the U.S., the recession had a negative impact on most sectors of the local economy. The real estate market experienced a decline in demand for new commercial development and vacancy rates increased over the years. The industrial market has since recovered to a point where new construction for user and speculative space has started as existing vacant space has been absorbed in the area.

Location Map



Property Description

26.19-acre industrial site with tentative subdivision map for 15 building pads with sites starting at 1.19+/- acres, ½ acre water right per acre, graded pad with underground utilities.

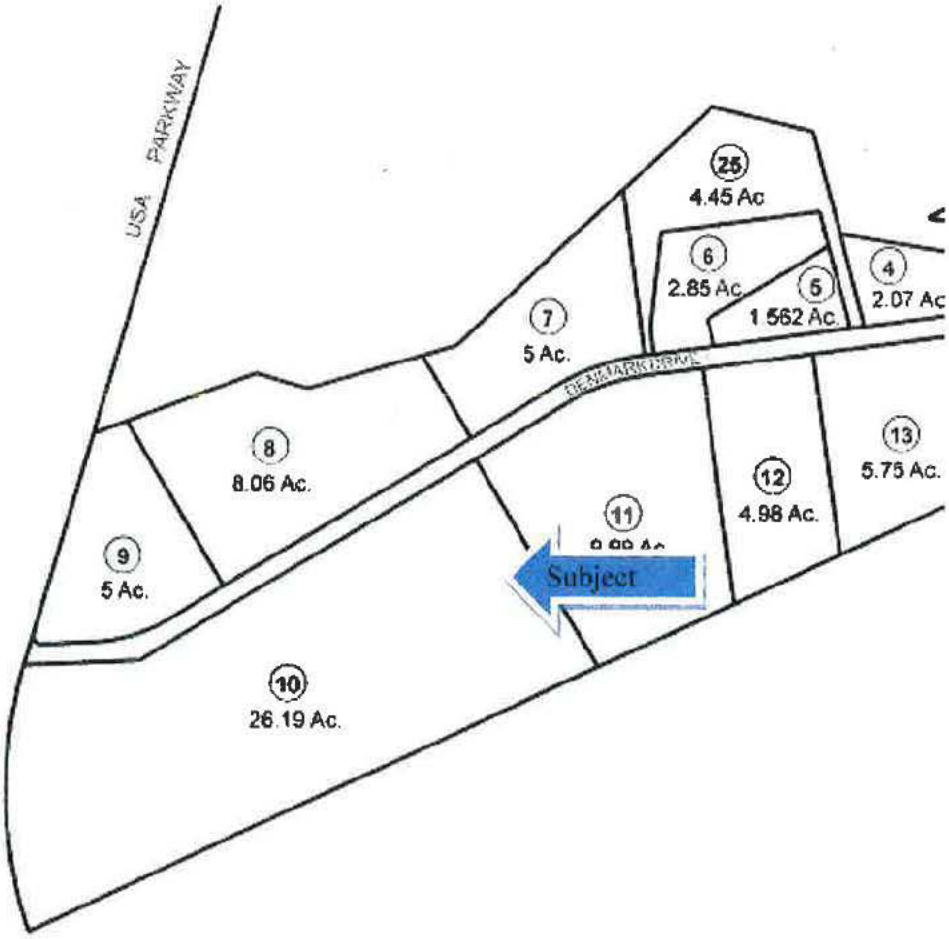
Land Summary						
Parcel ID	Gross Land Area (Acres)	Gross Land Area (Sq Ft)	Usable Land Area (Acres)	Usable Land Area (Sq Ft)	Topography	Shape
005-101-10	26.19	1,140,836	26.19	1,140,836	te to steep slopes s	irregularly shaped

Notes:

SITE	
Location:	150 Denmark Drive, Tahoe Reno Industrial Center, McCarran, NV
Current Use of the Property:	Partially Developed Industrial Park
Site Size:	Total: 26.19 acres; 1,140,836 square feet Usable: 18.7 acres; 814,439 square feet
Shape:	Slightly Irregular
Frontage/Access:	The subject property has average access with frontage as follows: • Denmark Drive • USA Parkway It is a corner lot.
Visibility:	Good
Topography:	Graded pad sites are level
Soil Conditions:	Adequate for development

Utilities:	Electricity: NV Energy Sewer: Tri Sewer Water: Tri Water Natural Gas: NV Energy Underground Utilities: The site is serviced by underground utilities. Adequacy: The subject's utilities are typical and adequate for the market area.
Site Improvements:	
Flood Zone:	The subject is located in an area mapped by the Federal Emergency Management Agency (FEMA). The subject is located in FEMA flood zone X, which is not classified as a flood hazard area. FEMA Map Number: 32029C0100D FEMA Map Date: January 16, 2009
Environmental Issues:	There are no known adverse environmental conditions on the subject site. Please reference Limiting Conditions and Assumptions.
Encumbrance / Easements:	There no known adverse encumbrances or easements. Please reference Limiting Conditions and Assumptions.
Site Comments:	The subject property involves a 26.19-acre site that is a gently sloping to steeply sloping topography as well as 2 levels of graded level building pads. Story County assessor allows a 25% adjustment for the and usable berms that traverse the center of the property. The tentative map is for 15 graded pad sites, excluding the berms, the usable land area is estimated at 18.7 acres or 814,439 square feet. Primary access to the property is from Denmark Drive and secondary access from USA Parkway however this access may not be available according to the Nevada Department of Transportation as a result of the extension of USA Parkway.

Site Plan/Tax Map/Survey



IMPROVEMENTS DESCRIPTION

Development/Property Name:	Denmark Commerce Park
Property Type:	Industrial Flex - Office/Warehouse

GENERAL

Building Identification:	160 Denmark Drive
Building Description:	Office/Warehouse
Construction:	Concrete Block
Construction Quality:	See Comments
Year Built:	2015
Effective Age:	New
Remaining Useful Life:	See Comments
Condition:	See Comments
Appeal/Appearance:	Good
Areas, Ratios & Numbers:	Number of Stories: 1.00 Gross Building Area: 14,000 Gross Leasable Area: 14,000 Rentable Area: 14,000 Number of Units: 2 Building Efficiency Ratio: 100.0%

FOUNDATION, FRAME & EXTERIOR

Foundation:	Poured concrete slab – 4" See Comments
Structural Frame:	Concrete Block

Exterior:	Concrete Block
Windows:	Fixed Casement
Roof/Cover:	Flat / Thermal Plastic/Built-up
Service Access/ Overhead Doors:	The building is served by 4 overhead doors; None with levelers.

INTERIOR	
Interior Layout:	Average
Floor Cover:	Carpet/Vinyl/Concrete
Walls:	Painted drywall/Concrete Block
Ceilings & Ceiling Height:	Acoustic ceiling panels / 20' Shop
Lighting:	A mix of fluorescent and incandescent lighting.
Restrooms:	3

MECHANICAL SYSTEMS - J.C'S XPRESS	
Heating:	Gas - FWA & Space
Cooling:	Package Units
Electrical:	3 Phase – 600 amps, 277/480 volt

Plumbing Condition:	Good
Sprinkler:	Wet System

PARKING	
Parking Type and Number of Spaces:	Type: Paved open surface parking Spaces: adequate Condition: Good

PROPERTY ANALYSIS	
Design & Functional Utility:	See Comments
Deferred Maintenance:	See Comments

Comments: While the building appears to be new and in good condition it was pointed out the appraiser by the client/owners that there are many structural defects that will likely result in a loss of the certificate of occupancy. In its' current condition, the building cannot be sold or leased. According to the client, based on an engineer's inspection, the cost to repair would surpass or be equal to the cost to replace resulting in 100% loss in value. For this reason, further analysis of the building improvement is not warranted in this appraisal, the appraiser will consider the improvements not contributing to the overall value of the property.

Americans with Disabilities Act

Please reference the Limiting Conditions and Assumptions section of this report on page 8.

Hazardous Substances

Please reference the Limiting Conditions and Assumptions section of this report on page 8.

Subject Photographs

Front View Denmark Dr.

Rear View & West Side – 160 Denmark Dr.

Denmark Lots west of building

Upper Level Lots – Photo Looking SE, Wal-Mart in the back ground

Upper Lots – Photo taken looking westerly

Access Road from USA Parkway to upper lots – NDOT revoked

View of commercial potential lots
Photo taken from upper lots looking northerly

USA Parkway Looking North

USA Parkway Looking South

Denmark Drive – Photo taken from east of the property
Looking west towards USA Parkway

Assessment and Taxes

Taxing Authority County

Assessment Year 2015/16

Real Estate Assessment and Taxes									
Tax ID	**Land**	**Improvements**	**Other**	**Total**	**City Rate**	**County Rate**	**Other Rate**	**Tax Rate**	**Taxes**
005-101-10	$464,178	$275,184	$0		$0.00	$0.03	$0.00	$0.03	$25,587
Totals	$464.178	$275.184	$0	$0					$25,587

Notes:

During the 1981 "tax shift" Nevada was taken off of a market approach to value and replaced with a modified cost approach. Under Nevada's modified cost approach, land is valued at "full cash value" (market value) and the improvements are valued at their replacement cost new, less 1.5% per year depreciation based on the age of the improvements. Combining the full cash value of the land with the depreciated replacement cost of the improvements renders a parcel's "Taxable Value" and this taxable value can't exceed the market value of the property. The computed "taxable value" is then converted to an "assessed value" by simply applying a .35 factor to the taxable value. Simply put, assessed value represents 35% of taxable value.
Assessed values and taxes are typical for the area and property type.

Zoning

LAND USE CONTROLS

Zoning Code	I 2 - Heavy Industrial
Zoning Description	TRI Center is zoned I–2 Heavy Industrial based on the story County zoning ordinance. The ordinance incorporates light industrial zoning and commercial zoning. Most types of industrial uses are permitted outright with only a few requiring special use permits. Therefore, the vast majority of industrial users in the TRI Center can develop sites with only a County building permit.

Highest and Best Use

Highest and best use may be defined as the reasonably probable and legal use of vacant land or improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value.

1. **Legally Permissible:** What uses are permitted by zoning and other legal restrictions?

2. **Physically Possible:** To what use is the site physically adaptable?

3. **Financially Feasible:** Which possible and permissible use will produce any net return to the owner of the site?

4. **Maximally Productive.** Among the feasible uses which use will produce the highest net return, (i.e., the highest present worth)?

Highest and Best Use of the Site

The subject site involves a 26.19-acre site with a tentative map for 15 building pads with all underground utilities to each site. Each site is graded level and ready for the further development of a building improvement. The property is zoned I-2 Heavy Industrial, surrounding development is typically large acreage of vacant land, industrial development and commercial north of the subject site near the intersection of Waltham Way and USA Parkway. Given the extent of the current site improvements and further considering the heavy industrial zoning, and that an industrial development would best conform with surrounding development, it is the appraiser's opinion the highest and best use is for the further development of industrial and/or commercial improvements.

Highest and Best Use as Improved

In addition to the site improvements previously discussed one of the 15 lots is currently developed with a 14,000 ft.^{2} industrial flex office warehouse building. The building is vacant and received is its initial C of O in May 2015. Since that time a number of structural defects were discovered and based on an engineer study the cost to repair would not be feasible. The building should be demolished and made way for new construction of a similar industrial building. Therefore, the appraiser's opinion that the highest and best use the subject site as improved is to demolish the existing improvements and make ready for future industrial development.

Valuation Methodology

Three basic approaches may be used to arrive at an estimate of market value. They are:

1. The Cost Approach
2. The Income Approach
3. The Sales Comparison Approach

Cost Approach

The Cost Approach is summarized as follows:

Cost New
- Depreciation
+ Land Value
= Value

Income Approach

The Income Approach converts the anticipated flow of future benefits (income) to a present value estimate through a capitalization and or a discounting process.

Sales Comparison Approach

The Sales Comparison Approach compares sales of similar properties with the subject property. Each comparable sale is adjusted for its inferior or superior characteristics. The values derived from the adjusted comparable sales form a range of value for the subject. By process of correlation and analysis, a final indicated value is derived.

Final Reconciliation

The appraisal process concludes with the Final Reconciliation of the values derived from the approaches applied for a single estimate of market value. Different properties require different means of analysis and lend themselves to one approach over the others.

Analyses Applied

A cost approach was not applied as the site is a vacant tract of land with the exception of a building that has been determined not to be contributing value. This was discussed in previously in the report.

A **sales comparison analysis** was considered and was developed because there is adequate data to develop a value estimate and this approach reflects market behavior for this property type.

An **income analysis** was considered and was not developed because the subject is not an income producing property and this approach does not reflect market behavior for this property type.

Sales Comparison Approach – Land Valuation

The Sales Comparison Approach is based on the premise that a buyer would pay no more for a specific property than the cost of obtaining a property with the same quality, utility, and perceived benefits of ownership. It is based on the principles of supply and demand, balance, substitution and externalities. The following steps describe the applied process of the Sales Comparison Approach.

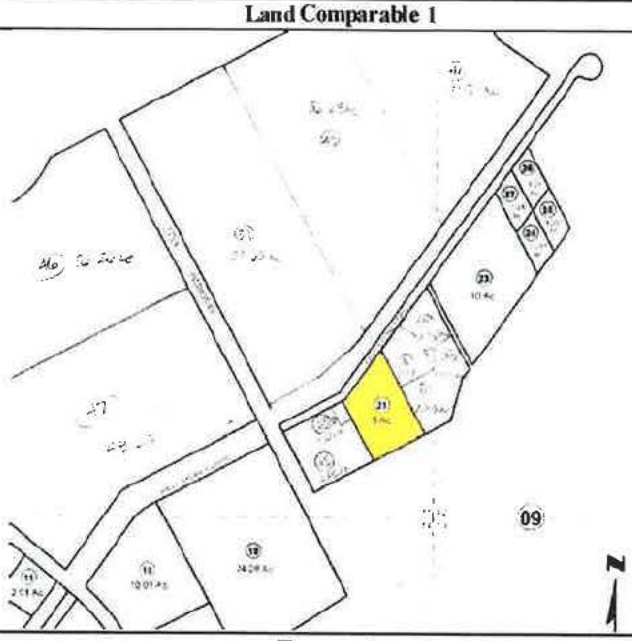
- The market in which the subject property competes is investigated; comparable sales, contracts for sale and current offerings are reviewed.
- The most pertinent data is further analyzed and the quality of the transaction is determined.
- The most meaningful unit of value for the subject property is determined.
- Each comparable sale is analyzed and where appropriate, adjusted to equate with the subject property.
- The value indication of each comparable sale is analyzed and the data reconciled for a final indication of value via the Sales Comparison Approach.

Land Comparables

I have researched eight comparables for this analysis; these are documented on the following pages followed by a location map and analysis grid. All sales have been researched through numerous sources, inspected and verified by a party to the transaction.

Comp	Address City	Date Price	Land Units Price Per Land Unit	Acres Price Per Acre	Land SF Price Per Land SF	Notes
Subject	150 Denmark	1/0/1900	7/2/23	$26	$1,140,836.00	
	McCarran	$0	$0	$0	$0.00	
1	130 Sydney Drive	12/16/2014	4/23/96	$5	$217,800.00	
	McCarran	$359,000	$2	$71,800	$1.65	
2	1800 USA Pkwy	2/9/2015	12/30/32	$10	$413,820.00	
	McCarran	$889,343	$2	$93,615	$2.15	
3	477 Ireland Drive	4/3/2015	7/22/62	$3	$132,422.00	
	McCarran	$150,000	$1	$49,342	$1.13	
4	2729 Waltham Way	4/28/2015	7/30/15	$6	$261,360.00	
	McCarran	$393,346	$2	$65,558	$1.50	
5	WS Peru Drive, approx 1/2 mile	5/29/2015	12/11/67	$11	$499,633.00	
	Sparks	$1,006,369	$2	$87,739	$2.01	
6	Both sides of London Drive at	11/25/2015	11/8/96	$8	$327,571.00	
	McCarran	$671,521	$2	$89,298	$2.05	
7	350 Denmark Drive	5/2/2016	4/23/96	$5	$217,800.00	
	McCarran	$433,858	$2	$86,772	$1.99	
8	3135 Waltham Way	5/2/2016	12/7/24	$5	$228,254.00	
	McCarran	$513,572	$2	$98,010	$2.25	

Land Comparable 1



Transaction

ID	920	**Date**	12/16/2014
Address	130 Sydney Drive	**Price**	$359,000
City	McCarran	**Price per Acre**	$71,800
State	NV	**Financing**	Cash to Seller
Tax ID	005-071-21	**Property Rights**	Fee Simple
Grantor	Reno High Desert, LLC	**Days on Market**	Unknown
Grantee	Gold Star Mining, LLC	**Verification Source**	
Legal Description	--		

Site

Acres	5.0	**Topography**	Level.Gentle Slope
Land SF	217,800	**Zoning**	I-2 Heavey Industrial
Road Frontage	Sydney	**Flood Zone**	X, Low Risk
Shape	Sl. Irregular	**Encumbrance or**	Typical PUE's
Utilities	All Typically Available	**Environmental Issues**	None Known

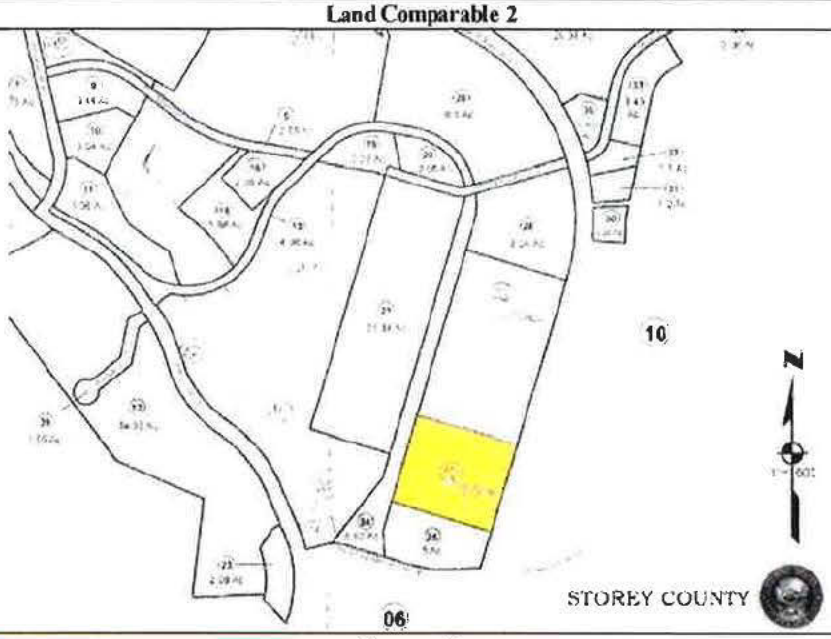
Improvements

GBA	--	**Condition**	--
GLA	--	**Ancillary Buildings**	--
No. of Stories	--	**Parking**	--
Year Built	--		

Comments

This is a sale of vacant land at 130 East Sydney Dr. in the Tahoe Reno Industrial Center. The site has 5 acres, or 217,800 ft.^{2} with rail service. The Property Sold in December 16, 2014 for for $359,100, or a $1.65 per square foot. The intended use is for the development of an industrial building for a mining company. The property is raw land. All our sites are completed and utilities are installed to the site. The site is zoned I-2 Heavy Industrial under the jurisdiction of Storey County.

Land Comparable 2



Transaction

ID	921	**Date**	2/9/2015
Address	1800 USA Pkwy	**Price**	$889,343
City	McCarran	**Price per Acre**	$93,615
State	NV	**Financing**	Cash to Seller
Tax ID	005-051-53	**Property Rights**	Fee Simple
Grantor	Tahoe-Reno Industrial	**Days on Market**	Unknown
Grantee	Truckee-Tahoe Lumber	**Verification Source**	
Legal Description	--		

Site

Acres	9.5	**Topography**	Level/Gentle Slopping
Land SF	413,820	**Zoning**	I-2 Heavey Industrial
Road Frontage	USA Pkwy	**Flood Zone**	X, Low Risk
Shape	Rectangular	**Encumbrance or**	Typical PUE's
Utilities	All Typically Available	**Environmental Issues**	None Known

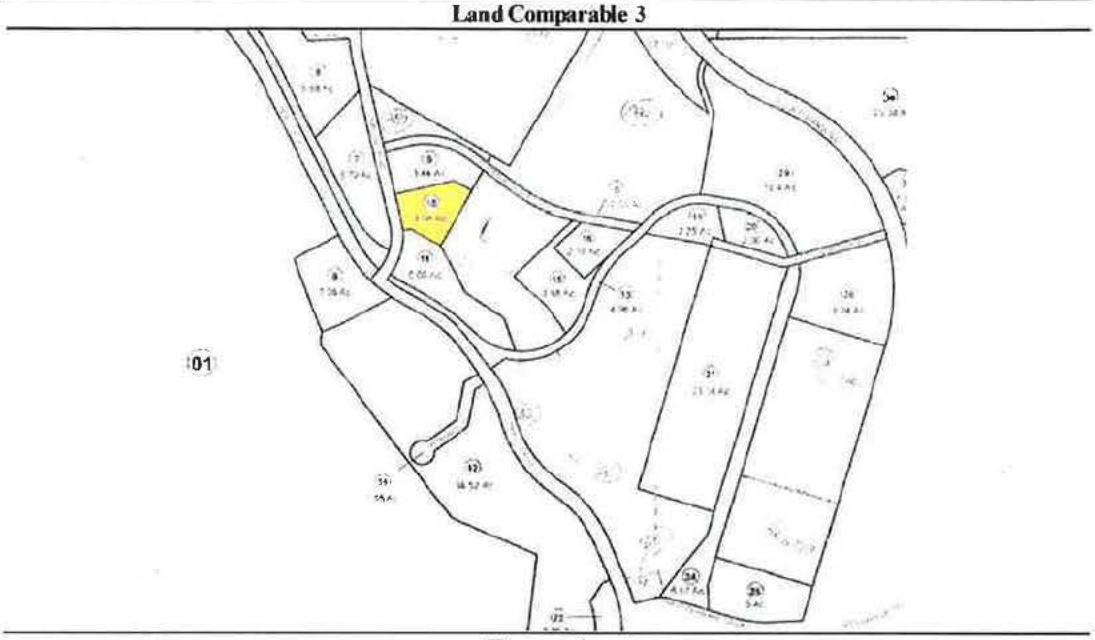
Improvements

GBA	--	**Condition**	--
GLA	--	**Ancillary Buildings**	--
No. of Stories	--	**Parking**	--
Year Built	--		

Comments

This is a sale of vacant land at 1800 USA Parkway in the Tahoe Reno Industrial Center. The site has 9.5 acres, or 413,820 ft.². The Property Sold in Febuary 9, 2015 for for $889.343, or a $2.15 per square foot. The intended use is for the development is unknown. The property is raw land. All our sites are completed and utilities are installed to the site. The site is zoned I-2 Heavy Industrial under the jurisdiction of Storey County.

Land Comparable 3



Transaction

ID	926	**Date**	4/3/2015
Address	477 Ireland Drive	**Price**	$150,000
City	McCarran	**Price per Acre**	$49,342
State	NV	**Financing**	Cash to Seller
Tax ID	005-051-10	**Property Rights**	Fee Simple
Grantor	Markhod LLC	**Days on Market**	Approx. 2 years
Grantee	Soreth LLC	**Verification Source**	
Legal Description	--		

Site

Acres	3.0	**Topography**	Level
Land SF	132,422	**Zoning**	I-2 - Heavy Industrial
Road Frontage	Ireland Drive	**Flood Zone**	X - Low Risk
Shape	Irregular	**Encumbrance or**	Typical PUEs
Utilities	All Typically Available	**Environmental Issues**	None Known

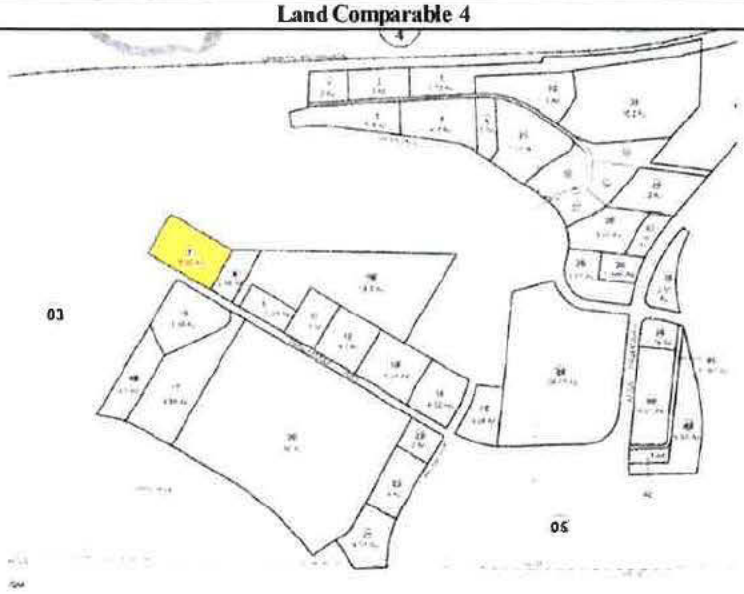
Improvements

GBA	--	**Condition**	--
GLA	--	**Ancillary Buildings**	--
No. of Stories	--	**Parking**	--
Year Built	--		

Comments

This is a sale of vacant land at 477 Ireland Dr. in the Tahoe Reno Industrial Center. The site has 3.04 acres, or 132,422 ft.^{2}. The property sold on April 3, 2015 for $150,000, $1.13 per square foot. The intended use is unknown however it is industrial zone property. The property is currently vacant land with all off-sites complete and utilities are extended to the site. The site is zoned I-2, Heavy Industrial. The listing broker reports that this site was listed on the market for over 2 years and eventually the seller decided to discount up to 40% for quick sale.

Land Comparable 4



Transaction

ID	927	**Date**	4/28/2015
Address	2729 Waltham Way	**Price**	$393,346
City	McCarran	**Price per Acre**	$65,558
State	NV	**Financing**	Cash to Seller
Tax ID	005-041-07	**Property Rights**	Fee Simple
Grantor	River Canyon Enterprises	**Days on Market**	Unknown
Grantee	Reno Land Development	**Verification Source**	
Legal Description	--		

Site

Acres	6.0	**Topography**	Level
Land SF	261,360	**Zoning**	I-2 - Heavy Industrial
Road Frontage	Waltham Way	**Flood Zone**	X - Low Risk
Shape	Irregular	**Encumbrance or**	Typical PUE's
Utilities	All Typically Available	**Environmental Issues**	None Known

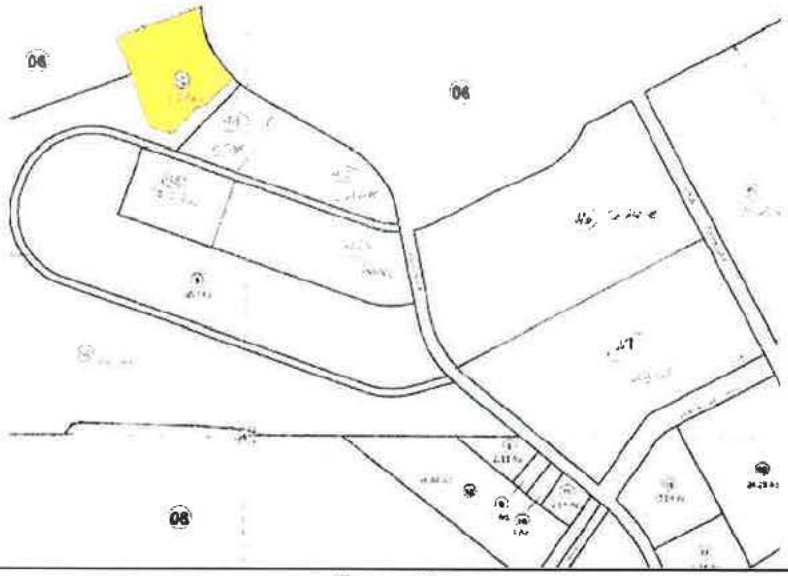
Improvements

GBA	--	**Condition**	--
GLA	--	**Ancillary Buildings**	--
No. of Stories	--	**Parking**	--
Year Built	--		

Comments

It's this is a sale of vacant land at 2729 Waltham Way in the Tahoe Reno Industrial Center. The site has 6 acres or 261,346 ft.². The property sold on April 28, 2015 for $393,346 or $1.50 per square foot. The intended use for the site is for the development of an industrial building for a mining company. The property is raw land with all off-sites completed and utilities extended to the site. The site zone for heavy industrial.

Land Comparable 5



Transaction

ID	922	**Date**	5/29/2015
Address	WS Peru Drive, approx.	**Price**	$1,006,369
City	Sparks	**Price per Acre**	$87,739
State	NV	**Financing**	Cash to Seller
Tax ID	005-071-55	**Property Rights**	Fee Simple
Grantor	Tahoe-Reno Industrial	**Days on Market**	Unknown
Grantee	Aqua Metals Reno, Inc.	**Verification Source**	
Legal Description	--		

Site

Acres	11.5	**Topography**	Level/Gentle Up-slope
Land SF	499,633	**Zoning**	I-2 Heavey Industrial
Road Frontage	Peru Drive	**Flood Zone**	X, Heavy Industrial
Shape	Sl. Irregular	**Encumbrance or**	Typicl PUE's
Utilities	All ytpically available	**Environmental Issues**	None Known

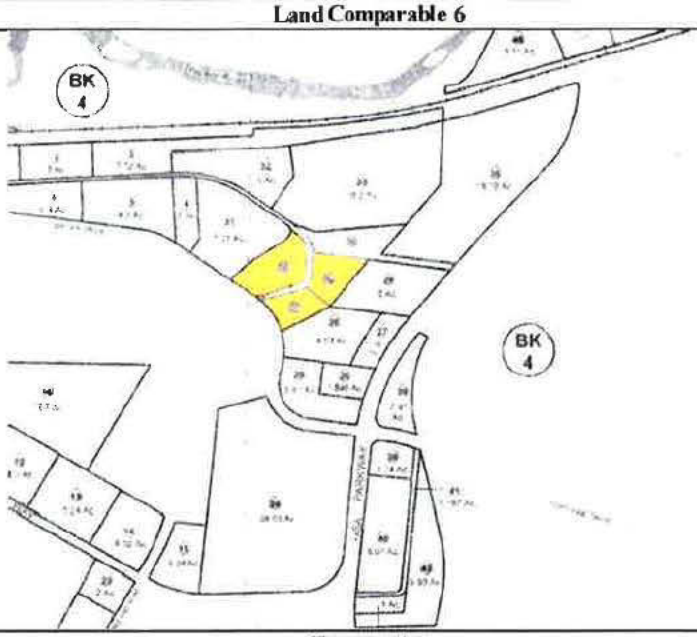
Improvements

GBA	--	**Condition**	--
GLA	--	**Ancillary Buildings**	--
No. of Stories	--	**Parking**	--
Year Built	--		

Comments

This is a sale of vacant land on the west side of Peru Drive, 1/2 mole south of W. Denmark Drive in the Tahoe Reno Industrial Center. The site has 11.47 acres, or 499,633 ft.². The Property Sold in May 29, 2015for for $1,006,369, or a $2.01 per square foot. The intended use is unknown. The property is raw land. All our sites are completed and utilities are installed to the site. The site is zoned I-2 Heavy Industrial under the jurisdiction of Storey County.

Land Comparable 6



Transaction

ID	923	**Date**	11/25/2015
Address	Both sides of London	**Price**	$671,521
City	McCarran	**Price per Acre**	$89,298
State	NV	**Financing**	Cash to Seller
Tax ID	005-041-53, 56 & 57	**Property Rights**	Fee Simple
Grantor	Tahoe-Reno Industrial	**Days on Market**	Unknown
Grantee	Catarina Ranch	**Verification Source**	
Legal Description	--		

Site

Acres	7.5	**Topography**	Level/Gentle sloping
Land SF	327,571	**Zoning**	I-2 Heavy Industrial
Road Frontage	London And Britain	**Flood Zone**	X, Low Risk
Shape	Sl Irregular	**Encumbrance or**	Typical PUE's
Utilities	All Typically Available	**Environmental Issues**	None Known

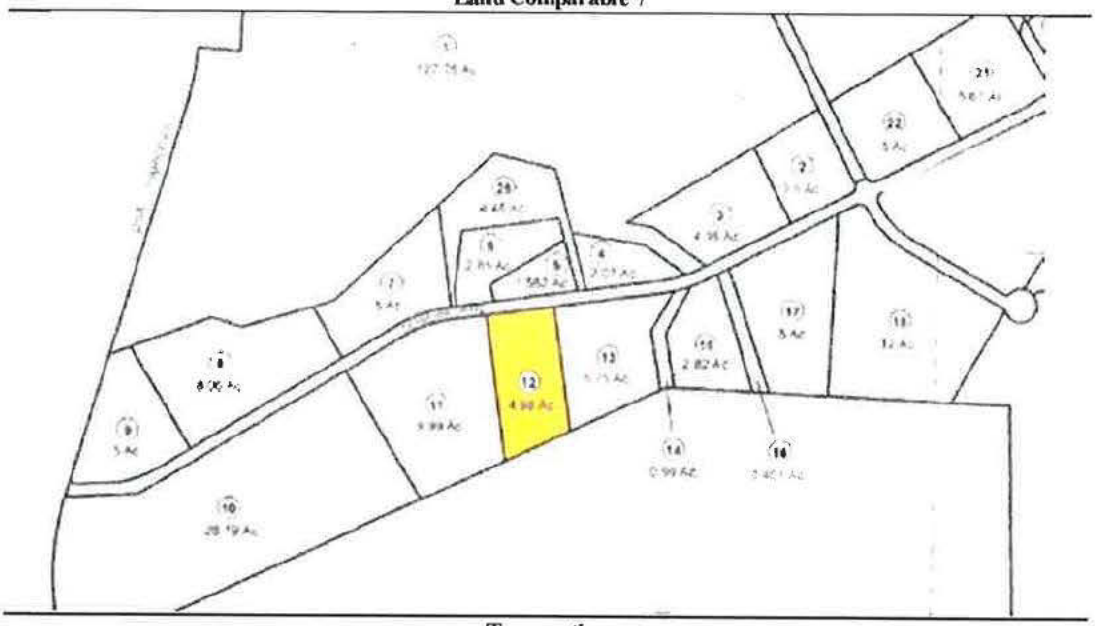
Improvements

GBA	--	**Condition**	--
GLA	--	**Ancillary Buildings**	--
No. of Stories	--	**Parking**	--
Year Built	--		

Comments

This is a sale of vacant land at 655 Britian Dr. in the Tahoe Reno Industrial Center. The site has 7.52 acres or 327,571 ft.^{2} on 3 parcels. The property sold in November 25, 2015 for $671,521 or $2.05 per square foot. The intended use is unknown, however it is industrial property. The property is raw land with access road between the parcels. All the all sites are completed and utilities are installed to the site. The site is zoned I–2 Heavy Industrial under the jurisdiction a Storey County.

Land Comparable 7



Transaction

ID	925	**Date**	5/2/2016
Address	350 Denmark Drive	**Price**	$433,858
City	McCarran	**Price per Acre**	$86,772
State	NV	**Financing**	Cash to Seller
Tax ID	005-101-12	**Property Rights**	Fee Simple
Grantor	Lionsgate Investments,	**Days on Market**	Unknown
Grantee	TBD	**Verification Source**	
Legal Description	--		

Site

Acres	5.0	**Topography**	Level/ Gentle Sloping
Land SF	217,800	**Zoning**	I-2 Heavy Industrial
Road Frontage	Denmark Drive	**Flood Zone**	X, Low Risk
Shape	Sl. Irregular	**Encumbrance or**	Typical PUE's
Utilities	All Typically Available	**Environmental Issues**	None Known

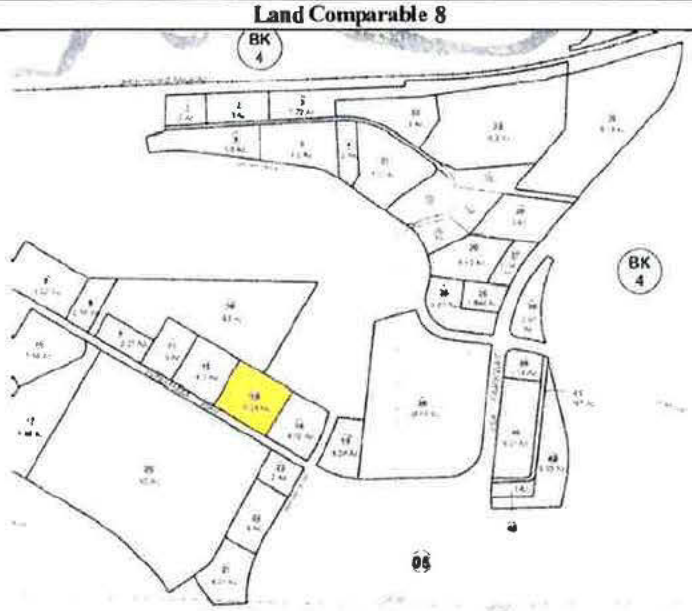
Improvements

GBA	--	**Condition**	--
GLA	--	**Ancillary Buildings**	--
No. of Stories	--	**Parking**	--
Year Built	--		

Comments

This comparable involves a current listing of a property located at 350 Denmark Dr. in the Tahoe Reno Industrial Center. The site has 5 acres, or 217,800 ft.^{2}. The site is slightly irregular in shape and has a level to gently sloping topography. Site is currently listed for $433,858 or a $1.99 per square foot. The property is raw land. All off-sites are complete and utilities are installed to the site. The site is zoned I-2, Heavy Industrial under the jurisdiction of Storey County.

Land Comparable 8



Transaction

ID	924	**Date**	5/2/2016
Address	3135 Waltham Way	**Price**	$513,572
City	McCarran	**Price per Acre**	$98,010
State	NV	**Financing**	Cash to Seller
Tax ID	005-041-13	**Property Rights**	Fee Simple
Grantor	PCBM Group, LLC	**Days on Market**	Unknown
Grantee	TBD	**Verification Source**	
Legal Description	--		

Site

Acres	5.2	**Topography**	Level/Gentle Sloping
Land SF	228,254	**Zoning**	I-2 Heavy Industrial
Road Frontage	Waltham Way	**Flood Zone**	X, Low Risk
Shape	Square	**Encumbrance or**	Typical PUE's
Utilities	All Typically Available	**Environmental Issues**	None Known

Improvements

GBA	--	**Condition**	–
GLA	--	**Ancillary Buildings**	–
No. of Stories	--	**Parking**	–
Year Built	--		

Comments

This comparable involves a current listing of vacant land located at 3135 Waltham Way in the Tahoe Reno Industrial Center. The site has a total of 5.24 acres or 228,254 ft.^{2}. The property is currently listed for $513,572, or $2.25 per square foot. According to the listing broker, inquiries have been slow however have picked up in the recent months. The site is zoned I-2, Heavy Industrial. All off-sites are complete and utilities are installed to the site.

Comparables Map

Analysis Grid

The above sales have been analyzed and compared with the subject property. I have considered adjustments in the areas of:

- Property Rights Sold
- Financing
- Conditions of Sale
- Market Trends
- Location
- Physical Characteristics

On the following page is a sales comparison grid displaying the subject property, the comparables and the adjustments applied.

Land Analysis Grid		Comp 1		Comp 2		Comp 3		Comp 4		Comp 5		Comp 6		Comp 7		Comp 8	
Address	150 Denmark	130 Sydney Drive		1800 USA Pkwy		477 Ireland Drive		2729 Waltham Way		WS Pam Drive		Both sides of Loudon		350 Denmark Drive		3135 Waltham Way	
City	McCarran	McCarran		McCarran		McCarran		McCarran		Sparks		McCarran		McCarran		McCarran	
State	NV	NV		NV		NV		NV		NV		NV		NV		NV	
Date	4/13/2016	12/16/2014		2/9/2015		4/3/2015		4/28/2015		5/29/2015		11/25/2015		5/2/2016		5/2/2016	
Price	$0	$359,000		$889,343		$150,000		$393,346		$1,006,369		$671,521		$433,858		$513,572	
Land SF	814,439.00	217,800.00		413,820.00		132,422.00		261,360.00		499,633.00		227,571.00		217,800.00		228,254.00	
Land SF Unit Price	$0.00	$1.65		$2.15		$1.13		$1.50		$2.01		$2.05		$1.99		$2.25	
Transaction Adjustments																	
Property Rights	Fee Simple	Fee Simple	0.0%	Fee Simple	0.0%	Fee Simple	0.0%	Fee Simple	0.0%	Fee Simple	0.0%	Fee Simple	0.0%	Fee Simple	0.0%	Fee Simple	0.0%
Financing	Conventional	Cash to Seller	0.0%	Cash to Seller	0.0%	Cash to Seller	0.0%	Cash to Seller	0.0%	Cash to Seller	0.0%	Cash to Seller	0.0%	Cash to Seller	0.0%	Cash to Seller	0.0%
Conditions of Sale	Cash	Arms Length	0.0%	Arms Length	0.0%	Arms Length	0.0%	Arms Length	0.0%	Arms Length	0.0%	Arms Length	0.0%	Listing	-10.0%	Listing	-20.0%
Adjusted Land SF Unit Price		**$1.65**		**$2.15**		**$1.13**		**$1.50**		**$2.01**		**$2.05**		**$1.79**		**$1.80**	
Market Trends Through	4/13/2016	0.0%	0.0%		0.0%		0.0%		0.0%		0.0%		0.0%		0.0%		0.0%
Adjusted Land SF Unit Price			$1.65		$2.15		$1.13		$1.50		$2.01		$2.05		$1.79		$1.80
Subsequent Trends Ending	4/13/2016	0.0%	0.0%		0.0%		0.0%		0.0%		0.0%		0.0%		0.0%		0.0%
Adjusted Land SF Unit Price			$1.65		$2.15		$1.13		$1.50		$2.01		$2.05		$1.79		$1.80
Location	USA Frontage	Sl. Inferior		Sl. Superior		Inferior		Inferior		Inferior		Inferior		Inferior		Sl. Inferior	
% Adjustment		5%		-5%		10%		10%		10%		10%		10%		5%	
$ Adjustment		$0.08		-$0.11		$0.11		$0.15		$0.20		$0.21		$0.18		$0.09	
Acres	18.70	5.00		9.50		3.04		6.00		11.47		7.52		5.00		5.24	
% Adjustment		0%		0%		0%		0%		0%		0%		0%		0%	
$ Adjustment		$0.00		$0.00		$0.00		$0.00		$0.00		$0.00		$0.00		$0.00	
Topography	Graded Level Pads	Level Gentle Slope		Level/Gentle		Level		Level		Level/Gentle Up-		Level/Gentle sloping		Level/ Gentle Sloping		Level/Gentle Sloping	
% Adjustment		0%		0%		0%		0%		5%		0%		0%		0%	
$ Adjustment		$0.00		$0.00		$0.00		$0.00		$0.10		$0.00		$0.00		$0.00	
Shape	The site is irregularly	Sl. Irregular		Rectangular		Sl. Irregular		Rectangular		Sl. Irregular		Sl Irregular		Sl Irregular		Square	
% Adjustment		0%		0%		0%		0%		0%		0%		0%		0%	
$ Adjustment		$0.00		$0.00		$0.00		$0.00		$0.00		$0.00		$0.00		$0.00	
Utilities	NV Energy, Tri	All Typically		All Typically		All Typically		All Typically		All typically available		All Typically		All Typically		All Typically	
% Adjustment		0%		0%		0%		0%		0%		0%		0%		0%	
$ Adjustment		$0.00		$0.00		$0.00		$0.00		$0.00		$0.00		$0.00		$0.00	
Zoning	I-2 - Heavey	I-2 Heavey Industrial		I-2 Heavey Industrial		I-2 - Heavy Industrial		I-2 - Heavy Industrial		I-2 Heavey Industrial		I-2 Heavy Industrial		I-2 Heavy Industrial		I-2 Heavy Industrial	
% Adjustment		0%		0%		0%		0%		0%		0%		0%		0%	
$ Adjustment		$0.00		$0.00		$0.00		$0.00		$0.00		$0.00		$0.00		$0.00	
Map Site Improvements	15 Develp Pads	None		None		None		None		None		None		None		None	
% Adjustment		50%		50%		50%		50%		50%		50%		50%		50%	
$ Adjustment		$0.82		$1.07		$0.57		$0.75		$1.01		$1.03		$0.90		$0.90	
Other	#N/A	#N/A		Rail		Distressed		#N/A		#N/A		#N/A		#N/A		#N/A	
% Adjustment		0%		-20%		-40%		0%		0%		0%		0%		0%	
Adjusted Land SF Unit Price		**$2.55**		**$2.69**		**$2.27**		**$2.41**		**$3.32**		**$3.28**		**$2.87**		**$2.79**	
Net Adjustments		55.0%		25.0%		100.0%		60.0%		65.0%		60.0%		60.0%		55.0%	
Gross Adjustments		55.0%		75.0%		100.0%		60.0%		65.0%		60.0%		60.0%		55.0%	

Comparable Land Sale Adjustments

Property Rights

The transaction price of the sale is always based on real property interest conveyed. In this instance, an adjustment for this attribute was not considered necessary.

Financing

All sales were cash or cash equivalent transactions. In reviewing the comparables and adjustment was not required for atypical financing

Conditions of Sale

An adjustment made for conditions of sale usually reflect atypical motivations of the buyer and seller at the time of conveyance. Comparable sales one through four all involved arm's length transactions and adjustment was not considered necessary. Comparables #7 & #8 are listings that warrant a downward adjustment. Listings typically sell between 10 and 20% of their asking price. In this instance a -10% adjustment was reasonable for comparable listing #7 and a -20% for #8. Comparable #8 appears to be listed above the typical asking price for the market.

Economic Trends

Market conditions may change between the time of sale of a comparable property and the date of the appraisal of the subject property. The market for vacant land sales has been slow for the past 5 to 6 years. The real estate market for most property types has improved past 24 months. Land values have remained steady as the cost to build still exceeds market value in areas where there is an abundance of vacant land. In this instance, an adjustment for this attribute was not considered necessary.

Location

Location considerations include such factors as proximity to surrounding land use plus accessibility to supporting development and transportation routes. The subject in the comparable land sales are all located in the Tahoe Reno Industrial Center. In this case the adjustment for location is concerned with their location within the business park in the frontage with relation to the primary roadways within the park. The subject property is located with frontage on USA Parkway the primary arterial roadway within the center and Denmark Drive. Comparable 1 is located a short distance from USA Parkway, slightly inferior to the subject comparable 2 has frontage on USA Parkway however was considered slightly superior due to surrounding commercial development. Comparables 3 through 7 are inferior and required a 10% adjustment. Comparable 8 was considered slightly inferior as it has frontage on Waltham Way a 2nd primary roadway within the center.

Acres

An adjustment for size is typically necessary when compared to smaller parcel sales to larger acreage sales. In the TRI Center land sizes were broken down into 2 categories according to the developer. Small parcels are considered parcels under 25 acres and large parcels are over 25 acres. The size of the comparable sales ranged from approximately 3 acres to 11 ½ acres. The subject site is 26.19 acres; however, the tentative map is for 15 smaller sites starting at 1.19 acres and a usable acreage is estimated at 18.7. A site size adjustment was not warranted.

Topography

Industrial development typically requires a level building area resulting in level sites capable of obtaining higher values. The subject property has a graded level topography on two levels with a steep berm traversing the center limiting approximately 25% of the site area. The majority of the sales were generally level and considered similar to the subjects graded pads.

Shape

The majority of the comparable sales did not require an adjustment for shape. The sites were all rectangular to slightly Irregular in shape and did not hinder the development of the site to its' maximum potential.

Utilities

The subject and comparable sales all had access to the typical utilities available in the development.

Zoning

Zoning in the TR Eye Center is I – 2 Heavy Industrial. An adjustment for difference in zoning was not warranted.

Map/Site Improvements

The subject involves a 26.19-acre site with a tentative map for 15 lots starting at 1.19 acres, include all underground utilities, graded building sites and ½ acre water rights per acre. While the water rights are common to the neighborhood and utilities are typically extended to the site the sale properties do not have utilities developed onto the site and the building pads have not been graded, ready for development. The estimated cost of recording the owner developer was $1,500,000 or $1.31 per square foot before considering entrepreneurial profit. Each of the sales was adjusted upward 50%.

Other

Finally, the appraiser considered an adjustment for other differences or circumstances that may have affected the sale price of the comparable properties. Comparable 2 has rail service, a superior amenity and was adjusted down 20%. According to the selling broker, comparables 3 involves a highly motivated seller that resulted in approximately a 40% discount to complete the sale. The sale was adjusted accordingly.

Sales Comparison Approach Conclusion – Land Valuation

Land Value Ranges & Reconciled Value				
Number of Comparables:	**8**	**Unadjusted**	**Adjusted**	**% Δ**
	Low:	$1.13	$2.27	100%
	High:	$2.25	$3.32	48%
	Average:	$1.84	$2.77	50%
	Median:	$2.00	$2.74	37%
Reconciled Value/Unit Value:			$2.75	
Subject Size:			814,439.00	
Indicated Value:			$2,239,707	
Reconciled Final Value:			**$2,240,000**	
Two Million Two Hundred Forty Thousand Dollars				

Prior to the adjustment to comparable sales range from a low of a $1.13 per square foot to $2.25 per square foot with a higher indicator involving the listed comparable. After adjusting for the tentative map, underground utilities and graded building sites as well as the other physical characteristics the adjusted indicators ranged from $2.27 per square foot to $3.32 per square foot with an average of $2.77 per square foot in the median of $2.74 per square foot. Although these building sites are listed for sale at a negotiated price the listing brokers indicated $5 per square foot is the price being sought for the typical site. The lots fronting on USA Parkway have a higher commercial potential and will likely sell for a higher unit price than the interior sites best suited for industrial development. In interviews with developers of the Tahoe Reno Industrial Center, the Denmark Commerce Center is a product that will be needed in the near future to support the larger developments in the park. It is the appraiser's opinion that a price per square foot in the mid-range or $2.75 per square foot is reasonable for the overall value of the site. Applying $2.75 per square foot to the 814,439 ft.^{2} of usable site area, results in the value indication of $2,240,000 million rounded.

Final Reconciliation

The process of reconciliation involves the analysis of each approach to value. The quality of data applied, the significance of each approach as it relates to market behavior and defensibility of each approach are considered and weighed. Finally, each is considered separately and comparatively with each other.

Value Indication

Sales Comparison Approach – Land Value: $2,240,000

Value Conclusion

Based on the data and analyses developed in this appraisal, I have reconciled to the following value conclusion(s), as of April 13, 2016, subject to the Limiting Conditions and Assumptions of this appraisal.

Reconciled Value(s): Premise: As Is
Interest: Fee Simple
Value Conclusion: $2,240,000
Two Million Two Hundred Forty Thousand Dollars

Certification Statement

I certify that, to the best of my knowledge and 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 future interest in the property that is the subject of this report, and have no personal interest with respect to the parties involved.
- 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 estimate, 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 (USPAP).
- No one provided significant real property appraisal assistance to the person(s) signing this certification.
- I certify sufficient competence to appraise this property through education and experience, in addition to the internal resources of the appraisal firm.
- The appraiser has not performed any prior services regarding the subject within the previous three years of the appraisal date.
- James Urmston has made an inspection of the subject property.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.

James E. Urmston, MAI, SRA, CCIM

- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

- As of the date of this report, Jim Urmston, has completed the continuing education program of the Appraisal Institute.

James Urmston, MAI, SRA, CCIM
Nevada-A.0000080-CG

Addenda

QUALIFICATIONS OF JAMES E. URMSTON, MAI, SRA, CCIM

REAL ESTATE APPRAISER AND CONSULTANT

BORN: April 21, 1950

BACKGROUND: Resided in Reno since 1953 until present (except for a 4-year period from 1960 to 1964). Graduated from Reno High School in 1968. Joined U.S. Naval Reserve in 1968, Honorably Discharged in 1974.

EDUCATION AND QUALIFICATIONS:

DEGREES:
Associates Degree
Reno Business College
Business Administration

PROFESSIONAL DESIGNATIONS:
MAI - Member Appraisal Institute
SRA - Membership in Appraisal Institute
CCIM - Certified Commercial Investment Member of the commercial Investment Real Estate Institute

COURSES, SEMINARS AND WORKSHOPS COMPLETED:

APPRAISAL COURSES:

SREA 102 - 1987
SREA 201 - 1984
SREA 202 - 1985
SREA 302A - 1990
Highest and Best Use & Market Analysis 303 - 1993, 2000 & 2006
Standards of Professional Practice A, B & C - 1992, 1999, 2001, 2003, 2005, 2007, 2009, 2010, 2012
AI Course 550 - Advanced Applications - 6/2001

REAL ESTATE COURSES COMPLETED:
Truckee Meadows Community College
Real Estate Principles
Real Estate Brokerage
Real Estate Finance

NAR CI-101 1978 Fundamentals of Real Estate Investment and Taxation

NAR CI-102 1978 Analysis, Selection & Development of Income Producing Properties

REAL ESTATE COURSES COMPLETED (CONTINUED)

NAR CI-103 1979 Advanced Real Estate Taxation

NAR CI-104 1979 Case Studies in Commercial Investment Real Estate

NAR CI-105 1979 The Impact of Human Behavior on Commercial-Investment Decision Making

(List of Continuing Education on Request)

EXPERIENCE:

1) Nevada Real Estate licensee since January 1975-2007
2) Licensed Real Estate Broker since July 1977-2007
3) Salesman with Pete Walters, 2 years, 1975-1977
4) Broker/Owner of Reno Station Real Estate, 2.5 years., 1977-1980
5) Broker/Partner of Urmston, Pieretti, Berman & Co. years, 1980-1982
6) Commercial/Investment Manager of Allstate Realty, 2 years, 1982-1983
7) Owner of James E. Urmston & Co. Real Estate Appraising and Consulting, 1983-2010
8) Owner of James E. Urmston, MAI, SRA, CCIM Real Estate Appraiser/Consultant

LECTURES:

1) Instructor of Real Estate Appraising, Truckee Meadows Community College
2) Instructor of Investment Real Estate, Western Nevada Community College
3) Instructor of Real Estate Exchanging, Western Nevada Community College
4) Guest Speaker for numerous Real Estate and Appraising affiliations

MEMBERSHIPS:

1) Appraisal Institute
2) Commercial Investment Real Estate Institute
3) NAR-National Association of Realtors

REPRESENTATIVE APPRAISAL CLIENTS

BANKS:
Wells Fargo Bank
Nevada State Bank
Meadows Bank
First Independent Bank of Nevada
Heritage Bank
Nara Bank

Bank of Hawaii
Umpqua Bank
Banc of California
Torrey Pines Bank
PVC Murcor

OTHER:
City of Reno
City of Sparks
Regional Transportation Commission
John Hancock R.E.F.
University of Nevada
J.D. Mercer & Company
Cushman Wakefield

GEOGRAPHIC AREAS:
Washoe County (Reno/Sparks)
Carson City County (Carson City)
Douglas County (Gardnerville/Minden)
Lyon County (Fernley)
Churchill County (Fallon)
Elko County
Pershing County

PROPERTY TYPES:
Apartments
Retail
Office
Industrial
Special Purpose

Glossary

This glossary contains the definitions of common words and phrases, used throughout the appraisal industry, as applied within this document. Please refer to the publications listed in the **Works Cited** section below for more information.

Works Cited:

- Appraisal Institute. *The Appraisal of Real Estate.* 13th ed. Chicago: Appraisal Institute, 2008. Print.
- Appraisal Institute. *The Dictionary of Real Estate Appraisal.* 5th ed. 2010. Print.

Effective Date
1. The date on which the analyses, opinion, and advice in an appraisal, review, or consulting service apply.
2. In a lease document, the date upon which the lease goes into effect. (Dictionary, 5th Edition)

Exposure Time
1. The time a property remains on the market.
2. The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based on an analysis of past events assuming a competitive and open market. (Dictionary, 5th Edition)

Extraordinary Assumption
An assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property such as market conditions or trends; or about the integrity of data used in an analysis. (USPAP, 2010-2011 ed.) (Dictionary, 5th Edition)

Fee Simple Estate
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. (Dictionary, 5th Edition)

Highest & Best Use
The reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, financially feasible, and 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. Alternatively, the probable use of land or improved property—specific with respect to the user and timing of the use—that is adequately supported and results in the highest present value. (Dictionary, 5th Edition)

Highest and Best Use of Land or a Site as Though Vacant
Among all reasonable, alternative uses, the use that yields the highest present land value, after payments are made for labor, capital, and coordination. The use of a property based on the assumption that the parcel of land is vacant or can be made vacant by demolishing any improvements. (Dictionary, 5th Edition)

Highest and Best Use of Property as Improved
The use that should be made of a property as it exists. An existing improvement should be renovated or retained as is so long as it continues to contribute to the total market value of the property, or until the return from a new improvement would more than offset the cost of demolishing the

existing building and constructing a new one. (Dictionary, 5th Edition)

Hypothetical Condition
That which is contrary to what exists but is supposed for the purpose of analysis. Hypothetical conditions assume conditions contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. (Dictionary, 5th Edition)

Leased Fee Interest
A freehold (ownership interest) where the possessory interest has been granted to another party by creation of a contractual landlord-tenant relationship (i.e., a lease). (Dictionary, 5th Edition)

Market Area
The area associated with a subject property that contains its direct competition. (Dictionary, 5th Edition)

Market Value
The major focus of most real property appraisal assignments. Both economic and legal definitions of market value have been developed and refined.

1. The most widely accepted components of market value are incorporated in the following definition: The most probable price that the specified property interest should sell for in a competitive market after a reasonable exposure time, as of a specified date, in cash, or in terms equivalent to cash, under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, for self-interest, and assuming that neither is under duress.
2. Market value is described in the Uniform Standards of Professional Appraisal Practice (USPAP) as follows: A type of value, stated as an opinion, that presumes the transfer of a property (i.e., a right of ownership or a bundle of such rights), as of a certain date, under specific conditions set forth in the definition of the term identified by the appraiser as applicable in an appraisal. (USPAP, 2010-2011 ed.) USPAP also requires that certain items be included in every appraisal report. Among these items, the following are directly related to the definition of market value:

- Identification of the specific property rights to be appraised.
- Statement of the effective date of the value opinion.
- Specification as to whether cash, terms equivalent to cash, or other precisely described financing terms are assumed as the basis of the appraisal.
- If the appraisal is conditioned upon financing or other terms, specification as to whether the financing or terms are at, below, or above market interest rates and/or contain unusual conditions or incentives. The terms of above—or below—market interest rates

and/or other special incentives must be clearly set forth; their contribution to, or negative influence on, value must be described and estimated; and the market data supporting the opinion of value must be described and explained.

3. The following definition of market value is used by agencies that regulate federally insured financial institutions in the United States: The most probable price that a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and the 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:

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- 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. (12 C.F.R. Part 34.42(g); 55 Federal Register 34696, August 24, 1990, as amended at 57 Federal Register 12202, April 9, 1992; 59 Federal Register 29499, June 7, 1994)

4. The International Valuation Standards Council defines market value for the purpose of international standards as follows: The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently, and without compulsion. (International Valuation Standards, 8th ed., 2007)

5. Market value is the amount in cash, or on terms reasonably equivalent to cash, for which in all probability the property would have sold on the effective date of the appraisal, after a reasonable exposure of time on the open competitive market, from a willing and reasonably knowledgeable seller to a willing and reasonably knowledgeable buyer, with neither acting under any compulsion to buy or sell, giving due consideration to all available economic uses of the property at the time of the appraisal. (Uniform Standards for

Federal Land Acquisitions)
(Dictionary, 5th Edition)

Marketing Time
An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of the appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal. (Advisory Opinion 7 of the Standards Board of The Appraisal Foundation and Statement on Appraisal Standards No. 6, "Reasonable Exposure Time in Real Property and Personal Property Market Value Opinions" address the determination of reasonable exposure and marketing time).
(Dictionary, 5th Edition)

Scope of Work
The type and extent of research and analyses in an assignment. (Dictionary, 5th Edition)

AN APPRAISAL
OF THE INDUSTRIAL BUILDING
LOCATED AT 160 DENMARK DRIVE
WITHIN THE TAHOE RENO INDUSTRIAL CENTER
MCCARRAN, STOREY COUNTY, NEVADA
AS OF JANUARY 2, 2016

EXHIBIT
D

William G. Kimmel
Real Estate Appraiser & Consultant
Airport Center
1281 Terminal Way, Suite 205
Reno, Nevada 89502
775.323.6400 ~ william.kimmel@att.net

January 2, 2017

Stormo Investments, LLC
c/o Paul Matteoni
Attorney at Law
Lewis Roca Rothgerber Christie LLP
50 West Liberty Street, Suite 410
Reno, NV 89510

Dear Mr. Matteoni:

Pursuant to your request, I have prepared an appraisal of the industrial building located at 160 Denmark Drive, within the Tahoe Reno Industrial Center, McCarran, Storey County, Nevada.

The intended user/client of this report is Stormo Investments, LLC, and the intended use is for decision making purposes including litigation relating to the subject property.

The valuation contained within this report will be one of fee simple interest, subject to any roadway or utility easements, and subject to any CC&Rs applicable to the subject property.

As a result of my investigation and analysis contained within this report, the following sets out two value conclusions:

Valuation of the subject property assuming no construction defects, and built in accordance with the plans and specifications	$ 1,850,000
Value of subject industrial building recognizing existing construction problems if cost to repair is approximately $1,657,000 subject to change based on actual determined repair costs	$ 193,000

Sincerely,

William G. Kimmel, MAI, SREA
Certified General Appraiser
State of Nevada
Certification No. A.0000004-CG

WGK/mm

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TABLE OF CONTENTS

SUMMARY OF SALIENT FACTS & CONCLUSIONS

LOCATION:	160 Denmark Drive Tahoe Reno Industrial Center McCarran, Storey County, Nevada
ASSESSOR'S PARCEL NO.:	A portion of 005-101-10
OWNER OF RECORD:	Stormo Investments, LLC
DATE OF VALUE:	January 2, 2017
DATE OF REPORT:	January 2, 2017
INTEREST APPRAISED:	Fee simple interest, subject to any utility or roadway easements, and to the CC&Rs of the development
LAND AREA:	Approximately 1.03± acres
IMPROVEMENT:	Approximately 14,016± square foot industrial building constructed in 2015
CLIENT/INTENDED USER:	Stormo Investments, LLC
INTENDED USE:	For decision making purposes including pending litigation
ZONING:	I-2, Heavy Industrial
FLOOD ZONE:	Outside of a known flood zone
HIGHEST AND BEST USE:	Industrial
EXPOSURE/MARKETING TIME:	Approximately six months to one year
FINAL VALUE CONCLUSION:	
Assuming built according to Plans and specifications	**$1,850,000**
Value as is with construction Problems based on cost to cure of $1,657,000 subject changed based on actual determined repair costs	**$193,000**

This is an appraisal report, which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice for an appraisal report. The depth of discussion contained in this report is specific to the needs of the client and to the intended use stated below. The appraiser is not responsible for unauthorized use of this report.

CLIENT:	Stormo Investments, LLC c/o Paul Matteoni Attorney at Law Lewis Roca Rothgerber Christie LLP 50 West Liberty Street, Suite 410 Reno, NV 89510
APPRAISER:	William G. Kimmel, MAI, SREA Certified General Appraiser State of Nevada Certification No. A.0000004-CG William G. Kimmel & Associates 1281 Terminal Way, Suite 205 Reno, NV 89502
SUBJECT:	The industrial building located at 160 Denmark Drive, within the Tahoe Reno Industrial Center, McCarran, Storey County, Nevada

PURPOSE OF THE APPRAISAL

The purpose of this appraisal was to estimate the market value of the subject property assuming (1) the construction was completed in accordance with the plans and specifications, and (2) to estimate the value of the building as-is with its existing construction problems. In both cases the value will be fee simple interest, subject to any roadway or utility easements, as well as the CC&Rs.

MARKET VALUE DEFINED

Market value is defined by the regulatory agencies of federal financial institutions as follows:

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

1) the buyer and seller are typically motivated;
2) both parties are well informed or well advised and acting in what they consider are 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 United States dollars or in terms of financial arrangements comparable thereto; and
5) the sale represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by any person associated with the sale.

(Source: Office of the Comptroller of the Currency under 12 CFR, Part 34, Subpart C-Appraisals, 34.42 Definitions [f].)

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CLIENT/INTENDED USER

The intended user of this report is Stormo Investments, LLC.

INTENDED USE OF REPORT

The intended use of this appraisal is for decision making purposes, including pending litigation.

INTEREST APPRAISED

The interest appraised is fee simple, subject to any roadway or utility easements, and subject to the CC&Rs of the development.

EFFECTIVE DATE OF VALUE

The date of value of this appraisal is January 2, 2017.

DATE OF REPORT

January 2, 2017

SCOPE OF THE APPRAISAL ASSIGNMENT

In order to complete an appraisal of the subject property, this appraiser:

- physically inspected the exterior of the subject property on at least three occasions, and I inspected the interior on November 23, 2016;
- considered the overall economics and demographics of the subject area;

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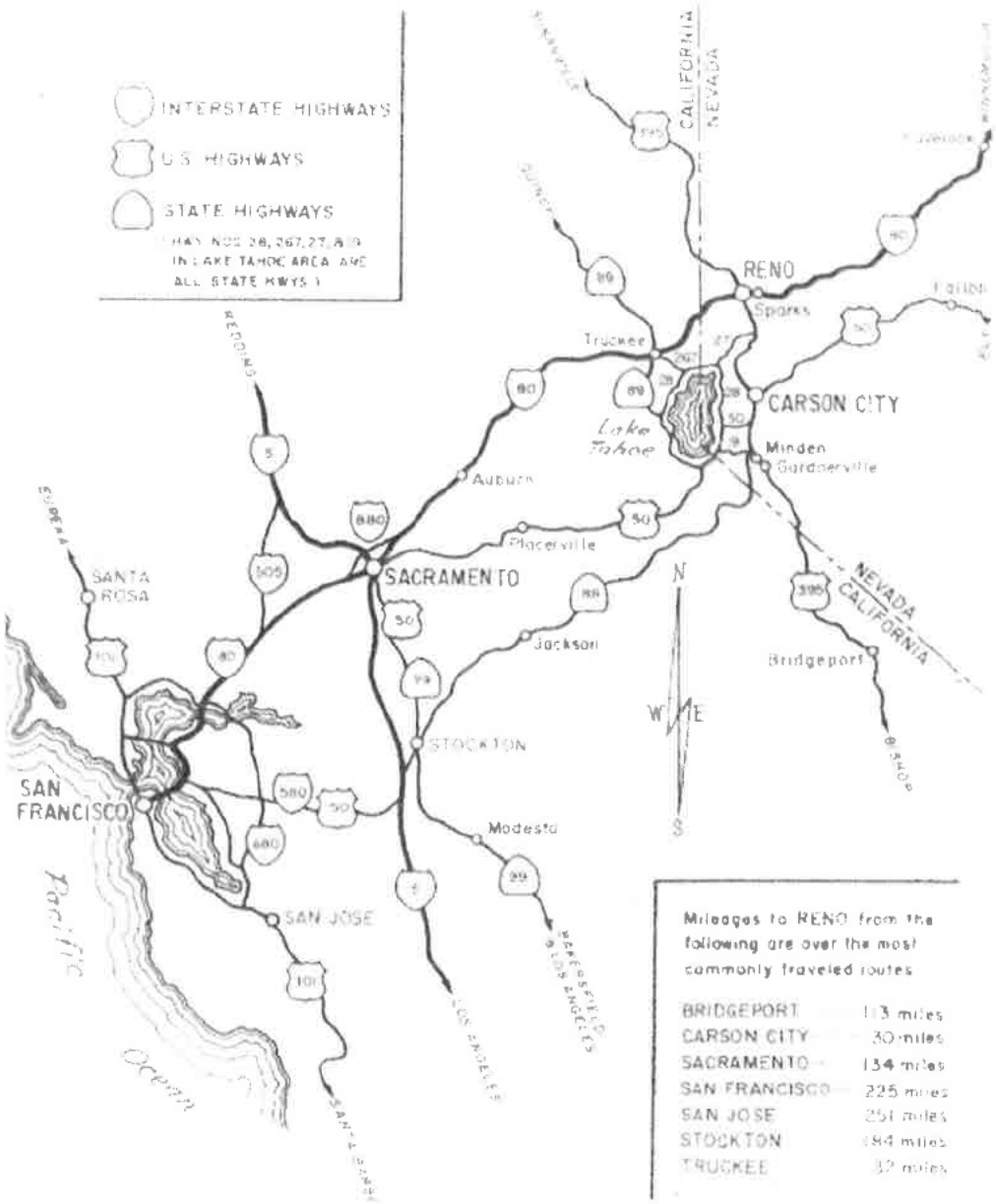
- read the complaint as filed in the Second Judicial District of the State of Nevada, Washoe County, on July 11, 2016;
- in addition, I also read a cost to repair report prepared by Madsen, Kneppers & Associates dated July 1, 2016;
- I read the agreement between the owner and contractor attached to the copy of the complaint dated December 19, 2014;
- I read an appraisal report prepared by Benjamin Gregg, MAI, with CB Richard Ellis, dated September 13, 2016, and a date of value as of June 2, 2016;
- Since this is an existing industrial building that has not yet been occupied, I considered the comparable sales approach, income approach and cost approach to value;
- from this prepared an appraisal report.

HYPOTHETICAL ASSUMPTIONS

1. It is assumed that the land area for the subject property is 1.03± acres. It is actually part of a larger parcel of 26.19± acres, according to the Storey County Assessor, but the subject site has not been specifically parceled out, and therefore I have assumed 1.03± acres as applicable to the subject site.

2. As part of my appraisal assignment, I have been asked to appraise the subject complex assuming that it was built according to the plans and specifications. From my physical inspection, as well as from engineering reports, this was not actually the case. Therefore, as one portion of this appraisal assignment, I have made the hypothetical assumption that there are no essential deviations from the plans and specifications, and that there are no construction problems.

AREA MAP


INTERSTATE HIGHWAYS
U.S. HIGHWAYS
STATE HIGHWAYS
(HWY NOS 28, 267, 27, & 89 IN LAKE TAHOE AREA ARE ALL STATE HWYS.)
CALIFORNIA
NEVADA
RENO
Sparks
Truckee
CARSON CITY
Lake Tahoe
Minden
Gardnerville
Auburn
Placerville
SACRAMENTO
SANTA ROSA
Jackson
Bridgeport
STOCKTON
SAN FRANCISCO
Modesto
SAN JOSE
Pacific Ocean
N
W
E
S
Mileages to RENO from the following are over the most commonly traveled routes
BRIDGEPORT 113 miles
CARSON CITY 30 miles
SACRAMENTO 134 miles
SAN FRANCISCO 225 miles
SAN JOSE 251 miles
STOCKTON 184 miles
TRUCKEE 32 miles

Although the Tahoe Reno Industrial Center (TRIC) is in Storey County, east of Reno/Sparks I have included an analysis of the Reno/Sparks area since it is the closest large urban area to TRIC and competes as to industrial development along with discussions of the residential, office, and commercial development which is a consideration as a competing area.

RENO-SPARKS-TRUCKEE MEADOWS AREA DESCRIPTION

The Reno Standard Metropolitan Statistical Area (SMSA) is defined to include all of Washoe County. Washoe County is in the northwesterly portion of Nevada bordered on the west by California and on the north by Oregon. Washoe County is located approximately 225 miles easterly of San Francisco and encompasses approximately 6,608 square miles (4,229,120± acres) and included within said county are the cities of Reno and Sparks. There are numerous unincorporated areas, which include Incline Village, Washoe City, New Washoe City, Franktown, Washoe Valley, Sun Valley, Lemmon Valley, Black Springs, Reno Park and Bordertown. The area is also known as the Reno-Sparks-Truckee Meadows and Greater Reno Area of the Reno Standard Metropolitan Statistical Area. The city of Reno is at 39°31' North Latitude and 119°49' West Longitude and has an elevation of approximately 4,500 feet above sea level.

The climate of the Reno-Sparks-Truckee Meadows area has four seasons with 306 average days of sunshine. The average precipitation is 7.2 inches including an average snow pack in the Sierra Nevada Mountain Range of 30 feet. The wettest month is January and the driest month is August. The average humidity is 55% with July having the lowest and December having the highest humidity.

In order to describe the Greater Reno Area (which is considered to be the Reno-Sparks-Truckee Meadows area), information concerning population, major industry, local economy, highways, air transportation, rail and trucking transportation, etc., will be presented.

POPULATION: A summary of population figures, beginning in 1990 for the Reno Standard Metropolitan Statistical Area (SMSA) which is defined to include all of Washoe County as well as the city of Reno and the city of Sparks, is illustrated on the following chart for the last sixteen years ending June 30. Said population figures were compiled by Nevada Department of Taxation and Nevada State Demographer, Nevada Small Business Development Center - University of Nevada Reno.

July 1, Years	Washoe County	City Of Reno	City Of Sparks
1990	257,120	134,930	53,440
1991	265,762	140,311	55,041
1992	273,178	144,417	56,341
1993	282,214	149,472	57,862
1994	293,141	155,371	59,709
1995	302,748	160,380	61,241
1996	312,366	165,842	62,561
1997	320,828	170,425	64,010
1998	327,899	174,247	65,118
1999	334,601	180,190	66,324
2000	341,935	181,603	67,350
2001	353,271	186,883	71,753
2002	359,423	187,834	75,255
2003	373,233	195,727	78,435
2004	383,453	199,249	81,673
2005	396,844	206,735	85,618
2006	409,085	214,371	87,846
2007	416,061	220,613	89,449
2008	423,833	223,012	91,684
2009	416,632	218,143	91,237
2010	417,379	217,282	92,331

11

2011	421,593	223,801	92,302
2012	427,704	229,859	90,214
2013	432,324	232,243	91,551
2014	436,797	235,371	92,396
2015	441,946	238,615	93,581

The city of Reno currently encompasses approximately 36,000 acres including the Stead area. The city of Sparks encompasses 11,000 acres of land on both sides of Interstate 80. The major growth in the Sparks area of the Truckee Meadows is anticipated to be in a northeasterly direction, which essentially encompasses the Spanish Springs Valley. Sparks has tentative plans to annex upward of 6,000 additional acres by the year 2020. This will be the major growth pattern of Sparks as the remaining land within the valley is primarily developed or surrounded by relatively steep mountains precluding easy development patterns. While there is anticipated to be some continuing growth in Sparks, particularly in the northeast corner of the Truckee Meadows, most of the future growth will be in Spanish Springs Valley. In addition much of the new growth in industrial development has been and will continue to grow in Storey County at the Tahoe Reno Industrial Center.

TAX STRUCTURE: Nevada, at this time, has no local, state or corporate income taxes. There is no estate tax or gift tax. The Nevada Freeport Laws provide for the tax-free warehousing of goods while in transit through the state. The maximum property tax rate by statute is $5.00 per $100.00 of assessed value and $3.64 by legislative action. The 2014-2015 property tax rate was set at maximum for Washoe County at $3.66 per $100

of assessed value. The assessed valuation is 35% of market value as developed by the local assessing agencies.

In 2005 a law was passed that limits single family homes to a 3% per year tax increase and all other property to a maximum of an 8% increase. There is a 7.375% sales and use tax with food and drugs exempt. Real property transfer tax is $2.05 per $500 of unencumbered valuation. There is no tax on merchants' inventory and livestock held for sale. Gaming tax by the State of Nevada is 6.25% of gross gaming revenues. There is also a new tax in Washoe County for school utilization which adds one half of one cent to the local sales tax.

UTILITIES: NV Energy Company provides electricity and natural gas. Water is now supplied by Truckee Meadows Water Authority, a joint city and county supplier that purchased the water company from NV Energy. In TRIC water is supplied by their own system. AT & T provides telephone services, along with several competing companies for long distance services.

As indicated, NV Energy produces and distributes electricity. It generally has a variety of electrical generating plants almost all of which are natural gas fired. The two oldest are at Fort Churchill, about 30 miles east of Carson City, and at Tracy on Interstate 80, about 15 miles east of Sparks. In addition, there is a major coal-fired plant at Valmy near Battle Mountain, Nevada. However, this will be phased out within the next few years.

SEWAGE DISPOSAL: Sewer service for the cities of Reno and Sparks are generally provided by the joint sewer treatment plant located east of Reno along the Truckee River. The capacity of this plant is sufficient to serve growth in the near future. However, because fully treated waters are discharged into the Truckee River, it is an expensive treatment facility and does have its limitations. Furthermore, there is a sewage disposal plant at Stead which is self-contained and, although within the city of Reno, only serves the Stead area. Finally, there is a sewer treatment plant generally in the southeast portion of the valley near the Double Diamond and Damonte Ranch areas which serves that region. It is anticipated to serve much of the growth in the southerly portion of Reno. In TRIC are they have their own sewage treatment facility.

SOLID WASTE DISPOSAL: The Reno-Sparks-Truckee Meadows area including Storey County is fortunate there is sufficient surrounding land with deep canyon areas which are utilized for solid waste disposal through a sanitary landfill. Because of the size of the land area utilized for this purpose, solid waste disposal is not judged to be a problem within the foreseeable future.

WATER: Truckee Meadows Water Authority is the primary supplier of water to the cities of Reno, Sparks and some of the surrounding unincorporated areas. The main water source is the Truckee River; some underground wells are used. Essentially, all of the water from the Truckee River was assigned to properties as part of the Orr Ditch Decree which was originally for agricultural utilization. In addition to the decreed rights, there are also appropriated rights from wells as permitted by the State of Nevada, Division of Water Resources. TRIC has its own water supply system which is more than adequate for that development.

Generally speaking, within the Reno-Sparks-Truckee Meadows, no new water allocation is allowed other than some individual wells on existing parcels. No new parceling or subdivision may occur without the acquisition of existing water rights. Within the water service area, all new developments require the dedication of water in exchange for water service. Water rights from the Truckee River have varied considerably as to price paid. Water meters are now required on all new residential construction in the Truckee Meadows and have been since the summer of 1990 but retro-fitting is not required.

Water will be a continuing limiting growth factor unless and until water importation into the Truckee Meadows area is accomplished or unless new underground sources in the Truckee Meadows are found. To date, it has not been a significant problem in development; but, in the future, additional water resources will have to be procured for continued growth.

RAILROAD AND TRUCKING TRANSPORTATION: Reno SMSA is served by the Southern Pacific and Western Pacific/Union Pacific Railways which have merged, now Union Pacific Railroad Company. In addition, passenger service is provided by Amtrak. With these two railroads, Reno-Sparks is linked to the balance of northern Nevada and the rest of the country. TRIC is served by SPURS off the main UPRR line.

A large number of motor freight carriers offer service to most areas throughout the United States and it is estimated that freight, either through the railroad or the trucking companies, can be shipped to approximately 80% of the 11 western states on an overnight basis and next day service to the remaining 20% of the western states.

BUS TRANSPORTATION: The primary bus line servicing the Reno-Sparks-Truckee Meadows area is Greyhound. A number of other companies provide charter and sightseeing tours. In addition, Citifare is a public transportation system which is operated by the Regional Transportation Commission. This provides bus transit throughout the cities of Reno and Sparks.

HIGHWAY TRANSPORTATION: The Reno-Sparks-Truckee Meadows and TRIC is located at a transportation crossroad. Two major highways serve the Reno-Sparks-Truckee Meadows area. These include Interstate 80, which is the major east-west transcontinental freeway and U.S. Highway 395/Interstate 580 which is the major north-south highway/freeway. Interstate 80 originates in the San Francisco Bay area on the west coast, passes through the Sacramento Valley area, the Reno-Sparks-Truckee Meadows area and continues in an easterly fashion through northern Nevada to the Elko area before continuing easterly through the Salt Lake City, Utah, area, across the mid-portion of Utah and eventually ending up in the New York City area on the east coast.

U.S. Highway 395 begins in the southern California area, continues northerly through the Bishop and Bridgeport areas and extends into Nevada through the Minden-Gardnerville area, the Carson City-Eagle Valley area, the Reno-Sparks-Truckee Meadows area and then northeasterly back into California near the Susanville area. It continues northeasterly into the Alturas area and then in a northerly fashion into Burns, Oregon. U.S. Highway 395 also continues northerly from the Burns, Oregon, area into the northeasterly portion of Washington.

U.S. Highway 50 does not come into the Reno-Sparks-Truckee Meadows area but does provide access from the Sacramento Valley area to the South Lake Tahoe area, into the Carson City-Eagle Valley area and then easterly across the mid-portion of Nevada.

AIR TRAVEL: The Reno-Sparks-Truckee Meadows area is served by Reno/Tahoe International Airport which is a modern jet facility that has recently completed a major expansion program of the terminal and a new parking garage. A new check-in area was also completed.

Two fixed based operations (FBO's) for general aviation traffic are present at the airport. The Reno/Tahoe Airport facility has two north-south runways, both of which will also accommodate jumbo jets. There is also an east-west runway but this is more limited due to its shorter length. Reno/Tahoe International Airport is also designated as a port of entry with customs service and, in addition to passenger traffic, also has considerable air cargo.

WAREHOUSING AND ASSOCIATED LIGHT MANUFACTURING: During the 1970's, the warehousing and light manufacturing sectors of the Reno SMSA's economy showed impressive growth due largely to the State of Nevada's "Freeport Policy." This policy states that manufactured items and agricultural commodities of interstate origin and destination are exempt from personal property taxes while stored in the state of Nevada. As a result of this policy, the Reno Metropolitan Area has become a center for warehousing and interstate commerce in the Western United States. A variety of products including spices, auto and truck parts, institutional books and skiing equipment are manufactured or distributed.

The Bureau of Business and Economic Research at the University of Nevada, Reno compiled a number of additional reasons why the warehousing and light manufacturing sectors have prospered in the Reno-Sparks-Truckee Meadows area and the TRIC area. First, the geographic location of the valley offers good proximity to markets throughout the Western United States. This factor is extremely important to companies involved in product distribution activities. The second reason is the state of Nevada's "right to work" law which does not restrict industries from hiring non-union workers.

Another major reason is the comparatively favorable tax structure. In addition to the lack of personal property taxes, there are no personal income, corporate income, franchise, severance, chain store or bank excise taxes. In April of 1986, the Reno-Sparks area was designated a Foreign Trade Zone. These factors combine to make the cities of Reno and Sparks plus TRIC quite competitive with other cities in respect to warehousing and light manufacturing activities.

In addition, Reno-Sparks-Truckee Meadows businesses formed EDAWN, the Economic Development Authority of Western Nevada, to pursue "favorable" companies for the area. With a strong advertising campaign, EDAWN has helped draw more and more new firms to the Reno-Sparks-Truckee Meadows area.

It is important to note that the Reno-Sparks-Truckee Meadows area does not have as much land left for this type of development. The Stead area (within the city of Reno) still has land available and there is still some land southeasterly of the Reno/Tahoe International Airport, south of South McCarran Boulevard and east of Longley Lane, that

is available for development with an industrial area located at the northwesterly end of the South Meadows Business Park. This section has already seen the completion of a number of light industrial and business park uses and is nearing sellout. The Damonte Ranch area still has about 200 acres for business/light industrial development. Industrial utilization has occurred in the Fernley area approximately 30 miles east of Reno on Interstate 80 and to the Tracy area, Tahoe Reno Industrial Center (TRIC), about 15 miles east of Reno/Sparks, also on Interstate 80. The Spanish Springs Valley, which is where most of the city of Sparks future growth will occur, does not plan to have any major industrial developments; however, it does have approximately 400 acres of business park within its Master Planned areas. The Tracy area, about 15 miles east of Reno on the south side of Interstate 80, is a major area of industrial growth with over 100,000 acres designated as the Tahoe/Reno Industrial Center. This is located in Storey County, has its own sewer and water system, rail service, and is not subject to RTC development fees as the Reno/Sparks area. For new construction, buildings in TRIC can be approximately $1,000 per 1,000 square feet of building area less than Reno/Sparks.

MISCELLANEOUS ACTIVITIES: In addition to the previously mentioned tourist aspects with regard to gaming, it is also noted that the area enjoys considerable recreation activity which includes hiking, camping, fishing, a large number of ski areas, most of which are within one to a maximum of one and one-half hours from the Reno-Sparks-Truckee Meadows area. Furthermore, there is horseback riding, hunting and a wide variety of golf courses within the Truckee Meadows which includes Hidden Valley Country Club; Montreux Country Club; Wild Creek; Washoe County; Lakeridge;

Rosewood Lakes; Red Hawk; ArrowCreek and Wolf Run. Hidden Valley, Montreux, the Hills Course at Red Hawk and a portion of ArrowCreek are members only clubs.

Thunder Canyon (formerly Lightning "W" Ranch) Golf Course is located in Washoe Valley, south of Reno. In addition, there are six golf courses in Graeagle near Portola, California, approximately one hour's driving time from Reno; six golf courses in Truckee, California, two of which are members only, approximately 40 minutes driving time from Reno; four golf courses in Carson City and another between Carson City and Minden; one in Dayton, approximately 55 minutes driving time from the Reno-Sparks-Truckee Meadows area; one golf course in the Minden-Gardnerville area plus two courses in Genoa; and, five or six golf courses surrounding Lake Tahoe, several of which are championship courses. In addition, Fernley has an 18-hole course approximately 35 minutes east of Reno. All of these facilities add to the general recreational aspect of the Reno-Sparks-Truckee Meadows location.

Not previously mentioned are several large lakes, which include Lake Tahoe as well as Pyramid Lake, plus Donner Lake, several reservoirs near Truckee, Lake Lahontan and numerous mountain lakes, with the larger facilities, in addition to fishing, also offering boating, water skiing, etc. Recreational amenities for the Reno-Sparks-Truckee Meadows area are excellent and provide one of the primary attributes for visitors coming to the area either for individuals or for families.

Motel development will stay relatively static since motels have great difficulty competing with hotels because of the relatively low room rates without gaming to subsidize the motels as they do the hotels.

The retail market by the end of 2014 showed a vacancy factor at approximately 16.59%, however by the end of the first quarter 2015 the vacancy factor dropped to 14.76%, showing an improvement overall in the market.

Another segment of the Truckee Meadows real estate market is apartments. The multifamily development in the Reno Sparks area continued to experience very low vacancies from 3% to 6% area wide during 2014.

The office market is still somewhat soft with an average vacancy factor of 15.9%, which is down slightly from 19% in 2014, and 21% in 2012. Typically, downtown office rents are averaging from $1.50 to a high of $2.00 per square foot per month fully serviced. The suburban office market has a range from a low of $1.10 to $1.75 per square foot fully serviced.

As far as the industrial market, the vacancy factor is approximately 8.33% overall, which with average rental rates at about $0.32 per square foot per month, triple net. Overall, this indicates an upward trend in the market with the growth and net absorption and construction. Industrial construction is the highest it has been in the area since 2006. The rental rates averaged $0.33 per square foot per month on a triple net basis. In addition to the triple net lease rates, there are certain CAM charges and they varied from $.04 to $.10 per square foot per month.

SUMMARY AND OVERALL TREND CONCLUSION: Generally speaking, the Reno-Sparks-Truckee Meadows area including TRIC is showing a positive trend in most segments of the market. The Reno-Sparks-Truckee Meadows area is a very attractive area to live as the weather patterns are quite good with only one or two months in a

typical winter having relatively cold weather and snow, plus a short time frame in the summer where temperatures may reach close to 100°F. The Reno-Sparks-Truckee Meadows area is definitely a four-season location and this has added to its overall attractiveness. It is located at the edge of the mountains, the edge of the desert and, therefore, provides excellent individual and family recreational opportunities. It has easy access to unpopulated, open space. For the most part, the Reno-Sparks-Truckee Meadows area has a strong business attitude, an excellent university system, and, generally speaking, a favorable tax structure when compared to California. Overall, the Reno-Sparks area has relatively low room rate charges and relatively inexpensive food along with good entertainment, all because of the gaming which supports these facilities. In addition, there are excellent aspects of the arts available to the area, which include operas, symphonies, plays, exhibits and a wide variety of artistic endeavors.

Water, while not currently limiting development, may be a problem until new water sources such as the importation of water can be accomplished. To date, water availability has not really stopped any project nor has it become too expensive to be economically viable. Water shortages and water rationing, particularly during summer months, are a problem which will have to be addressed and, more specifically, accomplished in the near future. The cost to acquire water rights has declined considerably due to the drop in demand.

Gaming in other parts of the United States has had a detrimental impact on the Reno-Sparks-Truckee Meadows area. This area does not attract that many tourists from outside of the western United States or from outside of California but Indian gaming in California does have a negative impact on the area.

From a warehousing and transportation standpoint, the Reno-Sparks-Truckee Meadows area and TRIC has an excellent geographical location for distribution for all of the pacific coast states and for most of the western states. The general industrial and warehouse industry, then, should, in the foreseeable future, remain desirable.

In mid to late 2005 through present, the residential market in Fernley as well as Reno/Sparks, Dayton, Carson City, and Minden/Gardnerville area had a major decline. There was too much inventory and, as a result, prices declined for residential land as well as completed homes.

A major positive impact on the subject area began with the announcement and current construction of a Tesla plant within the Tahoe Reno Industrial Center, which is approximately half way between Fernley and Reno by way of Interstate 80. This development is within Storey County, Nevada, and Storey County has advantages of the Reno Sparks area in that there are no building fees for the Regional Transportation Commission that are imposed on properties in Reno and Sparks. Therefore, overall building costs are lower in Storey County. This is also true in Fernley.

Tesla was approved for and is in the process of building a $5 billion facility of more than 5 million square feet to build lithium ion batteries. This project was announced and approved during a special session of the Nevada Legislature in September 2014. As of early 2015, approximately 2 million square feet are under construction on approximately 1,000 acres that they have developed so far. They have also announced that they are going to purchase another 6,000 acres with three take-downs.

Because of Tesla picking northern Nevada, and specifically the Tahoe Reno Industrial Center, this has had a significant impact on the area because Tesla is anticipated to ultimately provide close to 6,000 jobs. Due to the high profile of Tesla, a number of other firms have moved or are considering moving to the area. E-Bay is building a 1,000,000 square foot facility, with $3 billion worth of equipment that will be replaced every three years.

Switch will be investing $1 billion in a 3,000,000 square foot super nap center that will be built on 1,000± acres near Tesla. The super nap project includes the development of a 500-mile fiber optic network, called a super loop, which will connect Reno, Las Vegas, Los Angeles and San Francisco, placing approximately 50 million people within 14 milliseconds of data, and information between Reno and Las Vegas moving at only 7 milliseconds. The Switch facility would bring approximately 100 jobs to the area.

In addition to this facility, another $220 million plant is being built to process waste from the Waste Management facility close to TRIC in order to provide biodiesel fuel. Also Apple is increasing the size of their data processing facility.

Another positive aspect of the Reno-Sparks area, and in fact Nevada in general, is the economic climate in California which will drive some business to more economic and politically friendly states such as Nevada.

In addition to the general Reno data, the next pages summarize the Reno industrial market as of the third quarter 2016, prepared by Kidder Matthews Real Estate. This

indicates absorption is increasing, vacancy is declining, rental rates remain relatively steady, and new construction has increased.

Kidder Mathews

Real Estate Market Review

3rd Quarter
2016

Reno Industrial

Market Summary

Trends

Absorption

Vacancy

Rental Rate

New Construction

The Reno industrial real estate market boomed in the third quarter of 2016, with 1,665,718 square feet of positive net absorption shooting the year-to-date gain in occupied space past 4.7 million square feet. Direct vacancies dipped from 7.58% to 6.84% despite 1,095,001 square feet of new construction deliveries, as the rapid growth in demand outpaced the steady increase in supply. Asking rents were largely unchanged marketwide, at a bulk-rate average of $0.36 per square foot, but varied widely by size, from $0.34 for vast distribution spaces over 100,000 square feet to $0.67 for smaller offerings in the tight South Reno submarket. Leasing and sale activity surged to 2,565,168 square feet over 46 transactions, including three deals encompassing over 200,000 square feet space. The construction projects underway at quarter's end were short of the volume necessary to meet demand, which portends decreasing vacancies and stiff or rising rental rates for the near future.

For the second consecutive quarter, all six of Reno's industrial submarkets recorded positive net absorption. North Valleys led the way with 1,137,743 square feet gained and has now added more than 2 million square feet of occupied industrial space over the past six months. The North Valleys Commerce Center at 9460 N. Virginia Street accounted for 541,864 square feet of that total, topping Reno's list of the three largest lease deals signed this quarter. Next up, the East Hill complex added 541,891 square feet of positive net absorption, largely thanks to a three-foot expansion by Jet.com, which had secured in the fourth quarter. Direct vacancies in North Valleys plunged from 14.26% to 4.78%, leaving East Hill as the fullest submarket in the area, with 11.69% of its industrial stock sitting empty at the end of the third quarter. South Reno has the tightest submarket, at just 0.87% vacancy and growing. The largest submarket, with 25,978,741 square feet of industrial

Continued, page 2

Area Review

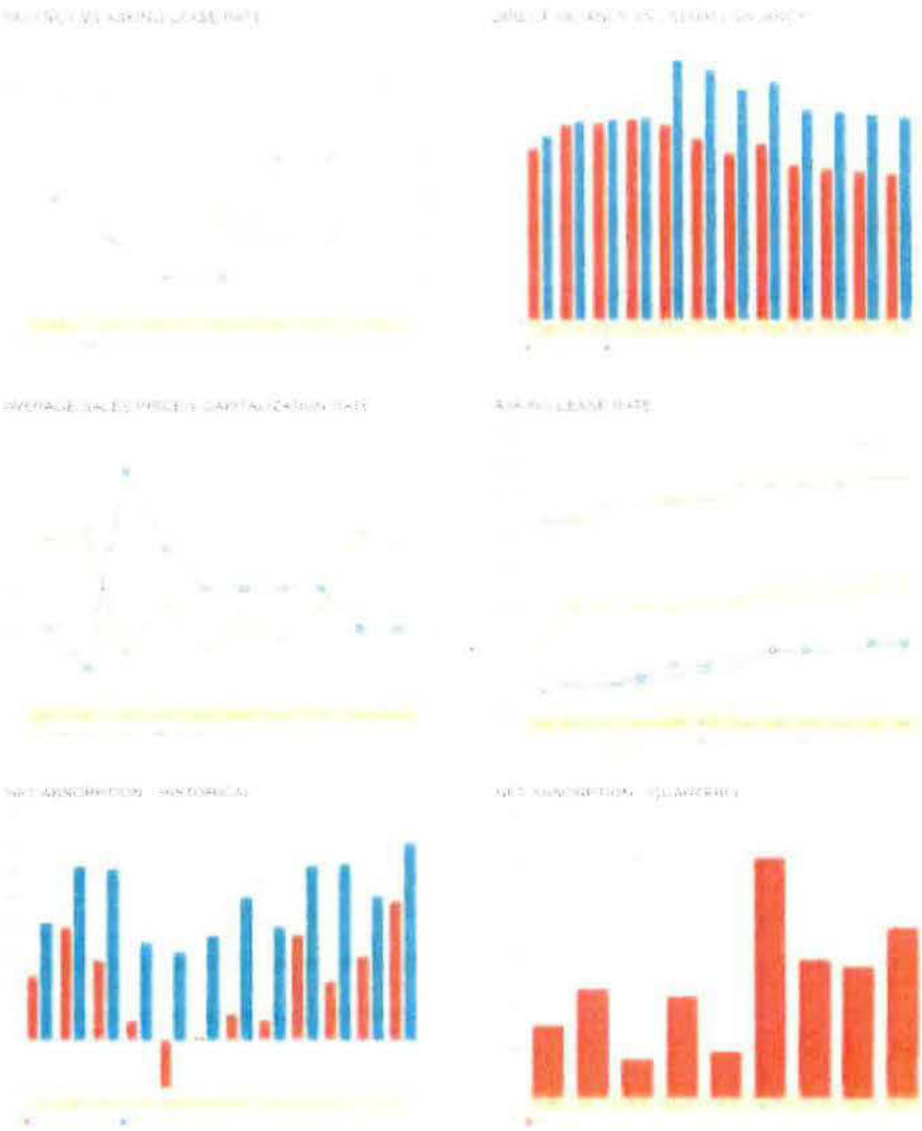
Submarket Statistics

North Valleys	20,753,545	1,990,341	3.59%	1,214,491	$0.147	3
Sparks	[illegible]	[illegible]	[illegible]	163,941	$1.803	[illegible]
Airport	4,310,166	407,427	[illegible]	99,118	$2.197	[illegible]
South Reno	6,386,219	78,308	[illegible]	23,991	$0.833	[illegible]
Central & West Reno	1,267,980	29,871	2.34%	57,206	N/A	0
I-80 East Corridor	16,334,786	1,811,208	[illegible]	[illegible]	$0.123	[illegible]
Totals	81,918,004	5,436,235	9.64%	2,565,169	$0.36	[illegible]

inventory saw its vacancy rate shaved to 4.37%, down 100 basis points since the start of the year.

Leasing and sale activity this quarter jumped to 2,555,169 square feet over 48 transactions, and six of the seven largest transactions were consummated by firms that are new to the Reno market. Average deal size grew to 55,547 square feet from 41,375 square feet last quarter. That increase was chiefly attributable to Jet.com's expansion into 235 E. Sydney Drive, where the online retailer leased 672,000 square feet to go with its original Reno location on USA Parkway, scaling its West Coast fulfillment operation while planning to employ 500 workers in the city by 2021. Economic development officials also expect considerable job growth from Mary's Gone Crackers, which is relocating from Gridley, California, and setting up its new manufacturing facility in a 423,000-square-foot space at the North Valleys Commerce Center. Reno's logistical advantages also attracted Colorado-based Exxel Outdoors, which will join Mary's Gone Crackers at North Valleys Commerce Center after choosing the area over alternatives like Phoenix and Salt Lake City. On the sale front, the year-to-date average price ticked up to $48.32 per square foot, down from $52.18 last year, when the mean was inflated by the sale of a Class A Amazon-leased property that traded for more than $70 per square foot. Gaiter America Corp. turned in the largest investment buy, acquiring GLP Tranche 1, a 1,250,084-square-foot portfolio in the Sparks submarket for $55.3 million or $44.24 per square foot. Frankmar Company bought 4900 Ampere Drive in the Airport area for $8.15 million or $38.27 per square foot. Also in the Airport submarket, Universal Printing and Graphics, an owner-user, took 4835 Longley Lane for $7.05 million, or $105.13 per square foot.

Approximately 5,436,235 square feet of Reno area industrial real estate was available on a direct basis at the end of the third quarter, with another 1,818,175 square feet listed for sublease, down from second quarter availabilities, which were 6,084,886 and 2,302,910 square feet, respectively. The North Valleys section topped the Reno market with 1,990,841 square feet worth of direct listings marketed at a median lease rate of $0.45 per square foot. Sparks, where 1,118,784 square feet of industrial space was being marketed on a direct basis, offered a lower-priced alternative, with median asks at $0.30 for some of the largest spaces available at quarter's end. South Reno and Central/West Reno could only accommodate smaller tenants, under 20,000 square feet, with asking rents exceeding $0.50 for most listings. Fernley hosted the largest direct availability on the market, with 589,520 square feet offered at just under $0.30. As inbound demand for space outstrips construction, industrial users eyeing Reno facilities figure to face stiff competition and firm rental rates in the coming quarters.




Kidder
Mathews

TAHOE RENO INDUSTRIAL CENTER DESCRIPTION

The subject property is located in the Tahoe Reno Industrial Center (TRIC) in Storey County, Nevada, an area identified as McCarran.

The property is about eight to 10 miles east of Sparks and south of Interstate 80. There are two major entrances to the center with the Patrick off ramp at the westerly end through Waltham Way and USA Parkway at the easterly end. The TRIC development provides utilities to each of the sites, plus one-half acre foot of water right per acre for utilization to all of the various parcels throughout the complex. Power, telephone, sewer, water and natural gas are provided, and many of the sites within TRIC have a railroad spur.

A large number of companies have located within the area including the Walmart Distribution Center, along with a number of manufacturing, industrial and some commercial activities. There is a truck stop and automobile service center just north of the northwest corner of Waltham Way and USA Parkway, as well as a small retail commercial complex. Most of the rest of TRIC is industrially oriented.

Near the westerly entrance to the project at the Tracy Patrick interchange is Apple's large data processing facility that is actually north of Interstate 80 with Washoe County.

USA Parkway is in the process of being extended southerly and connecting to U.S. Highway 50 just west of the Silver Springs area. Construction has begun and it is anticipated to be completed by September 2017.

One of the advantages of the Tahoe Reno Industrial Center is the approximate half-way location between the Reno-Sparks area and Fernley, therefore having the ability to draw employees from either area. Of the approximately 107,000 acres, over 6,500 acres have been developed for industrial property.

Storey County has advantages over Washoe County in that the gas prices are lower due to lower county taxes. In addition, Storey County has sales tax advantages and generally is a very business friendly atmosphere and somewhat less restrictions and regulations, which is a positive factor. Furthermore, Storey County does not have building fees to the Regional Transportation Commission that are imposed on properties in the Reno-Sparks area, and therefore overall building costs are lower.

Because of the land availability and the provided utilities, along with the railroad spur for those desiring it, this area will remain competitive in the foreseeable future.

Of significant importance is that Tesla is in the process of completing a $5+ billion facility of more than 5 million square feet to build lithium ion batteries. As of 2016, about 2 million square feet are under construction. Because of Tesla selecting northern Nevada, and specifically the Tahoe Reno Industrial Center, this has had a positive impact on the area.

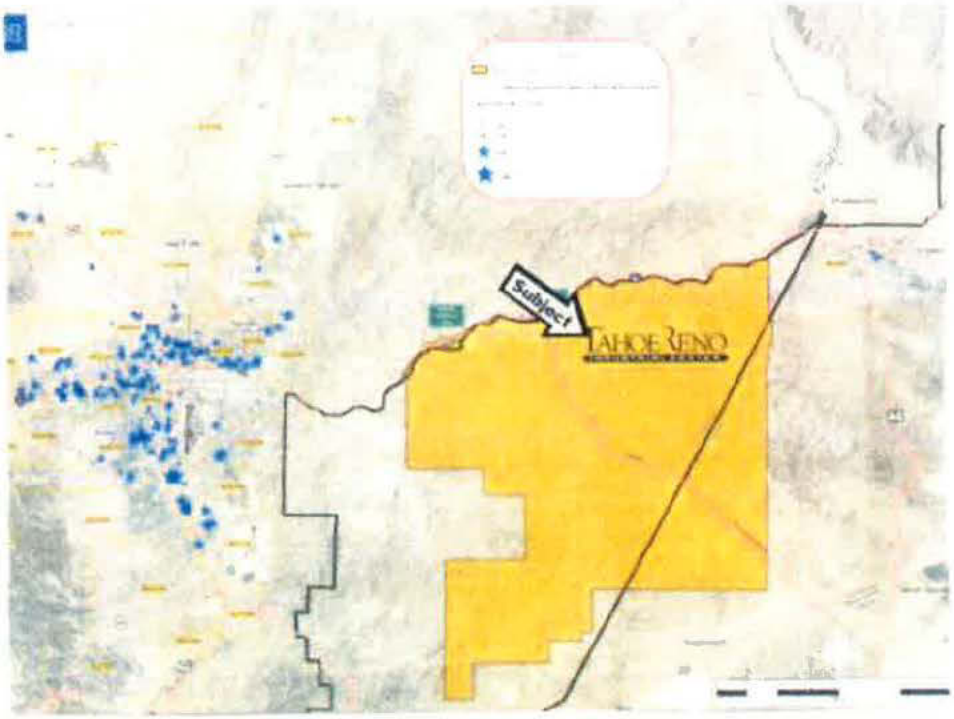
In addition, e-Bay is building a large 1 million square foot facility, and Switch is investing approximately $1 billion in a super nap center that is being built on 316 acres within TRIC. There are also a number of other commercial and industrial uses that are either

being built or are contemplating the TRIC area, and there are a number of major land escrows in process. This surge in development will not only have a major impact on the Reno-Sparks area, but also to Fernley to the east.

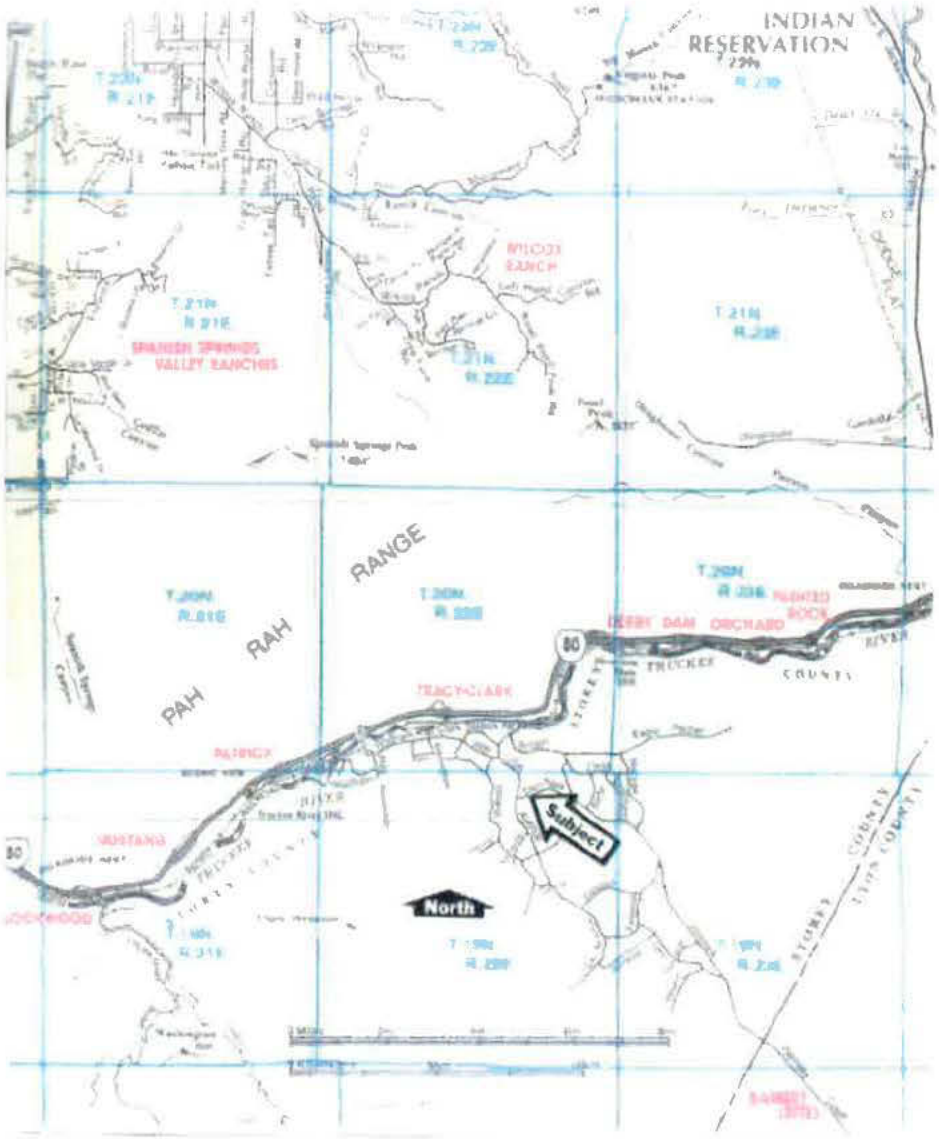
Currently there are approximately 140 businesses within the Tahoe Reno Industrial Center, with a total of 6,000 employees, including construction workers. It is anticipated that over 15,000 will be added to the work force over the next two years.

It is also noted that on the average, approximately 3,000 trucks go in and out of the Tahoe Reno Industrial Center on a daily basis. All of this has a positive impact not only on the TRIC but also to the subject property.

AREA MAP



NEIGHBORHOOD MAP



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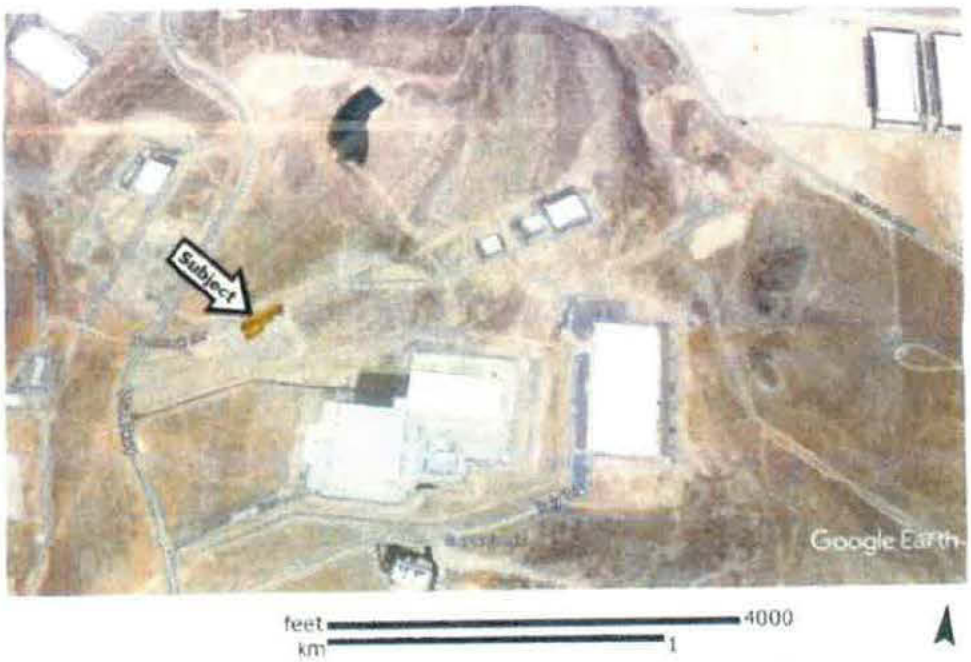
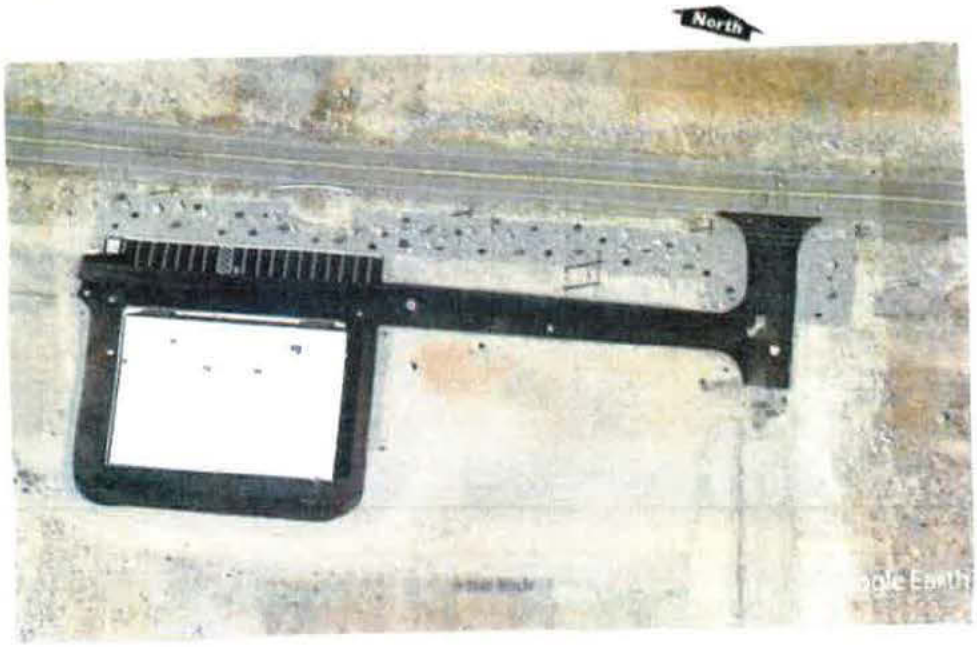
AERIAL PHOTOGRAPHS





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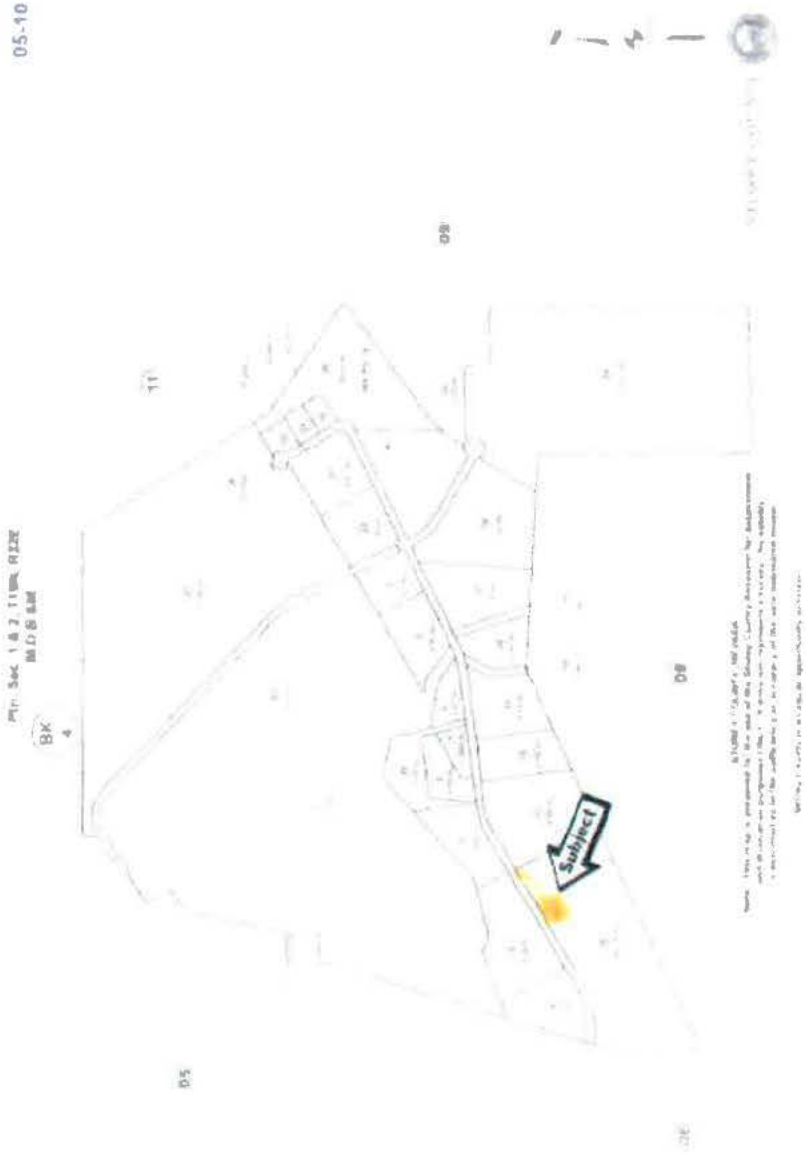
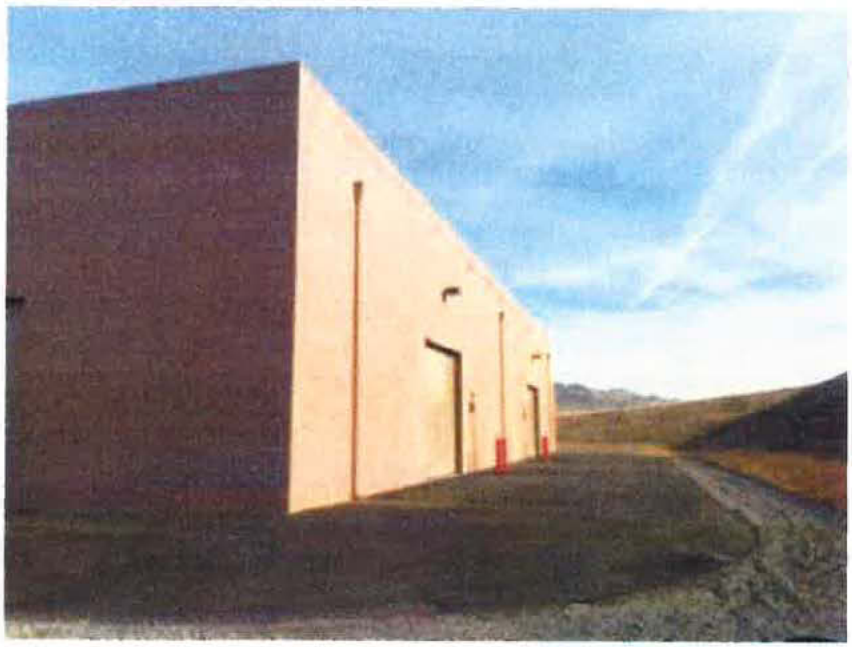
ASSESSOR'S PARCEL MAP



SUBJECT PHOTOGRAPHS

Photograph of subject property looking westerly

Photograph taken looking easterly at subject building



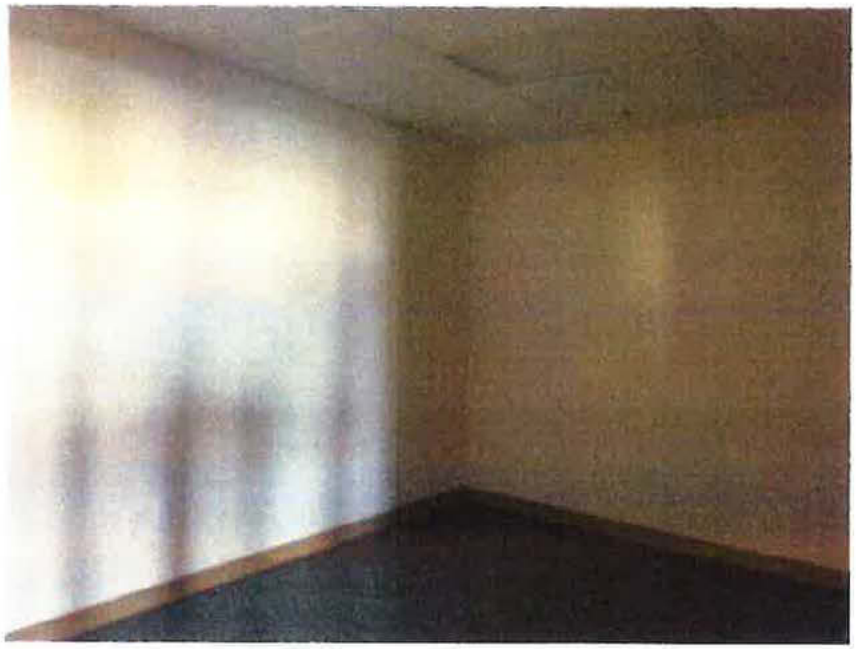
Photograph taken from near southwesterly corner of subject looking easterly along the rear portion

Photograph of interior of warehouse/industrial area

Photograph of interior of warehouse/industrial area

Photograph of kitchen and break room area

Photograph of front entry area



Photograph of typical office area

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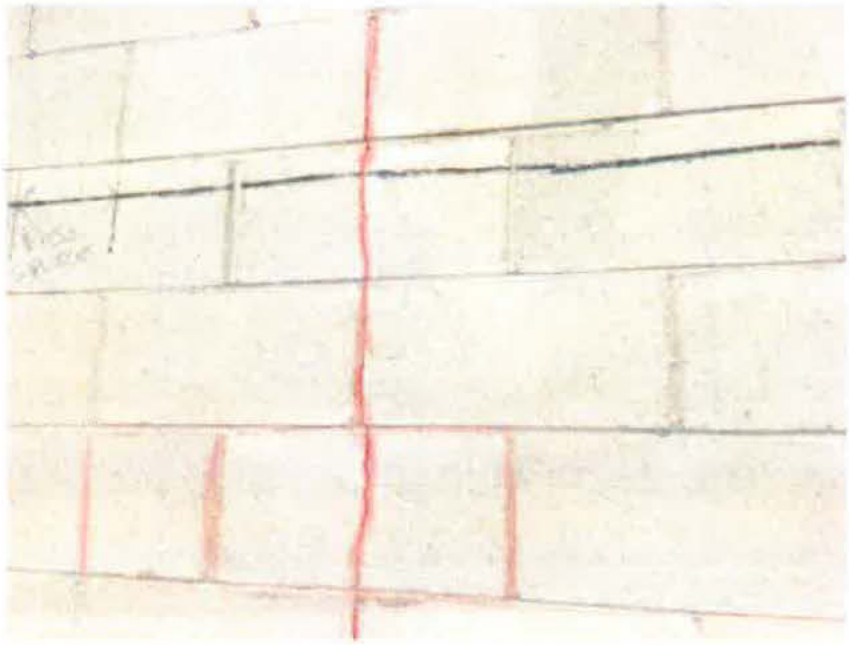
Photograph of area of concrete floor that had been replaced

Photograph of cracking around support posts after replacement of floor area

Photograph of cracking around support posts after replacement of floor area

Photograph of cracking around support posts after replacement of floor area

Photograph of cracking area along concrete block wall



Photograph of cracking area along concrete block wall

Photograph of cracking area along concrete block wall

(2256) Photograph of concrete block areas which did not have interior grouting

Photograph of concrete block areas that did not have interior grouting

N/6

NEIGHBORHOOD DESCRIPTION

The subject property is located on the southeasterly side of Denmark Drive, several hundred feet east of USA Parkway, with USA Parkway a major four-lane divided roadway providing the primary access into the area. Denmark Drive continues on easterly and eventually dead ends, but there are connections off Denmark Drive to other streets, then continuing over to Electric Avenue, which is a major roadway to the Tesla plant.

Directly surrounding the subject property there are not any buildings, but further to the east and south there are several industrial buildings, plus to the west of USA Parkway there are a number of industrial buildings.

SITE DATA

Location: The subject property is located as 160 Denmark Drive, within the Tahoe Reno Industrial Center, McCarran, Storey County, Nevada.

Assessor's Parcel Number: The subject is a portion of Assessor's Parcel Number 005-101-10, as it has not been specifically cut out from the larger 26.19± acre parcel.

Record Owner: Title to the subject property is vested in the name of the Stormo Investments, LLC. They purchased the entire 26.19± acres in June 2005. Subsequent to purchase, they spent considerable money terracing the property as pad sites for future buildings, including the subject property.

In addition, the completed building has been available for purchase at an advertised price of $2,200,000, or for lease at $0.65 per square foot per month, net, net, net, which is approximately $9,100 per month. However, due to construction defect problems, the building has not been able to be sold or leased.

Size and Shape: As indicated from the map, the subject parcel is close to a rectangular shaped parcel consisting of approximately 1.03± acres.

Topography: The pad area for the subject is all flat, level land, and I, for the purposes of the assignment, assume it has been compacted property for development. There are a number of pads that were created for this site, with one directly to the east of the subject, and several to the west, plus above the subject site are terraced pads for other

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future development. Soil and subsoil conditions in the area do not appear to create any major topographical problems since, as indicated, the total site area has been terraced for individual building pads.

Earthquake Zone: As is typical of most of the area, the subject is located within a Seismic Zone 3, which indicates areas having the potential for moderate to severe shaking.

Availability of Utilities: All essential public utilities are readily available to the subject property which includes power, telephone, water, sewer and natural gas. It is noted that purchasers of property in the Tahoe Reno Industrial Center are provided the use of one-half acre feet of water right per acre. This is not a dedicated water right that could be sold, but is simply made available to the purchasers of property in TRIC. If this dedicated water is not utilized, then it essentially goes away.

In the case of the subject property, there would have been one-half acre foot of water right allocated to the site, which is more than sufficient for the bathroom use and fire protection system.

Flood Plain: The subject is located outside of a known flood zone.

Zoning: The subject property is zoned I-2 which is a Heavy Industrial type zoning and use in the Tahoe Reno Industrial Center, and is typical for most of the properties in TRIC.

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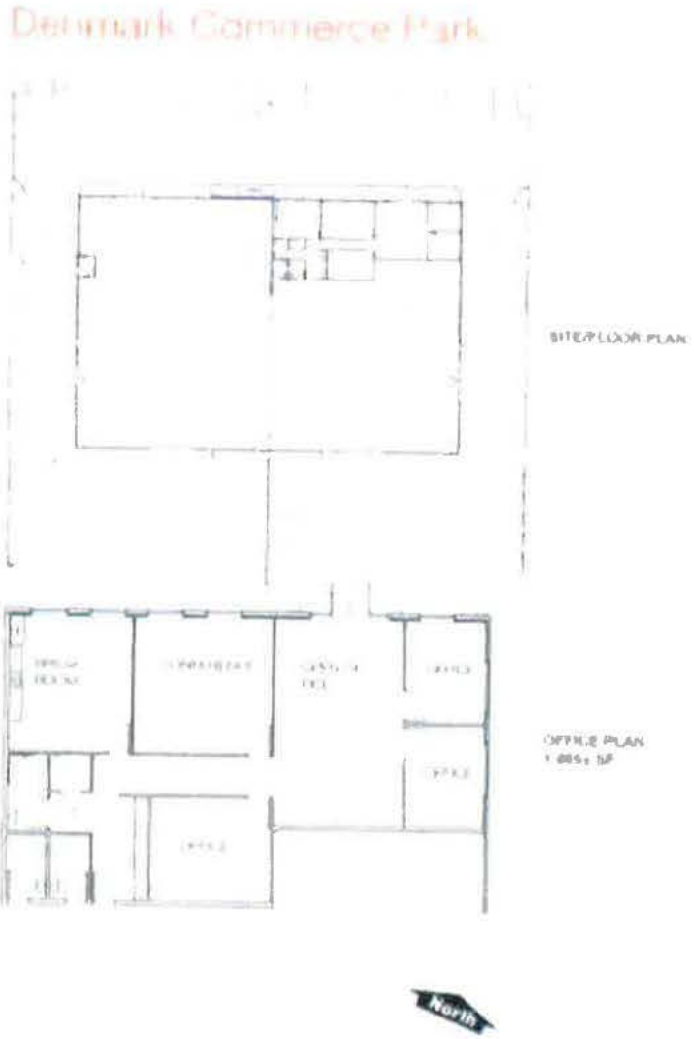
and one unisex restroom as part of the office area. The reinforced concrete floor was to be 5 inches thick.

The roof is flat, built-up, and the office area is heated and air conditioned, whereas the warehouse area has natural gas type space heaters.

There are a total of 18 parking spaces along the front portion of the subject, one of which is handicapped equipped. Around the building is asphalt paving for access to the various overhead doors as well as any man doors.

A floor plan map of the subject is included on the following page:

FLOOR PLAN



HIGHEST AND BEST USE

Highest and best use may be defined as: "The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible and that results in the highest value." In estimating the highest and best use, there are essentially four stages of analysis:

1) Permissible Use: What uses are permitted by zoning and deed restrictions on the site in question?
2) Possible Use: What uses of the site in question are physically possible?
3) Feasible Use: Which possible and permissible uses will produce a net return to the owner of the site?
4) Highest and Best Use: Among the feasible uses, which will produce the highest net return or the highest present worth?

The highest and best use of the land (or site) if vacant and available for use, may be different from the highest and best use of the improved property. This is true when the improvement is not an appropriate use, but it makes a contribution to the total property value in excess of the value of the site.

The following tests must be met in estimating the highest and best use. The use must be legal and the use must be probable, not speculative or conjectural. There must be a profitable demand for such use and it must return to the land the highest net return for the longest period of time.

Physically Possible Uses: The size of the subject site at approximately 1.03± acres is large enough for a smaller industrial type of building. It has good topography and does not appear to have any soil or subsoil problems, and the accessibility is good through common area roadway easements connecting the total ownership of the subject to Denmark Drive.

Legally Permissible Uses: The zoning of the subject property at I-2 allows for most types of heavy industrial use, and is not judged to be a limiting factor. In fact, the subject's zoning is typical of most of the TRIC development areas.

Conclusion of Most Financially Feasible and Highest and Best Use: If the subject property were vacant and unimproved, the highest and best use would generally be for industrial purposes. The highest and best use as improved is for utilization as an industrial building. As will be discussed elsewhere in this report, a major factor is the construction defects which adversely affect the subject property.

SUMMARY OF ANALYSIS AND VALUATION

In the analysis and valuation of the subject property, the first consideration was the valuation assuming no construction defects, and that it was built according to the plans and specifications. This would include a five inch concrete floor, normal construction of the concrete brick walls without any structural problems, and development to not allow any water to enter the subject building from its exterior. In addition, the plans and specifications required an adequate heating and air conditioning system, along with normal flat roof finish typical of these types of industrial buildings.

Cost Approach: The cost approach to value consists of the estimated value of the subject land as if vacant, plus the replacement cost of the subject improvements, less any depreciation. The first step in this analysis consists of the consideration of the subject land value as a 1.03± acre site. Following is a chart summarizing the pricing guidelines for the Tahoe Reno Industrial Center, and although they are shown as 2014, these remain the same today. Following that I have included a sales summary chart of properties within TRIC.

TAHOE RENO INDUSTRIAL CENTER
Pricing Guidelines

# of Acres	$ per SF	$ per Acre
500(+) acres	$0.99	$43,124
100-499 acres	$1.25	$54,450
60-100 acres	$1.50	$65,340
30-60 acres	$1.65	$71,874
15-30 acres	$1.85	$80.586
0-15 acres	$1.95	$84,942
Existing pre-graded	Varies by size Can be from $0.75 to $1.00 per sf	
Existing rail served	+$0.10	

SALES SUMMARY

Sale No.	Location	Sale Date	Land Size Zoning	Price Price/SF
1	130 E. Sydney 005-071-21	12/16/2014 Doc. #121387	5± ac. (217,800± sf)	$359,100 $1.65/sf
2	1500 Milan Drive 005-111-60	2/26/2015 Doc. #121690	23.74± ac. (1,034,114± sf)	$1,913,016 $1.85/sf Or $2.65 graded
3A	NEC Electric & Milan 005-111-55	3/24/2015 Doc. #121820	10.94± ac. (476,550± sf)	$929,265 $1.94/sf Plus grading
3B	Just W. of Sale 3A, at SEC of Electric & Clark Station Rd. 005-111-04	3/24/2015 Doc. #121818	15.73± ac. (685,200± sf)	$1,267,618 $1.85/sf
3C	SEC of Electric and Milan 005-111-20	3/24/2015 Doc. #121816	29.52± ac. (1,285,891± sf)	$2,375,899 $1.85/sf
4	88 Megabyte Drive 005-021-23	12/11/2015 Doc. #123288	18,777± sf (17,698± sf usable)	$35,394 $2.00/sf of usable

In the case of the pricing guidelines for the TRIC, properties under 15 acres that are not pre-graded would therefore be at $1.95 per square foot. The grading is typically paid for by the buyer. Sale 3 cost $0.80 to grade. Based upon this, it is my judgment that a

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value of $2.80per square foot would be applicable for the subject land which reflects its better location just off USA Parkway.

For the 1.03± acres, this would then equate to $125,627, which I have rounded to $126,000 as to the estimated value of the land.

The next step is the replacement cost of the subject improvements, less any depreciation. The contract indicated a price of $1,156,437 or $1,156,000 (round). This figure, of course, does not include any entrepreneurial profit or any indirect cost. To this is added the land value at $126,000 which totals $1,282,000.

I have applied a 15% factor to cover indirect costs and entrepreneurial profit since it would be highly unlikely that anyone would buy the land and build a facility and then turn around and sell it for their exact cost as there would be no incentive. This would therefore bring the replacement cost new to $1,474,400.

There would be no depreciation applied under the assumption that the building was constructed according to the plans and specifications. This is a hypothetical assumption since my own inspection of the property involved a variety of construction problems. But the first part of my appraisal assignment was to value the property without these considerations.

Therefore, by the cost approach to value, the following sets out the summary:

Cost new based on contract	$ 1,156,000
Land Value	126,000
Total	1,282,000
Plus 15% entrepreneurial profit	192,000
Total Value by Cost Approach	$ 1,474,000

Comparable Sales Approach: With regard to the comparable sales approach, there were limited sales in the Tahoe Reno Industrial Center, but the following chart summarizes those utilized, plus some areas outside the TRIC.

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INDUSTRIAL BUILDINGS SALES SUMMARY

Sale No.	Location	Sale Date	Land Size/ Land:Bldg Ratio	Improvements	Price Price/SF
1	1335 Alexander Court TRIC, Storey County 005-021-47	7/2014	1.412± ac. 2:1	30,700± sf Built 2001 Concrete tilt-up 1,925± sf office Lessee leased back bldg. at $11,700/mo. For 10 yrs, NNN ($0.38) with 1 ½% inc. each yr. 4 dock high doors, 1 at grade	$1,755,000 $57.17/sf 8% cap rate (sold at listing price)
2	9748 So. Virginia St. E. of So. Virginia St., N. of So. Meadows Pkwy Part of Foothill Commerce Center, Reno 163-130-11	2/2015	PUD	10,880± sf Concrete tilt-up Built 2003 25% office Industrial flex bldg..	$1,178,000 $108.27/sf
3	150 Glendale Avenue, Sparks 325' W. of Stanford 032-311-10	6/2015	2.985± ac. 8.13:1	16,000± sf Concrete tilt-up Built 1979 28% office Built-in truck well	$2,200,000 $137.50/sf
4	55 Silicon Drive Off Wild Horse Canyon Dr. TRIC, Storey County 005-021-13	7/2015	2.49± ac. 8.34:1	13,000± sf Metal exterior Built 2009 24% office 1 dock high door 3 at-grade doors	$1,100,000 $84.62/sf (listed at $1,250,000 prior resale)
Listing 5	610-616 E. Glendale Ave. Sparks 034-510-04, 05 & 06	Current Listing	Total 3.11± ac. PUD 9.652:1 Part of a multi-bldg complex	Concrete tilt-up 16,800± sf Built 1974 Approx 25% office area	Asking $1,600,000 $95.24/sf 6.4% cap rate 3 yrs left on lease

INDUSTRIAL SALES PHOTOGRAPHS

Photograph of Sale #1

Photograph of Sale #2

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Photograph of Sale #3

Photograph of Sale #4

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Photograph of Listing #5

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As can be seen, I have utilized four sales and one listing. I could only locate two relatively recent sales of industrial buildings within the Tahoe Reno Industrial Center. Sale 1 was the oldest and is a nice building located on Alexander Court, southerly of Waltham Way. It was leased at the time of sale in 2014, and the lessee leased back the building at $11,700 per month for 10 years, triple net. This property sold at its asking price, and equates to an 8% capitalization rate. It is about twice the size of the subject, somewhat older built in 2005, but is concrete tilt-up with 1,925± square feet of office space. It has four dock-high doors and one at-grade door. It was in good condition at the time of sale. It was a sale in 2014 before Tesla and before the increases in demand and development in TRIC.

Sale 2 was located on South Virginia Street as part of the Foothill Commerce Center, and is more of an industrial flex building. It was an early 2015 sale of a concrete tilt-up building built in 2003, and has approximately 25% office area. It shares its parking and access off South Virginia Street, with the easterly portion of the center abutting the U.S. Highway 395 freeway. However, this sale was several buildings to the west, and therefore did not gain any visual influence. Obviously it is within a close-in area, but was also more limited as to industrial use since most of the buildings are light commercial or flex industrial type use.

Sale 3 is a building somewhat larger in size than the subject at 16,000± square feet on Glendale Road, west of Stanford. It was built in 1979, is concrete tilt-up construction and about 28% office space. In addition, there is a built-in truck well. This was a June 2015 sale.

Finally, the other actual sale in the TRIC was Sale 4, which is a property located off Wild Horse Canyon Drive. It is a building slightly smaller than the subject with metal exterior, and was built in 2009. About one-quarter of this building is office space, and it has three at-grade doors and one dock-high door. It was listed at about $150,000 more than its actual sale. This property has a fairly large land-to-building ratio, however it is also somewhat limited due to topography as not all the land is usable. One factor of the sale is that Wild Horse Canyon Road is also the main road to the Mustang Ranch Brothel. Whether this causes any problems is not known, but it is judged to be at the very westerly end of the Tahoe Reno Industrial Center. In my opinion, this is not as good a location as the subject and not as good a building.

Finally, Listing 5 is a current offering of a parcel on Glendale Avenue that is a building that is somewhat larger in size than the subject, was built in 1974 with about 25% office area. It sold at a 6.4% capitalization rate, with three years left on the lease. This property is located in the middle of the block, westerly of Watson Way and easterly of Dunn Circle.

The sales vary from a low of $57.17 per square foot in the case of Sale 1, to a high of $137.50 per square foot for Sale 3, with the listing at $95.24. One of the primary advantages of the subject is that it is a brand new building, and assuming no construction problems, it has no physical or functional obsolescence. It is in the growth area of the Tahoe Reno Industrial Center, with most of the new buildings that have been constructed in the general area of the subject property. The basic design is attractive, and in my judgment should have a value somewhat greater than most of the sales on a per square foot basis.

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From this I have estimated a value at approximately $135.00 per square foot, which when applied to the 14,016± square feet, would give a value indication by the comparable sales approach at $1,892,000 (round).

Income Approach: It is noted that the subject property is currently offered for lease at $0.65 per square foot, triple net. This would equate to $8,968.32 per month, or approximately $107,620 per year (rounded). Because of construction defects no leases have occurred.

The next step is the consideration of the fair rental of the subject property. The following chart summarizes those buildings judged helpful in the estimation of a fair rental, and whether the offering price is within a reasonable range at $0.65 per square foot, per month, triple net.

INDUSTRIAL BUILDINGS RENTAL SUMMARY

Location	Land Size	Improvements	Rent Per Month
55 Greg Street, Sparks	.75± ac.	11,500± sf industrial building 50% office Built 1986 Upgrade in 2016	$0.75/mo. Owner pays roof & structural; tenant pays all utilities
725 Trademark (NWSC of Trademark & Double R Blvd.), Reno	Part of a PUD	5,000± sf 29% office Built 2001	$0.65/sf NNN
5475 Louie Lane, Suite C, Reno	Part of a PUD	5,156± sf 40% office	$0.79/sf Owner pays roof & structural; tenant pays all utilities
1105 Kleppe Lane, Reno	2.65± ac. Part of larger parcel	13,785± sf 15% office 16-ft. clear height	$0.75/sf NNN
8745 Technology Way, Reno	PUD	3,822± sf Built 2006 50% office	$1.10/sf Tenant pays utilities
955 S. McCarran, Suite 101 Sparks	1.82± ac. Total ownership 2.31:1	7,250± sf 5% office Built 1998 Large parking area Dock high & at-grade doors	$0.50/sf NNN
895 E. Patriot, Reno (E. of S. Virginia St., NW of Longley Ln.)	Total 11.57± sf 6.86:1	12,500± sf Built 1997 2 dock high & 2 at-grade doors 6% office Part of larger complex	$0.52/sf NNN

The primary difficulty with other comparable rentals and current listings is that there are few freestanding smaller buildings that equate with the size of the subject property. There are several larger buildings of considerably greater square footage.

The subject property as a freestanding building on its own parcel is in demand for those types of smaller users. As a result, it was difficult to obtain asking rents of other buildings of smaller size. In my opinion, the asking rents are helpful because existing rents could have been entered into sometime ago, and may not reflect current

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conditions. One of the primary advantages of listings is that this reflects existing competition as compared to the subject.

I did not find any smaller buildings in the TRIC that were offered for rent. In fact, there are not many buildings the size of the subject property since most are considerably larger. From the existing offerings, the comparable on South McCarran was the lowest asking price, and this is a building constructed in 1998 that has a relatively large parking area as it is part of a 1.82± acre site. It does have the dock-high doors and at-grade doors.

The highest asking price was on Technology Way, but this has almost 50% office area and is basically a modified gross service lease with the tenant paying all their own utilities. This would be considerably superior to the subject, not only because of its size, but because of the large office area.

With the Greg Street property in Sparks, the tenant pays their own utilities, but the owner pays roof and structural maintenance.

From the data, I have estimated approximately $0.60 per square foot, and based upon the size of the building at 14,016± square feet, this would equate to $8,409.60 per month, or $100,915 per year, or $101,000 rounded, on a triple net basis.

Typically a tenant for a building such as the subject would be signing a lease of at least 3 to 5 years and in most cases buyers do not apply a vacancy factor. I have utilized $101,000 per year as net income.

The next step is the conversion of this net income into a value estimate. The following chart summarizes some sales of industrial properties, not for direct comparison purposes, but for the extraction of a capitalization rate.

INDUSTRIAL SALES CHART

Sale No.	Location	Sale Date Sale Price	Year Built Condition Construction	OAR
1	012-361-04 Sierra Pacific Business Park Carolina Cotton/Keller Supply 4965-4969 Energy Way, Reno	07-07-2014 $2,500,000	1974 Average Concrete tilt-up	7.88% (100% occupied)
2	034-12-06 Sparks Industrial Submarket Sunstate Equipment Rental 1690 Industrial Way, Sparks	04/30/2015 $2,500,000	1968-1993 Average Metal/Concrete tilt-up	7.29% (100% occupied)
3	034-258-09 Sparks Industrial Submarket 593 Overmyer Road, Sparks	06/29/2015 $1,075,000	1991 Average Concrete block	6.62% (85% occupied)
4	012-316-30 Sparks Industrial Submarket Bulb Daddy/Across International 1195 Greg Street, Sparks	12/28/2015 $1,460,000	1971 Average Concrete tilt-up	7.45%* (100% occupied)
5	013-321-25 Airport Industrial Area Tuff Shed 1050 Matley Lane, Reno	12/31/2015 $1,925,000	1959 (renovated 2015) Above Average Concrete tilt-up	6.86%* (100% occupied)
6	012-282-14 Sierra Pacific Industrial Park Harvest Family Fellowship Office-warehouse 350 S. Rock Blvd., Reno	05/31/2016 $2,000,000	1975 2009 Remodel Above Average Concrete tilt-up	7.25%* (100% occupied)
Listing 7	034-262-08 Distribution Warehouse 831 Deming Way, Sparks	Current Listing $3,500,000	1979 Average Concrete tilt-up	7.00%* (100% occupied)

**Based on estimated income & expenses, asking rent or broker's proforma*

In my opinion, the subject has good potential as it is one of the smaller industrial buildings in the area, and therefore would appeal to a number of buyers or users as

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opposed to the much larger industrial buildings which require a much different type of tenant. The building is new, is located next to USA Parkway and has good exposure. In addition, construction and sales in the Tahoe Reno Industrial Center have magnified in the last two years.

For these reasons, I have selected a range of from 5.75% to 6.5% for a capitalization rate. Based upon the $101,000 estimated net operating income, this would produce a value range of from $1,554,000 to $1,757,000 (round).

Reconciliation and Final Estimate of Value – Before Consideration of Construction Defect Problems: The cost approach to value produced an estimate of $1,474,000, rounded. The sales comparison approach was at $1,892,000, and the income approach was from $1,554,000 to $1,757,000.

Cost Approach	$1,474,000
Comparable Sales Approach	$1,892,000
Income Approach	$1,554,000 to $1,757,000

The primary deficiency with the income approach was the lack of smaller rental buildings of the size of the subject property within the TRIC. This definitely is true throughout the Reno-Sparks area. Most comparable leases were much larger industrial buildings of 50,000+ square feet.

The cost approach is typically helpful with brand new buildings in that it does indicate that the building could be replaced for this amount. However what is not considered in this approach is the timeframe to build such a building, and the time period to get it

rented or sold after the construction period. This is not taking into consideration totally in a cost approach to the extent that in the case of the subject, it is built and ready to go, assuming no construction problems.

Also, I only applied a 15% entrepreneurial profit, and this is a conservative estimate. If I were to have applied a 20% profit to the cost approach for land and building, then that would have brought the cost approach to $1,538,000.

Considering all of these factors, it is my judgment that the market value of the subject property assuming it was built according to the plans and specifications would be at $1,850,000.

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"AS-IS" VALUATION, CONSIDERING CONSTRUCTION PROBLEMS

I am not an expert in construction, but from my own visual examination, there were major cracks down the concrete blocks on the exterior walls. In the main open warehouse area it is obvious that part of the concrete had been dug up and re-poured essentially along the line where the supporting beams are located. However, since that occurred, there are now a number of fairly large cracks around those post areas.

In addition, some of the areas of the concrete block have been opened up, and it does not appear there was sufficient interior grouting. It is also my understanding that the property was subject to some water leakage, and the support beams above the roll-up doors apparently have problems.

For my review, I was provided a defect list dated July 1, 2016 by Madsen Kneppers & Associates, which sets out the results of their study. A copy of that list has been included in the Addenda of this report, followed by repair cost estimates.

From my understanding of the report, the actual hard costs to correct the problems as set out in their analysis were $1,058,240. Then, with various additions including overhead and profit, contingencies, bonds, etc. this brought the total estimated cost to $1,657,951.

Whether some of the items have been accomplished and/or whether changes in these estimates might be applicable, is beyond my expertise, but I have accepted the estimates at $1,658,000.

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Obviously, this is only $193,000 less than my total value estimate of $1,850,000. These figures are subject to actual determined repair costs. If they are less or more than the figures supplied, then the difference in as is value could vary.

EXPOSURE/MARKETING TIME

Approximately six months to one year.

ADDENDA

Stormo Investments

V.

Dennis Banks Construction

MKA No.: 2015.2013

Defect List 7/1/16 and Referenced Codes and Standards

MKA Madsen, Kneppers & Associates, Inc.

Construction | Consultants & Engineers

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Madsen, Kneppers & Associates, Inc
Construction Consultants & Engineers

July 1, 2016

Paul Matteson, Esq
Lewis, Roca, Rothgerber & Christie
50 West Liberty Street, Suite 410
Reno, NV 89501

Re: **Stormo Investments v. Dennis Banks Construction**
MKA No.: 2015.2013

Dear Mr. Matteson:

Pursuant to your requests, Madsen, Kneppers & Associates, Inc. (**MKA**) has completed its Defect List and recommendations for improvement for the above noted project. Information contained in the following report is based upon site inspections performed by **MKA**, which consisted of visual inspections.

This response, including any recommendations, is based upon field observations, access to the site, and review of documents available identified on our report, and represents the opinion of the undersigned. It is possible that unknown and/or hidden conditions may exist which would influence this report, its conclusions and recommendations.

The undersigned must, therefore, expressly disclaim any liability to anyone who may rely upon this report in fashioning, performing or accepting remedial work without our active involvement during the preparation of remedial details and specifications, on-site inspection of the work progress and acceptance of such work.

Sincerely,

Madsen, Kneppers & Associates, Inc

PROFESSIONAL ENGINEER - STATE OF NEVADA
DAVID A VAN DEROSTYNE
Exp
CIVIL
No 018780

David VanDerostyne, PE, SE
Executive Manager

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PRELIMINARY 7-1-2016

Stormo Investments v. Dennis Banks Construction

Plaintiff Cost of Repair

Friday, July 1, 2016

MKA # 2015.1832

Prepared For:

Paul Matteoni, Esq.

Lewis & Roca

50 West Liberty Street, Suite 410

Reno, NV 89501

775-321-3425

Prepared By:

A. Marc Goupille

Madsen, Kneppers & Associates, Inc.

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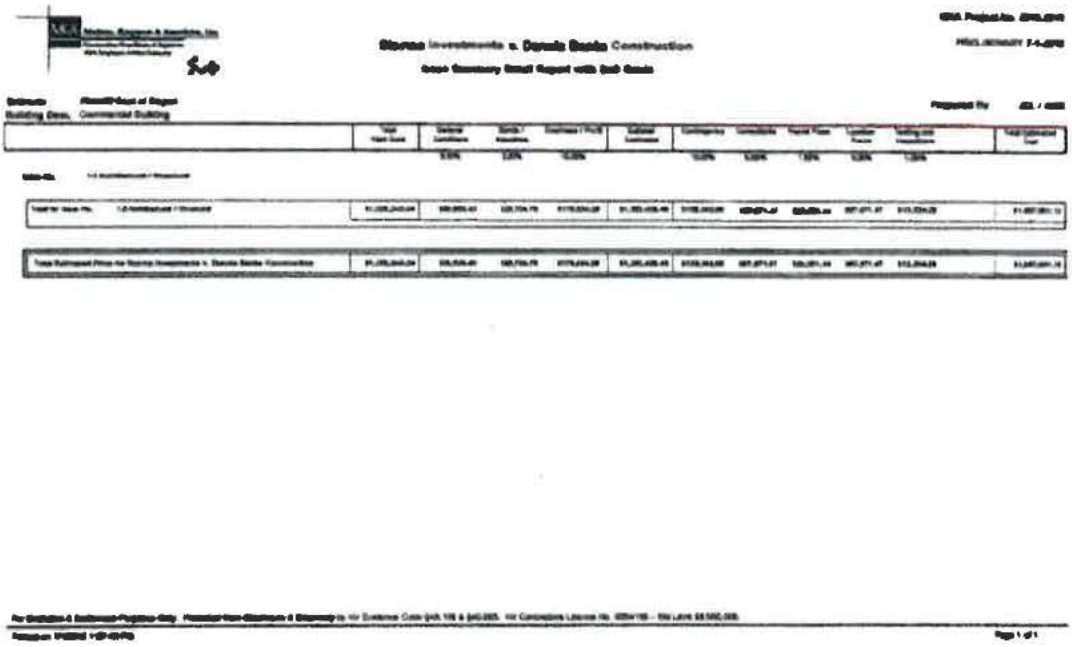
(702) 895-7100



Stevens Investments v. Dennis Banks Construction

Building Desc. Commercial Building

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Madsen, Kneppers & Associates, Inc.
Construction Consultants & Engineers
MKA Engineering Consultants Company

MKA Project No. 2015.2013

PRELIMINARY 7-1-2016

Stormo Investments v. Dennis Banks Construction

Plaintiff Cost of Repair

Estimate Summary Report

Building Desc. Commercial Building
Location 150 Denmark Drive, McCarran, NV 89434
Client Paul Matteoni, Esq. - Lewis, Roca, Rothgerber & Christie

Prepared By JCL / AMG
Bldg Sq Ft N/A

C.S.I Section	Section Description	Bldg Cost per Sq Ft	Total Section Cost
02.10	Demolition		$77,638.00
02.20	Excavation, Fill & Grading		N/A
02.40	Underpinning, Shoring, Dewatering		N/A
02.50	Site Utilities		N/A
02.60	General Site		$43,086.00
02.69	Off Site Work		N/A
02.70	Misc. Site Improvements		N/A
	Sub Total		$120,911.00
02.30	Piling, Piers & Caissons		N/A
02.80	Excavation & Fill		N/A
03.10	Concrete Foundations		N/A
03.20	Concrete, Structural		N/A
03.30	Concrete, Architectural		N/A
03.40	Concrete, Precast		N/A
03.50	Concrete, Slabs On Grade		$107,334.75
03.60	Reinforcing		N/A
03.70	Cementitious Decks		N/A
04.00	Masonry & Stone		N/A
05.10	Structural Steel		$20,895.20
05.30	Metal Siding & Decks		N/A
05.50	Misc Iron & Arch. Metal		N/A
06.10	Carpentry, Rough		$20,688.30
06.20	Carpentry, Finish		N/A
06.30	Glu-Lam Beams & Trusses		N/A
06.50	Stairs & Rails Wood		N/A
06.60	Rough Hardware		N/A
07.10	Waterproofing		N/A
07.20	Thermal & Sound Insulation		N/A
07.30	Roofing & Rigid Insulation		$83,630.00
07.40	Siding		N/A
07.60	Sheet Metal & Skylights		$14,638.10
07.70	Architectural Sheet Metal		$6,257.50
07.90	Caulking & Sealants		N/A
08.10	Hollow Metal Work		N/A
08.20	Wood Doors & Frames		N/A
08.30	Doors, Special		N/A
08.50	Glass, Glazing & Sash		N/A
08.70	Finish Hardware		N/A
08.80	Storefront & Curtain Walls		$63,526.20

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MKA Project No. 2016.2013

Madsen, Kneppers & Associates, Inc.

PRELIMINARY 7-1-2016

Stormo Investments v. Dennis Banks Construction

Plaintiff Cost of Repair

Estimate Summary Report

09.10	Lath, Plaster, Fur & Stud		$119,677.82
09.20	Gyp. Wallboard, Fur & Stud		N/A
09.30	Ceramic Tile		N/A
09.40	Terrazzo		N/A
09.50	Acoustic Tile		N/A
09.60	Wood Flooring		N/A
09.70	Resilient Flooring		N/A
09.80	Painting		$4,291.46
09.90	Plastic Wall Surfaces		N/A
10.10	Chalk & Tack Board		N/A
10.15	Toilet Partitions		N/A
10.20	Folding & Demountable Partitions		N/A
10.40	Toilet Accessories		N/A
10.50	Building Specialties, General		$2,121.86
11.00	Equipment		$10,009.89
12.00	Furnishings		N/A
12.36	Laminated Plastics		N/A
13.00	Special Construction		$346,800.00
14.00	Conveying Systems		N/A
15.10	Plumbing		$8,123.43
15.30	Heat, Vent & Air Cond.		$14,446.22
15.66	Pipe Protection		N/A
16.00	Electrical Work		$4,874.19
17.00	Misc		$124,865.10
	Sub Total		$1,058,240.04
	General Conditions	8.50%	$89,950.40
	Sub Total		$1,148,190.44
	Bonds / Insurance	2.50%	$28,704.76
	Sub Total		$1,176,895.20
	Overhead / Profit	15.00%	$176,534.28
	Sub Total		$1,353,429.48
	Contingency	10.00%	$135,342.95
	Consultants	5.00%	$67,671.47
	Permit Fees	1.50%	$20,301.44
	Location Factor	5.00%	$67,671.47
	Testing and Inspections	1.00%	$13,534.29
	Sub Total		$1,657,951.10
	Total Estimated Price for Stormo Investments v. Dennis Banks Con		**$1,657,951.10**

Per Mediation & Settlement Purposes Only. Protected from Disclosure & Discovery by NV Evidence Code §48.109 & §40.680. NV Contractors License No. 0064188 – Bid Limit $9,500,000.

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MKA Project No. 2015.2013

PRELIMINARY 7-1-2016

Stormo Investments v. Dennis Banks Construction

Plaintiff Cost of Repair

Estimate Summary Report

I. CAVEAT

This document has been prepared for Paul Matteoni, Esq. - Lewis, Roca, Rothgerber & Christie. Reliance upon this document or upon information, observations or opinions contained herein should not be made by any party except the intended recipient designated on the title sheet of this estimate report.

The intent of this evaluation is to prepare an opinion of the probable cost of construction for work to be performed at the Stormo Investments v. Dennis Banks Construction located at 150 Denmark Drive, McCarran, NV 89434.

This opinion assumes a specific scope and methodology; the user is cautioned that changes in either scope and/or methodology could have a reciprocal effect on this opinion. If this should occur, we reserve the right to review such changes and modify our opinion accordingly. Furthermore, our opinion assumes that the work will be competitively bid and, as such, it is advisable to solicit at least four (4) bids when a decision is made for the project to go forward. Our opinion is based on the following notes:

General Notes

The scope represented in the estimate was derived from repair recommendations based on the following reports.

1. Madsen, Kneppers & Associates, Inc. - Architectural / Structural Defect List dated 7/1/2016.

In addition, our evaluation used information gathered from the following:

- Verbal discussions with the above experts.
- Information obtained from various vendors.

Our evaluation contemplates returning the facility to its pre-loss configuration using contemporary materials of like kind and quality. Furthermore, the evaluation is governed by the following assumptions and exclusions.

Assumptions:

- Repair work to be performed under one contract.
- Access and continuity to be provided in an unimpeded manner to the contractor
- Work will be performed in a code compliant manner.
- Internal footing reused.
- Consultants fees for Architectural and Engineering.
- Testing and inspection costs for special inspections.

Exclusions:

Costs associated with:

- Overtime.
- Accelerated construction.
- Work already completed.
- Investigative, forensic and/or destructive testing work.

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Madres, Kreppen & Associates, Inc.
Construction Consultants & Engineers
MWK Engineering Related Company

MKA Project No. 2015.2013

PRELIMINARY 7-1-2016

Stormo Investments v. Dennis Banks Construction

Issue-Subissue-Repair Group Summary Detail Report

Estimate Plaintiff Cost of Repair

Building Desc. Commercial Building

Prepared By JCL / AMG

CSI No.		Unit	Item Qty	Unit Cost	Total Cost
Issue No. 1.0 - Architectural / Structural					
Subissue No. 1.0 - Site					
Repair Group 1 - 1.1 Asphalt Finish Grade - Grade to be lower than interior slab, as-built condition differs					
17.5005	Included in item 1.2	EA	0.00	$0.00	$0.00
	Total for Repair Group 1 - 1.1 Asphalt Finish Grade - Grade to be lower than interior slab, as-built condition differs				$0.00
Repair Group 2 - 1.2 Asphalt Finish Grade - Slope on exterior to be away from building at PL, as-built conditions differ					
02.1001	Saw cut asphalt at east and west junction to front parking lot	LS	1.00	$380.00	$380.00
02.1003	Demo asphalt finish grade	SF	8,880.00	$1.50	$12,975.00
02.1006	Haul asphalt debris for recycling	CY	187.00	$38.00	$2,888.00
02.1007	Lower base grade to allow for slope	EA	1.00	$2,380.00	$2,380.00
02.6001	Install new 4" asphalt finish grade	SF	8,880.00	$4.50	$39,936.00
	Total for Repair Group 2 - 1.2 Asphalt Finish Grade - Slope on exterior to be away from building at PL, as-built conditions differ				$57,449.00
	Total for Subissue No. 1.0 - Site				$57,449.00
Subissue No. 2.0 - Slab on Grade					
Repair Group 1 - 2.1 Slab Thickness is Insufficient					
17.1001	Protect area	HR	24.00	$42.41	$1,017.84
02.1009	Demo office area for slab replacement	EA	1.00	$7,760.00	$7,760.00
02.1013	Provide dumpster for debris removal, 40 yard	EA	4.00	$750.00	$3,000.00
02.1011	Demo and dispose concrete interior slab	SF	13,870.00	$3.50	$48,545.00
03.6001	Form and pour new 6" interior slab with 6 mil vapor barrier, as part of a dual pour with greased dowels and tay joints	SF	11,584.00	$7.00	$81,088.00
03.6003	Form and pour new 4" slab with 6 mil vapor barrier, as part of a dual pour with greased dowels and tay joints	SF	2,288.00	$6.00	$13,716.00
03.6009	Additional cost for rebar dowling at 24"oc at building foundation	EA	342.00	$51.78	$12,830.76
15.1015	Detach and reset eye wash station / shower	EA	1.00	$2,163.41	$2,163.41

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Madsen, Kneppers & Associates, Inc.

MKA Project No. 3916.3913

PRELIMINARY 7-1-3916

Stormo Investments v. Dennis Banks Construction

Issue-Subissue-Repair Group Summary Detail Report

Estimate Plaintiff Cost of Repair

Building Desc. Commercial Building

Prepared By JCL / AMG

CSI No.		Unit	Item Qty	Unit Cost	Total Cost
15.1001	Modify supply and drain lines to ensure adequate performance of eyewash station	LS	1.00	$2,916.84	$2,916.84
15.1003	Furnish and install hot water lines	EA	1.00	$918.06	$918.06
17.9013	Rebuild interior office space to pre dome condition and finish	SF	2,288.00	$50.00	$114,300.00
08.1001	Additional cost to tenant improvement for structural mezzanine level framing and supports	SF	2,288.00	$9.05	$20,686.30
02.6003	Use of a lift	DAY	4.00	$260.00	$1,040.00
17.1003	Clean up area	HR	24.00	$38.00	$912.00
	Total for Repair Group 1 - 2.1 Slab Thickness is insufficient				$319,316.91
Repair Group	2 - 2.2 Concrete Pour - Slab required dual pour with greased dowels with Key-Joints, the as-built condition differs				
17.9009	Included in 2.1	EA	0.00	$0.00	$0.00
	Total for Repair Group 2 - 2.2 Concrete Pour - Slab required dual pour with greased dowels with Key-Joints, the as-built condition differs				$0.00
Repair Group	3 - 2.3 Concrete Pour - Concrete Pour - Slab required dual pour with greased dowels with Key-Joints, the as-built condition differs				
17.9009	Included in 2.1	EA	0.00	$0.00	$0.00
	Total for Repair Group 3 - 2.3 Concrete Pour - Concrete Pour - Slab required dual pour with greased dowels with Key-Joints, the as-built condition differs				$0.00
Repair Group	4 - 2.4 Concrete Mix - Maximum 3" slump, plasticizers to 6" slump to be provided, the as-built condition differs				
17.9009	Included in 2.1	EA	0.00	$0.00	$0.00
	Total for Repair Group 4 - 2.4 Concrete Mix - Maximum 3" slump, plasticizers to 6" slump to be provided, the as-built condition differs				$0.00
Repair Group	5 - 2.5 Concrete Mix - Fibermesh to be added at plant. Fibermesh was added by the driver.				
17.9009	Included in 2.1	EA	0.00	$0.00	$0.00
	Total for Repair Group 5 - 2.5 Concrete Mix - Fibermesh to be added at plant. Fibermesh was added by the driver.				$0.00
Repair Group	6 - 2.6 Vapor Barrier - Vapor barrier is to be a minimum of 3.5 mil., the existing condition is 2 Mil.				
17.9009	Included in 2.1	EA	0.00	$0.00	$0.00

Madsen, Kneppers & Associates, Inc.

MKA Project No. 2015.2013

PRELIMINARY 7-1-2016

Stormo Investments v. Dennis Banks Construction

Issue-Subissue-Repair Group Summary Detail Report

Estimate Plaintiff Cost of Repair

Building Desc. Commercial Building

Prepared By JCL / AMG

CSI No.		Unit	Item Qty	Unit Cost	Total Cost
	Total for Repair Group 6 - 2.6 Vapor Barrier - Vapor barrier is to be a minimum of 3.5 mil., the existing condition is 2 MIL				$0.00
Repair Group	7 - 2.7 Vapor Barrier - Vapor barrier is inappropriately placed between the top of the interior footing and the bottom of the slab				
17.6000	Included in 2.1	EA	0.00	$0.00	$0.00
	Total for Repair Group 7 - 2.7 Vapor Barrier - Vapor barrier is inappropriately placed between the top of the interior footing and the bottom of the slab				$0.00
	Total for Subissue No. 2.0 - Slab on Grade				$318,346.01
Subissue No.	3.0 - CMU Walls				
Repair Group	1 - 3.1 Excessive Cracking / Water Intrusion				
17.1001	Protect area	HR	40.00	$42.41	$1,696.40
13.0001	Fibrewrap the interior and exterior of all masonry walls Price per Fibrewrap Construction Inc.	EA	1.00	$346,500.00	$346,500.00
11.0001	Provide boom lift, including delivery per month	EA	4.00	$2,500.00	$10,000.00
08.1003	Supply and install foam trim at corners of building	LF	234.00	$8.03	$2,023.72
09.1001	Apply 3 coat stucco finish coat over fibrewrap, not including paper or lath	SF	21,768.00	$5.40	$117,494.20
16.0001	Provide an electrician to remove and re-install electrical conduit, lights and fixtures	EA	1.00	$4,574.18	$4,574.18
10.5001	Remove and re-install awnings on front of building	EA	1.00	$1,331.10	$1,331.10
07.7001	Install new parapet cap to allow for additional thickness of surface coatings	LF	482.00	$7.82	$3,672.64
09.9001	Prime and paint parapet cap	LF	482.00	$3.20	$1,542.40
17.1003	Clean up area	HR	40.00	$38.00	$1,520.00
	Total for Repair Group 1 - 3.1 Excessive Cracking / Water Intrusion				$488,514.55
Repair Group	2 - 3.2 Voids in CMU				
17.6010	Repair included in item 3.1	EA	0.00	$0.00	$0.00
	Total for Repair Group 2 - 3.2 Voids in CMU				$0.00

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MKA Madsen, Kneppers & Associates, Inc.
Construction Consultants & Engineers
100% Employee Owned Company

MKA Project No. 2016.2013

PRELIMINARY 7-1-2016

Stormo Investments v. Dennis Banks Construction

Issue-Subissue-Repair Group Summary Detail Report

Estimate Plaintiff Cost of Repair

Building Desc. Commercial Building

Prepared By JCL / AMG

CBI No.		Unit	Item Qty	Unit Cost	Total Cost
Repair Group 3 - 3.3 Hortzontal Rebar Spacing					
17.6016	Repair included in item 3.1	EA	0.00	$0.00	$0.00
Total for Repair Group 3 - 3.3 Hortzontal Rebar Spacing					$0.00
Repair Group 4 - 3.4 Hortzontal Rebar Laps					
17.6016	Repair included in item 3.1	EA	0.00	$0.00	$0.00
Total for Repair Group 4 - 3.4 Hortzontal Rebar Laps					$0.00
Repair Group 5 - 3.5 Lintel Rebar Above Door					
17.1001	Protect area	HR	8.00	$42.41	$339.28
08.1001	Install an HSS 12x8x1/2 header beam welded to two HSS 8x4x1/4 posts at each roll up door with steel base plate. Fasten to opening at 24" oc with bolts epoxied to CMU wall.	EA	4.00	$5,223.80	$20,895.20
09.6003	Prime and paint 2 coats steel beams at each opening	EA	4.00	$679.77	$2,719.08
02.6003	Use of a lift	DAY	4.00	$260.00	$1,040.00
17.1003	Clean up area	HR	8.00	$38.00	$304.00
Total for Repair Group 5 - 3.5 Lintel Rebar Above Door					$25,297.56
Repair Group 6 - 3.6 Stair Step Cracks					
17.6016	Repair included in item 3.1	EA	0.00	$0.00	$0.00
Total for Repair Group 6 - 3.6 Stair Step Cracks					$0.00
Repair Group 7 - 3.7 Moisture Control Units					
17.6016	Repair included in item 3.1	EA	0.00	$0.00	$0.00
Total for Repair Group 7 - 3.7 Moisture Control Units					$0.00
Total for Subissue No. 3.0 - CMU Walls					$514,812.41

Subissue No. 4.0 - Penetrations

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MKA Madsen, Kneppers & Associates, Inc.
Construction Consultants & Engineers
MBE Engineer-Owned Company

MKA Project No. 2015.2013

PRELIMINARY 7-1-2016

Stormo Investments v. Dennis Banks Construction

Issue-Subissue-Repair Group Summary Detail Report

Estimate Plaintiff Cost of Repair
Building Desc. Commercial Building

Prepared By JCL / AMG

CSI No.		Unit	Item Qty	Unit Cost	Total Cost
Repair Group 1 - 4.1 Not Sealed					
17 2015	Repair included in item 3.1	EA	0.00	$0.00	$0.00
Total for Repair Group 1 - 4.1 Not Sealed					$0.00
Total for Subissue No. 4.0 - Penetrations					$0.00
Subissue No. 5.0 - Framing					
Repair Group 1 - 5.1 Floor Joists					
17 5009	Included in 2.1	EA	0.00	$0.00	$0.00
Total for Repair Group 1 - 5.1 Floor Joists					$0.00
Total for Subissue No. 5.0 - Framing					$0.00
Subissue No. 6.0 - Windows					
Repair Group 1 - 6.1 Sill Flashing					
17 6011	Included in 6.2	EA	0.00	$0.00	$0.00
Total for Repair Group 1 - 6.1 Sill Flashing					$0.00
Repair Group 2 - 6.2 1" Insulated Glass					
17 1001	Protect area	HR	36.00	$42.41	$1,511.88
08.6001	Remove and install new bronzed aluminum, 1" insulated glass, 8' 4" x 5' 4"window. Install backer rod and sealant at entire perimeter	EA	32.00	$2,040.00	$65,280.00
08.6003	Remove and install new bronzed aluminum, 1" insulated glass storefront systems	EA	2.00	$5,364.00	$10,728.00
08.9005	Remove and install 3/8" glass entry doors, install backer rod and sealant at entire perimeter	EA	4.00	$1,879.55	$7,518.20
02.6005	Use of a lift	DAY	5.00	$280.00	$2,080.00
17 1009	Clean up area	HR	36.00	$39.00	$1,404.00

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MKA Madsen, Kneppers & Associates, Inc.
Construction Consultants & Engineers
MWV Employee Owned Company

MKA Project No. 2016.2013

PRELIMINARY 7-1-2016

Stormo Investments v. Dennis Banks Construction

Issue-Subissue-Repair Group Summary Detail Report

Estimate: Plaintiff Cost of Repair

Building Desc. Commercial Building

Prepared By: JCL / AMG

CSI No.		Unit	Item Qty	Unit Cost	Total Cost
	Total for Repair Group 2 - 6.2 1" Insulated Glass				$88,661.78
Repair Group 3 - 6.3 Window Not Flush to Outside Block					
17.5011	Included in 6.2	EA	0.00	$0.00	$0.00
	Total for Repair Group 3 - 6.3 Window Not Flush to Outside Block				$0.00
	Total for Subissue No. 6.0 Windows				$88,661.78
Subissue No. 7.0 - Roll Up Doors					
Repair Group 1 - 7.1 Roll Up Doors Leak					
17.5019	Included in 1.2 and 2.1	EA	0.00	$0.00	$0.00
	Total for Repair Group 1 - 7.1 Roll Up Doors Leak				$0.00
	Total for Subissue No. 7.0 - Roll Up Doors				$0.00
Subissue No. 8.0 - Roofing					
Repair Group 1 - 8.1 TPO Roofing - Installed in place of specified					
07.3003	Remove existing TPO roofing	SQ	140.00	$58.00	$8,120.00
07.3005	Install new SBS Modified built up roofing system complete	SQ	140.00	$325.00	$45,500.00
07.6003	Remove wall cap flashing	LF	482.00	$2.08	$1,007.36
15.3001	Remove HVAC unit with the use of a lift	EA	1.00	$1,076.00	$1,076.00
07.7003	Lower and modify scupper	EA	3.00	$274.03	$822.09
07.7005	Detach and reset down spouts	EA	3.00	$254.22	$762.66
17.1003	Clean up area	HR	40.00	$38.00	$1,520.00
	Total for Repair Group 1 - 8.1 TPO Roofing - Installed in place of specified				$58,808.13
Repair Group 2 - 8.2 TPO Roofing - Missing crickets at all curbs					
17.5001	Included in 8.1	EA	0.00	$0.00	$0.00

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Midwen, Koeppen & Associates, Inc.

MKA Project No. 3916.2913

PRELIMINARY 7-1-2016

Stormo Investments v. Dennis Banks Construction

Issue-Subissue-Repair Group Summary Detail Report

Estimate Plaintiff Cost of Repair

Building Desc. Commercial Building

Prepared By JCL / AMG

CSI No.		Unit	Item Qty	Unit Cost	Total Cost
	Total for Repair Group 2 - 6.2 TPO Roofing - Missing crickets at all curbs				$0.00
Repair Group 3 - 6.3 TPO Roofing - Membrane not adhered to ertchet					
17 5007	Included in 6.1	EA	0.00	$0.00	$0.00
	Total for Repair Group 3 - 6.3 TPO Roofing - Membrane not adhered to ertchet				$0.00
Repair Group 4 - 6.4 TPO Roofing - Not built per plans					
17 5007	Included in 6.1	EA	0.00	$0.00	$0.00
	Total for Repair Group 4 - 6.4 TPO Roofing - Not built per plans				$0.00
	Total for Subissue No. 6.0 - Roofing				$58,505.13
Subissue No. 8.0 - Scuppers & Downspouts					
Repair Group 1 - 8.1 Scuppers - Installed too high					
17 5007	Included in 6.1	EA	0.00	$0.00	$0.00
	Total for Repair Group 1 - 8.1 Scuppers - Installed too high				$0.00
Repair Group 2 - 8.2 Scuppers - Construction documents differ from as-built conditions					
17 5007	Included in 6.1	EA	0.00	$0.00	$0.00
	Total for Repair Group 2 - 8.2 Scuppers - Construction documents differ from as-built conditions				$0.00
Repair Group 3 - 8.3 Downspouts - Construction documents differ from as-built conditions					
17 5007	Included in 6.1	EA	0.00	$0.00	$0.00
	Total for Repair Group 3 - 8.3 Downspouts - Construction documents differ from as-built conditions				$0.00
	Total for Subissue No. 8.0 - Scuppers & Downspouts				$0.00
Subissue No. 10.0 - Skylights					

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Madsen, Kneppers & Associates, Inc.

MKA Project No. 2016.2013

PRELIMINARY 7-1-2016

Stormo Investments v. Dennis Banks Construction

Issue-Subissue-Repair Group Summary Detail Report

Estimate Plaintiff Cost of Repair

Building Desc. Commercial Building

Prepared By JCL / AMG

CSI No.		Unit	Item Qty	Unit Cost	Total Cost
Repair Group	1 - 10.1 Skylights				
07.6001	Remove 4'x8' skylights for new roof install	EA	8.00	$252.00	$2,016.00
07.6009	Furnish and install new 4' x 8' skylight	EA	8.00	$1,461.84	$11,694.72
	Total for Repair Group 1 - 10.1 Skylights				$13,630.72
Repair Group	2 - 10.2 Skylight Curb Earthquake Straps				
17.9325	Included in 10.1	EA	0.00	$0.00	$0.00
	Total for Repair Group 2 - 10.2 Skylight Curb Earthquake Straps				$0.00
	Total for Subissue No. 10.0 - Skylights				$13,630.72
Subissue No.	12.0 - HVAC				
Repair Group	1 - 12.1 Units Are Not New				
18.3003	Install new 6 ton HVAC unit	EA	1.00	$13,369.22	$13,369.22
	Total for Repair Group 1 - 12.1 Units Are Not New				$13,369.22
Repair Group	2 - 12.2 Units Are Still Sitting in the Shipping Pallet				
17.9323	Included in 12.1	EA	0.00	$0.00	$0.00
	Total for Repair Group 2 - 12.2 Units Are Still Sitting in the Shipping Pallet				$0.00
Repair Group	3 - 12.3 Energy Efficient Units				
17.9323	Included in 12.1	EA	0.00	$0.00	$0.00
	Total for Repair Group 3 - 12.3 Energy Efficient Units				$0.00
Repair Group	4 - 12.4 Fire Rated Caulk Required at A/C Vents & 1 Hr. Walls				
17.9930	Included in 2.1	EA	0.00	$0.00	$0.00
	Total for Repair Group 4 - 12.4 Fire Rated Caulk Required at A/C Vents & 1 Hr. Walls				$0.00

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MKA Madsen, Kneppers & Associates, Inc.
Construction Consultants & Engineers
100% Employee Owned Company

MKA Project No. 2016.2013

PRELIMINARY 7-1-2016

Stormo Investments v. Dennis Banks Construction

Issue-Subissue-Repair Group Summary Detail Report

Estimate Plaintiff Cost of Repair

Building Desc. Commercial Building

Prepared By JCL / AMG

CSI No.		Unit	Item Qty	Unit Cost	Total Cost
Repair Group	6 - 12.6 Bent and Deformed Ductwork				
17 2009	Included in 2.1	EA	0.00	$0.00	$0.00
Total for Repair Group	6 - 12.6 Bent and Deformed Ductwork				$0.00
Repair Group	6 - 12.6 Heater vent pipe clearance				
17 2009	Included in 2.1	EA	0.00	$0.00	$0.00
Total for Repair Group	6 - 12.6 Heater vent pipe clearance				$0.00
Total for Subissue No.	12.6 - HVAC				$13,388.22
Subissue No.	13.0 - Plumbing				
Repair Group	1 - 13.1 Undersized Water Heater Installed - 1500W water heater installed in lieu of specified 2500W unit				
10 2003	Install new water heater. 20 gal commercial grade	EA	1.00	$780.46	$780.46
Total for Repair Group	1 - 13.1 Undersized Water Heater Installed - 1500W water heater installed in lieu of specified 2500W unit				$780.46
Repair Group	2 - 13.2 Emergency Eye Wash/Shower - Manufacture requires tepid water. The as-built condition only cold water is supplied.				
17 2009	Included in 2.1	EA	0.00	$0.00	$0.00
Total for Repair Group	2 - 13.2 Emergency Eye Wash/Shower - Manufacture requires tepid water. The as-built condition only cold water is supplied.				$0.00
Repair Group	3 - 13.3 Emergency Eye Wash/Shower - Manufacturer requires 1-1/4" supply line with 20gal/min. 1/2" line was installed with 6 gal/min flow				
17 2009	Included in 2.1	EA	0.00	$0.00	$0.00
Total for Repair Group	3 - 13.3 Emergency Eye Wash/Shower - Manufacturer requires 1-1/4" supply line with 20gal/min. 1/2" line was installed with 6				$0.00
Repair Group	4 - 13.4 Emergency Eye Wash/Shower - Manufacturer requires proper drainage. The as-built condition will allow the flat drainage to flow into the office.				
17 2009	Included in 2.1	EA	0.00	$0.00	$0.00
Total for Repair Group	4 - 13.4 Emergency Eye Wash/Shower - Manufacturer requires proper drainage. The as-built condition will allow the flat drainage				$0.00

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MKA Project No. 2015.2013

PRELIMINARY 7-1-2016

Stormo Investments v. Dennis Banks Construction

Issue-Subissue-Repair Group Summary Detail Report

Estimate Plaintiff Cost of Repair

Building Desc. Commercial Building

Prepared By JCL / AMG

CSI No.		Unit	Item Qty	Unit Cost	Total Cost
Repair Group	6 - 13.6 Hot Water - The shower is not receiving any hot water				
17 5009	Included in 2.1	EA	0.00	$0.00	$0.00
	Total for Repair Group 6 - 13.6 Hot Water - The shower is not receiving any hot water				$0.00
Repair Group	6 - 13.6 Plumbing Vent Pipe - Vent piping for restroom fixtures is only 2" diameter. Plans call for 3" diameter				
15.1017	Extend vent pipes (4") including tracing	EA	2.00	$202.66	$405.32
	Total for Repair Group 6 - 13.6 Plumbing Vent Pipe - Vent piping for restroom fixtures is only 2" diameter. Plans call for 3" diameter				$405.32
	Total for Subissue No. 13.6 - Plumbing				$1,196.77
	Total for Issue No. 1.6 - Architectural / Structural				$1,058,240.04

Total Hard Cost for Stormo Investments v. Dennis Banks Construction	$1,058,240.04

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Stonco Investments v. Dennis Banks Construction
Defect List
June 1, 2016

Item	Description of Defect	Built in Many Cases Under the 2001 IBC Codes & Standards	Repair
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]

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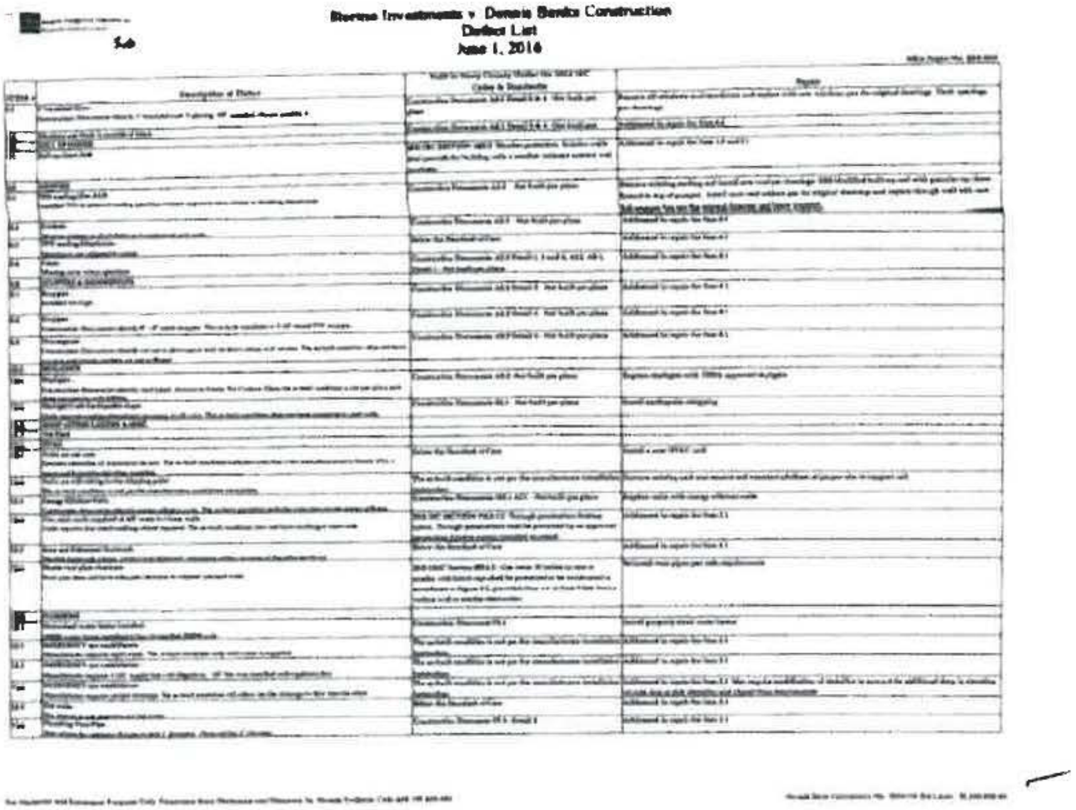

Sterns Investments v. Dennis Banks Construction
Defect List
June 1, 2016

LIMITING CONDITIONS

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

1. LIMIT OF LIABILITY:

   The liability of Kimmel & Associates and employees is limited to the client only and to the fee actually received by Appraiser(s). Further, there is no accountability, obligation, or liability to any third party. If this report is disseminated to anyone other than client, the client shall make such party aware of all limiting conditions and assumptions of the assignment and related discussions. The Appraiser(s) is in no way to be responsible for any costs incurred to discover or correct any deficiencies of any type present in the property; physically, financially, and/or legally. In the case of limited partnerships or syndication offerings or stock offerings in real estate, client agrees that if a legal action is initiated by any lender, partner, part owner in any form of ownership, tenant, or any other party, the client will hold the Appraiser(s) completely harmless in any such action from any and all awards or settlements of any type, regardless of outcome.

2. COPIES, PUBLICATION, DISTRIBUTION, 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 other than its intended use; the physical report(s) remain the property of the Appraiser(s) for the use of the client, the fee being for the analytical services only.

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

3. CONFIDENTIALITY:

   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) appear on the appraisal report, unless indicated 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 firm shall have no responsibility if any such unauthorized change is made.

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The Appraiser(s) may not divulge the material (evaluation) contents of the report, analytical findings, or conclusions, or give a copy of the report to anyone other than the client or his designee as specified in writing except as may be required by the Appraisal Institute as they may request in confidence for ethics enforcement or by a court of law or body with the power of subpoena.

4. INFORMATION USED:

No responsibility is assumed for accuracy of information furnished by work of others, the client, his designee or public records. We are not liable for such information or the work of possible subcontractors. Be advised that some of the people associated with Kimmel & Associates and possibly signing the report are independent contractors. 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 source thought reasonable; all are considered appropriate for inclusion to the best of our factual judgment and knowledge. An impractical and uneconomic expenditure of time would be required in attempting to furnish unimpeachable verification in all instances, particularly as to engineering and market related information. It is suggested that the client consider independent verification as a prerequisite to any transaction involving sale, lease, or other significant commitment of funds or subject property.

5. TESTIMONY, CONSULTATION, COMPLETION OF CONTRACT FOR APPRAISAL SERVICE:

The contract for appraisal, consultation or analytical service is fulfilled and the total fee is payable upon completion of the report. The Appraiser(s) or those assisting in preparation of the report will not be asked or required to give testimony in court or hearing because of having made the appraisal, in full or in part, nor engage in post appraisal consultation with client or third parties except under separate and special arrangement and at additional fee. If testimony or deposition is required because of any subpoena, the client shall be responsible for any additional time, fees, and charges regardless of issuing party.

6. EXHIBITS:

Any sketches, maps, and photographs in this report are included to assist the reader in visualizing the property and are not necessarily to scale. Site plans are not surveys unless indicated as such.

7. LEGAL, ENGINEERING, FINANCIAL, STRUCTURAL, OR MECHANICAL COMPONENTS; SOIL QUALITY:

No responsibility is assumed for matters, legal in character or nature, nor of any architectural, structural, mechanical, or engineering nature. No opinion is rendered as to the title, which 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 is assumed to be correct as used in this report as furnished by the client, their designee, or as derived by the Appraiser(s).

Please note that no advice is given regarding mechanical equipment or structural integrity or adequacy, soils and potential for settlement or drainage, matters concerning liens, title status, and legal marketability, and similar matters. The client should seek assistance from qualified architectural, engineering or legal professionals regarding such matters. The lender and owner may wish to require mechanical or structural inspections by a qualified and licensed contractor, civil or structural engineer, architect, or other expert.

The Appraiser(s) has inspected, as far as possible, by observation, the land and the improvements; however, it was not possible to personally observe conditions beneath the soil or hidden structural or other components. We have not critically inspected mechanical components within the improvements and no representations are made herein as to these matters unless specifically stated and considered in the report. The value estimate considers there being no such conditions that would cause a loss of value. The land or the soil of the area being appraised appears firm; however, subsidence in the area is unknown. The Appraiser(s) do not warrant against this condition or occurrence of problems arising from soil conditions.

Unless otherwise stated, it is assumed that there are no drainage problems relating to the land or the improvements.

The appraisal is based on there being no hidden, unapparent, or apparent conditions of the property site, sub-soil, or structures or toxic materials which would render it more or less valuable. 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 status standard for properties of the subject type. Conditions of heating, cooling, ventilating, electrical and plumbing equipment is considered to be commensurate with the condition of the balance of the improvements unless otherwise stated. No judgment may be made by us as to adequacy of insulation, type of insulation, or energy efficiency of the improvements or equipment; which is assumed standard for the subject property's age and type.

If the Appraiser(s) has not been supplied with a termite inspection, survey or occupancy permit, no responsibility or representation is assumed or made for any costs associated with obtaining same or for any deficiencies discovered before or after they are obtained. No representations or warranties are made concerning the above mentioned items.

The Appraiser(s) assumes no responsibility for any costs or consequences arising due to the need, or the 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.

8. INSULATION AND TOXIC MATERIALS:

Unless otherwise stated in this report, the Appraiser(s) signing this report have no knowledge concerning the presence or absence of toxic materials and/or urea-formaldehyde foam insulation in existing improvements. If such is present, the value of the property may be adversely affected, and re-appraisal at additional cost will be necessary to estimate the effects of such.

9. HAZARDOUS SUBSTANCES OF MATERIALS:

Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyls, petroleum leakage or agricultural chemicals which may or may not be present on the property, or other environmental conditions, were not called to the attention of, nor did the appraiser become aware of such during the appraiser's inspection. The appraiser has no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraiser, however, is not qualified to test such substances or conditions. If the presence of such substances, such as asbestos, urea-formaldehyde, foam insulation, or other hazardous substances or environmental conditions, may affect the value of the property, the value estimated is predicated on the assumption that there is no such condition on or in the property or in such proximity thereto that it would cause a loss in value. No responsibility is assumed for any such conditions, nor for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in the field of environmental impact upon real estate if so desired.

10. LEGALITY OF USE:

The appraisal is based on the premise that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless otherwise stated in the report, and that all applicable zoning, building, use regulations and restrictions of all types have been complied with unless otherwise stated in the report. It is further assumed that all required licenses, consents, permits, or other legislative or administrative approvals from all applicable local, state, federal and/or private authorities have been or can be obtained or renewed for any use considered in the value estimate.

11. COMPONENT VALUES:

The allocation of the total valuation in this report between land and improvements, if included in this report, applies only under the use of the property which is assumed in this report. The separate valuations for land and building must not be used in conjunction with any other appraisal and are invalid if so used.

12. AUXILIARY AND RELATED STUDIES:

No environmental or impact studies, special market study or analysis, special highest and best use study or feasibility study has been requested or made unless otherwise specified in an agreement for services or so stated in the report.

13. DOLLAR VALUES, PURCHASING POWER:

The market value estimated and the costs used are as of the date of the estimate of value. All dollar amounts are based on the purchasing power and value of the dollar as of the date of the value estimate.

14. VALUE CHANGE, DYNAMIC MARKET, INFLUENCES, ALTERATION OF ESTIMATE BY APPRAISER:

The estimated market value, which is defined in the report, is subject to change with market changes over time. Value is highly related to exposure, time, promotional effort, terms, motivation, and conditions. The value estimate considers the productivity and relative attractiveness of the property physically and economically in the marketplace as of the date of value.

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

The "Estimate of Market Value" in the appraisal report is not based in whole or in part upon the race, color or national origin of the present owners or occupants of the properties in the vicinity of the property appraised.

The appraisal report and value estimate are subject to change if the physical or legal entity or the terms of financing are different from what is set forth in this report.

15. INCLUSIONS:

Except as specifically indicated and typically considered as a part of the real estate, furnishings, equipment, other personal property, or business operations have been disregarded with only the real estate being considered in the value estimate. In some property types, business and real estate interests and values are combined but only if so stated within this report.

16. PROPOSED IMPROVEMENTS, CONDITIONED VALUE:

Improvements proposed, if any, on-site or off-site, as well as any repairs required are considered, for purposes of this appraisal, to be completed in good and workmanlike manner according to information submitted and/or considered by the appraisers. In cases of proposed construction, the appraisal is subject to change upon inspection of the property after construction is completed. This estimate of market value is as of

the date shown, as proposed, as if completed and operating at levels shown and projected, unless otherwise stated.

17. MANAGEMENT OF THE PROPERTY:

It is assumed that the property which is the subject of this report will be under typically prudent and competent management, neither inefficient or superefficient.

18. FEE:

The Appraiser certifies that, my compensation is not contingent upon the report of a predetermined value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event, or that the appraisal assignment was not based on a requested minimum valuation, a specific valuation or the approval of a loan.

19. AMERICANS WITH DISABILITIES ACT:

The Americans With Disabilities Act became effective January 26, 1992. Unless otherwise stated in this report, this appraisal firm did not conduct a compliance survey or audit, nor was one provided to determine whether or not the subject property is in conformity with the numerous requirements of the Americans With Disabilities Act. If the subject property is found to not be in compliance with Americans With Disabilities Act, the cost to cure the lack of compliance may have a negative or adverse impact on the value of the subject property. No responsibility is assumed for any such conditions, nor for any expertise or knowledge required to discover them. The client is urged to retain an expert in this field to ascertain the subject property's compliance with the Americans With Disabilities Act.

20. FEDERAL FAIR HOUSING ACT:

I am not an expert in the application of the Federal Fair Housing Act as it relates to multi-residential property requirements regarding physical or mental disabilities. This act requires certain accommodations for disabled persons in multi unit buildings of four or more that were constructed after March 13, 1991. I recommend that a qualified inspector be retained to determine if the subject property meets the applicable requirements and if not what costs may be necessary to abide by the law. Unless otherwise stated, I have not considered any deductions in cost or value to comply with the requirements of the Federal Fair Housing Act.

21. CHANGES, MODIFICATIONS:

The Appraiser(s) reserve the right to alter statements, analyses, conclusions or any value estimate in the appraisal if there becomes known to them facts pertinent to the appraisal process which were unknown when the report was finished.

22. This is an appraisal report which is intended to comply with the reporting requirements set forth under Standard Rule 2-2(a) of the Uniform Standards of

Professional Appraisal Practice. The information contained in this report is specific to the needs of the client and for the intended use stated in this report. The appraiser is not responsible for unauthorized use of this report.

23. ACCEPTANCE AND/OR USE OF THIS APPRAISAL REPORT BY THE CLIENT OR ANY THIRD PARTY CONSTITUTES ACCEPTANCE OF THE ABOVE CONDITIONS. APPRAISER LIABILITY EXTENDS ONLY TO THE STATED CLIENT AND NOT TO SUBSEQUENT PARTIES OR USERS, AND THE LIABILITY IS LIMITED TO THE AMOUNT OF FEE RECEIVED BY THE APPRAISER(S).

QUALIFICATIONS OF WILLIAM G. KIMMEL

CERTIFIED GENERAL APPRAISER
STATE OF NEVADA, CERTIFICATION #A.0000004-CG

Education: B.A. Degree in Economics from Stanford University.

Experience: From 1959 to 1961, employed as a real estate broker-salesman in Reno and Lake Tahoe, Nevada. From 1961 to 1968, employed by the Nevada State Highway Department as a real estate appraiser and Assistant Supervisor. From April 1968 to present, an independent fee appraiser.

Expert Witness: Qualified as an expert witness in District Court in Washoe, Clark, Carson City, Lander, Lyon, Humboldt, Elko and Douglas Counties, Nevada; Superior Court in Eldorado and Los Angeles Counties, California; United States Tax Court in Las Vegas and Reno, Nevada, New York City, and Seattle, Washington; Federal Bankruptcy Courts in Reno, Las Vegas, San Francisco, Los Angeles, Phoenix, Portland Oregon; U.S. District Court in Reno and Las Vegas, Nevada; State District Court, Salt Lake City, Utah; U.S. District Court, Boise, Idaho; Superior Court, Newton County, Kentland, Indiana; United States Court of Federal Claims in Washington D.C.; Second Judicial Court, Chancery Court of Harrison County, Biloxi, Mississippi; Tax Court New Jersey; Court of Tax Appeals State of Kansas.

Lecturer: Instructed at the University of Nevada, Reno; Truckee Meadows Community College; Educations Dynamics Institute (Reno School of Real Estate); and Graduate Realtor Institute courses in real estate appraisal and land economics.

Professional Organizations: MAI - Member Appraisal Institute
SREA - Senior Real Estate Analyst Member of the Appraisal Institute
Licensed Real Estate Broker, Reno/Sparks Association of Realtors 1958-2011
Certified General Appraiser, State of Nevada, Certification Number A.0000004-CG

Offices Held: President - 1986 - Sierra Nevada Chapter 60, American Institute of Real Estate Appraisers

President - 1976-1977 - Reno-Carson-Tahoe Chapter 189 Society of Real Estate Appraisers

President - 1966 - Chapter 44, American Right-of-Way Association

President - 1996 - Reno-Carson-Tahoe Chap. 189 Appraisal Institute

Board of Directors - 1973-1976 -Reno Board of Realtors

Commissioner - 1989-1994 - State of Nevada, Nevada Commission of Appraisers

Clients Served: Public Entities (partial list)

Internal Revenue Service
Nevada Industrial Commission
Nevada State Highway Department (NDOT)
Nevada State Division of Parks
Nevada State Planning Board
Nevada State Division of Real Estate
Nevada State Mental Health Institute
Clark County
Public Employees Retirement System
California Division of Highways
Carson City
City of Elko
City of Reno
City of Sparks
City of South Lake Tahoe
City of Las Vegas
City of Los Angeles
City of West Wendover
Incline Village General Improvement District
University of Nevada, Reno
Feather River College
Kingsbury Improvement District
Tahoe-Douglas Improvement District
Crystal Bay Improvement District
Douglas County
Washoe County
United States Forest Service
McCarran International Airport
Reno Redevelopment Agency
Las Vegas Redevelopment Agency
Sierra Pacific Power Company (NV Energy)
Kern River Gas
Nevada Power Company
Washoe County Airport Authority

Lending Institutions & Mortgage Companies: (partial list)

American Bank
American Federal Savings Bank Lending Institutions
(Formerly First Federal Savings)
Bank of America
Bank of Nevada
Bank of Tokyo
Bank of the West
Bank West
Banker's Mortgage Co. of CA
Business Bank

California Fed. Savings & Loan
Central California Bank
Central Valley National Bank
Chase Manhattan Bank
Citibank
Colonial Bank
Coldwell Banker
Comerica Bank
Crocker-Citizens National Bank
Far West Mortgage Company
First Bank of Arizona
First Independent Bank of Nevada
First Interstate Bank of Nevada
First National Bank of Nevada
First Western Savings & Loan
Fleet Mortgage
Giddings Company
Great Basin Bank
Heritage Bank
Home Savings Association
Interwest Mortgage
Investor's Mortgage Service Co.
Irwin Union Bank
Manufacturer's Hanover Trust
Mason-McDuffie
Mortgage Guaranty Ins. Corp. (Hibernia Bank)
Nevada National Bank
Nevada Security Bank
Nevada State Bank
Northern Nevada Bank
Pioneer Citizen's Bank of Nevada
PriMerit Bank (Formerly Nevada Savings & Loan)
Security Bank of Nevada
Security Pacific Bank (Formerly Nevada National Bank)
The Stanwell Company
Sun West Bank
United Mortgage Company
U.S. Bank (Formerly Security Pacific Bank)
Valley Bank of Nevada
Wells Fargo Bank
Zion's Bank

Business Firms:

In addition to the above,
various accounting firms and law offices.

Types of Properties Appraised:

Gaming Casinos
Hotel/Casinos
Motels
Hotels
Apartments
Condominiums
Time Share & Interval Ownerships
Mobile Home Park
Shopping Centers
Warehouses
Medical Buildings
Office Buildings
Hospital
Commercial Buildings
Planned Unit Developments
Brothels
Industrial Buildings
Single Family Residences
Ski Areas
Tennis Clubs
Airport Facilities
Feed Lots
Guest Ranches
Ranches
Unimproved Land
Forest Land
Churches
Schools
Cemeteries
Mortuaries
Marinas
Gravel Pits
Air Rights
Sub-Surface Rights
Value of Business as a Going Concern
Leasehold & Partial Interest

CERTIFICATION

I certify that, to the best of my knowledge and 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 no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.*
- *My engagement in this assignment was not contingent upon developing or reporting predetermined results.*
- *My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.*
- *The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standard of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.*
- *The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.*
- *I have made a personal inspection of the property that is the subject of this report.*
- *The appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.*
- *The appraiser's state registration has not been revoked, suspended, canceled or restricted.*
- *I have 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.*

_____

William G. Kimmel, MAI, SREA
Certified General Appraiser
State of Nevada
Certification No. A.0000004-CG