

WARREN & SCHIFFMACHER LLC
REAL PROPERTY CONSULTANTS

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March 16, 2012

Mr. Andrew Hummel PE PLS
Utility Manager
City of Sparks
431 E. Prater Way
Sparks, NV 89431

RE: Request for Proposal, North Truckee Drain Project

Dear Mr. Hummel:

This letter is in response to David Vill's request for proposal for appraisals of properties that will be affected by right of way acquisitions for the North Truckee Drain, north of Kleppe Lane and along Larkin Circle in Sparks. This fee proposal is offered on behalf of Warren & Schiffmacher LLC; Mark Warren MAI and Robert Schiffmacher MAI as principals. Based on the information that Mr. Vill provided, we have identified 18 parcels that make up 12 or 13 distinct ownerships that will be affected by the acquisitions.

The purpose of the appraisals is to develop and report an opinion of value for each of the properties, and make a recommendation of compensation for various temporary and permanent easements that will be acquired for the project, as of a current date of value.

The appraisals will be used by the City of Sparks as the basis for an offer of just compensation. The appraisals will address market value and will conform to the reporting requirements of the Uniform Standards of Professional Appraisal Practice (USPAP) for summary appraisal reports.

Based on a review of the scope of the assignment, we propose a fee of \$75,000. We have formulated our proposal based on a review of aerial photographs and the mapping provided by Mr. Vill in February and March 2012. The proposal assumes that all businesses affected by the acquisitions and construction, particularly along the Larkin Circle portion of the project will be able to continue operations as usual, with only minor inconvenience. If this assumption is incorrect, the appraisal fee will require modification.

The proposed fee is based on our understanding of the scope of the assignment and appraisal reporting requirements. Should the scope of the assignment or the reporting requirements change it may be necessary to modify the appraisal fee and the delivery schedule.

The proposed fee is for the completion of the appraisals and preparation of the appraisal reports. It does not include allowances for outside consultants, engineering, cost studies.

In addition to delivery of the appraisal reports as specified, this fee proposal also includes our fee for limited post-assignment consultation. Such post-assignment consultation may include a meeting with City of Sparks officials to present findings and conclusions, consultation with client to address specific concerns or questions about appraisal conclusions, and one meeting with

the property owner to address concerns with the appraisal or to review other data or additional information provided by the property owner. All meetings with property owners will be conducted with representatives of the City of Sparks also in attendance.

Post-assignment consultation will be limited to discussions and review of the original appraisal report. Requests by the City to consider alternative scenarios, or to consider other data provided by the property owner after completion of the report, will be considered to be a new assignment and will be assessed a separate fee to be established by agreement between the City of Sparks and Warren & Schiffmacher, LLC.

In the event that additional appraisal services are requested you will be billed at the rate of \$250 per hour for appraiser services and \$35 per hour for administrative services.

We anticipate delivering the first of the appraisals 90 days after receipt of your authorization to proceed and receipt of necessary mapping, title reports, legal descriptions of the acquisitions, other environmental and/or financial reports and owner contact information as applicable. We understand that you may have some parcels that take priority and we agree to work with you in setting the delivery sequence. Given the scope of the assignment we anticipate completing all of the appraisals within 180 days of your authorization to proceed. Please note that unexpected delays over which we have no control may affect the delivery schedule.

We will require progress payments, and will bill the City of Sparks as the appraisals are completed.

This fee proposal is based on a review of our current work load, delays in receipt of your authorization to proceed may affect the estimated delivery date. Should this proposal meet your approval, please signify by signing, dating and returning a copy of this proposal at your earliest convenience.

We appreciate being considered for this assignment. If you have any additional questions, please contact us.

Sincerely



Robert Schiffmacher MAI



Mark Warren MAI

ACKNOWLEDGED AND ACCEPTED:

Signature

Date

Title