

*VIA FEDERAL EXPRESS*

April 11, 2024

City of Boulder City  
401 California Avenue  
Boulder City, NV 89005

Attn: Taylour Tedder, City Manager

Re: Appraisal Notice  
Boulder City Agreement No. 17-1746

Dear Mr. Tedder:

Please accept this letter as the Appraisal Notice under Boulder City Agreement No. 17-1746.

On November 15, 2017, the City of Boulder City, a Nevada municipal corporation (the "City"), and TransWest Express LLC, a Delaware limited liability company ("TransWest"), entered into Boulder City Agreement No. 17-1746 ("Option Agreement").

Under the Option Agreement, TransWest acquired an option to lease certain City-owned land for a terminal site for the TransWest Express Transmission Project ("Option"). The Option will remain open until November 15, 2024.

Paragraph 6 of the Option Agreement, in combination with the applicable Nevada statutes, establishes the following process to determine the leasehold price and exercise the Option.

1. TransWest provides the City with an Appraisal Notice. Within thirty days, the City selects either one or two independent appraisers from a City-approved list, as specified in NRS § 268.059. Each appraiser will independently appraise the leasehold interest at TransWest's expense.
2. If only one appraisal is performed, the City Council must hold a public hearing on the matter of the fair market value of the real property. NRS § 268.059(1)(a).
3. If two appraisals are performed, the leasehold price is determined by averaging the valuations set forth in the two appraisals and no public hearing on valuation is required. NRS § 268.061(1)(c)(1).
4. The appraisals must be prepared "not more than 6 months before the date on which real property is offered for sale or lease." NRS 268.059(a). In this case, assuming that the lease will commence on November 15, 2024, the appraisals must be prepared on or after May 15, 2024.<sup>1</sup>

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<sup>1</sup> In its entirety, NRS § 268.059(a) provides: "Except as otherwise provided in this paragraph and paragraph (h) of subsection 1 of [NRS 268.061](#), obtain two independent appraisals of the real

5. If TransWest wishes to proceed with the lease at the rental rate determined by the appraisals, TransWest must present the City with an Option Exercise Notice on or before November 15, 2024.

TransWest respectfully requests that City procure two appraisals at TransWest's expense. This approach is well-designed to produce a fair valuation and will likely be more expeditious than the one appraisal alternative authorized under NRS § 268.059(a), as the two appraisals can be prepared simultaneously and no public hearing will be required. TransWest commits to cooperate with the City and the appraisers by timely providing all relevant information and paying all appraisal fees in accordance with instructions from the City and the appraisers.

TransWest further requests that the City select and retain the appraisers as soon as possible, and that it impose a deadline of October 1, 2024 for producing the appraisal reports. This will enable TransWest to review the reports and determine if it has any questions or concerns concerning the appraisal reports in advance of its option exercise deadline of November 15, 2024. If TransWest does have questions or concerns, it will communicate those questions and concerns to the City, so that the City may in its discretion pose those questions to the appraisers and request a timely response.

Sincerely,



Lisa Christian  
General Counsel

cc:  
Brok Armantrout  
Contracts/Real Estate Manager  
City of Boulder City, Nevada

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property before selling or leasing it. If the governing body holds a public hearing on the matter of the fair market value of the real property, one independent appraisal of the real property is sufficient before selling or leasing it. The appraisal or appraisals, as applicable, must be based on the zoning of the real property as set forth in the master plan for the city and must have been prepared not more than 6 months before the date on which real property is offered for sale or lease.”