

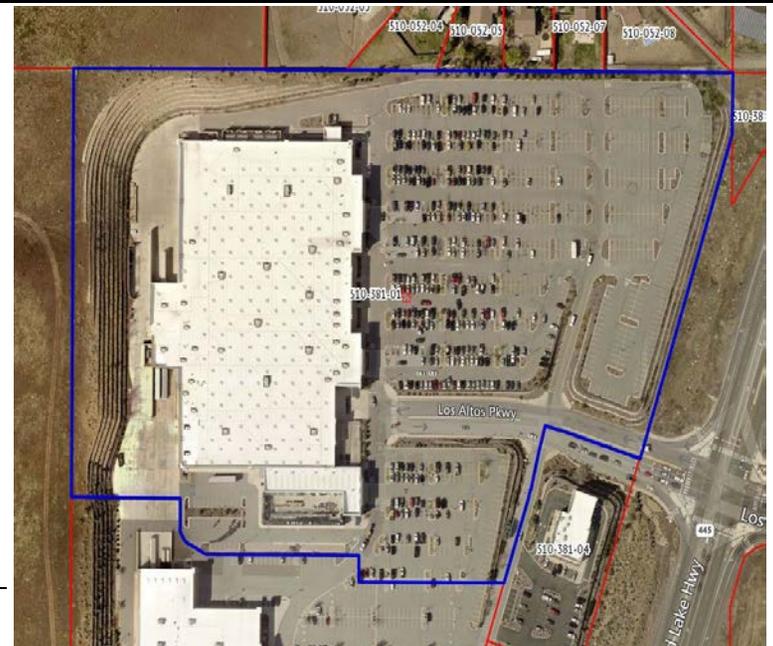
ASSESSOR'S

EVIDENCE

Washoe County Board of Equalization
Appeal Summary Page - Secured Roll

Hearing # 19-0066
Hearing Date 2/27/2019
Tax Year 2019/20

APN: 510-381-01
Owner of Record: WAL-MART REAL ESTATE BUS TRUST
Property Address: 5065 PYRAMID WAY
Property Type: MEGA WAREHOUSE DISCOUNT STORE 100%
Gross Building Area: 197,159
Year Built: 2005
Parcel Size: 21.79 Acre
Description / Location: The subject consists of a Walmart Mega Discount Warehouse that fronts Pyramid Highway in the Spanish Springs Submarket of Sparks.
2019/20 Taxable Value: Land: \$5,243,932
Improvements: \$11,357,746
Total: \$16,601,678
Taxable Value / SF \$84



Sales Comparison Approach: Indicated Value \$21,700,000
Indicated Value / SF \$110
Income Approach: Indicated Value \$21,300,000
Indicated Value / SF \$108
Current Obsolescence And/Or Building Adjustment: \$0

Conclusions: The subject is a fully functioning building serving its highest and best use as designed by the owner. No under-utilization, functional obsolescence, or deferred maintenance was observed at the property. The sales comparison approach is reconciled to \$21,700,00 or \$110/SF and the income approach yields a value of \$21,300,000 or \$108/SF. Both approaches to value support the current taxable value, which does not exceed full cash value.

RECOMMENDATION: Uphold X Reduce

ASSESSOR'S EXHIBIT I
21 PAGES

WASHOE COUNTY BOARD OF EQUALIZATION

COMMERCIAL / INDUSTRIAL

	TAXABLE VALUE	ASSESSED VALUE	TAXABLE
LAND:	\$5,243,932	\$1,835,376	\$/SF GBA
IMPROVEMENTS:	\$11,357,746	\$3,975,211	\$84.20
TOTAL:	\$16,601,678	\$5,810,587	
			TAXABLE
			\$/SF Land
			\$5.52

HEARING:	<u>19-0066</u>
DATE:	<u>2/27/2019</u>
TIME:	<u></u>
TAX YEAR:	<u>2019/2020</u>

OWNER: WAL-MART REAL ESTATE BUS TRUST

SUBJECT													
BLDG#	APN	Location (Occupancy)	Use %	Total GBA (GBA)	Construction Type Exterior Walls	QC	Finish Area	Age(WAY) Height	Land (SF) %Coverage Zoning	Sale Price Sale Date	Sale Price/GBA	EGI GIM OER	NOI OAR
1	510-381-01	5065 PYRAMID WAY MEGA WAREHOUSE DISCOUNT STORE	100%	197,159 197,159	Concrete Block	C25	197,159	2005 20'	949,129 21% C2				

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

LAND SALES													
Sale #	APN	Location	Sale Date	Sale Price	Size(sf)	\$/sf	Tax/Unit	Zoning	Comments				
LS-1	163-061-06	537 SOUTH MEADOWS PKWY	08/30/16	\$5,921,345	9.245	\$14.53	NA	PUD	SVL verified arms length sale. Property was not on the market, however the owner was accepting offers and decided to sell to the buying party since they had a fair market offer. The new buyers purchased the land to construct a Sprout's Farmers Market and retail center.				
L2-2	163-090-26	9200 DOUBLE R BLVD	04/27/18	\$6,534,000	15.00	\$10.00	NA	PUD	Parcel is located in PUD which allows for a variety of commercial uses; Topography will require extensive fill and groundwork; Buyer is a known apartment developer				
LS-3	400-040-15	1405 SKY MOUNTAIN DR	08/11/17	\$4,525,000	10.61	\$9.79	NA	CC	Parcel is zoned Community Commercial which allows for many commercial uses; Former parking lot of the former K-Mart/Great Western Market Place; Good visibility from Interstate-80, but has poor access				
LS-4	015-220-08,09, 10,12,25,46,49,50, 53,55,56,58,015- 261-16-17	E PLUMB LANE	09/22/16	\$26,347,183	45.60	\$13.26	NA	MUSV/CC	No SVL. Costar indicates SP = \$26,923,683, minus \$576,500 for add'l H2O rights = \$26,347,183 cash eqiv. Terms were 63% down, and a mortgage for the remaining 37%. Various sources have quoted the owner as stating the future use of the property will be ~1,200 residential units, 100K Sq. Ft. of retail and 70-80K Sq. Ft. of office, all to be initiated in 2017.				

COMMENTS:
SEE ATTACHED COMMENTS SECTION

COMMENTS:

Improved Sales:

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

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

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

Improved Sales Conclusion:

After adjusting IS-1 for property rights and IS-2 for expenditures after purchase, the comparable sale prices range from \$99/SF to \$145/SF. IS-3 was purchased by an owner user and required significant repairs and improvements prior to occupancy. This is a second generation space that is inferior to the subject in location, access, and visibility. As a result, the \$100/SF sale price is considered a low indicator of value. IS-1 and IS-2 represent single tenant, free-standing buildings purchased in the Reno/Sparks market. Due to the subject's multi-use characteristics (i.e. grocery, pharmacy, garden & home center, vision center, nail and hair salons, and McDonalds) it is considered superior to IS-2's second generation department store use. Therefore, the \$99/SF sale price for IS-2 is considered a low indicator of value. Similar to the subject, IS-1 is a first generation retail space designed specifically for the tenant, Home Depot. After adjusting the sale price for excess rent, the \$14,975,000 or \$145/SF reflects a fee simple value for a well located big-box store. However, an additional 20% to 25% downward adjustment is necessary for the relatively small size of IS-1's building (102,832 SF) when compared to the subject (197,159 SF). Overall, IS-1 is considered the best comparable and given the most weight in the analysis. Based on the comparable sales with IS-1 being given the most weight, the sales comparison approach is reconciled to \$110/SF.

Land Sales:

The subject fronts the Pyramid Highway in the Spanish Springs Submarket. Spanish Springs is a large residential market that contains such neighborhoods as Desert Springs, Eagle Canyon, Kiley Ranch, Wingfield Springs, La Posada, Calle De La Plata, and Pebble Creek. This area is experiencing robust residential growth with several new subdivisions being developed. The Pyramid Highway serves as the main transportation route from Reno/Sparks to Spanish Springs. The subject enjoys good signage from Pyramid Highway and ingress/egress is provided from double turn lanes at the signaled intersection of Los Altos Parkway and Pyramid Highway. Overall, this is considered a prime retail location. The comparable land sales share many of the subject's locational characteristics and retail/commercial land use. Their sale prices range from \$9.79/SF to \$14.53/SF. A 15% downward adjustment is applied to the subject's base \$6.50/SF for size. The subject's taxable land value of \$5.52/SF is supported by the comparable land sales.

WASHOE COUNTY BOARD OF EQUALIZATION

COMMERCIAL / INDUSTRIAL

	TAXABLE VALUE	ASSESSED VALUE
LAND:	\$5,243,932	\$1,835,376
IMPROVEMENTS:	\$11,357,746	\$3,975,211
TOTAL:	\$16,601,678	\$5,810,587

TAXABLE	HEARING: 19-0066
\$/SF GBA	DATE: 02/27/19
\$84.20	TIME:
	TAX YEAR: 2019/2020

APN: 510-381-01
 OWNER: WAL-MART REAL ESTATE BUS TRUST

TAXABLE
\$/SF Land
 \$5.52

Income Approach					
Potential Gross Income	197,159 sq ft. @	\$0.00 /mo =	\$0		
	43,400 sq ft. @	\$0.85 /mo =	\$36,890		
	153,759 sq ft. @	\$0.55 /mo =	\$84,567		
			\$121,457		
	x 12 months =		12	\$1,457,489	
- Vacancy & Collection loss			0%	\$0	
= Effective Gross Income				\$1,457,489	
- Operating Expenses			5%	\$72,874.47	
=Net Operating Income				\$1,384,615	
Divided by Overall Capitalization Rate			6.50%	\$21,301,768	
				Rounded	\$108 /sf GBA

Subject Income Information: The subject is an owner occupied Wal-Mart Supercenter located in the Spanish Springs Submarket. The petitioner did not provide any data regarding store performance or gross sales.

Potential Gross Income: In order to better estimate the market rent for Wal-Mart Supercenters, the stores were divided into grocery store and box retail spaces. Based on field measurements taken at a local store, the grocery store space occupies ~22% of the total GBA or ~43,400 SF. A survey of box retail and grocery store rents in Washoe County was conducted to estimate the PGI for the subject property(See Attached). The rents for box retail range from \$0.42/SF to \$0.69/SF on a triple net basis. The Subject's premier location, access, and visibility would command a rent at the high end of the range. However, this is somewhat offset by the relatively large size (153,759 SF) of the retail space. Overall, a market rent near the middle of the range or \$0.55/SF is reasonable for the retail space. The rents for grocery stores range from \$0.75/SF to \$1.17/SF on a triple net basis. The Grocery Outlet lease is considered the best rent comparable; however, it is a second generation space with inferior tenant buildout. Since the landlord was responsible for all tenant improvement costs, the lease of the Sprouts store in Spanish Springs for \$1.17/SF is considered a high indicator. Based on rent comparables, a rent of \$0.85/SF is supported for the grocery space.

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

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

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

Indicated Value Income Approach: The value indicated by the income approach is \$21,301,768 or \$108/SF.

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

Situs & Keyline Description:
5065 PYRAMID WAY SPARKS
PM 4162
LT 1

Owner & Mailing Address:
WAL-MART REAL ESTATE BUSINESS TRUST
PO BOX 8050
BENTONVILLE, AR 72716

WASHOE COUNTY APPRAISAL RECORD
2019

APN: 510-381-01

Card 1 of 2
Bld. 1-1



Tax District: 2000

printed: 2/11/2019

ACTIVE

3408.17

DGAQ - Sparks Galleria Commercial Area

VALUATION HISTORY							PARCEL VALUE SUMMARY				Database	Roll Year	Prior % Complete	% Complete
Roll Year	Taxable Land	Land New	Taxable Improvements	Improvement New	Total Taxable	Total Assessed	Primary Valuation	Building Level Cost		PROD				
2019 NR	5,243,932	0	11,357,746	0	16,601,678	5,810,587	Building Value	9,244,702						
2018 FV	5,243,932	0	11,300,051	0	16,543,983	5,790,394	Extra Feature Value	2,113,044						
2017 SBE	5,243,932	0	9,148,675	0	14,392,607	5,037,412	Land Value	5,243,932						
2016 FV	5,243,932	0	11,581,384	0	16,825,316	5,888,861	Taxable Value	16,601,678						
2015 FV	6,050,691	0	11,596,403	0	17,647,094	6,176,483	Exemption	0						
2014 FV	7,517,094	0	11,931,101	0	19,448,195	6,806,868	FLAGS Type Value Cap Code NFM Eligible for Form? NO Low Cap Percentage 0 Parcel Map 4162							
2013 FV	7,934,710	0	11,664,409	0	19,599,119	6,859,692								
2012 FV	7,934,710	0	11,815,983	0	19,750,693	6,912,742	NC / C New Land New Sketch By: Date:							
2011 FV	8,352,326	0	12,264,929	0	20,617,255	7,216,039								
2010 FV	8,352,300	0	12,136,730	568,989	20,489,030	7,171,161								
2009 FV	8,519,380	0	11,567,741	0	20,087,121	7,030,492								
2008 FV	11,389,500	0	11,730,154	0	23,119,654	8,091,879								

BUILDING DETAILS				BUILDING FEATURES AND ADJUSTMENTS				BUILDING SUB-AREAS				BUILDING COST SUMMARY			
Type	Code	Description	Category	Units	Code	Description	Yr Blt	Units	Cost New	Tot Lump Sum Adj					
Occupancy	600	Miscellaneous			CNM	CNPM - CANOPY METAL		12,486	751,782		Sub Area-RCN	759,831			
Story/Frame	0	NONE			STR	STRM - STORAGE ROOM		150	8,049		% Incomplete	0			
Quality	40	Good									% Depreciation	21.00			
Year Built	2005	%Comp	100	Year of Addn/Remodel							\$ Dep & Inc	159,565			
BUILDING CHARACTERISTICS											Obso/Other Adj.	0			
Category	Code	Type	%								Sub Area DRC	600,266			
											Additive DRC	2,113,044			
											Total DRC	2,713,310			
											Override				
											Cost Code	89502			
											PROPERTY CHARACTERISTICS				
											Water	Municipal			
											Sewer	Municipal			
											Street	Paved			
											BUILDING NOTES				
											Gross Living/Building Area 0				
											Perimeter 0				

#	Bld	Date	User ID	Activity Notes
1	0-0	11/16/2018	smartell	REXT BY MB - 10/12/2018

EXTRA FEATURES, ADDITIVES, AND ADJUSTMENTS																
#	Code	Description	Quality	Bld #	Length	Width	Units	Unit Price	Year Built	Roll Year	% Comp	RCN	% Good	DRC	Override Value	Notes
1	CRBC	CONCRETE CURB 6", NO GUTTER	30	1-1	0	0	670	13.59	2005		100	9,105	79.0	7,193		
2	CRBG	CONCRETE CURB 6", 1' GUTTER	30	1-1	0	0	24000	18.19	2005		100	436,560	79.0	344,882		
3	DKLV	DOCK LEVELER	30	1-1	0	0	6	7,922.00	2005		100	47,532	79.0	37,550		
4	FNI1	WROUGHT IRON FENCE-LOW	30	1-1	0	0	13000	7.95	2005		100	103,350	79.0	81,647		
5	FWAS	FLATWORK ASPHALT	30	1-1	0	0	419000	1.92	2005		100	806,156	79.0	636,863		
6	FWCO	FLATWORK CONCRETE	30	1-1	0	0	71000	4.39	2005		100	312,010	79.0	246,488		
7	PKLT	PARKING LOT LIGHTING	30	1-1	0	0	419000	0.65	2005		100	272,350	79.0	215,157		
8	TKW4	TRUCK WELL CONCRETE WITH RETAINING WALL	30	1-1	0	0	9890	18.76	2005		100	185,536	79.0	146,574		
9	WLCB	WALL CONCRETE BLOCK	30	1-1	0	0	5800	15.68	2005		100	90,944	79.0	71,846		
10	YIMP	YARD IMPROVEMENTS	30	1-1	0	0	258	1,593.78	2005		100	411,195	79.0	324,844		

#	Code	Description	Zone	Units	Unit Type	Sub Type	Unit Price	Influence 1 Code	Influence 1 %	Influence 2 Code	Influence 2 %	Taxable Value	Land Notes
1	400	General Commercial: retail,	C2	949,128.00	SF	1	6.50	NT	0.85			5,243,932	UNUSABLE AREA-15%



Tax District: 2000

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3408.17

DGAQ - Sparks Galleria Commercial Area



BUILDING PERMITS

Date	Permit #	Description	Amount	Status	% Comp	Last Visit/Appr/Results	Notes
11/28/2018	SBLD18-	Install	20,000	Assgn	0	01/31/19 EB Assgn	Assigned To PP
7/2/2018	FIRE18-	Use	4,632	Assgn	0	08/01/18 MB Assgn	Assigned Based On
6/4/2018	SBLD18-	Remove	50,000	Assgn	0	07/23/18 MB Assgn	Assigned Based On
1/24/2018	SBLD17-	Incorporat	50,000	Compl	100	03/26/18 MB Compl	NVC
8/16/2017	SBLD17-	Install 1	5000	Compl	0	05/30/18 EB Compl	NVC
4/17/2014	A1400436	RELOCATE,	4400	Compl	100	07/21/14 TAO Compl	
9/23/2011	A1101215	TENANT	4000	Compl	0	01/06/12 PAO Compl	NVC

SALES/TRANSFER INFORMATION

Grantor	Document	Date	LUC	Verif	Terms	Sales	Notes
RIALTO LLC,	3107117	10/1/2004	110	1G	1CTS	8,648,583	
RIALTO LLC,	3008495	3/18/2004	140	3NTT			

#	Bld	Date	User ID	Activity Notes
2	1-1	2/20/2018	elado	CBE BOARD YEAR 2018 PROTEST YEAR 2018/2019, VALUES UPHELD
3	0-0	1/17/2018	lzimm	UPDATE APPRAISER & SENIOR APPR ON APPEAL
4	0-0	10/17/2017	jkare	REXT BY MB - 10/11/2017
5	1-1	7/31/2017	srsco	LAND OK
6	0-0	2/28/2017	srsco	CBOE BOARD YEAR 2017, PROTEST YEAR 2017/18 - UPHELD
7	0-0	2/23/2017	lzimm	UPDATE CBE DECISION
8	0-0	2/7/2017	lzimm	rescheduled CBE hearing
9	0-0	1/31/2017	mjach	CBE HEARING NOTICE
10	0-0	1/25/2017	sjack	Entering Date Scheduled

Situs & Keyline Description:
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 PM 4162
 LT 1

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 WAL-MART REAL ESTATE BUSINESS TRUST
 PO BOX 8050
 BENTONVILLE, AR 72716

WASHOE COUNTY APPRAISAL RECORD
2019

APN: 510-381-01

Card 2 of 2
 Bld. 1-2



Tax District: 2000

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DGAQ - Sparks Galleria Commercial Area

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2016 FV	5,243,932	0	11,581,384	0	16,825,316	5,888,861	Taxable Value	16,601,678				
2015 FV	6,050,691	0	11,596,403	0	17,647,094	6,176,483	Exemption	0				
2014 FV	7,517,094	0	11,931,101	0	19,448,195	6,806,868	FLAGS					
2013 FV	7,934,710	0	11,664,409	0	19,599,119	6,859,692	Type	Value				
2012 FV	7,934,710	0	11,815,983	0	19,750,693	6,912,742	Cap Code	NFM				
2011 FV	8,352,326	0	12,264,929	0	20,617,255	7,216,039	Eligible for Form?	NO				
2010 FV	8,352,300	0	12,136,730	568,989	20,489,030	7,171,161	Low Cap Percentage	0				
2009 FV	8,519,380	0	11,567,741	0	20,087,121	7,030,492	Parcel Map	4162				
2008 FV	11,389,500	0	11,730,154	0	23,119,654	8,091,879						

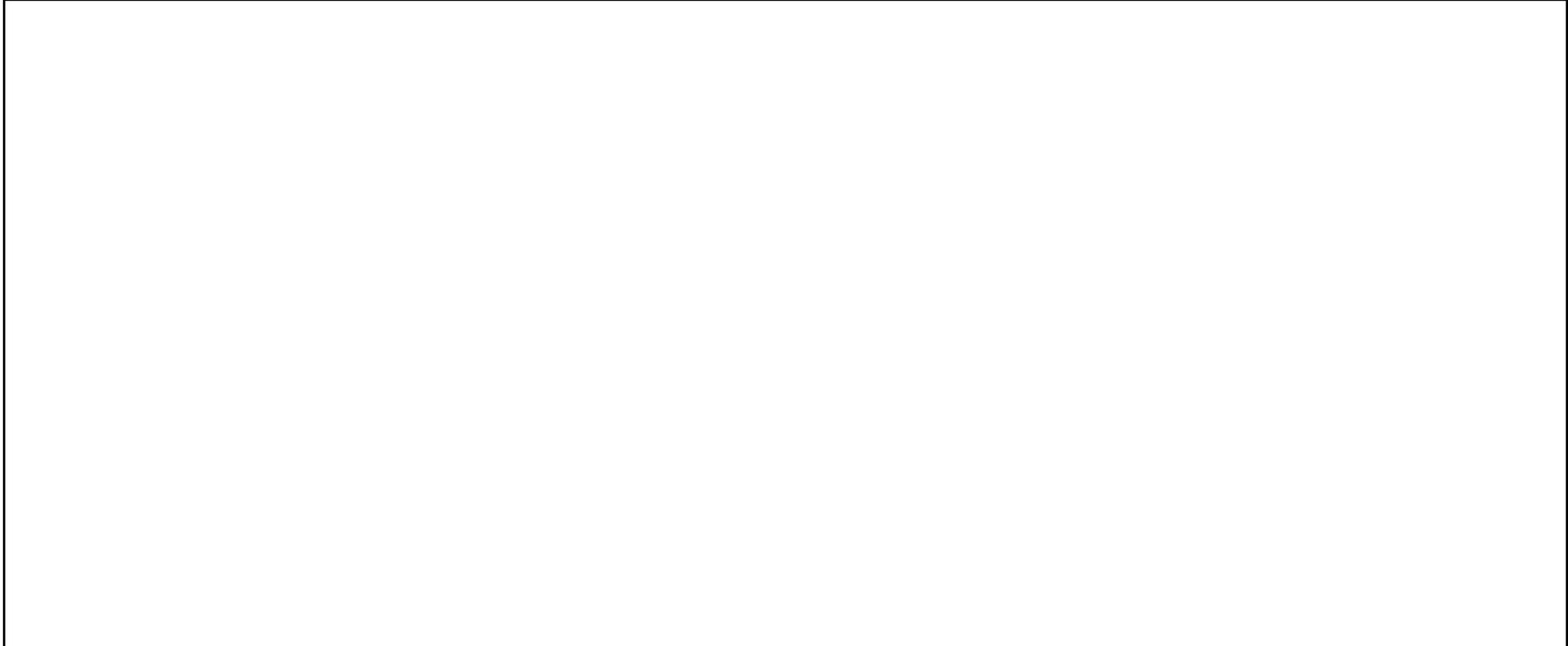
BUILDING DETAILS				BUILDING FEATURES AND ADJUSTMENTS				BUILDING SUB-AREAS				BUILDING COST SUMMARY	
Type	Code	Description	Category	Units	Code	Description	Yr Blt	Units	Cost New	Tot Lump Sum Adj			
COMM	720	Commercial/Industr	No of Stories	1	GBA	GBA - GROSS BUILDING AREA		197,159			Sub Area-RCN	10,942,324	
Occupancy	C	Mega Warehouse	Quality Class	2.5		Base Cost		197,159	6,029,122		% Incomplete	0	
Story/Frame	0	MSNRY BRNG ~	Avg Wall Height/Floor	20		Exterior Walls		197,159	3,369,447		% Depreciation	21.00	
Quality	0	Commercial	Shape(M&S) 1= SQ 4= Very	2		Heating & Cooling		197,159	1,543,755		\$ Dep & Inc	2,297,888	
Year Built	WAY	%Comp	Year of Addn/Remodel										
2005	2005	100											
BUILDING CHARACTERISTICS													
Category	Code	Type	%										
Ext. Wall	812	CONCRETE BLK	100										
Heating Type	611	PACKAGE UNIT	100										
Base Rate Adjustment				Adj.									
Construction Modifiers				Adj.									
Gross Living/Building Area							197,159						
Perimeter							3,976						

#	Bld	Date	User ID	Activity Notes

EXTRA FEATURES, ADDITIVES, AND ADJUSTMENTS																
#	Code	Description	Quality	Bld #	Length	Width	Units	Unit Price	Year Built	Roll Year	% Comp	RCN	% Good	DRC	Override Value	Notes

LAND VALUE	DOR Code	400	Neighborhood	3408.17	DGAQ - Sparks Galleria	Land Size	21.7890	Unit Type	AC
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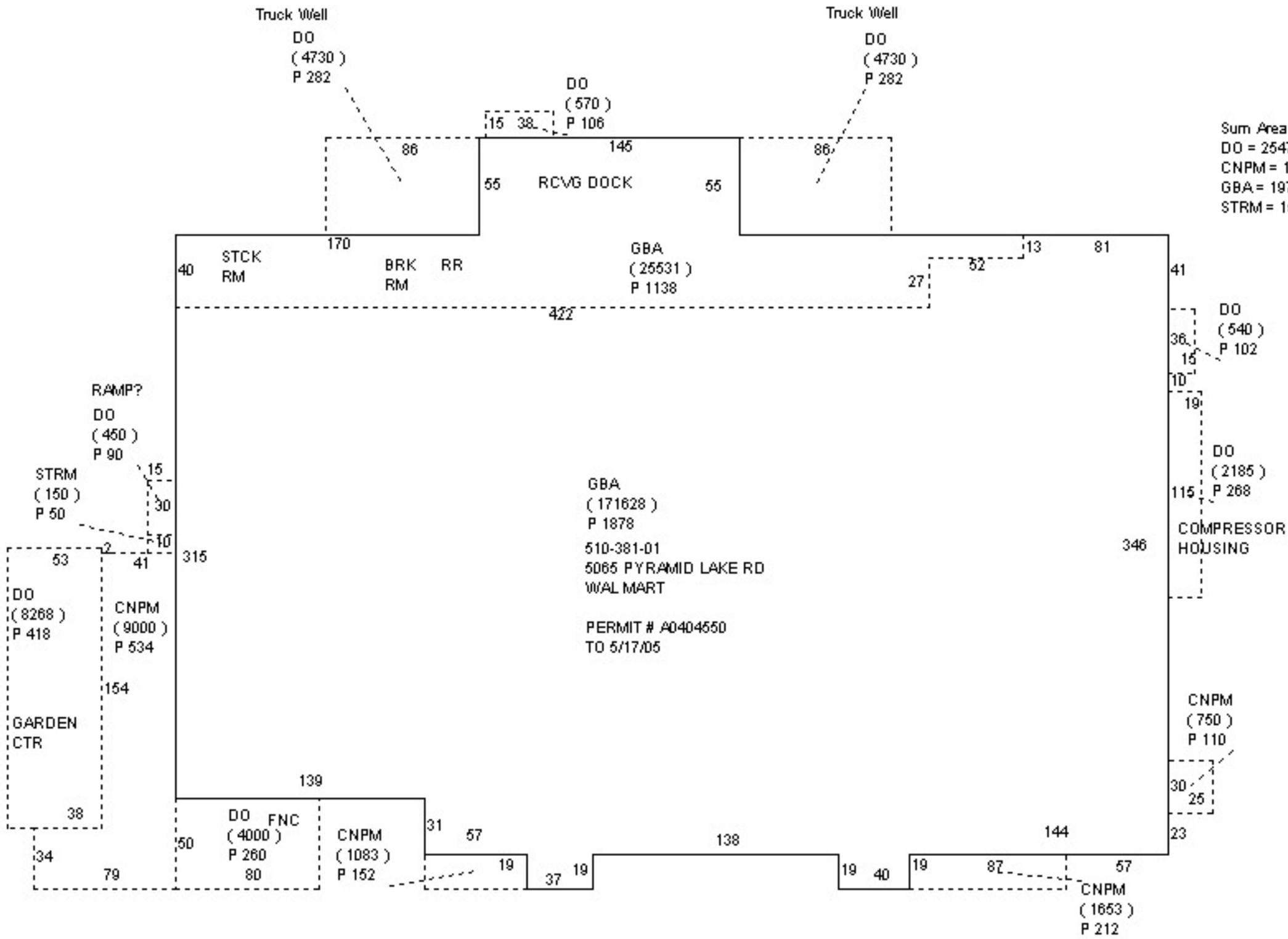
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BUILDING PERMITS							
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7/2/2018	FIRE18-	Use	4,632	Assgn	0	08/01/18 MB Assgn	Assigned Based On
6/4/2018	SBLD18-	Remove	50,000	Assgn	0	07/23/18 MB Assgn	Assigned Based On
1/24/2018	SBLD17-	Incorporat	50,000	Compl	100	03/26/18 MB Compl	NVC
8/16/2017	SBLD17-	Install 1	5000	Compl	0	05/30/18 EB Compl	NVC
4/17/2014	A1400436	RELOCATE,	4400	Compl	100	07/21/14 TAO Compl	
9/23/2011	A1101215	TENANT	4000	Compl	0	01/06/12 PAO Compl	NVC

SALES/TRANSFER INFORMATION							
Grantor	Document	Date	LUC	Verif	Terms	Sales	Notes
RIALTO LLC,	3107117	10/1/2004	110	1G	1CTS	8,648,583	
RIALTO LLC,	3008495	3/18/2004	140	3NTT			

#	Bld	Date	User ID	Activity Notes



Box Store Rent Survey

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

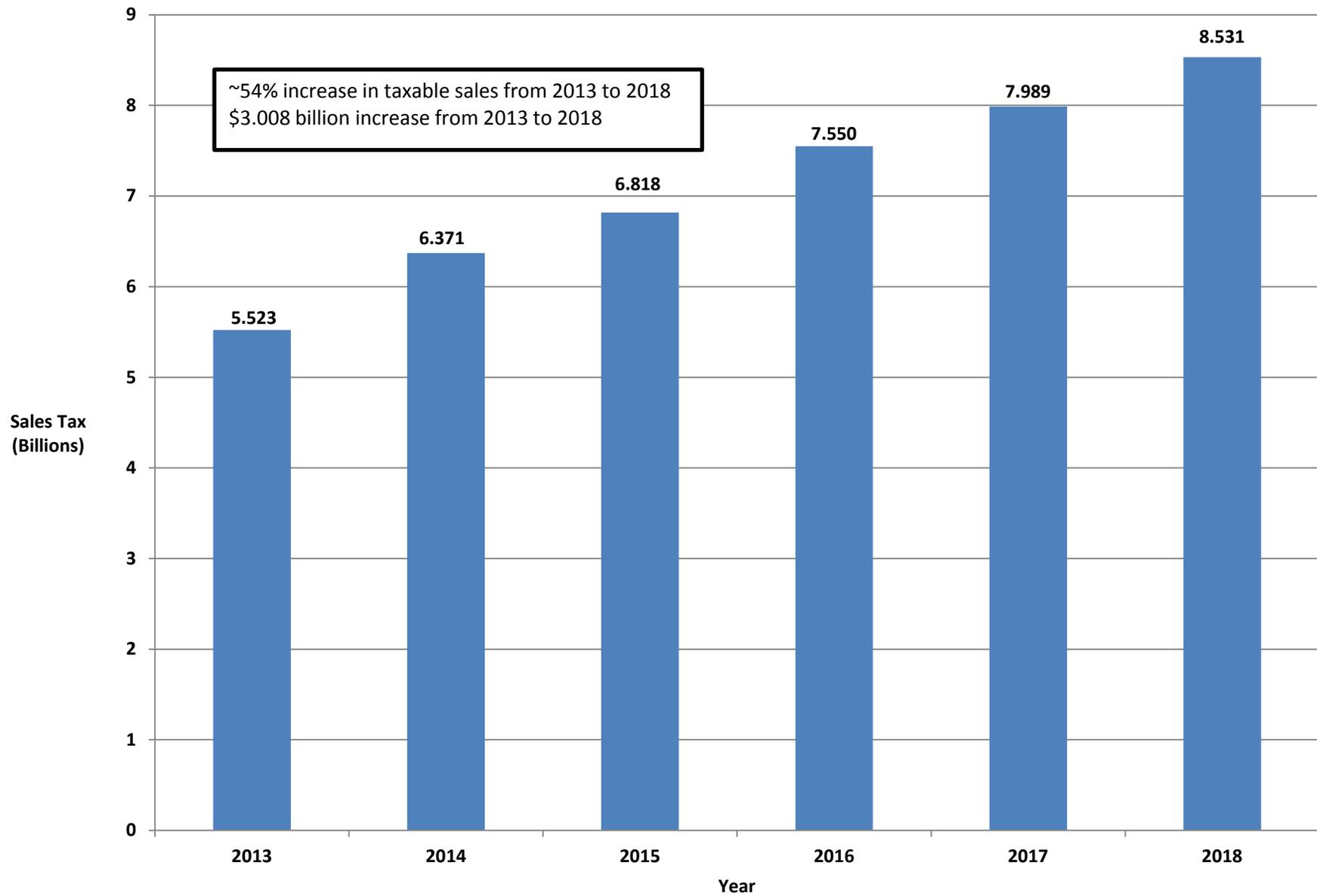
Grocery Store Rent Survey

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

RETAIL CAPITALIZATION RATE CHART

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

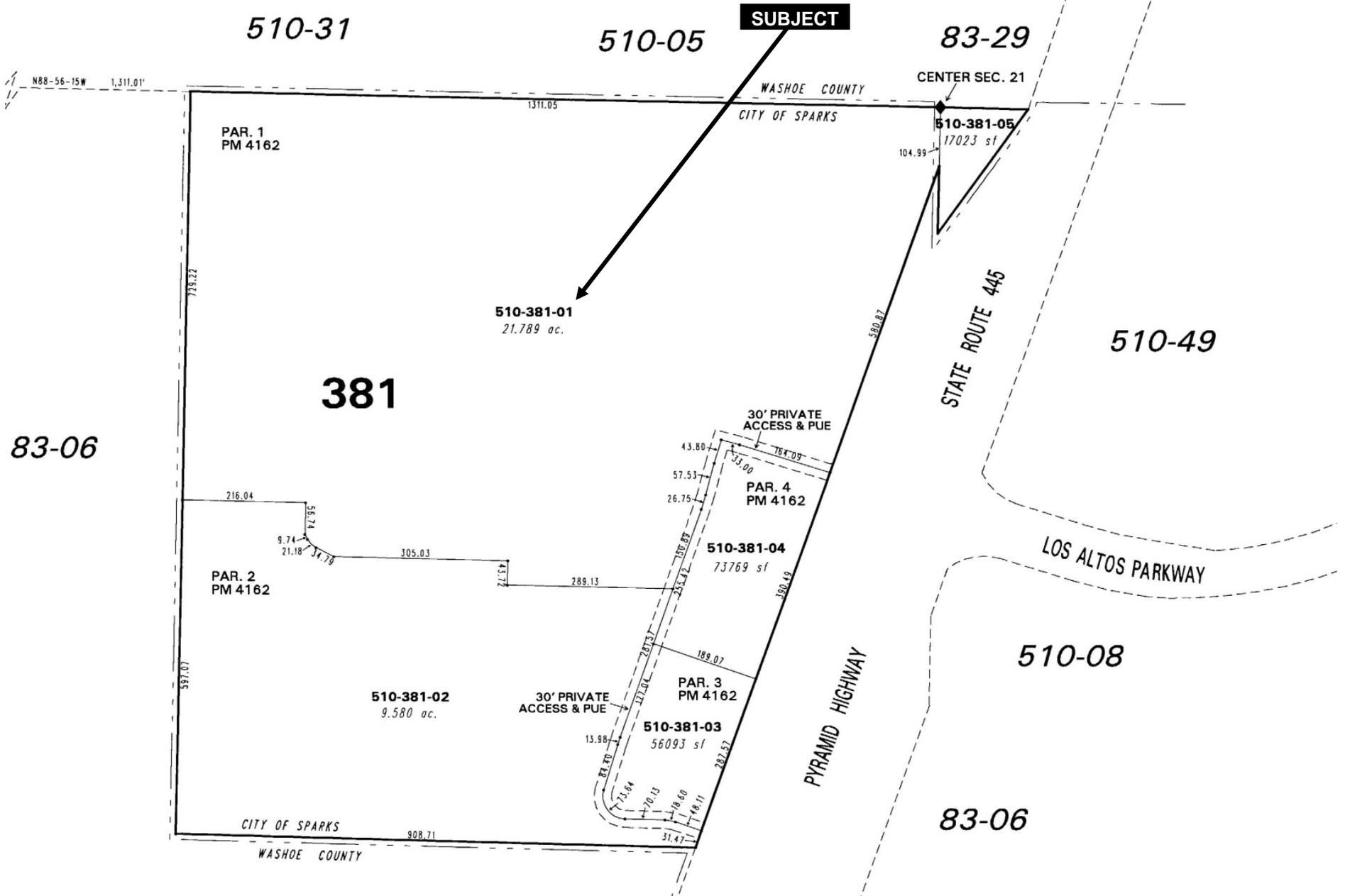
Annual Washoe County Sales & Use Tax



NEIGHBORHOOD MAP

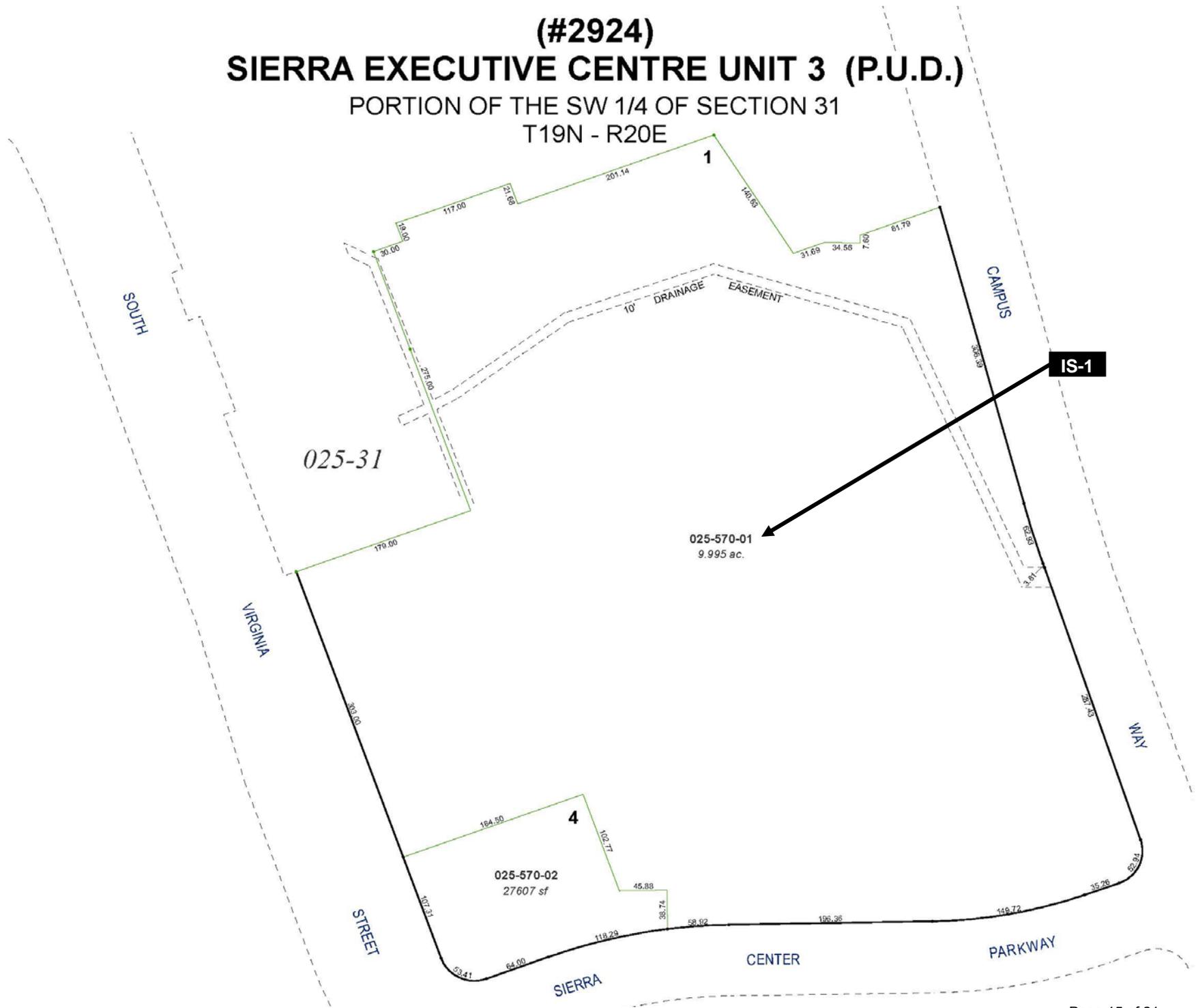


PORTION OF S 1/2 SECTION 21 T20N - R20E



(#2924)
SIERRA EXECUTIVE CENTRE UNIT 3 (P.U.D.)

PORTION OF THE SW 1/4 OF SECTION 31
T19N - R20E



039-05

039-05

MAE ANNE AVENUE

351.36



PORTION NE 1/4
T19N - F

BOOK 005

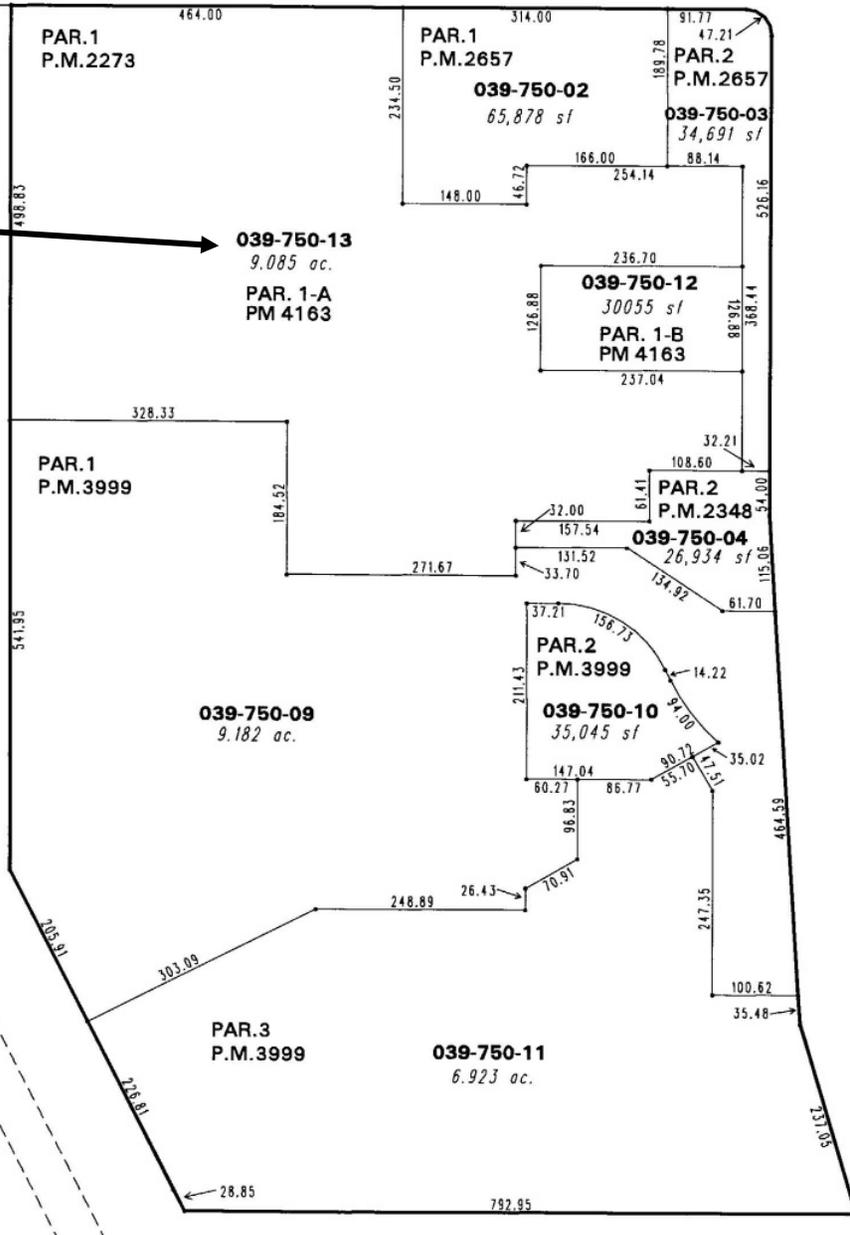
DRIVE
HIGHLANDS
SIERRA

IS-2

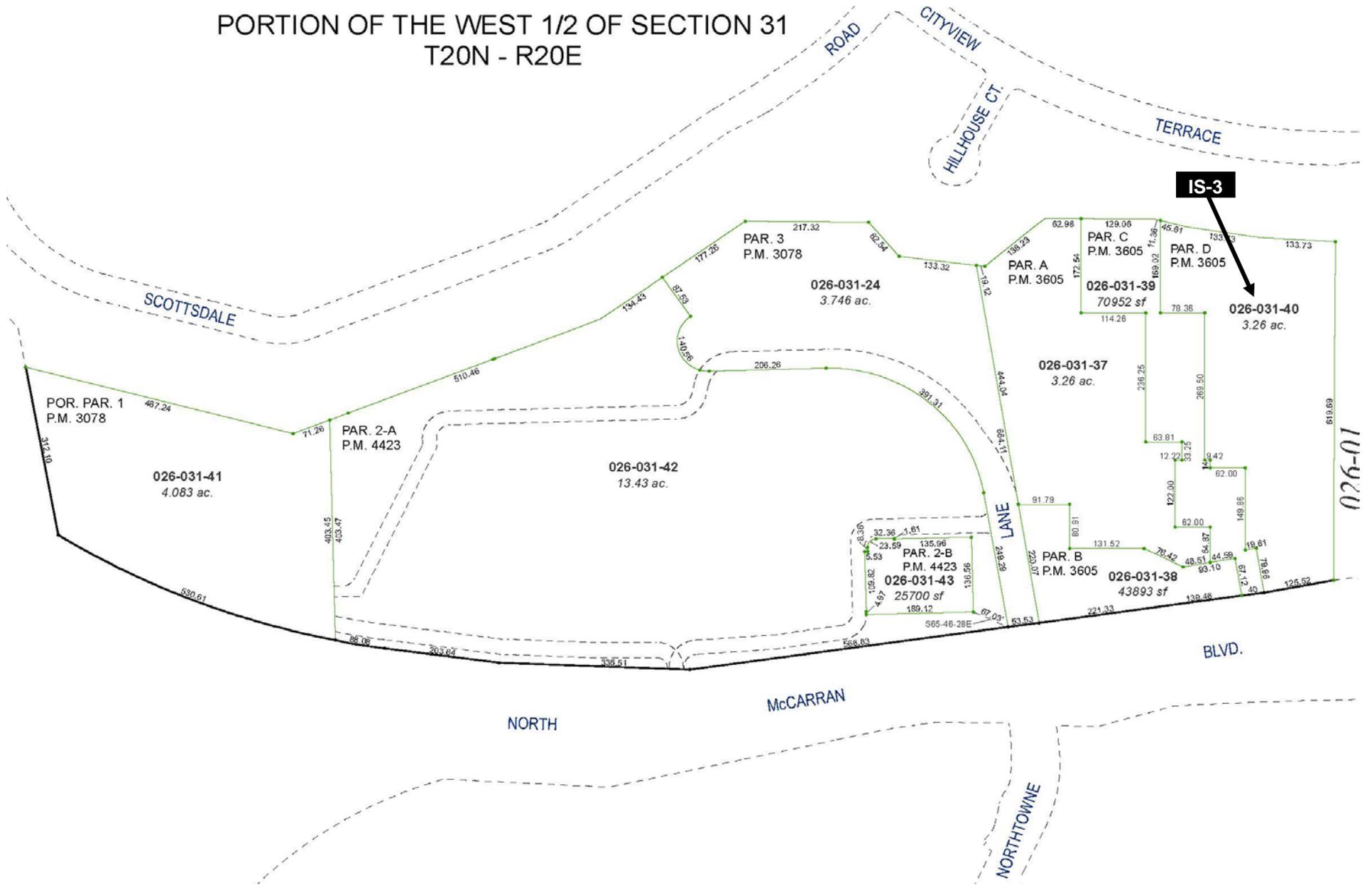
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039-06

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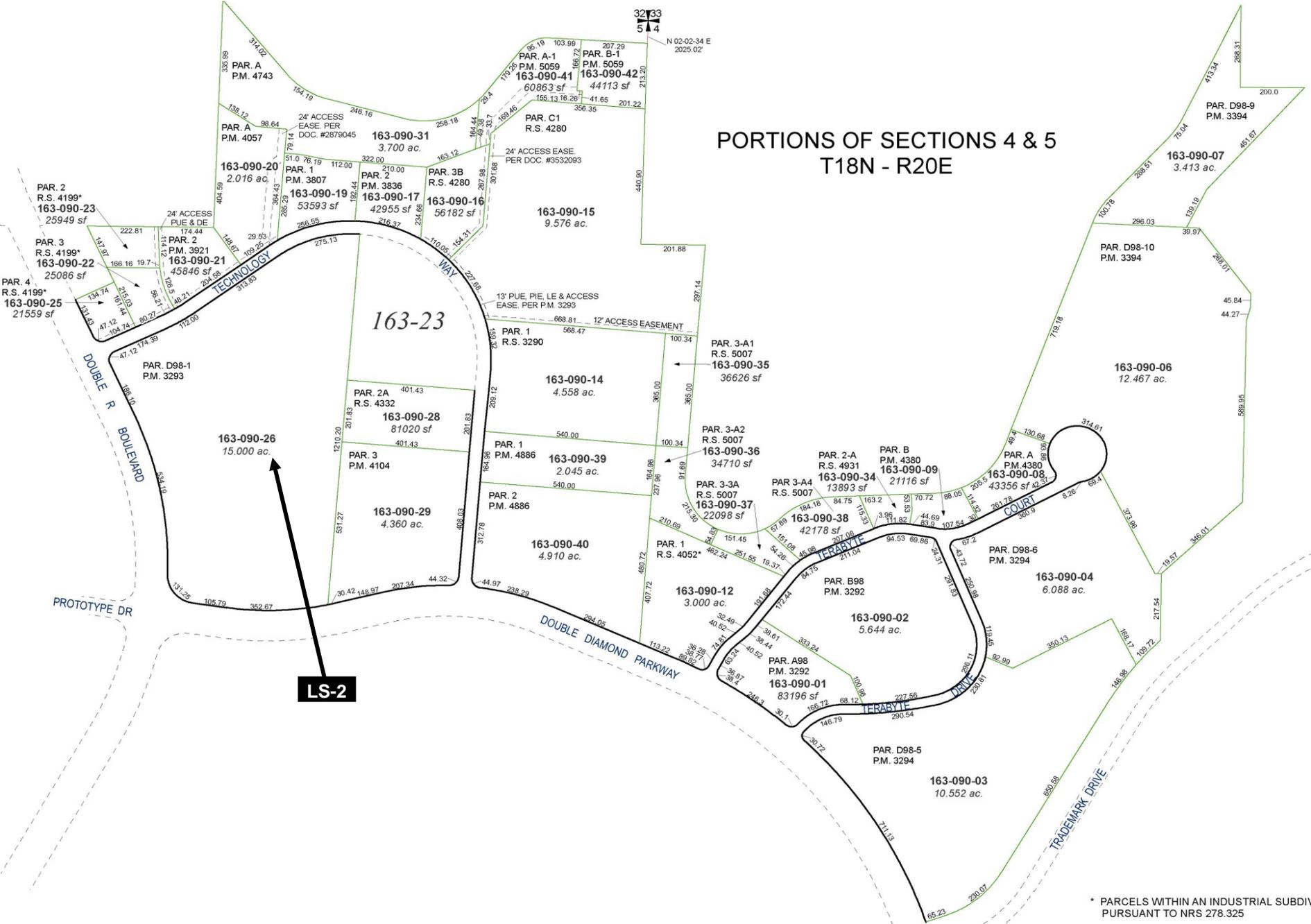


PORTION OF THE WEST 1/2 OF SECTION 31
T20N - R20E



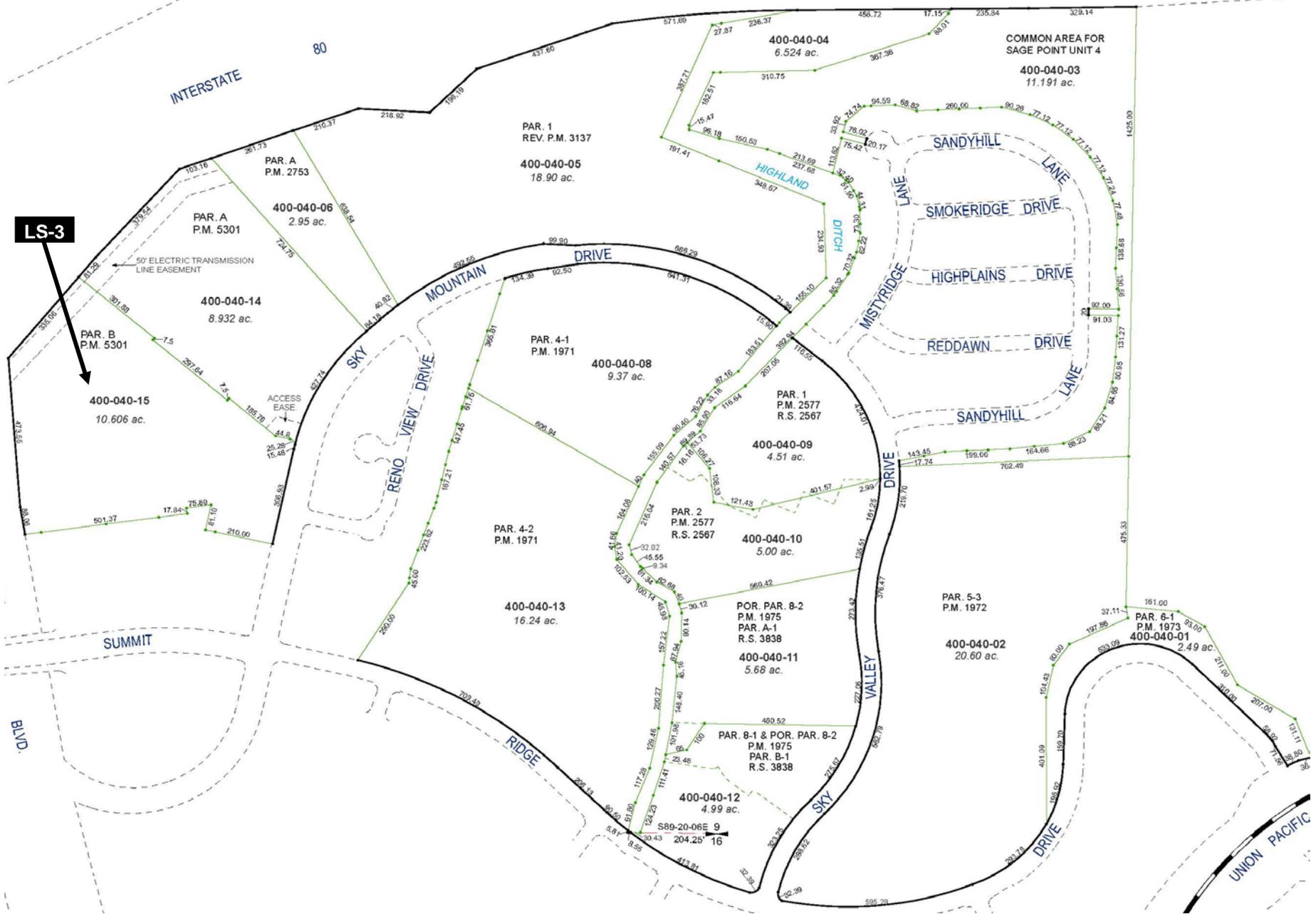
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PORTIONS OF SECTIONS 4 & 5 T18N - R20E



* PARCELS WITHIN AN INDUSTRIAL SUBDI
PURSUANT TO NRS 278.325

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



PORTION OF HILLBRA (UNOFFICIAL RECORD OF SURVI

PORTION OF N 1/2 SECT
T19N - R19E

