Integra Realty Resources
Las Vegas

Appraisal of Real Property

Blue Hawk Tavern
Tavern with Excess Land
11997 Las Vegas Blvd. S.
Las Vegas, Clark County, Nevada 89183

Prepared For:
Clark County Department of Public Works

Effective Date of the Appraisal:
August 4, 2015

Report Format:
Appraisal Report – Standard Format

IRR - Las Vegas
File Number: 175-2015-0100

Blue Hawk Tavern
11997 Las Vegas Blvd. S.
Las Vegas, Nevada

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September 1, 2015

Pam Wyatt
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SUBJECT: Market Value Appraisal
Blue Hawk Tavern
11997 Las Vegas Blvd. S.
Las Vegas, Clark County, Nevada 89183
IRR - Las Vegas File No. 175-2015-0100

Dear Ms. Pam Wyatt:

Integra Realty Resources – Las Vegas is pleased to submit the accompanying appraisal of the referenced property. The purpose of the appraisal is to develop an opinion of the market value before condition of the fee simple interest in the property as well as the fee simple interest in the property in the after condition described herein. The client for the assignment is Clark County Department of Public Works, and the intended use is for Clark County Department of Works internal purposes.

The appraisal is intended to conform with the Uniform Standards of Professional Appraisal Practice (USPAP), the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, applicable state appraisal regulations, and the appraisal guidelines of Clark County Department of Public Works.

To report the assignment results, we use the Appraisal Report option of Standards Rule 2-2(a) of the 2014-2015 edition of USPAP. As USPAP gives appraisers the flexibility to vary the level of information in an Appraisal Report depending on the intended use and intended users of the appraisal, we adhere to the Integra Realty Resources internal standards for an Appraisal Report – Standard Format. This type of report has a moderate level of detail. It summarizes the information analyzed, the appraisal methods employed, and the reasoning that supports the analyses, opinions, and conclusions. It meets or exceeds the former

Summary Appraisal Report requirements that were contained in the 2012-2013 edition of USPAP.

Clark County proposes to create a special improvement district consisting of two separate projects known as Unit 1 (storm sewer) and Unit 2 (Sanitary Sewer). The subject property is located in Unit 1 and not in Unit 2. References herein to the SID 158 project mean the proposed Storm Sewer project known as Unit 1. Conclusions reached herein regarding special benefits to the subject property are based solely on the assumption that Clark County completes the Storm Sewer improvements proposed as Unit 1.

We note the Flood Control website identifies a sewage easement on the western portion of the subject property. However, all the drainage, grading, and offsite studies for the Blue Hawk tavern upon its development identify this as a drainage element and not a sewer easement area. We refer to this portion of the subject as the “drainage easement” throughout the report.

The subject is the Blue Hawk Tavern with excess land. According to the Clark County Assessor's Office, the tavern contains 5,028 square feet of gross leasable area. Our concluded total area for the subject's excess land is 103,896 square feet. However, there is currently a drainage easement on the western portion of the subject. We assume under an extraordinary assumption the portion of the site the drainage easement is on is not currently developable. According to our measurements taken from the Advance Flood maps in the Clark County Assessor's website, the drainage easement is 54,478 square feet. We subtract this figure from the total excess land square footage to arrive at the current developable excess land, at 49,418 square feet. This is the figure we use in the "Before Condition". The total square footage of 103,896 square feet is the figure we use in the "After Condition". The improvements were constructed in 2007 and are 100% owner occupied as of the effective appraisal date. The total site area is 3.39 acres or 147,668 square feet. The subject is developed on a septic system and because it is not in Unit 2, the assumption is made that the subject is served by a septic system in both the before and after conditions. We also note there is a billboard and cell tower on the site. We have not been given any income/expense for the billboard or the cell tower and do not include them in the valuation within this report. According to the figures provided us, Clark County is assessing the subject $282,399.25 for implementation of the SID project. Our value conclusion differential between the "Before Condition" and the "After Condition" indicates a special benefit of approximately $560,000 based on the assumptions and conditions employed herein. The "Market Value Before Condition is the opinion of market value prior to implementation of the SID 158 Project and the "Market Value After Condition" is the opinion of market value after implementation of the SID 158 Project.

Based on the valuation analysis in the accompanying report, and subject to the definitions, assumptions, and limiting conditions expressed in the report, our opinion of value is as follows:

Value Conclusions

Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value Before Condition	Fee Simple	August 4, 2015	$2,810,000
Market Value After Condition	Fee Simple	August 4, 2015	$3,370,000
Special Benefit - SID 158 (Storm Unit 1)	Fee Simple	August 4, 2015	$560,000

*Note: The "Market Value Before Condition" above is the opinion of market value prior to implementing the SID 158 Project and the "Market Value After Condition" above is the opinion of market value after implementation of the SID 158 Project. The differential between the two conditions is $560,000 and represents the defined "Special Benefit" of the SID 158 Project.

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results. An extraordinary assumption is uncertain information accepted as fact. If the assumption is found to be false as of the effective date of the appraisal, we reserve the right to modify our value conclusions.

1. As indicated within the Transmittal Letter, we have not been transmitted or had the opportunity during this appraisal assignment to review the results of survey data including survey area calculations regarding the subject parcel. As a result, we have based our valuation opinions and conclusions upon our own method of area calculation regarding the areas in question. We have assumed that the results of these area calculations are accurate enough to form opinions of value. However, it must be understood that our area measurements and calculations are less accurate than the results that could be obtained through an actual survey. For this reason this appraisal assignment is based upon the extraordinary assumption our area calculations are based upon uncertain information accepted as fact and the results of our area calculations are, for appraisal analysis purposes only, and are subject to revision. See area calculation disclaimer for details.
2. The total excess land is 103,946 square feet, the drainage easement is 54,478 square feet; the current developable excess land is 49,468 square feet.
3. The portion of the subject currently under the drainage easement is not developable or marketable land, and will be developable in the after condtion once the SID project has been implemented.

The value conclusions are based on the following hypothetical conditions that may affect the assignment results. A hypothetical condition is a condition contrary to known fact on the effective date of the appraisal but is supposed for the purpose of analysis.

1. This hypothetical condition is central to the “after” condition which utilizes the hypothetical condition of completion of the Special Improvements District 158 (S.I.D)“Project” improvements as proposed. As of the effective date, one condition applies before consideration of the the proposed project improvements and another condition exists after consideration of the project. In the case of the subject property, the “Project” is described as S.I.D. Number 158 which consists of Storm Sewer improvements adjacent to the subject property. Typically a hypothetical condition is employed considering the “Before Condition” as one that existed prior to the consideration and implementation of the subject Project. The “After Condition” considers the valuation of the subject property after the project is fully implemented and in place. When communicating before and after valuation opinions, typically the before and the after conditions have to be considered hypothetically based on the description of the project by the public agency and considering whether the project for which the proposed improvements is undertaken for is completed or not. Handling these typical elements related to a before and after condition valuation as a hypothetical condition both "before" and "after" the consideration of a project is discussed and recommended in various Appraisal Institute eminent domain textbooks and courses. The employment of a hypothetical condition considering the subject before and after the implementation of the subject S.I.D. Improvements "Project” is a framework structured to test the requirement of NRS Chapter 271 that the amount of the assessment does not exceed the special benefit to the property. This is also a condition expressed within Article II Scope of Services Section 2.02 subsection C(3) contained within the Professional Appraisal Services contract dated November 20, 2014.
2. There is no cell tower on the property. (Analysis of this element does not change in the before & after condition utilized herein, thus, there is no differential contribution offered by analyzing this element.)
3. There is no billboard on the property. ((Analysis of this element does not change in the before & after condition utilized herein, thus, there is no differential contribution offered by analyzing this element.)

The opinions of value expressed in this report are based on estimates and forecasts that are prospective in nature and subject to considerable risk and uncertainty. Events may occur

that could cause the performance of the property to differ materially from our estimates, such as changes in the economy, interest rates, capitalization rates, financial strength of tenants, and behavior of investors, lenders, and consumers. Additionally, our opinions and forecasts are based partly on data obtained from interviews and third party sources, which are not always completely reliable. Although we are of the opinion that our findings are reasonable based on available evidence, we are not responsible for the effects of future occurrences that cannot reasonably be foreseen at this time.

If you have any questions or comments, please contact the undersigned. Thank you for the opportunity to be of service.

Respectfully submitted,

Integra Realty Resources - Las Vegas

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Summary of Salient Facts and Conclusions

Property Name	Blue Hawk Tavern
Address	11997 Las Vegas Blvd. S. Las Vegas, Clark County, Nevada 89183
Property Type	Retail - Bar/Tavern/Nightclub
Owner of Record	Tzortzis 2005 Trust and Tzortzis Vassilios & MV CO-TRS
Tax ID	191-05-801-012
Legal Description	Assessors Description: A Portion of the Southeast Quarter (SE 1/4) of the Southeast Quarter (SE 1/4) of Section 05, Township 23 South, Range 61 East
Land Area - Total Parcel Area	3.39 acres; 147,668 SF
Before Condition Excess Land	1.14 acres; 49,468 SF
After Condition Excess Land	2.39 acres; 103,946 SF
Gross Building Area	5,028 SF
Gross Leasable Area	5,028 SF
Percent Leased	NA
Year Built; Year Renovated	2007; NA
Zoning Designation	C-2, General Commercial
Highest and Best Use - As if Vacant	Retail use
Highest and Best Use - As Improved	Continued retail use
Exposure Time; Marketing Period	within 12 months; within 12 months
Date of the Report	September 1, 2015

Value Conclusions

Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value Before Condition	Fee Simple	August 4, 2015	$2,810,000
Market Value After Condition	Fee Simple	August 4, 2015	$3,370,000
Special Benefits - SID 158 (Storm Unit 1)	Fee Simple	August 4, 2015	$560,000

The values reported above are subject to the definitions, assumptions, and limiting conditions set forth in the accompanying report of which this summary is a part. No party other than Clark County Department of Public Works may use or rely on the information, opinions, and conclusions contained in the report. It is assumed that the users of the report have read the entire report, including all of the definitions, assumptions, and limiting conditions contained therein.

Note: The 3.39 Acres is the total parcel including the land area the tavern has been developed on. The 1.14 acres is the excess land in the before condition and the 2.39 acres in the concluded amount of excess land in the after condition.

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results. An extraordinary assumption is uncertain information accepted as fact. If the assumption is found to be false as of the effective date of the appraisal, we reserve the right to modify our value conclusions.

1. As indicated within the Transmittal Letter, we have not been transmitted or had the opportunity during this appraisal assignment to review the results of survey data including survey area calculations regarding the subject parcel. As a result, we have based our valuation opinions and conclusions upon our own method of area calculation regarding the areas in question. We have assumed that the results of these area calculations are accurate enough to form opinions of value. However, it must be understood that our area measurements and calculations are less accurate than the results that could be obtained through an actual survey. For this reason this appraisal assignment is based upon the extraordinary assumption our area calculations are based upon uncertain information accepted as fact and the results of our area calculations are, for appraisal analysis purposes only, and are subject to revision. See area calculation disclaimer for details.
2. The total excess land is 103,946 square feet, the drainage easement is 54,478 square feet; the current developable excess land is 49,468 square feet.
3. The portion of the subject currently under the drainage easement is not developable or marketable land, and will be developable in the after condtion once the SID project has been implemented.

The value conclusions are based on the following hypothetical conditions that may affect the assignment results. A hypothetical condition is a condition contrary to known fact on the effective date of the appraisal but is supposed for the purpose of analysis.

1. This hypothetical condition is central to the “after” condition which utilizes the hypothetical condition of completion of the Special Improvements District 158 (S.I.D)“Project” improvements as proposed. As of the effective date, one condition applies before consideration of the the proposed project improvements and another condition exists after consideration of the project. In the case of the subject property, the “Project” is described as S.I.D. Number 158 which consists of Storm Sewer improvements adjacent to the subject property. Typically a hypothetical condition is employed considering the “Before Condition” as one that existed prior to the consideration and implementation of the subject Project. The “After Condition” considers the valuation of the subject property after the project is fully implemented and in place. When communicating before and after valuation opinions, typically the before and the after conditions have to be considered hypothetically based on the description of the project by the public agency and considering whether the project for which the proposed improvements is undertaken for is completed or not. Handling these typical elements related to a before and after condition valuation as a hypothetical condition both "before" and "after" the consideration of a project is discussed and recommended in various Appraisal Institute eminent domain textbooks and courses. The employment of a hypothetical condition considering the subject before and after the implementation of the subject S.I.D. Improvements "Project” is a framework structured to test the requirement of NRS Chapter 271 that the amount of the assessment does not exceed the special benefit to the property. This is also a condition expressed within Article II Scope of Services Section 2.02 subsection C(3) contained within the Professional Appraisal Services contract dated November 20, 2014.
2. There is no cell tower on the property. (Analysis of this element does not change in the before & after condition utilized herein, thus, there is no differential contribution offered by analyzing this element.)
3. There is no billboard on the property. ((Analysis of this element does not change in the before & after condition utilized herein, thus, there is no differential contribution offered by analyzing this element.)

General Information

Identification of Subject

The subject is the Blue Hawk Tavern with excess land. According to the Clark County Assessor's Office, the tavern contains 5,028 square feet of gross leasable area. Our concluded total area for the subject's excess land is 103,896 square feet. However, there is currently a drainage easement on the western portion of the subject. We assume under an extraordinary assumption the portion of the site the drainage easement is on is not currently developable. According to our measurements taken from the Advance Flood maps in the Clark County Assessor's website, the drainage easement is 54,478 square feet. We subtract this figure from the total excess land square footage to arrive at the current developable excess land, at 49,418 square feet. This is the figure we use in the "Before Condition". The total square footage of 103,896 square feet is the figure we use in the "After Condition". The improvements were constructed in 2007 and are 100% owner occupied as of the effective appraisal date. The total site area is 3.39 acres or 147,668 square feet. The subject is developed on a septic system and because it is not in Unit 2, the assumption is made that the subject is served by a septic system in both the before and after conditions. We also note there is a billboard and cell tower on the site. We have not been given any income/expense for the billboard or the cell tower and do not include them in the valuation within this report. According to the figures provided us, Clark County is assessing the subject $282,399.25 for implementation of the SID project. Our value conclusion differential between the "Before Condition" and the "After Condition" indicates a special benefit of approximately $560,000 based on the assumptions and conditions employed herein. The "Market Value Before Condition is the opinion of market value prior to implementation of the SID 158 Project and the "Market Value After Condition" is the opinion of market value after implementation of the SID 158 Project. A legal description of the property is located in the table below.

Property Identification	
Property Name	Blue Hawk Tavern
Address	11997 Las Vegas Blvd. S. Las Vegas, Nevada 89183
Tax ID	191-05-801-012
Legal Description	Assessors Description: A Portion of the Southeast Quarter (SE 1/4) of the Southeast Quarter (SE 1/4) of Section 05, Township 23 South, Range 61 East
Census Tract Number	28.42

Current Ownership and Sales History

The owner of record is Tzortzis 2005 Trust and Tzortzis Vassilios & MV CO-TRS. This party acquired the property through a transfer from (related party) Tzortzis Vassilios & Maria on November 30, 2005.The transaction is recorded in 20051130:03781.

To the best of our knowledge, no sale or transfer of ownership has occurred within the past three years, and as of the effective date of this appraisal, the property is not subject to an agreement of sale or option to buy, nor is it listed for sale.

Purpose of the Appraisal

The purpose of the appraisal is to develop an opinion of the Market Value Before and the Market Value after the implementation of Clark County Public Works SID Project 158. We have appraised the fee simple interest in the property as of the effective date of the appraisal, August 4, 2015. The date of the report is September 1, 2015. The appraisal is valid only as of the stated effective date or dates.

Definition of Market Value

Market value is defined as:

"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:

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their own 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."

(Source: Code of Federal Regulations, Title 12, Chapter I, Part 34.42[g]; also Interagency Appraisal and Evaluation Guidelines, Federal Register, 75 FR 77449, December 10, 2010, page 77472)

Definition of Property Rights Appraised

Fee simple estate is defined as, "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."

(Source: The Dictionary of Real Estate Appraisal, Fifth Edition, Appraisal Institute, Chicago, Illinois, 2010)

Definition of "Assessment" / "Assess" under NRS 271

We have relied on NRS 271 to define the proper context of the terms "Assessment" and "Assess" as utilized under an appraisal prepared for analysis of "Maximum Special Benefits" under the statutes. Specifically NRS 271 provides as follows:

NRS 271.045 "Assessment" and "assess" defined. "Assessment" or "assess" means a special assessment, or the levy thereof, against any tract specially benefited by any project, to defray wholly or in part the cost of the project, which assessment shall be made on a front foot, zone, area or other

equitable basis, as may be determined by the governing body, but in no event shall any assessment exceed the estimated maximum special benefits to the tract assessed or its reasonable market value, as determined by the governing body, as provided in NRS 271.365.

(Added to NRS by 1965, 1350)

(See the following web link source: https://www.leg.state.nv.us/NRS/NRS-271.html#NRS271Sec045)

We also note that NRS 271 says the following at NRS 271.300 (2):

> "2. No assessment, however, shall exceed the amount of the estimate of maximum special benefits to the tract assessed from any project."

See the following for web link source: https://www.leg.state.nv.us/NRS/NRS-271.html#NRS271Sec300

Definition of "Special Benefits" under NRS 271

NRS 271 defines special benefits as follows:

> NRS 271.208 "Special benefit" defined. "Special benefit" means the increase in the market value of a tract that is directly attributable to a project for which an assessment is made as determined by the local government that made the assessment. The term may include incidental costs of the project as determined by the local government.

(Added to NRS by 1989, 523; A 1991, 668)

Intended Use and User

According to the Clark County Department of Public Works Professional Appraisal Services contract dated June 29, 2015, the intended use of the appraisal is for Clark County Department of Public Works Internal Purposes. More specifically described as the intended use is to determine the "Special Benefits", if any as defined within the appraisal report definitions section regarding the implementation of the proposed S.I.D. 158 project improvements. The subject appraisal assignment is one of two "Special Benefits" appraisal assignments regarding specific properties identified within the scope of the above referenced Professional Services contract.

We have reviewed and retain a copy of the above referenced Provisional Order Resolution (Resolution No. 6-3-14-1) within the appraisal report work file.

The client and intended user is Clark County.

Applicable Requirements

This appraisal is intended to conform to the requirements of the following:

- Uniform Standards of Professional Appraisal Practice (USPAP);

- Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute;
- Applicable state appraisal regulations;
- Interagency Appraisal and Evaluation Guidelines issued December 10, 2010;
- Appraisal guidelines of Clark County Department of Public Works.
- State of Nevada Revised Statutes NRS Chapter 271 – Local Improvements. Special attention is given to NRS 271.300 which states that, "2. No assessment, however, shall exceed the amount of the estimate of maximum special benefits to the tract assessed from any project."

Report Format

This report is prepared under the Appraisal Report option of Standards Rule 2-2(a) of the 2014-2015 edition of USPAP. As USPAP gives appraisers the flexibility to vary the level of information in an Appraisal Report depending on the intended use and intended users of the appraisal, we adhere to the Integra Realty Resources internal standards for an Appraisal Report – Standard Format. This type of report has a moderate level of detail. It summarizes the information analyzed, the appraisal methods employed, and the reasoning that supports the analyses, opinions, and conclusions. It meets or exceeds the former Summary Appraisal Report requirements that were contained in the 2012-2013 edition of USPAP. For additional information, please refer to Addendum B – Comparison of Report Formats.

Prior Services

USPAP requires appraisers to disclose to the client any other services they have provided in connection with the subject property in the prior three years, including valuation, consulting, property management, brokerage, or any other services. We have previously appraised the property that is the subject of this report for the current client within the three-year period immediately preceding acceptance of this assignment.

Scope of Work

To determine the appropriate scope of work for the assignment, we considered the intended use of the appraisal, the needs of the user, the complexity of the property, and other pertinent factors. Our concluded scope of work is described below.

Valuation Methodology

Appraisers usually consider the use of three approaches to value when developing a market value opinion for real property. These are the cost approach, sales comparison approach, and income capitalization approach. Use of the approaches in this assignment is summarized as follows:

Approaches to Value

Approach	Applicability to Subject	Use in Assignment
Cost Approach	Not Applicable	Not Utilized
Sales Comparison Approach	Applicable	Utilized
Income Capitalization Approach	Applicable	Utilized

The **sales comparison approach** is the most reliable valuation method for the subject due to the following:

- There is an active market for similar properties, and sufficient sales data is available for analysis.
- This approach directly considers the prices of alternative properties having similar utility.
- This approach is typically most relevant for owner-user properties.

The **income capitalization approach** is an applicable valuation method because:

- There is an active rental market for similar properties that permits us to estimate the subject's income generating potential. Estimated income is converted to a market value indication through capitalization.

The **cost approach** is not applicable to the assignment considering the following:

- The age of the property would limit the reliability of an accrued depreciation estimate.
- There are limited land transactions in the market area of the subject, making estimates of underlying land value subjective.
- This approach is not typically used by market participants, except for new or nearly new properties.

Research and Analysis

The type and extent of our research and analysis is detailed in individual sections of the report. This includes the steps we took to verify comparable sales, which are disclosed in the comparable sale profile sheets in the addenda to the report. Although we make an effort to confirm the arms-length nature of each sale with a party to the transaction, it is sometimes necessary to rely on secondary verification from sources deemed reliable.

Inspection

Charles E. Jack, MAI, conducted an interior and exterior inspection of the property on December 30, 2014. George Lowe Wara conducted an interior and exterior inspection on December 30, 2014. The subject property is open for business to the public and Mr. Wara and Mr. Jack purchased lunch at the subject property and observed the premises during our luncheon outing.

Availability of Information

During the course of this appraisal assignment we were not transmitted a current title report by the client. We have therefore utilized various documents obtained from various public record sources in the development of our appraisal report.

As was indicated previously, we have **not** been provided or reviewed a current title report. It must be understood that the appraisers are neither title officers, title researchers, et al trained in the field of land title research matters. If the Client has any concerns regarding unusual and/or material

encumbrance items that may be evident from a title report or preliminary title report, then we highly recommend that the client retain the proper land title professionals or legal counsel to render an opinion(s) regarding the existing status of the subject property title.

We have been transmitted and reviewed detailed preliminary project design and construction drawings identified as "*SID 158 Provisional Order Submittal Update May 14, 2013"* involving the proposed S.I.D. 158 project improvements. These preliminary design plans were created by G.C. Wallace Companies for the client and are dated May 14, 2013, a copy of which is contained within the appraisal report workfile. We understand that there is a more developed plan set from 2014, however, during the course of this assignment we have not obtained or reviewed this more current S.I.D. 158 plan set.

We have been informed by the client that the horizontal locations of the proposed facilities have not changed, however, some profile elevation data may have changed between the May 2013 plan set reviewed and the newer submittal. At any rate, the civil drawings reviewed contain detailed roadway and utility facility drawings both of existing facilities and the proposed sanitary sewer and storm sewer facilities. We have been instructed that the plans transmitted and reviewed provide an accurate representation of the proposed S.I.D. 158 improvement horizontal locations, facility types and sizes and we have therefore relied upon the information presented within the May 2013 plan set submittal during the course of this appraisal assignment. **We have also obtained and have been transmitted various other "as built" utility drawings plus other drainage facilities drawings within the subject project area and/or adjoining areas during the course of this appraisal assignment.**

We are assuming that any potential development of the subject parcel would require the landowner to apply and secure various utility facilities improvements to the site. Based upon this information and the assumed proximity of various utility facilities to the subject site, we do not believe that it would be cost prohibitive to develop the site with market accepted utility facilities.

Environment Hazards

We have not been made aware of any soil conditions, contamination, or other detrimental conditions pertaining to the subject property as of the date of issuance of this report or as of the effective date of value.

Based on our observation of the subject parcel from the areas identified above, we have found no visually apparent toxic, hazardous, or otherwise detrimental materials and/or conditions are present on the subject property. No site specific environmental documents regarding the subject property have been provided to the appraisers. Opinions in this appraisal could change upon the provision of such information to the appraisers that may require additional analysis at an additional fee to the client.

The appraisers have made a cursory non-intrusive observation of the subject property from off-site and have found no obvious visually apparent conditions of environmental concern. However, we are not qualified professional experts in the detection or discovery of such conditions and have made our conclusions from the perspective of a non-professional in the field of analysis of hazardous, toxic, environmental conditions. Our conclusions are made based on our off-site observation only where we

did not observe any overt hazardous, toxic, or environmental conditions during our observation of the property. However, we can make no guarantees. We would recommend that the Client consider hiring an environmental assessment professional should they have any concerns in this regard. If any toxic or hazardous materials and/or detrimental conditions are found subsequently by environmental assessment professionals at the subject property, the value within this report may be adversely affected, and a reappraisal at an additional cost to the client could be necessary to determine the effects of such circumstances.

Summary of S.I.D. 158 Improvements Project

The subject property is located directly adjacent to portions of the proposed S.I.D. 158 improvements project. The project is being implemented by the Clark County Department of Public Works with participating public agencies including Clark County Regional Flood Control District (CCRFCD) and Clark County Water Reclamation District CCWRD.

Background Data

Clark County is proposing to improve Las Vegas Boulevard from St. Rose Parkway to Pyle Avenue (Unit 1 – Storm Sewer Improvements and Unit 2 – Sanitary Sewer Improvements) with assessments from a Special Improvement District. The two proposed “Units” are briefly described below.

Unit 1: Constructing a storm sewer facility consisting of underground drainage structures to protect the area from flooding in compliance with the Clark County Regional Flood Control District drainage standards.

Unit 2: Constructing sanitary sewer facilities consisting of three (3) segments of sanitary sewer lines to serve properties along and near Las Vegas Boulevard between St. Rose Parkway and Pyle Avenue.

The proposed facilities within the two above described units including the proposed facilities adjacent to the subject property are more completely described below.

S.I.D. 158 Improvements Project Details

The Board of County Commissioners of the County of Clark in the State of Nevada, has provisionally ordered the acquisition of a Storm Sewer Project, as defined in NRS 271.215, and a Sanitary Sewer Project, as defined in NRS 271.200 (collectively, the "Project"), in two separate assessment units. The subject property is located and proposed for assessment only in Unit 1 which is more particularly described as:

Unit Number 1

Las Vegas Boulevard extending from the centerline of St. Rose Parkway north along Las Vegas Boulevard to a point approximately 282 feet north of Cactus Avenue.

Except as shown on the preliminary plans and specifications now on file in the office of the Clerk and the office of the County Public Works Department in Las Vegas, Nevada, the Storm Sewer Project to be acquired and/or constructed in Unit No. 1 shall consist of: storm drain mainline improvements

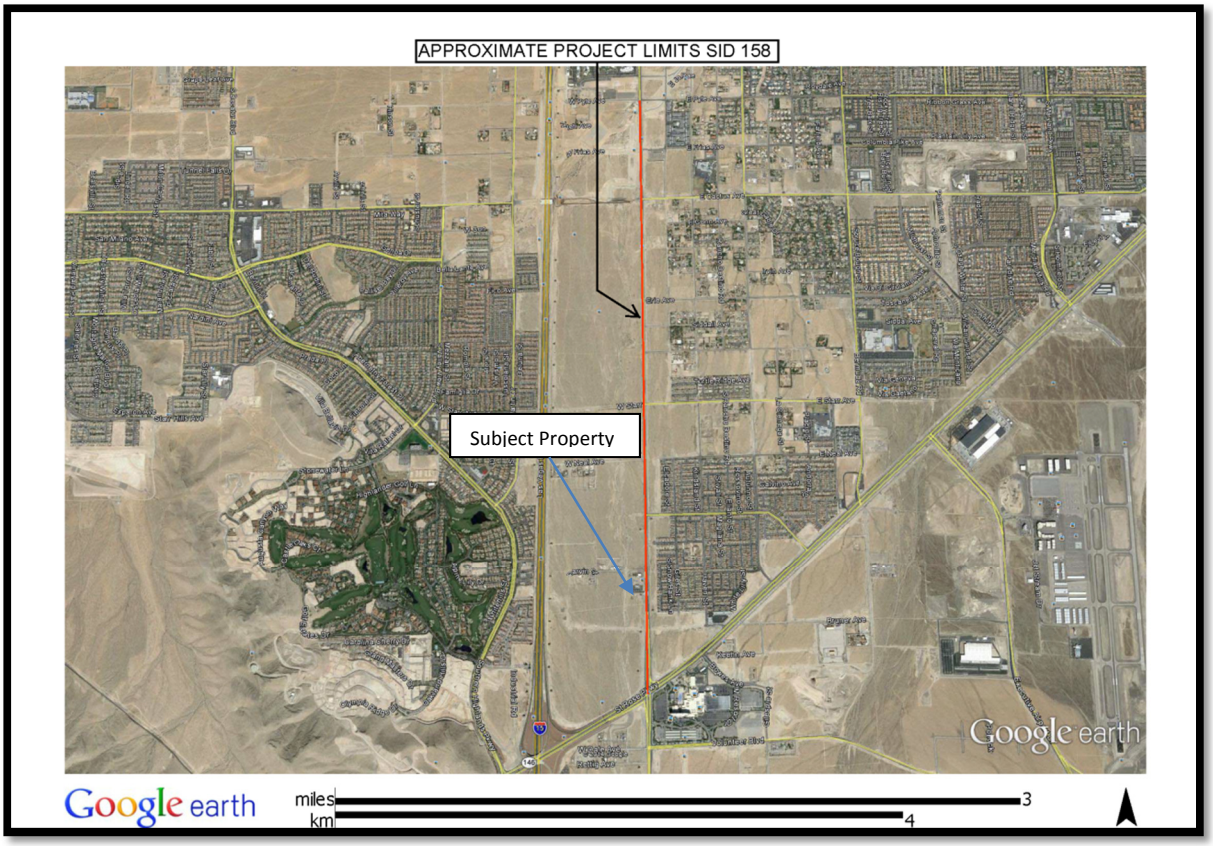
proposed to consist of reinforced concrete box ("RCB") storm drain mainline ranging in size from 22' x 8' RCB to 13' x 8' RCB, to include transition and junction structures, connecting the existing four (4) 12' x 5' culvert crossings within St. Rose Parkway approximately 500 feet west of Las Vegas Boulevard to the existing Clark County Regional Flood Control District Facility DCWA 1395 at a point approximately 455 feet north of Cactus Avenue, a distance of approximately 12,890 feet; a 60-inch reinforced concrete pipe ("RCP") stub to the west on Bruner Avenue; an 8' x 6' RCB stub to the west on Jonathan Drive; a 66-inch RCP stub to the west on Barbara Lane; a 7' x 6' RCB stub to the west on Starr Avenue; a 7' x 6' RCB stub to the west on Erie Avenue; a 7' x 6' RCB stub to the west on Cactus Avenue; and 24-inch RCP stubs to the east on Jonathan Drive, Barbara Lane, Starr Avenue, Erie Avenue, and Cactus Avenue. The storm drain system is also proposed to include storm drain laterals and drop inlets at key intersections to convey roadside flows into the storm drain mainline.

Subject Property SID 158 Proposed Improvements

According to the Provisional Order Assessment Plat drawings reviewed regarding the proposed S.I.D. 158 improvements, the subject property is located in Unit 1 “SDW” (Storm Drain West) with 1,255 linear front feet. For further clarification, please refer to the attached drawings below.

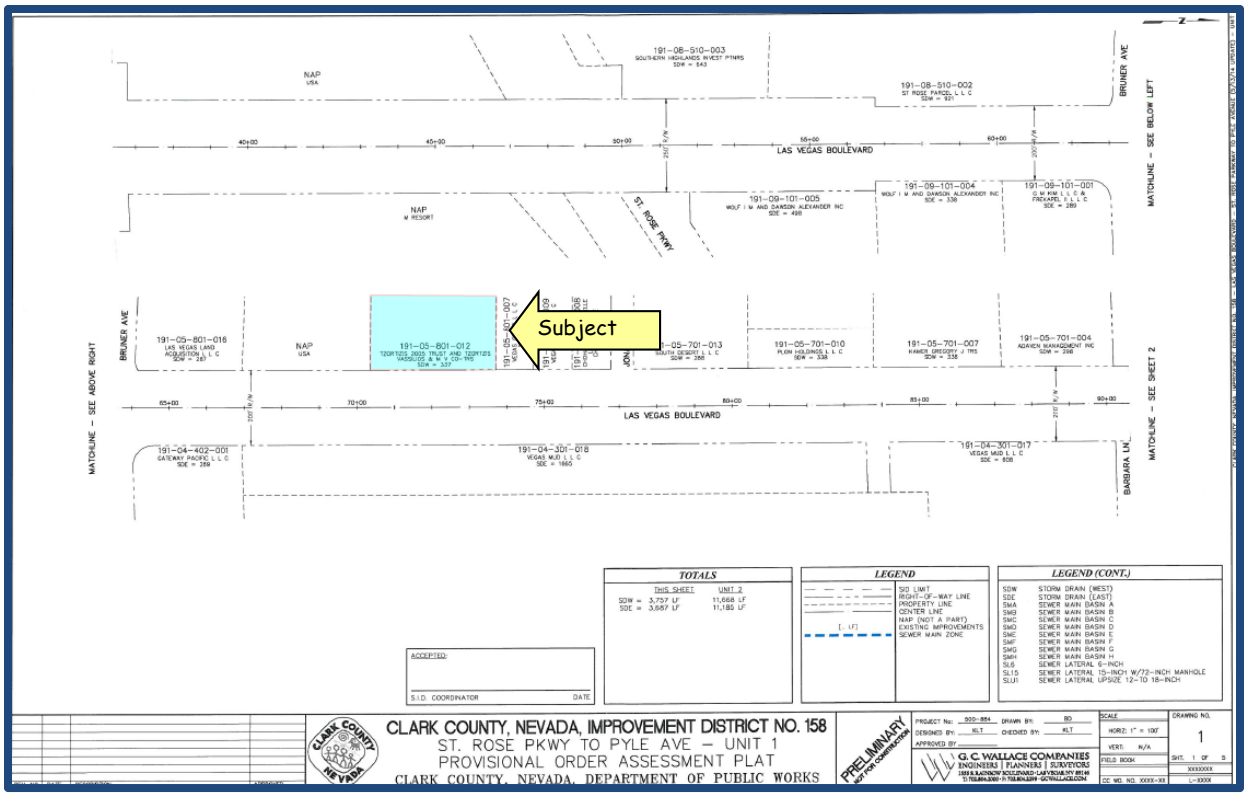
The following exhibits include one aerial map exhibit depicting the approximate S.I.D. 158 overall location and project limits, a plat, a civil drawing depicting the subject location within S.I.D Unit 1 depicting the subject location adjacent to the proposed storm sewer and sanitary sewer improvements.

Approximate SID 158 Project Limits



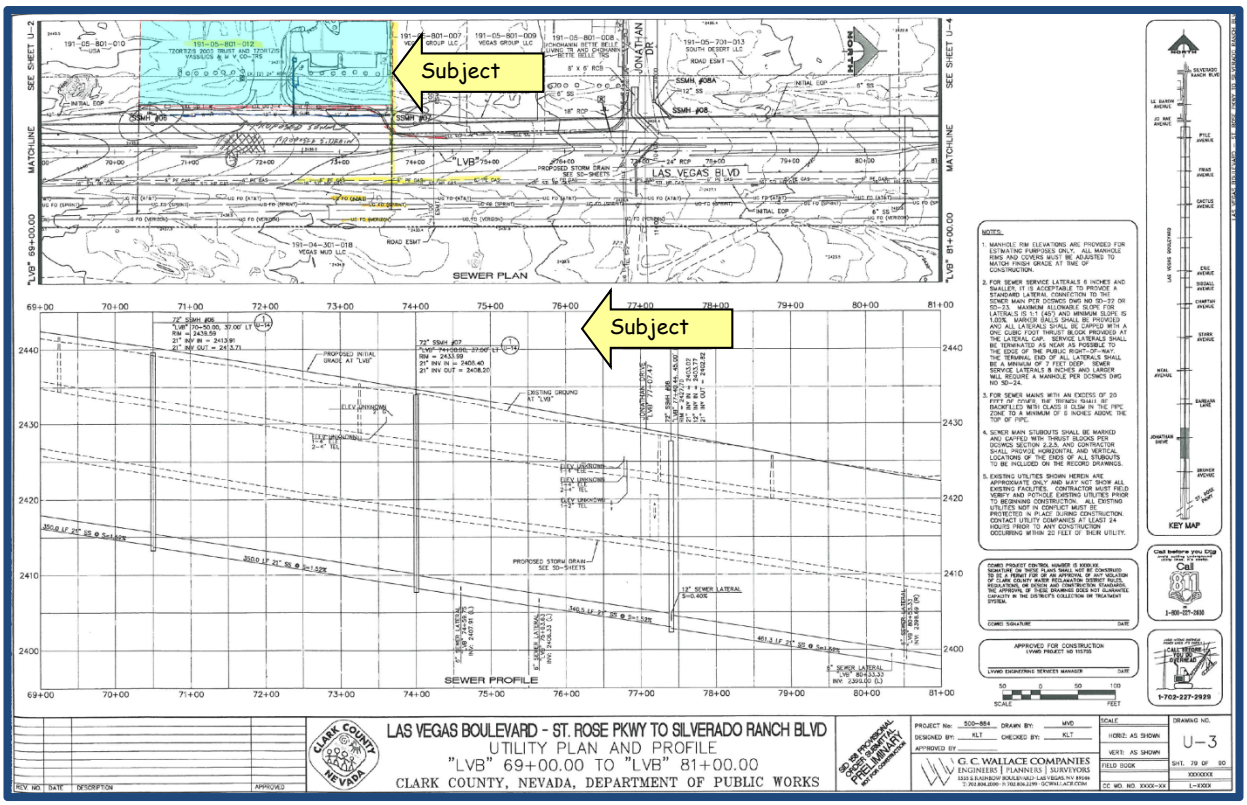
Source: Google Earth Aerial Photography Database

Provisional Order Assessment Plat Unit 1 (Storm Sewer Main Line)



Source: Clark County Department of Public Works

S.I.D.158 Utility Plan and Profile Drawing



Source: Clark County Department of Public Works (SID 158 Provisional Order Submittal Update May 14, 2013)

Appraisal Definitions

ACCESS RIGHTS

1. The right of ingress to and egress from a property that abuts an existing street or highway; an easement in the street that adjoins abutting property; a private right, as distinguished from a public right. See also landlocked parcel.

2. The right of a riparian owner to pass to and from the waters on which the premises border.

ABUTTER'S RIGHTS

The right or rights of one property owner in the property of another by virtue of sharing a common property line. The abutter's property rights may be expressed or they may be established through litigation and defined by the court having jurisdiction over the matter. Abutter's property rights can include, but are not limited to, access, light, view, and air.

ASSESSABLE PROPERTY defined NRS 271.040 "Assessable property" means the tracts of land specially benefited by any project the cost of which is wholly or partly defrayed by the municipality by the levy of assessments, except:

1. Any tract owned by the Federal Government, in the absence of its consent to the assessment.

2. Any tract owned by the municipality, unless the governing body of the municipality adopts a resolution finding that the tract is specially benefited by the project.

3. Any street or other public right-of-way.

(Added to NRS by 1965, 1349; A 1971, 942; 2005, 1825)

ASSESSMENT AND ASSESS defined NRS 271.045. "Assessment" or "assess" means a special assessment, or the levy thereof, against any tract specially benefited by any project, to defray wholly or in part the cost of the project, which assessment shall be made on a front foot, zone, area or other equitable basis, as may be determined by the governing body, but in no event shall any assessment exceed the estimated maximum special benefits to the tract assessed or its reasonable market value, as determined by the governing body, as provided in NRS 271.365. (Added to NRS by 1965, 1350)

ASSESSMENT LIEN defined NRS 271.050. "Assessment lien" means a lien on a tract created by ordinance of the municipality to secure the payment of an assessment levied against that tract, as provided in NRS 271.420. (Added to NRS by 1965, 1350)

ASSESSMENT UNIT defined NRS 271.055. "Assessment unit" means a unit or quasi-improvement district designated by the governing body for the purpose of petition, remonstrance and assessment, in the case of a combination of projects pursuant to NRS 271.295. (Added to NRS by 1965, 1350)

CONTROLLED ACCESS HIGHWAY

A highway specially designed for through traffic. Owners or occupants of abutting land may have no easement rights over, from, or to the highway or only controlled easement rights of access, light, air, or view.

COST APPROACH

A set of procedures through which a value indication is derived for the fee simple interest in a property by estimating the current cost to construct a reproduction of (or replacement for) the existing structure, including an entrepreneurial incentive, deducting depreciation from the total cost, and adding the estimated land value. Adjustments may then be made to the indicated fee simple value of the subject property to reflect the value of the property interest being appraised.

EXTRAORDINARY ASSUMPTION DEFINED

An extraordinary assumption is defined as an assumption, directly related to a specific assignment, as of the effective date of the assignment results 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.

(Uniform Standards of Professional Appraisal Practice (USPAP), as promulgated by the Appraisal Standards Board of the Appraisal Foundation, 2014-2015 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.

HIGHEST AND BEST USE

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. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum profitability.

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 can be vacant by demolishing any improvements.

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.

HYPOTHETICAL CONDITION DEFINED

Hypothetical condition is defined as a condition, directly related to a specific assignment, which is contrary to what is known to the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis. Hypothetical conditions are 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.

(Uniform Standards of Professional Appraisal Practice (USPAP), as promulgated by the Appraisal Standards Board of the Appraisal Foundation, 2012-2013 Edition)

INCOME CAPITALIZATION APPROACH

A set of procedures in which an appraiser derives a value indication for income-producing property by converting its anticipated benefits (cash flow and reversion) into property value. This conversion is accomplished in two ways. One year's income expectancy can be capitalized at a market-derived capitalization rate or at a capitalization rate that reflects a specified income pattern, return on investment, and change in the value of the investment. Alternatively, the annual cash flows for the holding period and the reversion can be discounted at a specified yield rate.

LARGER PARCEL DEFINED

In governmental land acquisitions, the tract or tracts of land that are under the beneficial control of a single individual or entity and have the same, or an integrated, highest and best use. Elements for consideration by the appraiser in making a determination in this regard are contiguity, or proximity, as it bears on the highest and best use of the property, unity of ownership, and unity of highest and best use. In most states, unity of ownership, contiguity, and unity of use are the three conditions that establish the larger parcel for the consideration of severance damages. In federal and some state cases, however, contiguity is sometimes subordinated to unitary use.

LEASED FEE ESTATE

An ownership interest held by a landlord with the right of use and occupancy conveyed by lease to others. The right of the lessor (the leased fee owner) and the leased fee are specified by contract terms contained within the lease.

MARKET VALUE DEFINED

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:

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their own 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."

(Source: Code of Federal Regulations, Title 12, Chapter I, Part 34.42[g]; also Interagency Appraisal and Evaluation Guidelines, Federal Register, 75 FR 77449, December 10, 2010, page 77472)

NEIGHBORHOOD

A group of complementary land uses; a congruous grouping of inhabitants, buildings, or business enterprises.

DISTRICT

1. A type of neighborhood that is characterized by homogeneous land use (e.g., apartment, commercial, industrial, agricultural).
2. A unit of local government with the authority to levy taxes and issue bonds to finance schools, parks, sewers, etc.

OTHER ASSIGNMENT CONDITIONS

With the exception of the general assumptions, limiting conditions, and extraordinary assumptions previously identified, there are no other assignment conditions (e.g. supplemental standards, or other conditions) that affect the scope of work necessary to develop credible assignment results.

PROPERTY RIGHTS APPRAISED/DEFINED

The subject property is appraised in fee simple estate interest ownership. Fee simple estate may be defined as 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.

SALES COMPARISON APPROACH

A set of procedures in which an appraiser derives a value indication by comparing the property being appraised to similar properties that have been sold recently, applying appropriate units of comparison, and making adjustments, based on the elements of comparison. The sales comparison approach may be used to value improved properties, vacant land, or land being considered as though vacant; it is the most common and preferred method of land valuation when comparable sales data are available.

SPECIAL BENEFIT defined NRS 271.208. "Special benefit" means the increase in the market value of a tract that is directly attributable to a project for which an assessment is made as determined by the local government that made the assessment. The term may include incidental costs of the project as determined by the local government. (Added to NRS by 1989, 523; A 1991, 668)

STORM SEWER PROJECT defined NRS 271.215. "Storm sewer project" means facilities appertaining to a municipal storm sewer system for the collection, interception, transportation and disposal of rainfall and other storm waters, including without limitation inlets, connections, laterals, other collection lines, outfalls, outfall sewers, trunk sewers, intercepting sewers, force mains, water lines, sewer lines, canals, pipes, transmission lines, natural and artificial watercourses, wells, ditches, reservoirs, revetments, engines, valves, pumps, meters, apparatus, fixtures, structures, buildings, and all appurtenances and incidentals necessary, useful or desirable for the collection, interception, transportation and disposal of rainfall and other storm waters (or any combination thereof), including real and other property therefor. (Added to NRS by 1965, 1354)

TRACT defined NRS 271.235. "Tract" means any tract, lot or other parcel of land for assessment purposes, whether platted or unplatted, regardless of lot or land lines. Lots, plots, blocks and other subdivisions may be designated in accordance with any recorded plat thereof; and all lands, platted and unplatted, shall be designated by a definite description. For all purposes of the Consolidated Local Improvements Law and any law amendatory thereof or supplemental thereto, any tract which is assessable property in an improvement district may be legally described pursuant to NRS 361.189. (Added to NRS by 1965, 1354; A 1969, 953; 1975, 1682)

Source: The Dictionary of (Real Estate Appraisal Fifth Edition (Chicago, Illinois: Appraisal Institute, 2010) (unless otherwise stated above)

Economic Analysis

Clark County Area Analysis

Clark County is located in Southern Nevada and contains 7,891 square miles in size and has a population density of 262 persons per square mile. Clark County is part of the Las Vegas-Henderson-Paradise, NV Metropolitan Statistical Area, hereinafter called the Las Vegas MSA, as defined by the U.S. Office of Management and Budget.

Population

Clark County has an estimated 2015 population of 2,066,046, which represents an average annual 1.1% increase over the 2010 census of 1,951,269. Clark County added an average of 22,955 residents per year over the 2010-2015 period; and its annual growth rate exceeded the State of Nevada rate of 1.0%.

Looking forward, Clark County's population is projected to increase at a 1.2% annual rate from 2015-2020, equivalent to the addition of an average of 24,603 residents per year. Clark County's growth rate is expected to exceed that of Nevada, which is projected to be 1.1%.

Population Trends

	Population			Compound Ann. % Chng	
	2010 Census	2015 Est.	2020 Est.	2010 - 2015	2015 - 2020
Clark County, NV	1,951,269	2,066,046	2,189,063	1.1%	1.2%
Nevada	2,700,551	2,839,260	2,993,844	1.0%	1.1%

Source: Claritas

Employment

Total employment in Clark County is currently estimated at 883,189 jobs. Between year-end 2004 and the present, employment rose by 43,886 jobs, equivalent to a 5.2% increase over the entire period. There were gains in employment in seven out of the past ten years despite the national economic downturn and slow recovery. Clark County's rate of employment growth over the last decade surpassed that of Nevada, which experienced an increase in employment of 2.5% or 30,011 jobs over this period.

A comparison of unemployment rates is another way of gauging an area's economic health. Over the past decade, the Clark County unemployment rate has been slightly higher than that of Nevada, with an average unemployment rate of 8.3% in comparison to an 8.2% rate for Nevada. A higher unemployment rate is a negative indicator.

Recent data shows that Clark County has a 7.2% unemployment rate, which is the same as the rate for Nevada.

Employment Trends

	Total Employment (Year End)				Unemployment Rate (Ann. Avg.)	
Year	Clark County	% Change	Nevada	% Change	Clark County	Nevada
2004	839,303		1,185,834		4.3%	4.3%
2005	896,199	6.8%	1,253,620	5.7%	4.1%	4.1%
2006	921,480	2.8%	1,285,891	2.6%	4.0%	4.1%
2007	929,153	0.8%	1,290,815	0.4%	4.5%	4.5%
2008	870,135	-6.4%	1,206,563	-6.5%	6.6%	6.7%
2009	810,092	-6.9%	1,123,604	-6.9%	11.5%	11.3%
2010	798,309	-1.5%	1,114,824	-0.8%	13.9%	13.5%
2011	808,511	1.3%	1,124,636	0.9%	13.4%	13.1%
2012	828,025	2.4%	1,146,387	1.9%	11.4%	11.2%
2013	854,552	3.2%	1,180,595	3.0%	9.7%	9.6%
2014*	883,189	3.4%	1,215,845	3.0%	7.9%	7.8%
Overall Change 2004-2014	43,886	5.2%	30,011	2.5%		
Avg Unemp. Rate 2004-2014					8.3%	8.2%
Unemployment Rate - March 2015					7.2%	7.2%

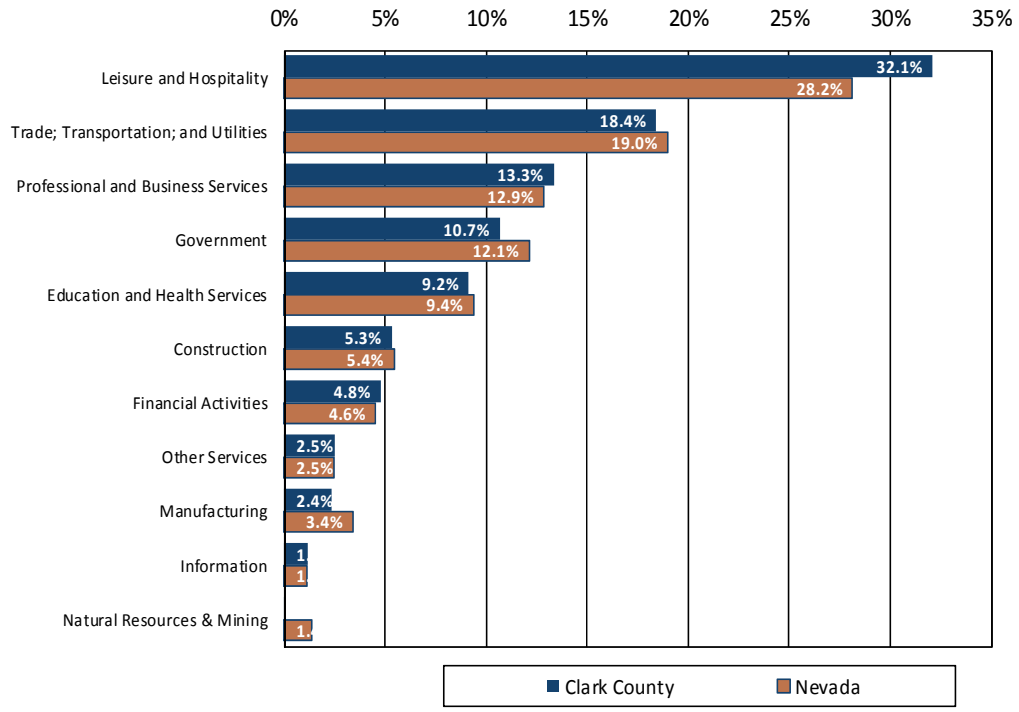
*Total employment data is as of September 2014; unemployment rate data reflects the average of 12 months of 2014.

Source: Bureau of Labor Statistics and Economy.com. Employment figures are from the Quarterly Census of Employment and Wages (QCEW). Unemployment rates are from the Current Population Survey (CPS). The figures are not seasonally adjusted.

Employment Sectors

The composition of the Clark County job market is depicted in the following chart, along with that of Nevada. Total employment for both areas is broken down by major employment sector, and the sectors are ranked from largest to smallest based on the percentage of Clark County jobs in each category.

Employment Sectors - 2014



Source: Bureau of Labor Statistics and Economy.com

Clark County has greater concentrations than Nevada in the following employment sectors:

1. Leisure and Hospitality, representing 32.1% of Clark County payroll employment compared to 28.2% for Nevada as a whole. This sector includes employment in hotels, restaurants, recreation facilities, and arts and cultural institutions.
2. Professional and Business Services, representing 13.3% of Clark County payroll employment compared to 12.9% for Nevada as a whole. This sector includes legal, accounting, and engineering firms, as well as management of holding companies.
3. Financial Activities, representing 4.8% of Clark County payroll employment compared to 4.6% for Nevada as a whole. Banking, insurance, and investment firms are included in this sector, as are real estate owners, managers, and brokers.
4. Information, representing 1.2% of Clark County payroll employment compared to 1.1% for Nevada as a whole. Publishing, broadcasting, data processing, telecommunications, and software publishing are included in this sector.

- Clark County is underrepresented in the following sectors:

1. Trade; Transportation; and Utilities, representing 18.4% of Clark County payroll employment compared to 19.0% for Nevada as a whole. This sector includes jobs in retail trade, wholesale trade, trucking, warehousing, and electric, gas, and water utilities.

2. Government, representing 10.7% of Clark County payroll employment compared to 12.1% for Nevada as a whole. This sector includes employment in local, state, and federal government agencies.
3. Education and Health Services, representing 9.2% of Clark County payroll employment compared to 9.4% for Nevada as a whole. This sector includes employment in public and private schools, colleges, hospitals, and social service agencies.
4. Construction, representing 5.3% of Clark County payroll employment compared to 5.4% for Nevada as a whole. This sector includes construction of buildings, roads, and utility systems.

Major Employers

Major employers in Clark County are shown in the following table.

Major Employers - Clark County, NV

	Name	Number of Employees
1	Clark County School District	> 30,000
2	Clark County	8,000 to 8,499
3	Aria Resort & Casino	7,000 to 7,499
4	Bellagio, LLC	7,500 to 7,999
5	MGM Grand Hotel/Casino	7,500 to 7,999
6	Wynn Las Vegas	7,500 to 7,999
7	Mandalay Bay Resort & Casino	6,500 to 6,999
8	Caesars Palace	5,500 to 5,999
9	Las Vegas Metropolitan Police Department	5,000 to 5,499
10	University on Nevada Las Vegas	5,000 to 5,499
11	Mirage Casino, The Hotel	4,000 to 4,999
12	The Venetian Casino Resort	4,000 to 4,999
13	The Cosmopolitan of Las Vegas	3,500 to 3,999
14	The Palazzo Casino Resort	3,500 to 3,999
15	University Medical Center of S. NV	3,500 to 3,999
16	Encore Las Vegas	3,000 to 3,499
17	Southwest Airlines Co.	3,000 to 3,499
18	Bally's Casino Hotel/Circus Circus Inc/ Treasure Isl	2,500 to 2,999
19	City of Henderson/ City of Las Vegas/ Golden Nugget	2,500 to 2,999
20	Harrahs Casino/Luxor/Rio Hotel Casino/Sunrise Ho	2,500 to 2,999

Source: Las Vegas Prespective

Gross Domestic Product

Gross Domestic Product (GDP) is a measure of economic activity based on the total value of goods and services produced in a defined geographic area. Although GDP figures are not available at the county level, data reported for the Las Vegas MSA is considered meaningful when compared to the nation overall, as Clark County is part of the MSA and subject to its influence.

Economic growth, as measured by annual changes in GDP, has been considerably lower in the Las Vegas MSA than the United States overall during the past eight years. The Las Vegas MSA has declined at a 1.5% average annual rate while the United States has grown at a 0.9% rate. As the national

economy improves, the Las Vegas MSA has recently performed better than the United States. GDP for the Las Vegas MSA rose by 2.4% in 2013 while the United States GDP rose by 1.8%.

The Las Vegas MSA has a per capita GDP of $43,079, which is 12% less than the United States GDP of $49,115. This means that Las Vegas MSA industries and employers are adding relatively less value to the economy than their counterparts in the United States overall.

Gross Domestic Product

Year	($ Mil) Las Vegas MSA	% Change	($ Mil) United States	% Change
2006	97,350		14,612,582	
2007	98,915	1.6%	14,824,616	1.5%
2008	95,557	-3.4%	14,728,947	-0.6%
2009	86,547	-9.4%	14,328,006	-2.7%
2010	84,682	-2.2%	14,639,748	2.2%
2011	83,923	-0.9%	14,868,836	1.6%
2012	85,278	1.6%	15,245,906	2.5%
2013	87,359	2.4%	15,526,715	1.8%
Compound % Chg (2006-2013)		-1.5%		0.9%
GDP Per Capita 2013	$43,079		$49,115	

Source: Bureau of Economic Analysis and Economy.com; data released September 2014. The release of state and local GDP data has a longer lag time than national data. The data represents inflation-adjusted "real" GDP stated in 2009 dollars.

Household Income

Clark County has a slightly lower level of household income than Nevada. Median household income for Clark County is $48,595, which is 1.2% less than the corresponding figure for Nevada.

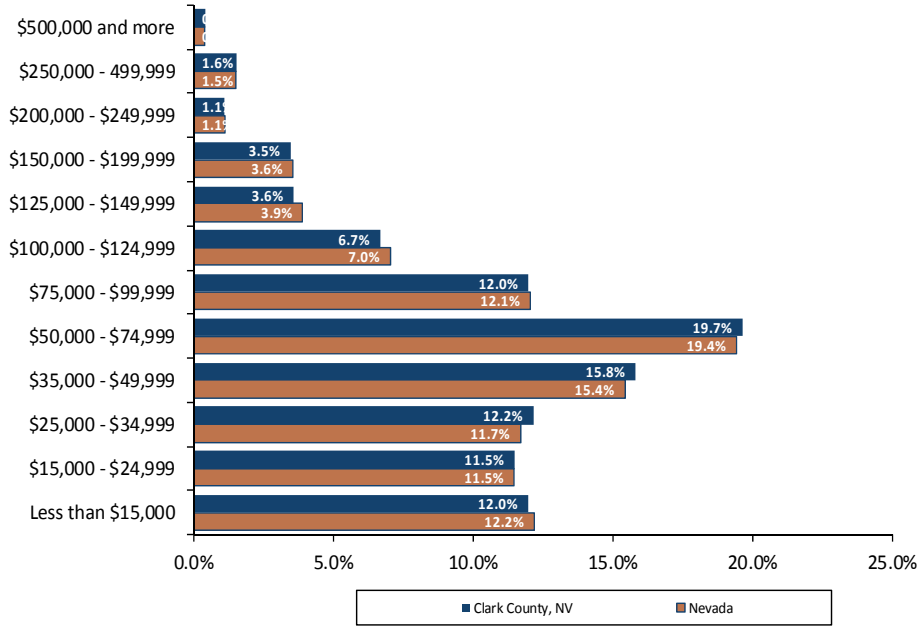
Median Household Income - 2015

	Median
Clark County, NV	$48,595
Nevada	$49,174
Comparison of Clark County, NV to Nevada	- 1.2%

Source: Claritas

The following chart shows the distribution of households across twelve income levels. There do not appear to be any significant differences between Clark County and Nevada in the distribution of households within the broad categories of upper, middle, and lower income. The percentage of Clark County households in the upper income ranges ($75,000 or greater), is similar to that of Nevada. The percentages of households in the middle ($35,000 - $75,000) and lower (under $35,000) income ranges are similar as well.

Household Income Distribution - 2015

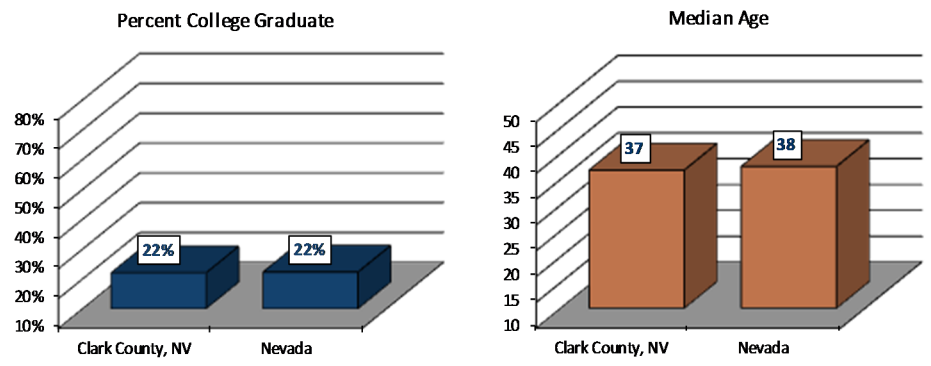


Source: Claritas

Education and Age

Residents of Clark County have a similar level of educational attainment to those of Nevada. An estimated 22% of Clark County residents are college graduates with four-year degrees, which is the same percentage as Nevada residents. People in Clark County are slightly younger than their Nevada counterparts. The median age for Clark County is 37 years, while the median age for Nevada is 38 years.

Education & Age - 2015



Source: Claritas

Utilities:

Water is supplied to the Las Vegas metropolitan area from several sources. Underground aquifers contribute approximately 15% of the water to Southern Nevada and the other 85% is from the Colorado River. Nevada is one of seven states that use the Colorado River for its water supply. Las Vegas and Clark County participate in a water banking system that allows the water districts to store unused water for future use. This water banking system should extend the water resources by more than 30 years.

Gaming and tourism market

The following report collects top-line results for the past six months in five Nevada reporting areas. With this perspective, the current direction of a variety of sectors in the state's gaming market should be clear. In addition to statistics for overall, slot, and game revenues, it also includes year-to-year changes in each of those categories and slot hold, an important measure of value returned to gamblers, as well as the totals for the previous six months.

UNLV | Center for GAMING RESEARCH http://gaming.unlv.edu

Nevada Gaming Statistics: The Last Six Months

Recent Trends for Casino Revenues, December 2014 to May 2015

This report collects top-line results for the past six months in five Nevada reporting areas. With this perspective, the current direction of a variety of sectors in the state's gaming market should be clear. In addition to statistics for overall, slot, and game revenues, it also includes year-to-year changes in each of those categories and slot hold, an important measure of value returned to gamblers, as well as the totals for the previous six months.

Executive Summary

Statewide, gaming revenues are up (.042%) for the past six months, with a 3.62% increase in slot win offsetting a declining (-4.44%)game win. This reverses the trend of the past six months of declining overall win.

The **Las Vegas Strip** is performing worse for the period (-1.97%) than the state as a whole, but it has more extreme variations in its monthly results, thanks to the volatility of baccarat. This speaks to the growing importance of table games in general and international high rollers specifically for Nevada gaming. Slot win is up 3.90 % for the period, while games (-5.44%) are down more significantly.

Downtown Las Vegas is up for the period (+4.12%), with a growing slot win (+2.49%) complementing an increasing game win (+8.84%).

The **Boulder Strip**, a weathervane for the Las Vegas market, is up 9.08% for the period. Slot win is up 6.60 %, while game win is up 28.80%.

Washoe County's stabilization trend is back, with a higher total win (5.43 %) and slot win (5.51%) complemented by a rising game win (+5.60%)

Tables for Statewide, Las Vegas Strip, Downtown Las Vegas, Boulder Strip, and Washoe County follow.

For more information, see http://gaming.unlv.edu or contact Dr. David G. Schwartz, Director
ph (702) 895-2242 | dgs@unlv.nevada.edu

University Libraries University of Nevada, Las Vegas

UNLV CENTER FOR GAMING RESEARCH UNIVERSITY LIBRARIES http://gaming.unlv.edu

Nevada Gaming Statistics: The Last Six Months

December 2014 to May 2015

Statewide

	December	January	February	March	April	May	Total
Total Win	950,692	952,704	916,086	951,245	897,925	1,003,548	5,672,200
Y/Y Change	-8.06	7.75	-1.08	-3.15	5.39	3.33	0.42%
Slot Win	559,151	561,195	564,975	635,388	601,494	601,408	3,523,611
Y/Y Change	0.26	-1.06	4.86	3.53	6.12	8.00	3.62%
Slot Hold %	6.15	6.34	6.56	6.77	6.87	6.41	n/a
Game Win	382,308	381,727	342,581	306,168	287,919	391,820	2,092,523
Y/Y Change	-18.07	24.39	-9.38	-14.49	4.17	12.67	-4.44%

Las Vegas Strip

	December	January	February	March	April	May	Total
Total Win	555,236	576,811	531,348	507,030	498,866	601,198	3,270,489
Y/Y Change	-16.41	15.40	-4.38	-9.58	7.77	1.39	-1.97%
Slot Win	238,663	256,821	245,540	262,549	262,007	272,519	1,538,099
Y/Y Change	-6.47	4.17	4.52	-0.69	11.07	11.93	3.90%
Slot Hold %	6.51	7.78	7.94	7.66	8.14	7.81	n/a
Game Win	310,701	313,831	280,638	262,549	231,569	321,789	1,721,077
Y/Y Change	-22.94	27.01	-10.95	-17.82	4.44	-6.17	-5.44%

Downtown Las Vegas

	December	January	February	March	April	May	Total
Total Win	43,024	38,639	43,263	53,569	49,602	44,574	272,671
Y/Y Change	2.96	-10.63	0.67	4.59	12.56	15.44	4.12%
Slot Win	29,933	25,325	30,395	39,237	36,573	31,662	193,125
Y/Y Change	-1.86	-16.25	0.94	7.54	11.04	12.41	2.49%
Slot Hold %	6.63	5.67	6.72	7.56	7.77	6.56	n/a
Game Win	12,789	12,937	12,581	13,993	12,736	12,556	77,592
Y/Y Change	16.90	2.40	0.62	11.28	12.70	24.45	8.84%

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Nevada Gaming Statistics: The Last Six Months

December 2014 to May 2015

Boulder Strip

	December	January	February	March	April	May	Total
Total Win	76,385	58,721	82,661	81,259	66,313	61,612	426,951
Y/Y Change	13.31	-15.41	0.87	18.97	-8.30	10.48	9.08%
Slot Win	65,204	49,285	69,877	72,647	59,894	52,463	369,370
Y/Y Change	9.62	-19.13	3.56	19.41	-8.53	9.89	6.60%
Slot Hold %	6.17	4.73	5.38	6.73	5.80	4.80	n/a
Game Win	10,704	8,945	11,526	8,107	5,933	8,647	53,862
Y/Y Change	44.74	12.12	-12.17	11.08	10.17	15.29	28.80%

Washoe County

	December	January	February	March	April	May	Total
Total Win	60,345	59,922	60,673	63,997	57,403	70,629	372,969
Y/Y Change	8.96	12.38	4.23	6.53	-1.56	2.42	5.43%
Slot Win	47,223	47,605	47,714	51,705	47,569	56,741	298,557
Y/Y Change	8.71	12.17	5.64	7.06	-0.46	0.55	5.51%
Slot Hold %	5.16	4.91	5.05	5.14	4.99	5.30	n/a
Game Win	12,531	11,699	12,393	11,735	9,329	13,341	71,028
Y/Y Change	10.23	13.68	-0.52	5.16	-6.38	11.71	5.60%

Notes and Definitions

All non-restricted locations for respective area.

Total Revenue, Slot Revenue, Game Revenue: Win reported for each category in thousands of dollars (add 000 for totals);
Game Revenue includes tables games, bingo, keno, and race/sports.
Y/Y Change: Percentage change from the previous year's result
Slot hold %: Slot hold percentage

All data taken from Gaming Revenue Reports for their respective month; accessible at http://gaming.nv.gov/gaming_revenue_rpt.htm

For more information, see http://gaming.unlv.edu or contact:
Dr. David G. Schwartz, Director | ph (702) 895-2242 | dgs@unlv.nevada.edu

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Source: http://gaming.unlv.edu/reports/6_month_NV.pdf

LVCVA EXECUTIVE SUMMARY

of Las Vegas, Laughlin and Mesquite, NV Tourism Indicators

LAS Vegas CONVENTION AND VISITORS AUTHORITY

LAS VEGAS	May 2014	May 2015	Change	May YTD 2014	May YTD 2015	Change
Visitor Volume	3,566,741	3,739,029	4.8%	17,231,402	17,456,127	1.3%
Room Inventory (as of May 31)	149,347	149,352	0.0%	149,347	149,352	0.0%
Citywide Occupancy	88.7%	91.2%	2.5	87.9%	87.0%	-0.9
Hotel Occupancy	91.2%	93.2%	2.0	90.2%	89.1%	-1.1
Motel Occupancy	66.0%	72.4%	6.4	66.8%	67.0%	0.2
Weekend Occupancy	95.0%	95.7%	0.7	93.4%	93.1%	-0.4
Midweek Occupancy	85.2%	88.7%	3.5	85.3%	84.3%	-1.0
Strip Occupancy	90.9%	92.7%	1.8	89.8%	88.5%	-1.3
Downtown Occupancy	81.0%	86.6%	5.6	79.9%	81.7%	1.8
Average Daily Room Rate (ADR)	$127.60	$130.32	2.1%	$122.25	$124.54	1.9%
Strip ADR	$137.96	$140.96	2.2%	$132.11	$134.58	1.9%
Downtown ADR	$70.83	$63.91	-9.8%	$71.47	$61.06	-14.6%
Revenue Per Available Room (RevPAR)	$113.18	$118.85	5.0%	$107.24	$108.20	0.9%
Strip RevPAR	$125.41	$130.67	4.2%	$118.43	$118.61	0.1%
Downtown RevPAR	$57.37	$55.35	-3.5%	$57.04	$49.84	-12.6%
Total Room Nights Occupied	4,101,335	4,227,074	3.1%	19,909,507	19,758,379	-0.8%
Convention Attendance	454,163	433,171	-4.6%	2,596,671	2,718,957	4.7%
Conventions & Meetings Held	1,925	1,838	-4.5%	9,715	9,400	-3.2%
Total En/Deplaned Air Passengers	3,777,994 r	3,992,150	5.7%	17,527,014 r	18,113,323	3.3%
Avg. Daily Auto Traffic: *All Major Highways*	102,388	109,685	7.1%	99,150 r	104,759	5.7%
Avg. Daily Auto Traffic: *I-15 at NV/CA Border*	41,292	44,181	7.0%	39,843	42,007	5.4%
Gaming Revenue: Clark County	$841,600,000 r	$870,046,000	3.4%	$4,032,691,000 r	$4,114,724,000	2.0%
Gaming Revenue: Las Vegas Strip	$592,963,000	$601,198,000	1.4%	$2,672,159,000 r	$2,715,253,000	1.6%
Gaming Revenue: Downtown	$38,611,000	$44,574,000	15.4%	$220,104,000	$229,647,000	4.3%
Gaming Revenue: Boulder Strip	$55,770,000 r	$61,612,000	10.5%	$323,928,000 r	$332,183,000	2.5%

NOTES & HIGHLIGHTS:

With some notable special events such as the Mayweather-Pacquiao fight and the Rock In Rio event, Las Vegas reached a record month of visitation, hosting over 3.7 million visitors (+4.8%) while citywide occupancy reached 91.2% (+2.5 pts) and ADR reached $130 (up +2.1%).

With a couple of trade shows rotating out of the destination this year (American Wind Energy Association, 10,000 attendees; Coverings, 22,000 attendees), Las Vegas saw a -4.6% decrease in convention attendance for the month.

Clark County and the Las Vegas Strip saw gaming revenue increases of +3.4% and +1.4%, respectively, with win gains in both table games and slots.

Passenger traffic at McCarran was up +5.7% for the month vs. last year while Average Daily Auto Traffic for all major highways was up +7.1% and traffic on I-15 to/from Southern California was up +7.0%. Note: Air passengers and auto traffic counts are a blend of both commercial and/or resident traffic in addition to visitors.

Sources: Las Vegas Convention and Visitors Authority; McCarran International Airport; Nevada Department of Transportation (NDOT); Nevada Gaming Control Board

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LVCVA EXECUTIVE SUMMARY

of Las Vegas, Laughlin and Mesquite, NV Tourism Indicators

		May			May YTD		
		2014	2015	Change	2014	2015	Change
LAUGHLIN	Visitor Volume	177,275	162,819	-8.2%	862,998	799,135	-7.4%
	Room Inventory (as of May 31)	10,275	9,917	-3.5%	10,275	9,917	-3.5%
	Total Occupancy	63.9%	62.7%	-1.2	62.3%	63.7%	1.4
	Average Daily Room Rate	$46.73	$47.31	1.2%	$44.46	$45.39	2.1%
	Revenue Per Available Room (RevPAR)	$29.86	$29.66	-0.7%	$27.71	$28.98	4.6%
	Total Room Nights Occupied	203,537	192,757	-5.3%	971,093	947,203	-2.5%
	Gross Gaming Revenue	$38,288,000	$38,882,000	1.6%	$208,231,000	$213,537,000	2.5%
	Laughlin/Bullhead City En/Deplaned Passengers	20,424	17,345	-15.1%	106,017	104,297	-1.6%
	Avg. Daily Auto Traffic: Highway 163	4,085	4,236	3.7%	4,328	4,505	4.1%
MESQUITE	Visitor Volume	104,286	109,691	5.2%	527,673	541,393	2.6%
	Room Inventory (as of May 31)	1,736	1,736	0.0%	1,736	1,736	0.0%
	Total Occupancy	76.5%	78.7%	2.2	79.5%	79.7%	0.2
	Average Daily Room Rate	$55.82	$58.31	4.5%	$54.51	$57.67	5.8%
	Revenue Per Available Room (RevPAR)	$42.70	$45.89	7.5%	$43.31	$46.02	6.3%
	Total Room Nights Occupied	41,169	42,353	2.9%	208,309	209,039	0.4%
	Gross Gaming Revenue	$9,653,000 r	$9,943,000	3.0%	$51,103,000 r	$52,504,000	2.7%
	Avg. Daily Auto Traffic: I-15 at NV/AZ border	23,052	24,739	7.3%	22,160	23,556	6.3%

Sources: Las Vegas Convention and Visitors Authority; Mojave County Airport; Nevada Department of Transportation (NDOT); Nevada Gaming Control Board

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2015 LAS VEGAS YEAR-TO-DATE EXECUTIVE SUMMARY

ACTUAL COUNTS	January	February	March	April	May	June	July	August	September	October	November	December	YTD
Visitor Volume	3,391,713	3,160,569	3,624,587	3,540,229	3,739,029								17,456,127
Room Inventory	150,544	150,255	150,255	151,236	149,352								149,352
Citywide Occupancy	81.7%	84.7%	88.6%	88.8%	91.2%								87.0%
Hotel Occupancy	84.4%	86.7%	90.2%	91.1%	93.2%								89.1%
Motel Occupancy	56.1%	65.8%	73.4%	67.2%	72.4%								67.0%
Weekend Occupancy	85.9%	92.3%	95.6%	95.8%	95.7%								93.1%
Midweek Occupancy	79.3%	81.1%	86.1%	86.3%	88.7%								84.3%
Strip Occupancy	83.7%	85.9%	90.0%	90.3%	92.7%								88.5%
Downtown Occupancy	77.6%	79.2%	83.0%	82.3%	86.6%								81.7%
Average Daily Room Rate (ADR)	$136.02	$116.48	$120.88	$118.51	$130.32								$124.54
Strip Daily Room Rate (ADR)	$145.80 r	$125.30	$130.35	$127.77	$140.96								$134.58
Downtown Daily Room Rate (ADR)	$64.62	$57.74	$62.20	$56.30	$63.91								$61.06
Revenue Per Available Room (RevPAR)	$111.13	$98.66	$107.10	$105.24	$118.85								$108.20
Strip RevPAR	$122.03	$107.63	$117.32	$115.38	$130.67								$118.61
Downtown RevPAR	$50.15	$45.73	$51.63	$46.33	$55.35								$49.84
Total Room Nights Occupied	3,811,184	3,565,960	4,125,637	4,028,524	4,227,074								19,758,379
Convention Attendance	682,330	550,271	551,793	501,392	433,171								2,718,957
Conventions & Meetings Held	1,678	1,948	2,156	1,780	1,838								9,400
Total En/Deplaned Passengers	3,309,999 r	3,162,945 r	3,863,154 r	3,785,075 r	3,992,150								18,113,323
Average Daily Auto Traffic													
All Major Highways	92,188 e	99,517	110,584	111,822	109,685								104,759
I-15 at NV/CA Border	37,691	39,820	43,121	45,220	44,181								42,007
Gaming Revenue:													
Clark County	$838,162,000	$796,867,000	$826,410,000	$783,239,000	$870,046,000								$4,114,724,000
Las Vegas Strip	$576,811,000	$531,348,000	$507,030,000	$498,866,000	$601,198,000								$2,715,253,000
Downtown	$38,639,000	$43,263,000	$53,569,000	$49,602,000	$44,574,000								$229,647,000
Boulder Strip	$58,721,000	$64,278,000	$81,259,000	$66,313,000	$61,612,000								$332,183,000
Room Tax / LVCVA's Portion:	$22,836,893	$18,163,576	$22,204,907	$21,902,888	N/A								N/A

PERCENT CHANGE FROM PRIOR YEAR	January	February	March	April	May	June	July	August	September	October	November	December	YTD
Visitor Volume	0.1%	0.9%	-1.7%	2.4%	4.8%								1.3%
Room Inventory	0.0%	-0.2%	-0.2%	1.4%	0.0%								0.0%
Citywide Occupancy	-1.8	-0.9	-3.2	-1.0	2.5								-0.9
Hotel Occupancy	-1.7	-1.0	-3.5	-1.2	2.0								-1.1
Motel Occupancy	-4.4	-0.4	-1.0	0.2	6.4								0.2
Weekend Occupancy	-1.6	0.6	-1.3	-0.2	0.7								-0.4
Midweek Occupancy	-2.4	-1.5	-3.6	-1.2	3.5								-1.0
Strip Occupancy	-2.2	-1.3	-3.2	-1.5	1.8								-1.3
Downtown Occupancy	4.2	3.8	-3.9	-0.5	5.6								1.8
Average Daily Room Rate (ADR)	15.1%	3.0%	-9.7%	1.7%	2.1%								1.9%
Strip (ADR)	13.1%	1.8%	-9.4%	2.3%	2.2%								1.9%
Downtown (ADR)	2.8%	-14.2%	-24.9%	-21.1%	-9.8%								-14.6%
Revenue Per Available Room (RevPAR)	12.6%	1.9%	-12.9%	0.6%	5.0%								0.9%
Strip RevPAR	10.2%	0.3%	-12.5%	0.6%	4.2%								0.1%
Downtown RevPAR	8.7%	-9.9%	-28.2%	-21.5%	-3.5%								-12.6%
Total Room Nights Occupied	-2.3%	-1.2%	-3.7%	0.3%	3.1%								-0.8%
Convention Attendance	8.0%	12.1%	-11.7%	26.8%	-4.6%								4.7%
Conventions & Meetings Held	8.4%	-0.2%	-11.0%	-4.7%	-4.5%								-3.2%
Total En/Deplaned Passengers	0.6%	3.2%	2.1%	4.9%	5.7%								3.3%
Average Daily Auto Traffic													
All Major Highways	2.7%	8.1%	6.3%	4.0%	7.1%								5.7%
I-15 at NV/CA Border	2.1%	7.4%	6.5%	4.0%	7.0%								5.4%
Gaming Revenue:													
Clark County	7.8%	-1.7%	-4.0%	5.5%	3.4%								2.0%
Las Vegas Strip	15.4%	-4.4%	-9.6%	7.8%	1.4%								1.6%
Downtown	-10.6%	0.7%	4.6%	12.6%	15.4%								4.3%
Boulder Strip	-15.4%	10.6%	19.0%	-8.3%	10.5%								2.5%
Room Tax / LVCVA's Portion:	19.7%	5.1%	-8.2%	7.5%	N/A								N/A

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Laughlin	2015 LAUGHLIN YEAR-TO-DATE EXECUTIVE SUMMARY												
ACTUAL COUNTS	January	February	March	April	May	June	July	August	September	October	November	December	YTD
Visitor Volume	148,024	152,199	174,098	161,995	162,819								799,135
Room Inventory	9,847	9,847	9,777	9,817	9,917								9,917
Total Occupancy	56.5%	65.7%	68.7%	65.4%	62.7%								63.7%
Average Daily Room Rate	$40.75	$44.48	$42.06	$52.10	$47.31								$45.39
Revenue Per Available Room (RevPAR)	$23.02	$29.22	$28.90	$34.07	$29.66								$28.98
Total Room Nights Occupied	172,470	181,145	208,221	192,610	192,757								947,203
Gross Gaming Revenue	$39,628,000	$43,010,000	$49,244,000	$42,773,000	$38,882,000								$213,537,000
Laughlin/Bullhead City Air Passengers	20,602	21,258	25,663	19,429	17,345								104,297
Average Daily Auto Traffic: Hwy 163	3,852	4,511	4,884	5,043	4,236								4,505
PERCENT CHANGE FROM PRIOR YEAR	January	February	March	April	May	June	July	August	September	October	November	December	YTD
Visitor Volume	0.8%	-4.0%	-11.8%	-11.6%	-8.2%								-7.4%
Room Inventory	-4.7%	-4.7%	-5.4%	-5.0%	-3.5%								-3.5%
Total Occupancy	7.1	4.5	-1.5	-1.5	-1.2								1.4
Average Daily Room Rate	3.2%	6.1%	1.5%	1.3%	1.2%								2.1%
Revenue Per Available Room (RevPAR)	18.0%	13.9%	-0.7%	-1.0%	-0.7%								4.6%
Total Room Nights Occupied	9.0%	2.3%	-7.4%	-7.1%	-5.3%								-2.5%
Gross Gaming Revenue	-0.8%	7.2%	4.5%	0.1%	1.6%								2.5%
Laughlin/Bullhead City Air Passengers	13.9%	1.9%	-0.5%	-6.9%	-15.1%								-1.6%
Average Daily Auto Traffic: Hwy 163	3.8%	5.9%	4.4%	2.8%	3.7%								4.1%

Mesquite	2015 MESQUITE YEAR-TO-DATE EXECUTIVE SUMMARY												
ACTUAL COUNTS	January	February	March	April	May	June	July	August	September	October	November	December	YTD
Visitor Volume	98,123	96,810	122,793	113,976	109,691								541,393
Room Inventory	1,736	1,736	1,736	1,736	1,736								1,736
Total Occupancy	70.4%	76.9%	88.1%	84.5%	78.7%								79.7%
Average Daily Room Rate	$58.11	$60.65	$53.91	$58.21	$58.31								$57.67
Revenue Per Available Room (RevPAR)	$40.91	$46.64	$47.49	$49.19	$45.89								$46.02
Total Room Nights Occupied	37,886	37,380	47,412	44,008	42,353								209,039
Gross Gaming Revenue	$10,463,000	$10,394,000	$11,463,000	$10,241,000	$9,943,000								$52,504,000
Average Daily Auto Traffic: I-15 at NV/AZ border	20,863	22,022	25,043	25,114	24,739								23,556
PERCENT CHANGE FROM PRIOR YEAR	January	February	March	April	May	June	July	August	September	October	November	December	YTD
Visitor Volume	7.1%	2.2%	-0.5%	0.2%	5.2%								2.6%
Room Inventory	0.0%	0.0%	0.0%	0.0%	0.0%								0.0%
Total Occupancy	3.2	0.0	-2.4	-1.7	2.2								0.2
Average Daily Room Rate	14.5%	13.6%	-2.9%	3.6%	4.5%								5.8%
Revenue Per Available Room (RevPAR)	20.0%	13.6%	-5.5%	1.6%	7.5%								6.0%
Total Room Nights Occupied	4.8%	0.0%	-2.7%	-2.0%	2.9%								0.4%
Gross Gaming Revenue	6.1%	3.4%	0.2%	1.4%	3.0%								2.7%
Average Daily Auto Traffic: I-15 at NV/AZ border	5.3%	7.6%	6.3%	5.0%	7.3%								6.3%

Source: Above tables available from Las Vegas Convention and Visitor's Authority. See following URL: http://www.lvcva.com/stats-and-facts/visitor-statistics

HOME BUILDERS RESEARCH, INC.

THE LAS VEGAS HOUSING MARKET LETTER

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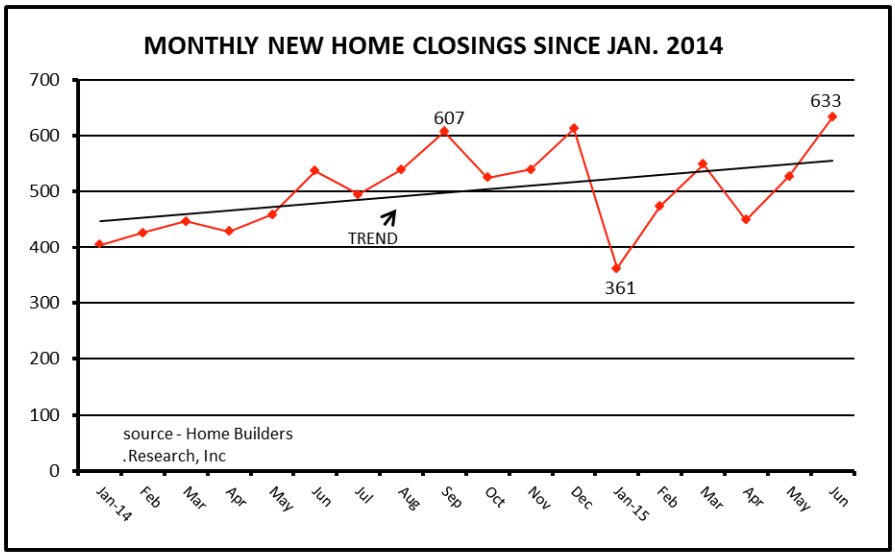
Volume 333

Many of the economists, analysts, and forecasters have toned-down their more bullish projections from earlier in 2015 of the housing recovery. During much the 2nd quarter our local housing recovery underperformed somewhat. They pointed to slower than anticipated growth in the GDP, weak household income growth, and a pullback in some of the employment statistics. We have been reporting for many months that the economic recovery in Las Vegas was "ho-hum", and although overall it has reflected a positive trend, there are still more "bumps in the road" to be expected in the upcoming months. There is still a cloud of uncertainty that lingers among many consumers, and the almost daily occurrence of disturbing primarily international events certainly can dampen any over exuberance. Given all that, the performance of the Las Vegas housing market continues to make positive advances.

The housing statistics we gather each month indicate that the recovery of the local housing industry keeps advancing, although apparently slower than some of the national reports suggest. **In June, we sorted through 633 new home recorded deeds.** It brings our 2015 sum to 2,993, a year to year increase of 290 transactions, or 10.7 percent. The recovery of the new home segment is going in the right direction, and at a pace that is good for longer term stability. In our opinion, given the persistent presence of a lot of negative equity among many current homeowners that keeps them locked in their current situation, a 10 percent year to year growth of new home sales is awfully good.



"THE LAS VEGAS HOUSING MARKET LETTER" – July 18, 2015
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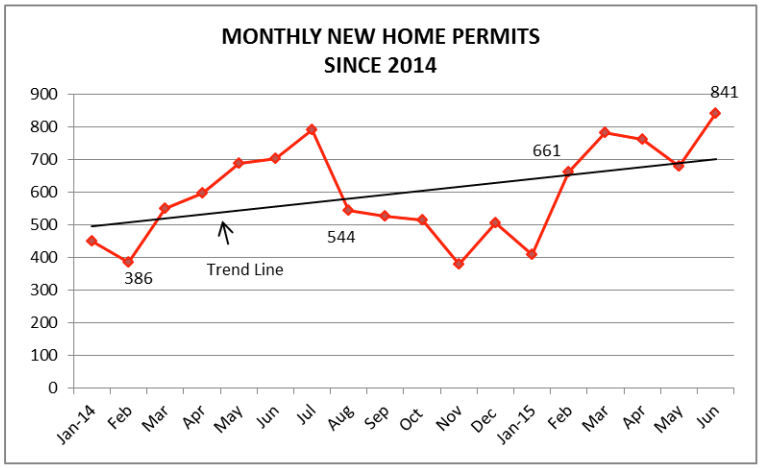
HOME BUILDERS RESEARCH, INC.

The median price of the June new home closings was $303,047. This was a drop from the prior 3 months, and is an example of the "bumpy road" scenario we mentioned earlier. It still is a year to year increase of $14,855, or 5.1 percent. When we omit the condos from the data, the median price of the remaining single family detached homes was $302,000, a year to year change of $18,762, or 6.2 percent.

We believe the most positive statistic to emerge from all the June data is **the 841 new home permits pulled by homebuilders in June.** It was the largest number of permits pulled in a single month since July, 2008, which is 7 years! Hopefully, there will be at least 700 – 800 per month going forward. Our 2015 new home permit sum is now 4,130. This is a year to year increase of 759 permits, or 22.5 percent. The next graph illustrates the monthly permit trend since 2014. It is very good to see these trend lines going in the right direction.



Nationally, the unadjusted June single family permit total was up 11.4 percent year to year, according to the Housing Research Center, LLC (HRC). Builders are opening new communities at a 12 percent higher pace year to year. The "take away" in the June HRC report says the single family permits totals are still being affected by "lack of affordable housing, tight credit and tough underwriting standards, low credit scores, incomes and savings levels. This is combined with the builders' hesitancy or unwillingness to build entry level affordable homes, and expensive land prices that make it tough to make money." That pretty much "hits the nail on the head" in metropolitan Las Vegas.

Nationally, the multifamily segment has been dominating the permit numbers. The multifamily permits are making up a much larger share of the total permits. In fact, the June totals indicate the multifamily sum is almost the same as the single family, a very rare occurrence.

The resale segment in June is pretty much the status quo … a tight and shrinking inventory of "good" listings. This is especially the case in the most active sub-markets for homes listed under $300,000. An existing home that is in good clean condition, in a nice community, and priced at the market level will probably have multiple offers and be sold within 2 weeks.

There were 4,120 recorded resale transactions in June. It put our 2015 total at 21,600, which is a year to year increase of 2,865, or 15.3 percent. Again, the annual change is very acceptable. **The median price of the June resale closings was $195,000.** This is a 1-month small decline ($4,000), but it is an annual rise of $30,000, or 18 percent.

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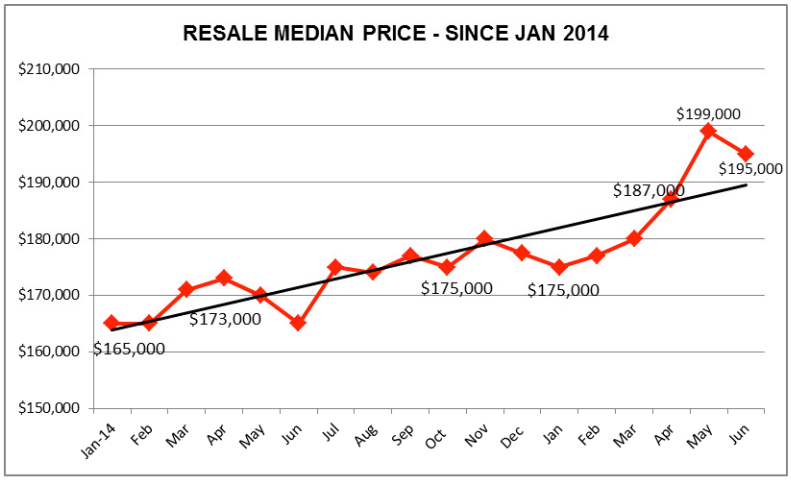

If there were more available homes in good condition **and priced at market level**, there would definitely be more resale activity. Granted, if the supply was greater we would see less upward price movement. Therefore, it depends which side of the equation one is standing to understand their preference.

We have read a few articles from the president of the Greater Las Vegas Association of Realtors (GLVAR) who has been asking the members to price their listings at the market level by educating their clients on what the correct price should be. However, many homeowners believe they can price it well above the market and "see what happens". Chances are the listing will linger and then need price reductions. It may eventually sell for what it should have been priced from the beginning.

>>>>>>>>>>

There was an interesting article recently from the Phoenix Business Press (PBP) that reported Pulte Homes was building its first **active adult community** in Chandler, Arizona, without using their Del Webb brand. The new Lone Tree, a 72-unit gated subdivision, is part of a larger existing Lone Tree development. This is the first active adult venture by Pulte Homes' Active Adult Division. According to the PBP, Pulte is "expanding our product offering to better serve the diverse interests and life stages of today's baby boomers and more community options to meet people's diverse wants and needs." Active adult communities aimed at baby boomers and over age 55 retirees have been a strong segment in Arizona's post-recession housing market. Parts of the outlying areas of Phoenix like Prescott, Pinal County, and communities along the Colorado River are just a few that have attracted this group of consumers.

For some time now we have thought Las Vegas would be a great place for Pulte/Del Webb to build another adult community. Lennar will be opening their active adult community, Heritage at Cadence, soon. There are now 4 product sets planned, with most priced in the $300's. Toll Brothers is preparing their initial entry into the active adult segment in Las Vegas with their Regency at Summerlin project, now scheduled to open in early 2016. Currently, the only large active adult community in the Las Vegas metropolitan area is Ardiente, by Shea Homes. Ardiente has been one of the most consistent sales producers in southern Nevada since opening in April, 2010. Their price range is $205K - $323K and the square footage is 1223 – 2444. During the last 3 months, Ardiente has averaged 7 net sales per month, well above the average sales velocity in the metro area. We believe the baby boomers have been the salvation for the housing recovery in Las Vegas. The retired or soon to be retired baby boomers from California, the Pacific Northwest, and other upper mountain states have been upsizing or downsizing in

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southern Nevada to take advantage of the lack of a state income tax, the multitude of entertainment options, and other attractions. This buyer segment is vital to the continued future growth of the Las Vegas housing industry.

>>>>>>>>>>

According to one of the sources that is regularly quoted regarding foreclosure activity, RealtyTrac, during the first 6 months of 2015 Nevada ranked 4th in the U.S. in foreclosure activity during the first 6 months of 2015. If the number of foreclosures has "taken off" in our area, it sure hasn't been reflected in the existing for sale inventory, or much change in the number of homes going to auction. They estimate there are nearly 20,000 empty homes in Clark County. Frankly, we don't expect to see much change in the foreclosure activity unless there are future legislative changes that loosen the potential penalties to the lenders during the foreclosure process.

>>>>>>>>>>

The data from our ***WEEKLY TRAFFIC/SALES WATCH REPORT*** indicates the net sales per subdivision per week have softened a little as we traverse through the summer season. They have been .5 - .7 per week, which is ok but down from the .8 – 1 we were reporting 2 – 4 months ago. Overall, the new sales orders have been "ok" for now. The builder rankings **by net sales** through the 2nd quarter follow.

1	Lennar	667
2	KB Home	503
3	DR Horton	442
4	Ryland Homes	379
5	Richmond American	377
6	American West	262
7	Pardee	201
8	Pulte/Del Webb	174
9	Century Communities	157
10	Woodside Homes	155
11	William Lyon	122
12	Toll Brothers	114
13	Harmony Homes	96
14	Summit Homes	91
15	Storybook Homes	68

If the net sales trend continues during the 2nd half of 2015 for the "big dogs", there could be 3 builders who reach 1000 net sales in 2015. That would be 3 more than last year! It is always hard to anticipate the demand during the 2nd half of the year, especially the 4th quarter. The holidays can be a real disappointment for sales, so matching the sales figures from the first half of the year can be challenging, if not impossible.

To reach "the next level" of new home closings, we need more sales from the "affordable" segment. That obvious revelation is not going to happen easily, as lingering tight lending requirements and an almost endless number of verifications and disclosures can sour inexperienced consumers from completing a purchase. However, the prime reason there won't be a large number of new subdivisions offering plans that address the affordable segment is the price of the land. Generally, the land basis for new communities has to be below $350,000 - $400,000 per acre for home builders to feel they can make it work for products priced under $300,000. There are obviously more factors that must be included in the pro-forma, but it all starts with the cost of the land. Unfortunately, it will not decrease unless there is another bubble busting recession. And, we don't want to see that ever again.

Dennis Smith

4

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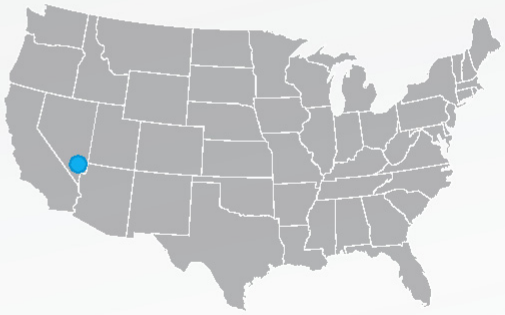
Interest in Land Increases

- Southwest submarket sees most sale activity
- Asking prices are rising, perhaps too quickly
- Land owners are prepared to wait

From 2012 to 2014, Southern Nevada's land market showed marked improvement from one year to another. Sales exploded between 2012 and 2013, and then continued to increase at a slower pace in 2014. So far in 2015, the pace of sales has slowed. At mid-year 2015, land sales volume was $262 million, approximately half of the $501 million of sales volume at mid-year 2014. Land sales in the second quarter of 2015 were $91 million, with a total of 324 gross acres sold at an average price of $6.47 per square foot (psf).

Industrial occupancy increased in the second quarter of 2015 to 93.4 percent, a 2.9 percentage point increase over the second quarter of 2014. While industrial developments in 2014 were primarily of build-to-suit properties, speculative properties are on the rise in 2015. A total of 789,000 square feet of industrial space was completed in the first half of 2015 on 50.1 acres. An additional 7.6 million square feet of industrial space is either under construction or planned on 605.43 acres of industrial-zoned land. During the second quarter of 2015, 59.83 acres of industrial land was sold, with total sales volume of $8.3 million. The average sales price of industrial land was $3.18 psf, a decrease from one year ago.

Commercial occupancy increased in the second quarter of 2015 to 86.9 percent, 0.2 percentage points higher than in the second quarter of 2014. Demand for office and retail product, while still not as strong as for industrial space, appears to be on the rise in 2015. Speculative construction of office and anchored retail projects increased dramatically in 2014, but is now ebbing. The moratorium on zoning changes in the Southwest portion of the Valley has had an impact on slowing development. Completions of commercial product stood at 312,569 square feet in the first half of 2015, occupying 30.9 acres. An additional 1.7 million square feet of commercial product is under construction or planned on 416.6 acres. Hotel occupancy in 2015 averaged 86.9 percent. Hotel occupancy dipped slightly in the first half of 2015 compared to the first half of 2014, when hotel occupancy averaged 88.3 percent. Over 4,000 new rooms are under construction

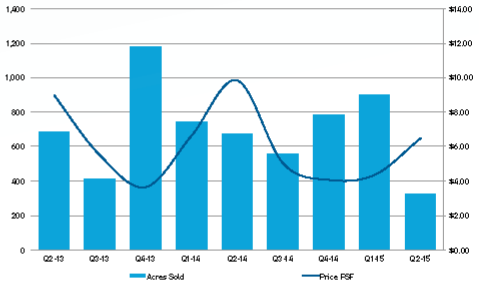


Market Indicators

Relative to prior period	Market Q2 2015	Market Q3 2015*
NO. SALES	↓	↓
ACREAGE SOLD	↓	↓
SALES VOLUME	↓	↓
PRICE PER SQUARE FOOT	↑	↓

*Projected

Land Sales Activity



or planned in Southern Nevada on more than 20 acres. During the second quarter of 2015, 40.77 acres of commercial land was sold. Total commercial land sales volume was $13.3 million. The average sales price of commercial land was $7.47 psf, a decrease from one year ago.

Residential development has lagged for the past three years, and though there are signs of life in the residential development world, land sales remain subdued. New home sales totaled 1,372 units in the first quarter of 2015. Residential permits totaled 3,379 in the first four months of 2015, compared to 2,995 units permitted in the first four months of 2014. A lack of improved lots should keep development low for now, and experts seem to agree that there will be no significant increase in residential construction until 2016 at the earliest. During the second quarter of 2015, 223.87 acres of residential land was sold. Total residential land sales volume was $69.9 million. The average sales price of residential land was $7.17 psf, a decrease from one year ago.

Development is on the rise in Southern Nevada. Had the Great Recession never occurred, the previous sentence would not in any way be remarkable. But the region's extended vacation from development during the past eight years make the return of commercial and residential (at least multifamily residential) both remarkable and welcome. Construction employment has been the missing piece during the recovery, and the millions of square feet now in the pipeline promise to address that lagging portion of the local economy. If the pipeline becomes reality, and this new supply is matched with (or exceeded by) new demand, demand for land will increase. The sticking point will be land prices. Land owners have weathered the storm and are prepared to hold out for the best highest price they can get. Getting sellers to trade at a price that allows developers to make their projects pencil will be the trick.

Market Health

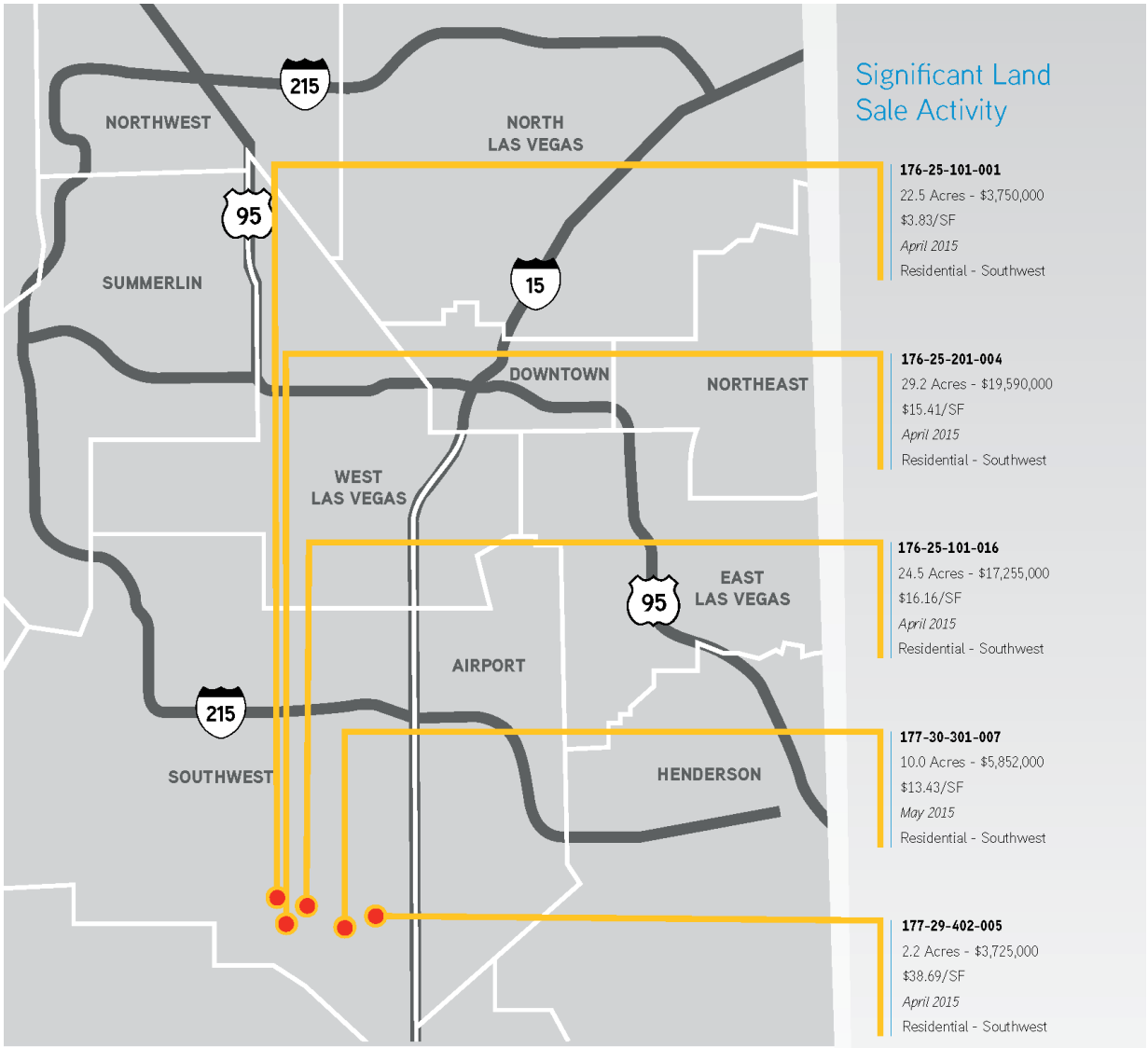
Data Point	2015	2014	2013
Commercial Building Occupancy (Q2)	86.6%	86.4%	85.6%
Industrial Building Occupancy (Q1)	93.4%	90.5%	87.7%
Hotel Occupancy (Annual Average)	86.9%	86.8%	84.3%
New Home Sales (Jan-Mar)	1,372	1,240	1,633
Commercial Permits (Jan-Apr)[1]	108	105	86
Residential Permits (Jan-Apr)	3,379	2,995	2,774
Commercial Forward Supply[2] (SF)	1.09 MM	1.53 MM	1.44 MM
Industrial Forward Supply[2] (SF)	7.19 MM	1.21 MM	0.50 MM
Hotel Forward Supply[2] (Rooms)	4,124	4,124	10,760
Taxable Sales (Jan-Mar)	$9.2 BB	$8.6 BB	$7.9 BB
Employment (Avg)	896,150	864,575	837,050

[1] Includes permits for industrial projects

[2] Includes projects that are under construction or planned

Land Sales

Year	Sales Volume	Acres Sold	Price/SF
2015 YTD	$262.1 MM	1,224	$4.92
2014	$763.2 MM	2,761	$6.35
2013	$613.3 MM	2,636	$5.34
2012	$264.1 MM	1,374	$4.41
2011	$160.1 MM	803	$4.58
2010	$51.3 MM	172	$6.86
2009	$198.0 MM	599	$7.65
2008	$345.6 MM	365	$20.29



Land Sale Activity Continued

APN	Sale Date	Acres	Price	Price/SF	Submarket	Land Type
191-04-104-006	Apr 2015	4.4	$1,840,000	$9.67	Airport	Residential
176-22-201-022	Apr 2015	8.8	$1,715,000	$4.45	Southwest	Residential
123-28-701-007	Apr 2015	18.3	$1,550,000	$1.95	North Las Vegas	Residential
176-29-701-001	Apr 2015	4.2	$1,500,000	4.15	Southwest	Residential
176-19-601-014	Apr 2015	4.4	$1,221,000	$4.44	Southwest	Commercial

Market Comparisons – Las Vegas

Land Market

SUBMARKET	SALES	ACREAGE SOLD	SALES VOLUME	AVERAGE SALES PRICE (PER SQUARE FOOT)
AIRPORT	11	26.87	$10,216,875	$8.73
Commercial	5	12.27	$6,776,875	$12.68
Industrial	-	0.00	$0	n/a
Residential	6	14.60	$3,440,000	$5.41
APEX	-	0.00	$0	N/A
Commercial	-	0.00	$0	n/a
Industrial	-	0.00	$0	n/a
Residential	-	0.00	$0	n/a
DOWNTOWN	1	2.39	$357,500	$3.43
Commercial	1	2.39	$357,500	$3.43
Industrial	-	0.00	$0	n/a
Residential	-	0.00	$0	n/a
EAST LAS VEGAS	3	9.68	$1,705,400	$4.04
Commercial	1	1.57	$245,000	$3.58
Industrial	-	0.00	$0	n/a
Residential	2	8.11	$1,460,400	$4.13
HENDERSON	5	14.36	$4,058,396	$6.49
Commercial	0	0.00	$0	n/a
Industrial	0	0.00	$0	n/a
Residential	5	14.36	$4,058,396	$6.49
NORTH LAS VEGAS	8	73.15	$4,632,000	$1.45
Commercial	2	10.76	$1,850,000	$3.95
Industrial	4	26.32	$2,420,000	$2.11
Residential	2	36.07	$362,000	$0.23
NORTHEAST	1	9.06	$1,938,000	$4.91
Commercial	-	0.00	$0	n/a
Industrial	-	0.00	$0	n/a
Residential	1	9.06	$1,938,000	$4.91
NORTHWEST	6	9.75	$999,422	$2.35
Commercial	1	1.18	$500,000	$9.73
Industrial	-	0.00	$0	n/a
Residential	5	8.57	$499,422	$1.34
RESORT CORRIDOR	-	0.00	$0	N/A
Commercial	-	0.00	$0	n/a
Industrial	-	0.00	$0	n/a
Residential	-	0.00	$0	n/a
SOUTHWEST	19	167.34	$64,364,447	$8.83
Commercial	3	7.81	$2,036,000	$5.98
Industrial	1	31.65	$5,300,000	$3.84
Residential	15	127.88	$57,028,447	$10.24
SUMMERLIN	4	6.78	$1,456,000	$4.93
Commercial	1	1.75	$500,000	$6.56
Industrial	1	1.86	$575,000	$7.10
Residential	2	3.17	$381,000	$2.76
WEST LAS VEGAS	3	5.09	$1,746,000	$7.87
Commercial	2	3.04	$996,000	$7.52
Industrial	-	0.00	$0	n/a
Residential	1	2.05	$750,000	$8.40
SUBTYPE TOTALS				
Commercial Total	16	40.77	$13,261,375	$7.47
Industrial Total	6	59.83	$8,295,000	$3.18
Residential Total	39	223.87	$69,917,665	$7.17
MARKET TOTAL	61	324.47	$91,474,040	$6.47

QUARTERLY COMPARISON AND TOTALS

Q2-15	61	324.47	$91,474,040	$6.47
Q1-15	92	899.06	$170,589,500	$4.36
Q4-14	87	797.14	$134,797,418	$3.88
Q3-14	87	560.97	$122,694,458	$5.02
Q2-14	40	672.00	$287,663,536	$9.83
Q1-14	62	741.17	$213,668,617	$6.62
Q4-13	121	1,181.48	$187,606,347	$3.65

McCarran International Airport

McCarran International Airport is one of the most modern airports in the country. According to the Federal Aviation Administration, the Las Vegas airport is also one of the fastest growing airport facilities in the United States. The most recent reports show that McCarran is the nation's fifth-busiest passenger airport on the Airports Council International-North America's annual traffic ranking.

McCarran International Airport celebrated the opening of the new Terminal 3 in June of 2012. This 1.9 million-square foot expansion added 14 gates, seven of which are being used for international flights, an eight story parking garage, more than a dozen stores and restaurants, and an automated tram system. Coupled with the airports existing infrastructure, Terminal 3 increases the annual capacity to approximately 53 million passengers.

In 2007, McCarran completed their busiest year with approximately 47.7 million arriving and departing passengers reported. The total marked a 3.1% increase from 2006, which was previously McCarran's busiest year with nearly 46.2 million passengers, which surpassed the 2005 record of 38.6 million by 4.4%. However, the passenger counts were down 7.7% in 2008 compared to 2007. The passenger count for 2010 was 39,757,359. McCarran's 2011 passenger count exceeded 41.4 million, an increase of 4.3%. McCarran's passenger count in 2012 and 2013 remained stable at 41.6 million and 41.8 million passengers respectively. McCarran posted its highest passenger volume since 2008 in 2014. Nearly 43 million passengers traveled through Las Vegas in 2014. This is a 2.4% increase from the prior year. These increases in traffic are encouraging news for the Las Vegas market.

Las Vegas • McCarran International Airport
P.O. Box 11005 • Las Vegas, NV 89111-1005
Clark County Department of Aviation – Rosemary A. Vassiliadis, Director

NEWS RELEASE

Contact: CHRISTINE CREWS
Public Information Administrator
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christinec@mccarran.com

FOR IMMEDIATE RELEASE
July 24, 2015
Facebook.com/LASAirport
Twitter.com/LASAirport

McCarran Passenger Traffic Jumps in June

ARRIVING & DEPARTING PASSENGERS MONTHLY TOTAL

JUNE 2015	JUNE 2014	PERCENT CHANGE
3,911,813	3,698,373	5.8%

ARRIVING & DEPARTING PASSENGERS YEAR-TO-DATE (YTD) TOTAL

2015 YTD	2014 YTD	PERCENT CHANGE
22,025,136	21,225,387	3.8%

ARRIVING & DEPARTING PASSENGERS BY CARRIER TYPE

CARRIER TYPE	JUNE 2015	JUNE 2014	% CHANGE	YTD 2015	YTD 2014	% CHANGE
DOMESTIC	3,533,752	3,342,548	5.7%	19,855,877	19,173,926	3.6%
INTERNATIONAL	291,011	280,336	3.8%	1,703,837	1,602,884	6.3%
WEST SIDE/ HELICOPTERS	87,050	75,489	15.3%	465,422	448,577	3.8%

ARRIVING & DEPARTING PASSENGERS TOP FIVE SCHEDULED AIRLINES SERVING McCARRAN

AIRLINE	JUNE 2015	JUNE 2014	% CHANGE	YTD 2015	YTD 2014	% CHANGE
SOUTHWEST	1,588,614	1,503,537	5.7%	8,706,571	8,318,253	4.7%
DELTA	327,262	288,654	13.4%	1,859,872	1,843,701	0.9%
UNITED	292,286	322,309	-9.3%	1,831,850	1,890,871	-3.1%
AMERICAN	240,971	218,569	10.2%	1,427,205	1,326,044	7.6%
SPIRIT	238,524	188,744	26.4%	1,253,953	1,092,920	14.7%

Numbers listed herein are certified accurate at the time of this release but are subject to subsequent audit by the airport or by individual airlines and may be adjusted. See www.mccarran.com statistics for current data.

Source: http://cms.mccarran.com/dsweb/Get/Document-392678

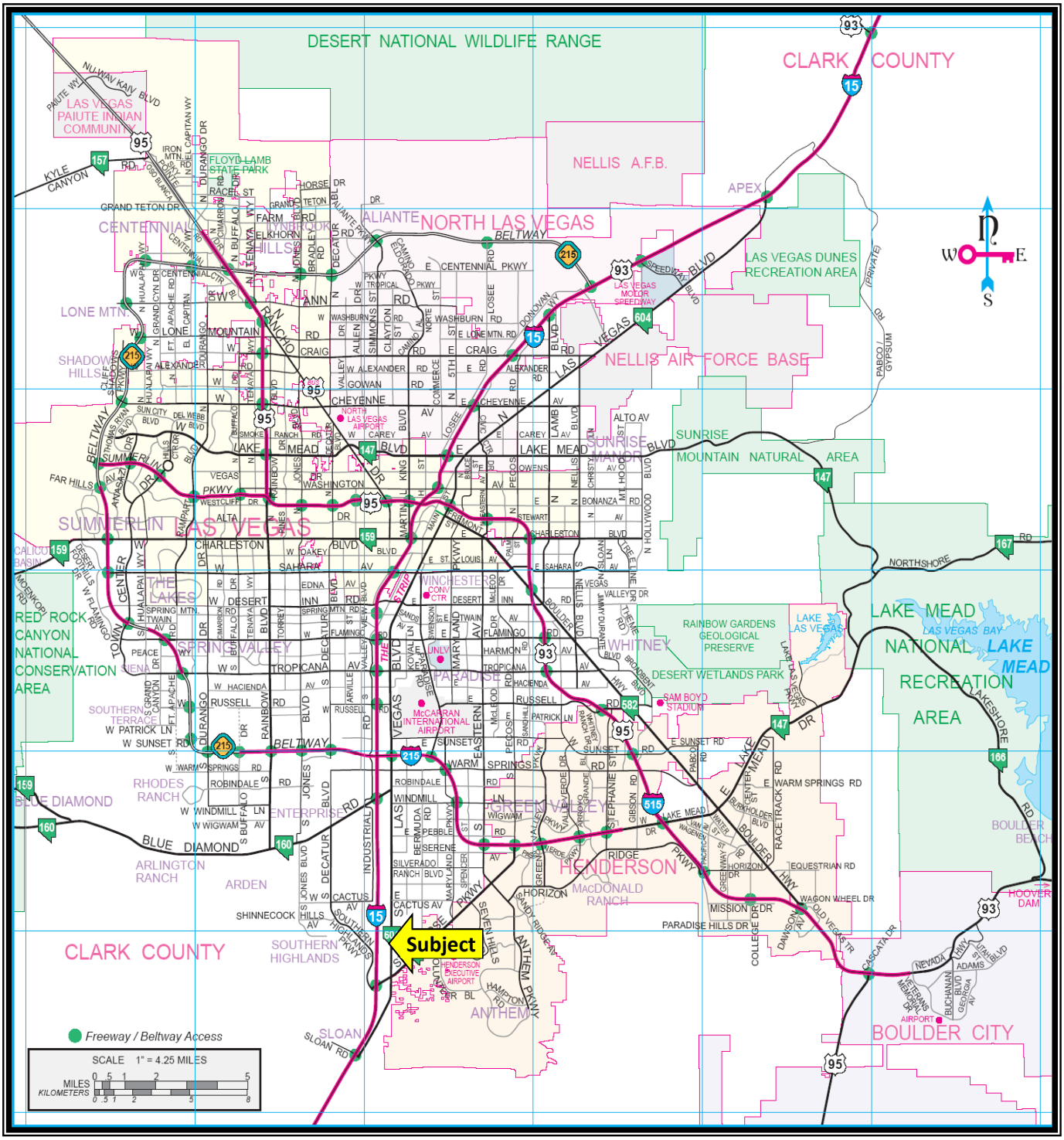
Conclusion

The national economic downturn of 2008-2009 had a greater impact on the Las Vegas MSA than on many areas of the country. Recovery of the local economy has been occurring most strongly in the single family and multi-family residential sector of the local real estate economy. Industrial and retail property has also recovered although the office space sector has lagged behind the other major commercial categories.

Over the long term, the Las Vegas MSA will be affected by a faster growing population base and lower income and education levels. The Las Vegas MSA experienced growth in the number of jobs over the past decade, and it is reasonable to assume that employment growth will occur in the future.

Based on these factors, we anticipate that the Las Vegas MSA economy will recover and employment will grow, strengthening the demand for real estate.

Area Map


DESERT NATIONAL WILDLIFE RANGE
CLARK COUNTY
LAS VEGAS PAIUTE INDIAN COMMUNITY
NELLIS A.F.B.
APEX
NORTH LAS VEGAS
ALIANTE
CENTENNIAL HILLS
LONE MTN.
SHADOW HILLS
LAS VEGAS DUNES RECREATION AREA
NELLIS AIR FORCE BASE
SUNRISE MOUNTAIN NATURAL AREA
SUMMERLIN
LAS VEGAS
RED ROCK CANYON NATIONAL CONSERVATION AREA
SPRING VALLEY
PARADISE
WHITNEY
RAINBOW GARDENS GEOLOGICAL PRESERVE
DESERT WETLANDS PARK
LAKE MEAD NATIONAL RECREATION AREA
LAKE MEAD
LAS VEGAS BAY
McCARRAN INTERNATIONAL AIRPORT
SAM BOYD STADIUM
GREEN VALLEY
HENDERSON
MacDONALD RANCH
RHODES RANCH
BLUE DIAMOND
ARLINGTON RANCH
ARDEN
SOUTHERN HIGHLANDS
ANTHEM
BOULDER CITY
HOOVER DAM
Subject
Freeway / Beltway Access
SCALE 1" = 4.25 MILES
MILES
KILOMETERS

Surrounding Area Analysis

Location

Clark County Nevada is a large county and the areas which comprise Unincorporated Clark County have been divided into 11 distinct planning areas. The subject property is located within the boundaries of the Enterprise Land Use Planning area of Clark County.

At the time of our inspection, the area surrounding the subject property consisted, primarily, of unimproved commercial and residential vacant land. The surrounding areas are developed with a mixture of medium to high density single family production housing developments and various commercial/retail establishments. The M Resort Hotel and Casino is located approximately one mile south of the subject property at the southeast corner of St. Rose Parkway and Las Vegas Boulevard. The South Point Hotel and Casino is located approximately two miles north of the subject property at the southwest corner of Las Vegas Boulevard and Silverado Ranch Boulevard. The subject direct location is commonly referred to as the “South Las Vegas Strip” area.

The areas located between Pyle Avenue to the north and St. Rose Parkway to the south along the west side of Las Vegas Boulevard South are basically unimproved parcels of land. There are a few older single family uses and a small restaurant/tavern use along this section of the roadway. Also the east side of Las Vegas Boulevard within these same north/south limits to the approximate Giles Street right-of-way east of Las Vegas Boulevard is also basically comprised of unimproved vacant land parcels.

Please note that this section of the South Las Vegas Strip has been slow to develop for a number of factors but is mostly attributed to the economic financial downturn of 2008. However, based upon discussions with market participants, the fact that this section of Las Vegas Boulevard South is not protected by improved flood control facilities and served with sanitary sewer facilities is a cause of concern to many developers due to site mitigation costs. For the most part, the parcels in this section of Las Vegas Boulevard South, especially the larger parcels and assembled parcels have not been economically feasible to develop to their highest and best uses with commercial resort oriented type uses due to continued weak economic conditions, especially in reference to gaming revenues. There has simply not been sustained demand that would support gaming/resort type uses at this South Strip location at the present time.

Background

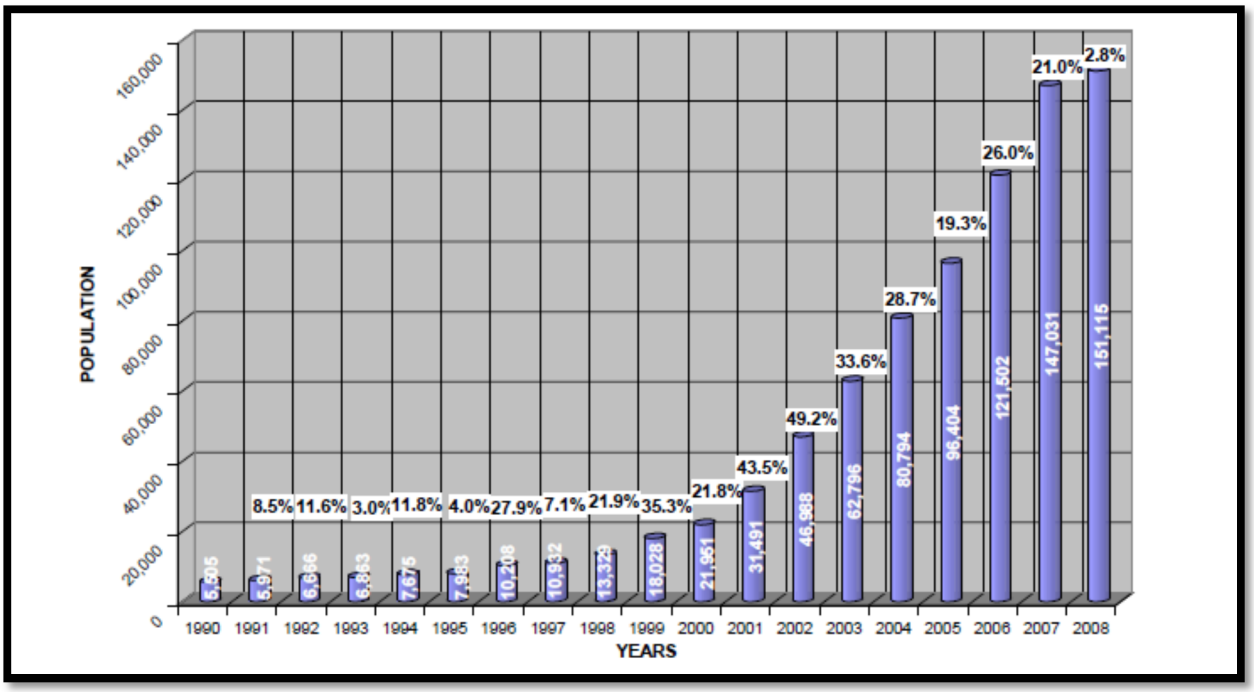
The Enterprise planning area consists of approximately 42,751 acres or 66.7 square miles. It is generally bounded on the north by the unincorporated Town of Spring Valley, on the east by the City of Henderson and the unincorporated Town of Paradise, on the south by the South County planning area and on the west by the Northwest County planning area. Blue Diamond Highway (State Route 160), Clark County Route 215 and Interstate 15 serve as the major transportation corridors within the Enterprise planning area.

The Enterprise Land Use Plan is intended to assist in guiding decisions made by the Enterprise Town Advisory Board (TAB), Planning Commission (PC) and Board of County Commissioners (BCC). Additionally, the Plan provides residents with information about existing development and the potential locations and characteristics of future development. The plan consists of development goals, policies, specific land-use categories and maps. The plan compliments other elements in the Clark County Comprehensive Plan.

Information within this section regarding the Enterprise Land Use Planning area was collected as of July 2008. To our knowledge, this specific area information has not been updated since the adoption of the Enterprise Land Use Plan in September of 2009*. We have also included some slightly more current demographic data (Demographics section below) which was compiled from the 2010 census with estimated projections including years 2014 to 2019. This data was collected from one, three and five mile rings originating from the subject parcel at the center.

*Please note that the Enterprise Land Use Plan was recently under review and updates and revisions to this plan have been made by Clark County Board of County Commissioners and Comprehensive Planning Officials. Various land use designation and other changes have been considered by planning officials. As of the effective date of value, we did not observe any proposed changes within the Enterprise Land Use Plan Update document that involve the subject parcel directly nor do we have any suspicion that the subject or area around the subject would be subjected to any likely land use changes.

The figure below shows the population change and the per year growth rate for Enterprise from 1990 to 2008. In 1990, approximately 5,505 people lived in Enterprise. The Clark County Department of Comprehensive Planning estimated that approximately 151,115 people lived in Enterprise as of 2008. This represents an increase of 145,610 persons or 2,645% over 18 years.



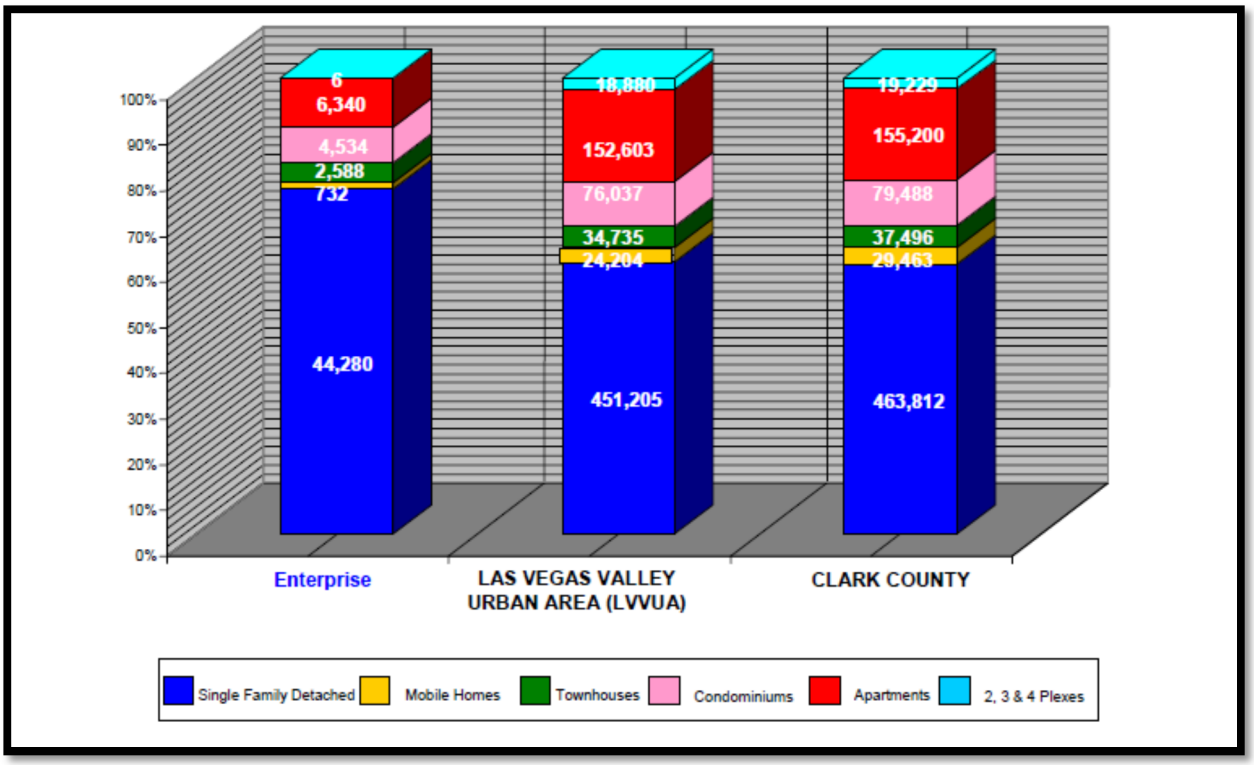
In 2003, Enterprise represented 4% of the Clark County population and in 2008; Enterprise represented 7% of the Clark County population. Although several communities demonstrated a population decline in recent years, the planning area as a whole has increased 84,235 people the past 14 years. Over the past 5 years the 241% growth rate of Enterprise is greater than any of the other jurisdictions within the Las Vegas Valley Urban Area (LVVUA).

Population Density

There are two significant factors that influence the density of population. These are the size of residential lots and the distribution of multifamily residences. In areas where there are smaller lots and a large number of multifamily residences, the population density is higher than areas where there are larger lots and fewer multifamily residences.

Housing Mix

There are several housing types tracked in Clark County, these include: Single Family Detached, Mobile Homes, 2, 3, and 4 Plex Units, Manufactured Homes, Apartments, Townhomes and Condominiums. The figure below shows that Spring Valley's mixture of housing types differ somewhat when compared to the Las Vegas Valley Urban Area (LVVUA). There were 75,210 housing units in Spring Valley, as of July 2008, compared to 757,664 in the LVVUA.



Overall, single family detached homes make up 76% of the Enterprise housing stock compared to 60% in the LVVUA. As a percentage, Enterprise is consistent with the townhouse housing stock (5%) as compared to the County as a whole. Housing made up of the mobile home, condominium and 2, 3 & 4 plex categories are nominal in Enterprise when compared to the LVVUA. Apartments in Enterprise make up 11% of the available housing while the valley as a whole averages 20% apartments with Enterprise having approximately half of the overall average of multiple family developments as does the urban valley. Overall, 81% of the housing stock in Enterprise is single family (includes detached, attached, mobile homes and townhouses) while only 67% of the housing in the LVVUA is single family.

Access, Linkages, Transportation

Primary highway access to the area is via the Interstate 15 Freeway, the Bruce Woodbury Beltway a.k.a. Clark County 215 Beltway (CC-215) and St. Rose Parkway. Overall, the primary mode of transportation in the area is the automobile and bus.

Mass Transit: The Regional Transportation Commission of Southern Nevada (formerly the Clark County Regional Transportation Commission of Southern Nevada) is the public transit provider for Clark County. Numerous routes operate in Enterprise, connecting the area to the rest of the Las Vegas Valley. Schedules and routes change to meet passenger demand. The SNRTC has been involved in the process of developing a Long Range Transit Plan. The purpose of this plan is to analyze and prioritize practical transit alternatives and identify future transit corridors. This long range plan may ultimately have an effect on some of the arterial systems within the Enterprise planning area. Additional information on transportation and transit projects and issues can be found at

http://www.accessclarkcounty.com/depts/public_works/Pages/pworks.aspx and from the RTC at http://www.rtcsouthernnevada.com.

Traffic congestion results in costly delays and wastes natural resources. An over-reliance on automobiles also leads to low-density and intensity land use patterns which can consume precious land and create habitat fragmentation. In a sustainable community, citizens have access to affordable, effective and reliable public transportation. The Transportation Element of the Comprehensive Plan encourages an integration of roads, mass transit, bicycle and pedestrian paths. The Regional Transportation Commission operates the Citizen Area Transit (CAT), including the Metropolitan Area Express (MAX) system (a hybrid between bus and rail systems), which provides affordable, effective and reliable transportation to a growing number of riders.

Surface Transportation: The Enterprise Planning Area has a surface transportation network that is somewhat consistent with a series of Arterial, Collector and Local streets following the Las Vegas square mile grid pattern. Arterial streets vary in right-of-way width from 100 to 150 feet, collectors are typically 80 feet, and local streets anything less than 80 feet. Arterials and Collectors provide higher traffic capacity than local streets and are more appropriate locations for intense land uses with traffic distributed throughout the network.

The right-of-way width and functional class for the Freeway, Arterial and Collectors in the Enterprise Planning area are consistent with the adopted Clark County Transportation Element and Clark County Public Works design criteria. All Capital Improvement Projects (CIP's) are planned, designed and constructed by Clark County Public Works. There are three regional roads and one railroad line within Enterprise. Interstate 15 is the primary north/south route for the planning area. State Route 160 and Interstate 215 serve as the major east/west routes for the planning area.

Regular road maintenance is essential to keeping the transportation system sustainable. Clark County Public Works uses a number of means to extend the life and improve levels of road service, including, slurry seals, grinding of deteriorating streets to recycle as a new base-layer for asphalt paving, crack sealing to prevent deterioration of street surfaces, pothole repair, street sweeping to reduce air and water pollution and construction of the 215 beltway and widening projects to help traffic movement.

Demand Generators

Major employers include in the Las Vegas MSA are shown in the previous section of this appraisal within the Area Analysis section.

Demographics

A demographic profile of the surrounding area, including population, households, and income data, is presented in the following table.

Surrounding Area Demographics

2015 Estimates	1-Mile Radius	3-Mile Radius	5-Mile Radius	Enterprise CDP	Las Vegas-Henderson-Paradise, NV	Nevada
Population 2010	7,566	50,465	161,204	108,481	1,951,269	2,700,551
Population 2015	9,003	59,969	185,376	129,149	2,066,046	2,839,260
Population 2020	10,267	68,119	206,864	146,467	2,189,063	2,993,844
Compound % Change 2010-2015	3.5%	3.5%	2.8%	3.5%	1.1%	1.0%
Compound % Change 2015-2020	2.7%	2.6%	2.2%	2.5%	1.2%	1.1%
Households 2010	2,417	17,982	62,634	39,979	715,365	1,006,250
Households 2015	2,689	20,343	69,154	45,413	753,215	1,054,251
Households 2020	3,021	22,833	76,206	50,852	797,369	1,111,197
Compound % Change 2010-2015	2.2%	2.5%	2.0%	2.6%	1.0%	0.9%
Compound % Change 2015-2020	2.4%	2.3%	2.0%	2.3%	1.1%	1.1%
Median Household Income 2015	$68,541	$68,427	$62,933	$65,444	$48,595	$49,174
Average Household Size	3.4	3.0	2.7	2.8	2.7	2.7
College Graduate %	32%	31%	33%	30%	22%	22%
Median Age	32	35	38	34	37	38
Owner Occupied %	68%	67%	63%	63%	57%	59%
Renter Occupied %	32%	33%	37%	37%	43%	41%
Median Owner Occupied Housing Value	$224,248	$242,744	$253,572	$234,033	$196,470	$200,516
Median Year Structure Built	2005	2005	2004	2005	1996	1994
Avg. Travel Time to Work in Min.	26	25	24	25	26	26

Source: Claritas

As shown above, the current population within a 3-mile radius of the subject is 59,969, and the average household size is 3.0. Population in the area has grown since the 2010 census, and this trend is projected to continue over the next five years. Compared to the Las Vegas MSA overall, the population within a 3-mile radius is projected to grow at a faster rate.

Median household income is $68,427, which is higher than the household income for the Las Vegas MSA. Residents within a 3-mile radius have a higher level of educational attainment than those of the Las Vegas MSA, while median owner occupied home values are considerably higher.

Land Use

The subject area is suburban in character and overall is approximately 50% developed. Predominant land uses are medium to high density residential subdivisions, older low density single-family residential uses and high intensity commercial developments intermixed throughout the general area. During the last five years, development has been predominantly single-family uses. The pace of development has generally slowed over this time due to the oversupply the vacant developable land held in various real estate owned (REO) portfolios and various developer portfolios.

Over the past 18 month period, there has been a distinct upward trend in residential land prices within the Las Vegas Valley and this has mostly been spurred by various merchant builders ramping up operations and development activities to compete with the dwindling residential resale inventories within the Las Vegas Valley over this time period. Attractive interest rates have also driven consumer demand for new product. We have not observed excessive land price run-ups and again the majority of the more recent land acquisitions we have observed within the marketplace have been merchant builder acquisitions for production housing product. We have not seen these same land price escalations within the commercial/industrial land sectors and this is largely due to the limited number of new single family residential developments currently being constructed within the subject direct location. When the residential housing sector of the market strengthens, then we anticipate that the commercial and industrial property sectors will follow. The immediate subject area is a target location for mixed use development and benefits from the potential for higher density mid-rise and high-rise development that many areas of the Las Vegas valley are not planned for.

Review of the Clark County Enterprise Land Use Plan and zoning codes and the City of Henderson Land Use Plan and zoning code and other codes, regulations, and ordinances formed the basis of our conclusions regarding permissible use of the subject parcels. Studies regarding retail, office, industrial, apartments, vacant land, and other information have been considered in context and to the degree applicable within this appraisal report. Most importantly, we studied trends of development in the immediate area relevant to the subject parcel in context with the subject appraisal prepared herein. We also considered reasonably probable modifications of land use regulations that would be possible for the subject property in regards to trends of development for nearby competitive properties.

According to the Commercial Land section within the Colliers International Quarter 4 2014 Las Vegas Quarterly publication presented within the Clark County Area Economic Analysis section of this appraisal report, the subject parcel is located within the Airport Land Submarket area.

According to this economic land review report, there was a total of 1 commercial land sale involving a total of 1.48 acres which sold for a total of $500,000 with an average sales price per square foot of $7.76 PSF within the Airport Land submarket. Please note that this “average” price per square foot metric involves all commercially zoned parcels from the lowest intensities to the highest intensities and involves numerous land use categories within the Airport Submarket.

Airport	1	1.48	$500,000	$7.76
Commercial	1	1.48	$500,000	$7.76
Industrial	-	0.00	$0	n/a
Residential	-	0.00	$0	n/a

Market Totals (All Land Types)

MARKET TOTAL	87	797.14	$134,797,418	$3.88
QUARTERLY COMPARISON AND TOTALS				
Q4-14	87	797.14	$134,797,418	$3.88
Q3-14	87	560.97	$122,694,458	$5.02
Q2-14	40	672.00	$287,663,536	$9.83
Q1-14	62	741.17	$213,668,617	$6.62
Q4-13	121	1,181.48	$187,606,347	$3.65
Q3-13	59	415.70	$99,529,019	$5.50
Q2-13	67	684.64	$267,165,495	$8.96
Q1-13	74	354.30	$58,965,400	$3.82

Source: Colliers International Q4 2014 Land Review Section

Outlook and Conclusions

As previously mentioned, the areas surrounding the subject property consist primarily of vacant/unimproved land parcels and some low to medium/high density single-family residential land uses. Tourist commercial uses including motels, hotels, night clubs, tourist support services and retail uses, and some high rise or mid-rise residential towers or hotel condominiums are common in areas like the subject as well. Prior to the credit crisis of 2008, the core Strip and / or downtown areas like the subject were typically proposed and/or developed for mixed uses with higher vertical development capacity.

There are parcels in close proximity to the subject property that have been approved by Clark County Planning and Henderson Planning for the development of high-rise condominium towers and the "R" Resort site that is located at the northeast corner of St. Rose Parkway and Las Vegas Boulevard South is approved for the development of a high-rise resort/casino property. High residential densities or tourist commercial key counts were typical of the new development plans for the area. After the credit crisis, most of these development plans have been shelved and are viewed as a future development opportunity for the mid-term or longer-term future as opposed to an immediate development opportunity at the present.

Considering these factors, the subject, as well as nearby properties with similar features in comparison to the subject property, may experience positive impacts in the future should the level of residential development begin to increase again in the area – especially if higher density / vertically intense development resumes in the area of the subject property. However, based upon current sales activity of similar parcels within the nearby area, it is likely that values and sales volume for similar properties will remain fairly stable and see most of their increases from the transition of sales away from distressed property seller conditions with forced sales to solvent property seller conditions with voluntary sales behavior.

The subject immediate area is in the development and growth stage of its life cycle. We anticipate that property values will increase in the near future, however, at a much slower rate than experienced prior to the financial crisis of 2008. Growth will likely be slower and demand is anticipated to gradually increase in the future as the local economy continues to recover from the impacts of the deep local recessionary conditions experienced in 2008 and 2009.

The subject's location within the Enterprise Land Use Plan is decidedly commercial given its location, surrounding zoning, land use and MUD-1 overlay designations. The subject property immediate surroundings are improved with several older single-family land uses to the south plus medium/high density parcels that are finished with production type housing units to the southeast.

There is an approximate 34+ acre parcel located on the east side of Las Vegas Boulevard directly northeast of the subject property that was recently purchased by D.R. Horton, Inc. that is approved for the development of medium density residential housing units This parcel is located in the same CT (Commercial Tourist) land use designation as the subject and was designated H-1 before undergoing the zone change process to the current R-2 (Medium Density Residential) zoning. The east side of Las Vegas Boulevard in this location is decidedly residential and the purchaser obviously believed that a residential subdivision would be the most compatible use for this parcel given the existing surrounding land uses. The west side of Las Vegas Boulevard in the subject location is much more likely to support high intensity non-residential land uses.

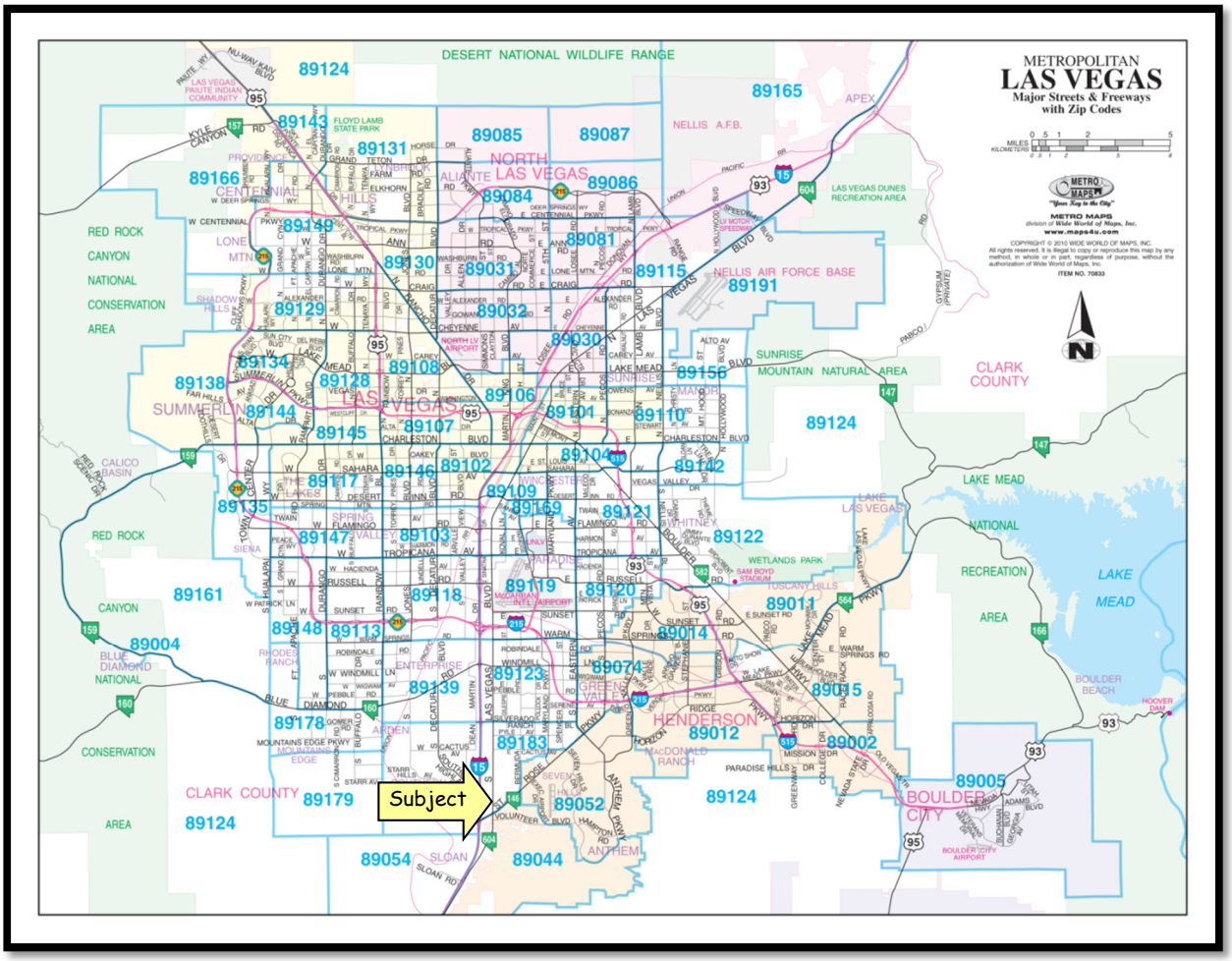
The economic trends of the immediate and surrounding area over the last ten years have exhibited very high levels of growth followed by a big slowing due to the recessionary influences of 2008 and 2009. More recently, certain strategic sites have shown evidence of new development but new development activity still appears to be muted in comparison to prior years before the 2008/2009 recession. Stabilizing property values, lower rental rates, and continued limited new development activity is anticipated to be the norm as the economy continues to slowly improve.

The subject neighborhood is well-located and has good access to major transportation systems and employment centers. The subject market area / neighborhood are expected to return to its previous growth pattern as the economy rebounds. In this regard, the neighborhood is economically and socially able to support the highest and best use of the appraised property when healthy market demand returns in sufficient quantity.

The subject southwest area is considered to be one of the higher demographic profiles in the larger Las Vegas metropolitan area and should attract more development and investment sooner than the average location in the Las Vegas area.

The subject's development horizon, however, is dependent upon economic supply and demand factors regarding the development or scarcity of other competing properties in this area. We anticipate that property values will increase in the near future, however, at a much slower rate than experienced prior to the financial crisis of 2008. Growth will likely be slower and demand is anticipated to gradually increase in the future as the local economy continues to recover.

Surrounding Area Map



Property Analysis

Land Description and Analysis

Land Description	
Land Area	3.39 acres; 147,668 SF
Land Area (Usable)	3.39 acres; 147,668 SF
Source of Land Area	Clark County Assessor's office
Primary Street Frontage	Las Vegas Boulevard South - 337 feet
Shape	Rectangular
Corner	No
Topography	Generally level and at street grade
Drainage	A drainage easement is located on the western portion of the subject
Environmental Hazards	None reported or observed
Ground Stability	No problems reported or observed
Flood Area Panel Number	32003C2190F
Date	November 16, 2011
Zone	X
Description	Outside of a 100-year floodplain
Insurance Required?	No
Zoning; Other Regulations	
Zoning Jurisdiction	CC Enterprise
Zoning Designation	C-2
Description	General Commercial
Legally Conforming?	Yes
Zoning Change Likely?	No
Permitted Uses	a full range of commercial uses, or mixed commercial and residential uses, in a manner that can be located to serve the needs of the entire community yet be buffered from having adverse impacts on any adjacent residential neighborhoods
Other Land Use Regulations	Commmercial Tourist, MUD-1, Las Vegas Boulevard Corridor Master Planned for Resort Hotels
Utilities	
Service	Provider
Water	Las Vegas Valley Water Dsitrict
Sewer	Septic
Electricity	NV Energy
Natural Gas	Southwest Gas Corporation
Local Phone	Century Link & others

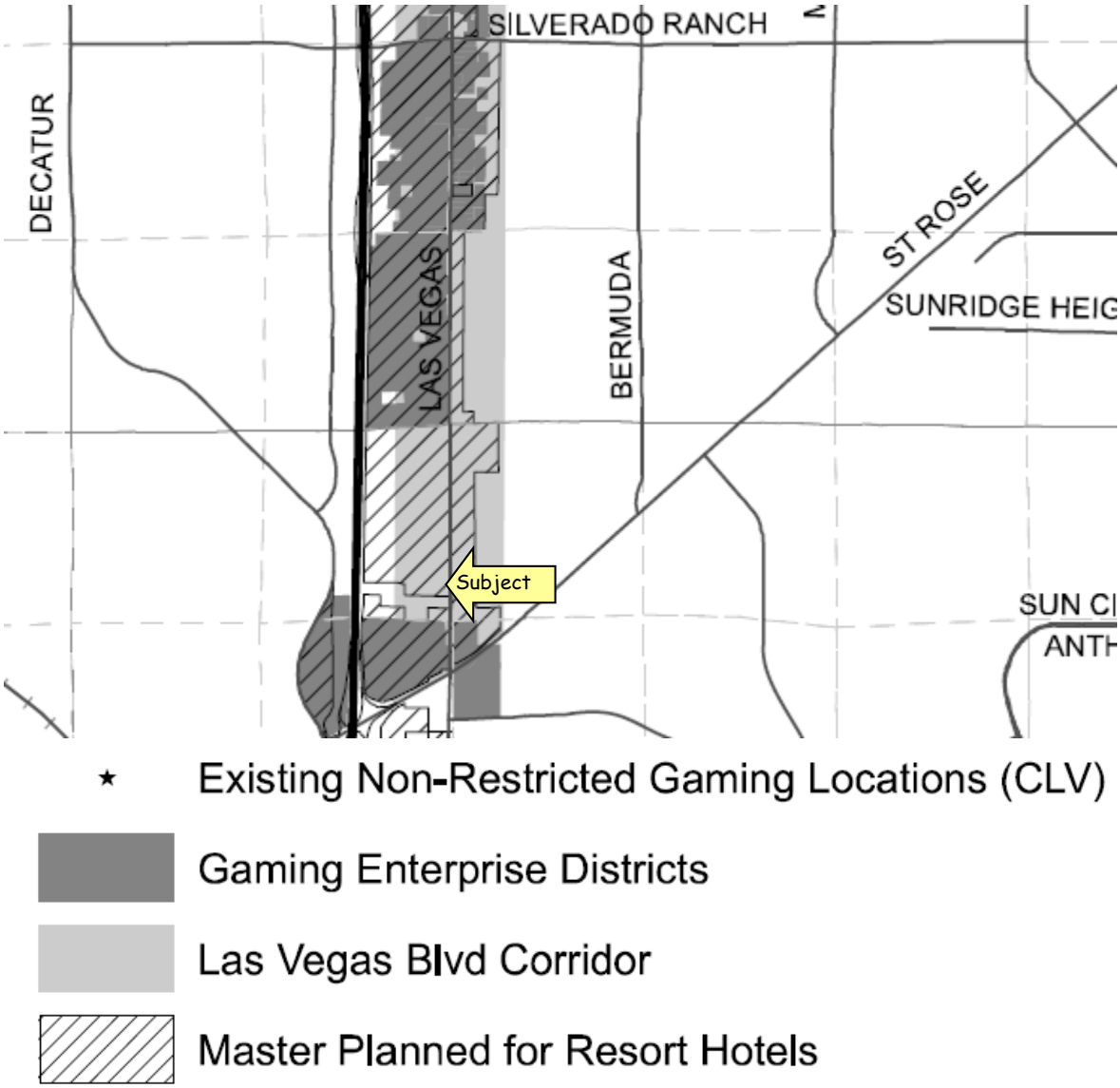
Streets, Access and Frontage	
Street	Las Vegas Boulevard South
Frontage Feet	337
Paving	Asphalt
Curbs	Concrete
Sidewalks	Concrete
Lanes	Two each way
Direction of Traffic	North/South
Condition	Average
Traffic Levels	25,000 cars per day according to NDOT
Signals/Traffic Control	None
Access/Curb Cuts	One
Visibility	Above average

Zoning, Land Use and MUD Overlay Area

The subject property is zoned C-2, General Commercial. There are various permitted uses, conditional uses, accessory uses, special uses, and administrative temporary uses under this zoning.

The subject is located in the CT (Commercial Tourist) land use designation area. The subject parcels are further defined as being located within the Clark County Mixed Use Development (MUD-1) overlay district. For further clarification, please refer to the attached Clark County MUD Overlay map exhibit.

Although the subject parcel is *not* technically identified within the attached Gaming Enterprise Overlay (GED) district, it is identified in the “Master Planned for Resort Hotels” overlay portion within the Las Vegas Boulevard Corridor.



The potential gaming aspect/component of the subject parcel is currently moot as there are very few, if any new local gaming establishments planned for development in this area or the entire Las Vegas Valley for that matter. This is due to stunted local / neighborhood casino gaming revenues over the past few years and we have observed several parcel sales that were zoned and located within proper land use categories including Gaming Overlays which allow for the development of high intensity mixed use development including a gaming component where the developers scrapped any gaming intensive use components for more favorable anticipated uses that provided more predictable and less volatile investment returns.

The current perception in the market is that there is still no perceived demand for a new hotel/gaming use in a “neighborhood” or “local” casino location like the subject. There have been several core site acquisitions in the Heart of the Strip for gaming uses but the Strip is considered a different tourist commercial and gaming market than a property like the subject. The Strip is generally defined as that

area on Las Vegas Boulevard South from Russell Road north to Sahara Avenue. The subject is not considered the “Strip”. Rather the subject is considered the “South Strip” and is typically looked at as a neighborhood / local hotel casino site much like South Point to the north of the subject and M Resort to the south. Given the small size of the subject, the only likely major gaming opportunity would be for assemblage into a larger parcel.

The first overlay is identified as (MUD-1) Mixed Use Overlay District and the second overlay district area is identified as (GED) Gaming Enterprise District Overlay. The subject parcels are currently zoned and the underlying land use designations accommodate a multitude of land uses without having to apply for land use designation changes.

The following are excerpted portions from the Clark County Department of Comprehensive Planning Department Title 30 Document and the subject Enterprise Land Use Planning Area documents. The Clark County Title 30 ordinances relate to the subject C-2 Zoning, CT-Land Use, GED-Gaming and MUD overlays. The subject has C-2 (General Commercial) zoning designation and CT (Commercial Tourist) land use designations are described within the Title 30 CT Commercial Tourist section of the Clark County Development Code. We have also included the “Purpose” portions from both the Gaming Overlay area and the MUD Overlay area sections of the Title 30 Overlay document herein. We have not included the entire contents from these overlay area sections within the document as these have been reviewed and are contained within the appraisal report workfile.

Clark County Limited Resort and Apartment Zoning (H-1) District

Purpose of C-2, General Commercial District. This district is established to accommodate a full range of commercial uses, or mixed commercial and residential uses, in a manner that can be located to serve the needs of the entire community yet be buffered from having adverse impacts on any adjacent residential neighborhoods. The intent of the district is for sites which are typically greater than 10 acres. See Table 30.56-2 (Design Standards) for additional design standards. Additional restrictions and special design standards are required for properties within the CMA Area Design, Mixed Use, Red Rock Design, and Transition Corridor Overlay Districts (see Chapter 30.48, respective PART). (Ord. 3219 § 4 (part), 5/2005; Ord. 3055 § 3 (part), 4/2004; Ord. 2832 § 3 (part), 12/2002)

Table 30.40-4 Commercial Districts - Bulk, Yard and Space Regulations

Property Development Standards A. Architectural intrusions and enclosures may intrude into a required setback up to 3 feet, but shall not be less than 3 feet to a property line. B. No structure other than a permitted fence, wall or accessory structures per 30.56.040(f) shall be located within 10 feet of a street. See 30.56.040(d) for possible additional restrictions. C. Property located within an overlay district regulated by Chapter 30.48 is subject to the additional standards and restrictions specified therein. D. Mixed use development in C-1 and C-2 is subject to the additional requirements established in Table 30.44-1 and Section 30.48.770. E. Balconies extending 6 feet or greater above grade and clear windows above the first story must be approved through a public hearing when abutting a residential use.	**CRT[1]**	**C-P[1]**	**C-1[1D]**	**C-2[1D]**
Lot Coverage	50%	60%	60%	60%
Yard Setback Setbacks are measured from property line or edge of private street, whichever is greater. In no case shall the minimum setback from a street be less than 10 feet. Also see Chapters 30.56, 30.44 (use-related), and Building Code for additional setbacks and separations.				
Front **CRT and residential conversion to C-P** only - per existing residence or vacant lots an average of nearest adjacent residence on each side (within 500 feet) or 20 feet, whichever is greater		15 feet	10 feet	10 feet[2]
Interior Side Required when adjacent to residential use, otherwise no setback required. **CRT and residential conversion to C-P** only - per existing residence.	10 feet[3]	15 feet[3]	10 feet[3]	10 feet[3]
Side Street (corner) **CRT and residential conversion to C-P** only - per existing residence or vacant lots an average of nearest adjacent residences within 500 feet	10 feet	15 feet	10 feet	10 feet[2]
Rear Required when adjacent to residential use or street, otherwise no setback required.		10 feet[3]	10 feet[3]	10 feet[3]
Principal Structure	20 feet[3]			
Accessory Structure	5 feet[3]			
Height	35 feet[3]	35 feet[3]	35 feet[3]	50 feet[2,3]

Clark County Tourist Commercial Land Use Area (CT)

CT - Commercial Tourist

The Commercial Tourist category designates areas for commercial establishments that primarily cater to tourists. The predominant land uses include casinos, resorts, hotels, motels (greater than three stories), recreational vehicle parks, time shared condominiums, amusement or theme parks. Planned hotel/resort gaming establishments are restricted to the Gaming Enterprise Overlay District as defined by Title 30 (Unified Development Code). Public facility uses are also allowed in this category.

The category includes the following zoning districts: Commercial Residential Transitional (CRT), Office and Professional (C-P), Local Business (C-1), General Commercial (C-2), Recreational Vehicle Park (R-V-P), Apartment Residential (R-5), Limited Resort and Apartment (H-1), and Public Facility (P-F).

Gaming Enterprise District Overlay (GED) (Subject Parcels Are Not a Part)

Gaming Enterprise District (GED)

The GED identifies the areas for potential expansion of gaming activities and to identify those areas not suitable for gaming, avoiding incompatible development with residential, schools, or place of worship uses and developments from resort hotels and the impacts associated with such intense uses. This overlay typically includes property along the Las Vegas Boulevard Corridor (see Appendix D).

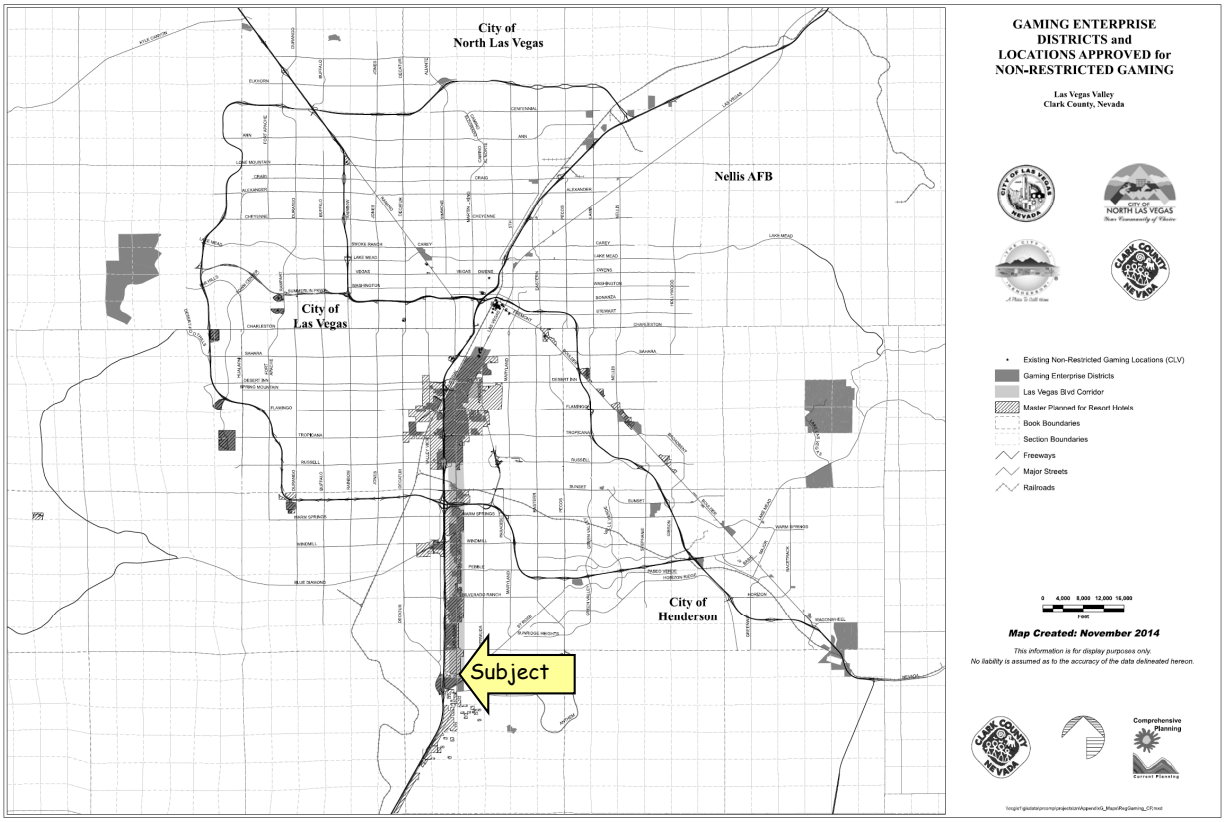
Although not an official overlay district, The Las Vegas Boulevard Corridor is 1,500 feet on both sides of the right-of-way. This helps determine which sites might be eligible for the Gaming Enterprise District (GED).

PART E Gaming Enterprise District

30.48.240 Purpose and Scope. The purpose of the special overlay district herein named the Gaming Enterprise District (GED) is to establish specific criteria for identifying areas suitable for the potential expansion of gaming activities and resort hotel uses as well as areas needing additional protection and buffering from the associated impacts of such activities and uses, including but not limited to residential, school and church (places of worship) uses and developments. (Ord. 3355 § 6 (part), 2/2006)

30.48.250 Designation as Gaming Enterprise District. Properties shall only be incorporated into the Gaming Enterprise District after a special use permit has been approved per Table 30.16-4 to establish a resort hotel (or rural resort hotel or neighborhood casino) and the use remains active per Section 30.16.210. In addition, any property which is located within the Las Vegas Boulevard Gaming Corridor and was zoned H-1 as of July 16, 1997 is within the gaming enterprise district. All properties designated Gaming Enterprise District (GED) are shown as the "Gaming Enterprise Districts" on the latest Gaming Enterprise District Map, to be updated every 4 months in accordance with NRS 463.309 (current edition available for review and/or purchase from the Department of Comprehensive Planning). It should be noted that, while the entire parcel may be depicted as Gaming Enterprise District on the map, only a portion of the parcel may actually be designated Gaming Enterprise District due to separation requirements listed below. A casino (live gaming) may only be established in conjunction with a resort hotel (or rural resort hotel or neighborhood casino). Per Table 30.44-1, resort hotels are only permitted in the H-1 zoning district and subject to the approval of a special use permit. In addition to the standards listed in Table 30.44-1, additional regulations for the establishment and enlargement of the GED are found in this Chapter. (Ord. 3397 § 7 (part), 6/2006; Ord. 3355 § 6 (part), 2/2006)

Please note that according to the attached Gaming Overlay District maps, the subject property is **not** located directly within the Gaming Overlay District. This information is included herein for clarification purposes only. There are two Gaming Overlay District maps published within the Enterprise Land Use Planning area, one of which is color coded and the other is a black and white version. The black and white version is slightly more difficult to interpret the areas which are overlaid with a series of hashed lines, et al. Again, this information is included strictly for informational purposes only and according to the Gaming Overlay District maps reviewed; the subject property does not appear to be located directly within the identified Gaming Overlay District in the location of the subject parcels.


City of
North Las Vegas
Nellis AFB
City of
Las Vegas
City of
Henderson
Subject
GAMING ENTERPRISE
DISTRICTS and
LOCATIONS APPROVED for
NON-RESTRICTED GAMING
Las Vegas Valley
Clark County, Nevada
Existing Non-Restricted Gaming Locations (CLV)
Gaming Enterprise Districts
Las Vegas Blvd Corridor
Master Planned for Resort Hotels
Book Boundaries
Section Boundaries
Freeways
Major Streets
Railroads
0 4,000 8,000 12,000 16,000
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Map Created: November 2014
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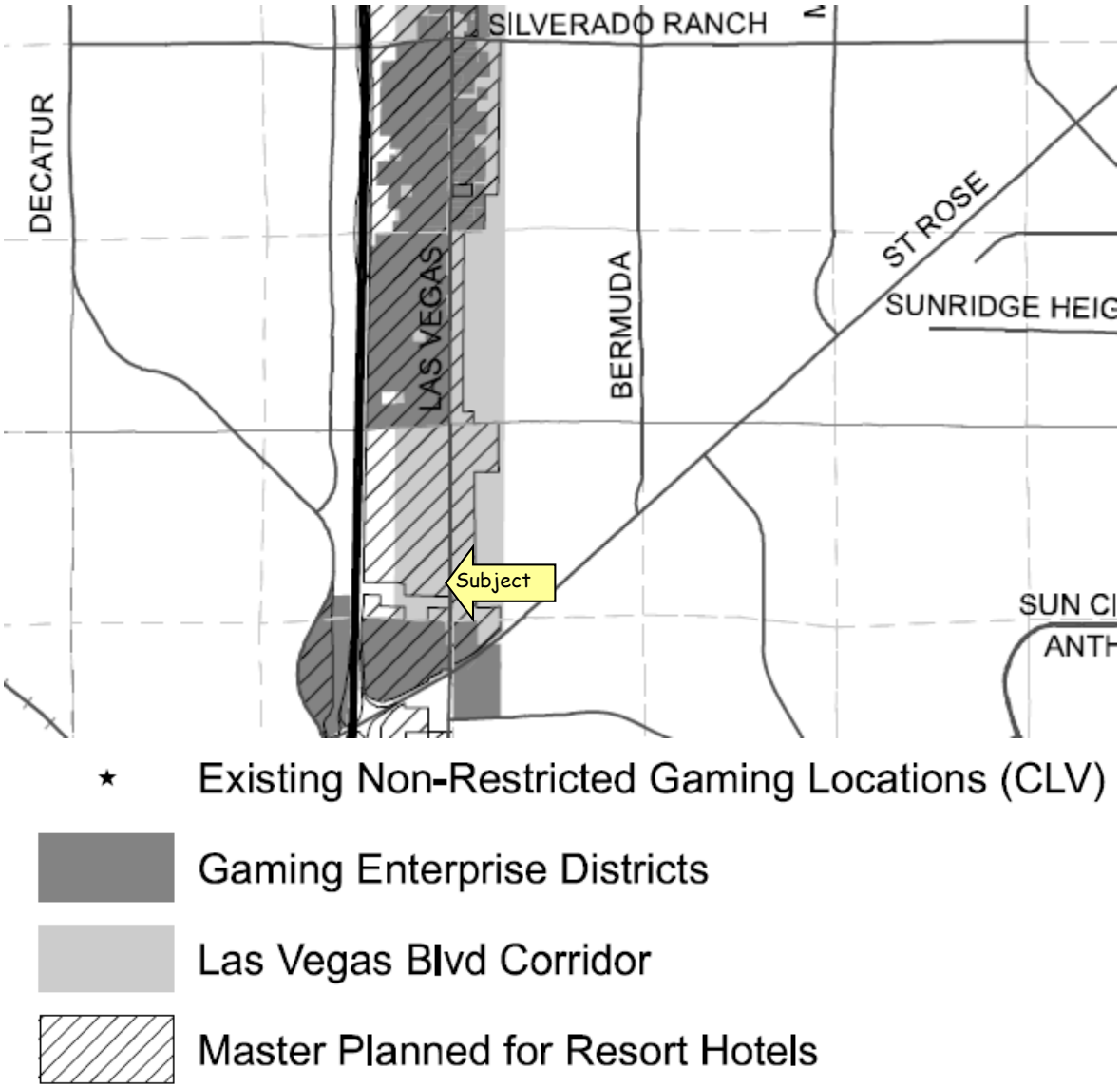
Comprehensive Planning
Current Planning


SILVERADO RANCH
DECATUR
LAS VEGAS
BERMUDA
ST ROSE
SUNRIDGE HEIG
Subject
SUN CI
ANTH
Existing Non-Restricted Gaming Locations (CLV)
Gaming Enterprise Districts
Las Vegas Blvd Corridor
Master Planned for Resort Hotels

However, as was stated above, although the subject parcel is not technically identified within the attached Gaming Enterprise Overlay (GED) district, it is identified in the "Master Planned for Resort Hotels" overlay portion and it is our opinion based upon the current majority H-1 zoning, the current land use and location within the above described master planned for resort hotel overlay, that it would not be unreasonable to assume that any experienced real estate developer could in all probability obtain planning approvals to include a gaming component. This is further supported by the fact the tavern developed on the subject has a gaming component.

Mixed Use Overlay District

Mixed Use Overlay District

The purpose of the Mixed Use Overlay District is to encourage a diversity of compatible land uses, including a mixture of residential with at least one or more of the following: commercial, office, educational, institutional, and other appropriate urban uses. This is generally located along Interstate-15 and Blue Diamond Road within Enterprise (see Appendix E).

30.48.760 Mixed Use Overlay Subdistricts.

a. The Mixed Use Overlay District consists of four distinct subdistricts, MUD-1, MUD-2, MUD-3, and MUD-4, which are identified on the Overlay map (Appendix G, Map 15a) and summarized below. Each subdistrict has specific development standards and design criteria intended to promote community goals and objectives, including intensity and density considerations for the appropriate urban form; however, all *mixed use developments* are expected to provide compatible height features, use transitioning, landscaping, and setbacks whenever adjacent to established single-family detached residential use.

b. All proposed *mixed use developments* will be evaluated in terms of subdistrict criteria described in this subsection. (Note: amending a subdistrict location or boundary is the same as amending the Overlay and requires a text amendment application pursuant to Section 30.48.720.)

1. **MUD-1 – Most intense urban form.** The MUD-1 subdistrict is intended to permit a highly concentrated and intense development of mixed residential, commercial, employment, and recreational uses typical of high intensity central business districts where existing high-rise, mid-rise, and high density uses already exist. The MUD-1 is characterized by a highly developed pedestrian network and access to a combination of transportation modes, such as high frequency bus service, light rail, monorail, freeway, or other rapid transit modes of transportation.

2. **MUD-2 – Most intense suburban form.** The MUD-2 subdistrict is designed to be nodal, permits a highly concentrated mixture of low-rise to high-rise (up to100 feet)* residential, commercial, employment and recreational uses typical of high density suburban areas, and may be used to transition between MUD-1 and less intense land uses. The MUD-2 is also characterized by a highly developed pedestrian network and access to a combination of transportation options, such as freeway interchanges, arterial streets, and high frequency transit consisting of fixed guideways and enhanced bus service. *Additional height may be requested per Table 30.48-J1.

3. **MUD-3 – Moderately intense suburban form.** The MUD-3 subdistrict is intended to permit a moderately concentrated mixture of low-rise to mid-rise (up to 55 feet)* residential, commercial, employment, and recreational uses within suburban areas and is designed for areas transitioning from higher intensity to lower intensity mixed uses. MUD-3 may also be established at freeway interchanges, the intersection of arterial streets, and along high frequency transit corridors where a higher intensity mixed use may not be appropriate due to adjoining planned land uses. *Additional height may be requested per Table 30.48-J1.

4. **MUD-4 – Least intense suburban form.** The MUD-4 subdistrict is intended to permit a less concentrated mixture of low-rise (up to 35 feet)* residential, commercial, employment, and recreational uses typical of medium to low density areas and is designed for areas transitioning from higher intensity mixed uses to suburban and single-family development. MUD-4 may also be established at the intersection of arterial streets and along transit corridors where a higher intensity mixed use may not be appropriate due to adjoining planned land uses. *Additional height may be requested per Table 30.48-J1. (Ord. 3432 § 7 (part), 10/2006; Ord. 3174 § 6 (part), 1/2005)

Printed
Chapter 30.48: Zoning Overlay Districts *July 1, 2013*
30.48-41

Clark County MUD Overlay Sub-Districts

Table 30.48-J1 Development Standards for Mixed Use Development with U-V Zoning				
Subdistrict[1]	**MUD-1**	**MUD-2**	**MUD-3**	**MUD-4**
Density (du/ac)[2]	as approved	up to 50	up to 32	up to 18
Height[3]				
Maximum	up to 100'	up to 100'	up to 55'	up to 35'
With Special Use Permit	as approved	up to 200'	up to 100'	up to 55'

Additional Requirements:

1. Regardless of MUD subdistrict, facades and garages that face existing single-family shall be designed to be compatible with the height and setbacks of the existing development.
2. Density bonuses per subsection 30.48.770(C)(1)(b) require special use permit approval and hearings before the Commission and the Board.
3. Architectural height intrusions up to 10% are permitted without an Administrative Minor Deviation. (Ord 4152 § 7 (part), 12/2013)

A Note on Mixed-Use Development (MUD)

The purpose of the Mixed-Use Overlay District (MUD) is to encourage a diversity of compatible land uses, including a mixture of residential with commercial, office, educational, institutional and other appropriate urban uses. The MUD overlay provides a mechanism to encourage new housing and innovative urban design that is less dependent on automobile transit. MUD projects are intended to create and sustain pedestrian oriented neighborhoods where local residents have convenient access to jobs, schools shops public facilities, transit and various services.

The MUD shall minimize adverse impacts on surrounding property. **THE STATED MAXIMUM DENSITIES AND INTENSITIES IN NO WAY OBLIGATE THE COUNTY TO APPROVE MUD DEVELOPMENTS AT A GIVEN DENSITY OR INTENSITY, BUT IS EXPECTED TO APPROVE ONLY SUCH LEVEL OF DENSITY OR INTENSITY THAT IS APPROPRIATE FOR A PARTICULAR LOCATION.** The Commission or Board may require, as a condition of approval, any condition, limitation or design factor which will promote proper development and the use of effective land use transitioning.

Source: Clark County Comprehensive Planning Enterprise Land Use Plan and Title 30 Document

Again, we have reviewed all relevant Clark County planning documents and these documents are retained within the appraisal workfile.

Please note that it must be understood that the ultimate development that occurs upon the subject site is contingent upon allowable densities, site coverage ratios, floor area ratios, parking requirements, open space/landscape, access, height restrictions, et al and the ultimate development of this site will remain unknown until such time as the developer prepares the proper site development documents and submits these documents to the proper Clark County planning officials for review and approvals.

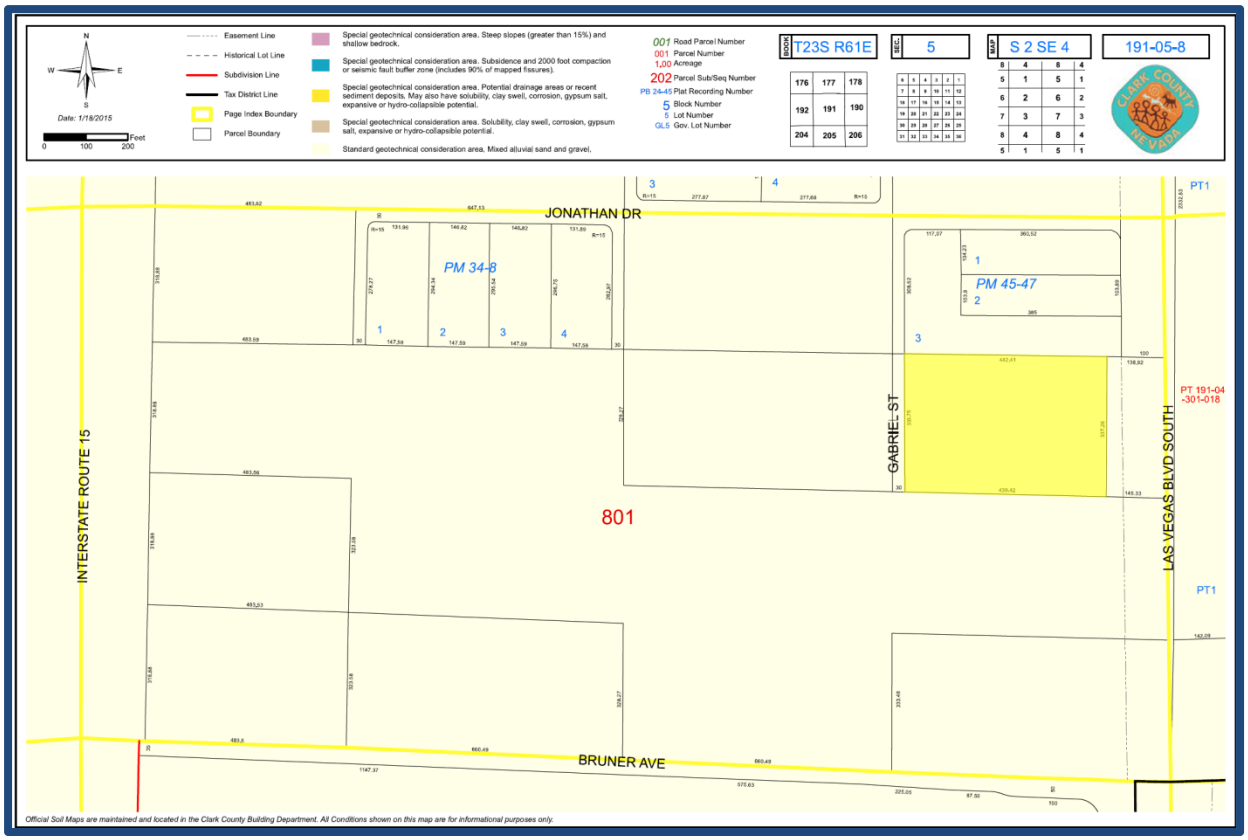
Soil Guidelines and Expansive Soil Guidelines

The subject parcels are identified within the attached Soil Guidelines and Expansive Soil Guidelines Maps below as follows:

The subject parcel is identified within the attached Soils Guideline Map as “Standard geotechnical consideration area. Mixed alluvial sand and gravel”.

The subject parcel is included within the attached Expansive Soils Guidelines map, however, it is not located within any of the identified expansive soils categories.

We have observed planning documents involving prior land use and development plans for major “high impact” or intensity developments in the general vicinity of the subject property. Based upon these improved properties, we believe that with modern civil engineering and construction design techniques, we do not believe that the above referenced soils classifications/guidelines would be overly difficult to overcome by an experienced real estate developer.



Easements, Encroachments and Restrictions

We note the subject has a drainage area development restriction or easement at the western portion of the site. We were not provided a current title report to review. Other than any previously described reservation easements and normal street rights of way across/abutting the subject assembled parcel, we are not aware of any other easements, encroachments, or other restrictions that would adversely affect value. Our valuation assumes no adverse impacts from easements, encroachments, or restrictions, and further assumes that the subject has clear and marketable title.

Utilities

As indicated above, based upon a review of the proposed S.I.D. 158 improvements project plans, all but sanitary sewer utility facilities are located near the subject parcel. There are currently no improved storm drainage facilities adjacent to the subject property. We have gathered the following information from the S.I.D. 158 Provisional Order Submittal Update plan set dated May 14, 2013 developed by G.C. Wallace Companies. We have not been transmitted or reviewed the results of subsurface utility engineering (SUE) data in reference to the utilities located within areas surrounding the subject so we have reviewed the horizontal and vertical locations regarding the utility facilities.

Utility Plan and Profile Sheet U-3 that covers the Las Vegas Blvd. section of roadway adjacent to the subject parcel. There are other plan sheets within various sections of the plan set reviewed that show the subject location along the proposed storm sewer and the proposed sanitary sewer facility alignments, however, the “U” sheets are the only plan sheet that have been utilized for the following discussion.

Natural Gas

There is a 16” high pressure steel gas line owned and maintained by Southwest Gas Corporation located and longitudinally aligned east of the Las Vegas Boulevard centerline across from the subject property. We have identified a 2 inch lateral gas line feeding the subject property.

Electrical Power

There are electrical power distribution and transmission facilities in the subject vicinity that are owned and maintained by NV Energy. There are depicted underground power distribution facilities on the utility sheet reviewed adjacent to the subject property.

Water Facilities

Based upon the utility plans reviewed, there are main water lines in the general vicinity of the subject property that are owned and maintained by the Las Vegas Valley Water District. We have identified a 12 inch water line running longitudinally along the subject on the west side of Las Vegas Boulevard South adjacent to the subject. We observed a lateral hook up that feeds the subject according to page U-3.

Also, according to the utility plans reviewed, there is a 24" water line that originates south of St. Rose Parkway and extends northerly toward to the subject property and tees off in east/west directions at the north side of Bruner Avenue. A 12" water main line ties at the termination point of the 24" water line and extends northerly and appears to terminate at a valve in-line with the north property boundary line of the Blue Hawk Tavern parcel.

Communications

There are various underground fiber optic communications lines owned and maintained by various communications utility companies located and longitudinally aligned east of the Las Vegas Boulevard centerline across from the subject property. These include telephone and CATV communications facilities which are owned and maintained by CenturyLink and Cox Communications, et al.

Proposed Storm Sewer and Sanitary Sewer Facilities

As indicated previously the subject property is developed on a septic system and is not included in Unit 2. The combined S.I.D. 158 improvements project includes the construction of both storm sewer and sanitary sewer improvements, portions of which are to be located adjacent to the subject property. According to the plans reviewed, both of these facilities are underground facilities that are located and aligned longitudinally within the Las Vegas Boulevard South right of way. Both of the facilities are located west of the centerline in the section of roadway right of way adjacent to the subject property. However, because the subject property is not included in Unit 2, we assume the subject is served only by its septic system in the after condition.

Conclusion of Land Analysis

We have thoroughly researched and analyzed a significant amount of data regarding the subject site and have presented the results of this research and analysis within this section of the appraisal report.

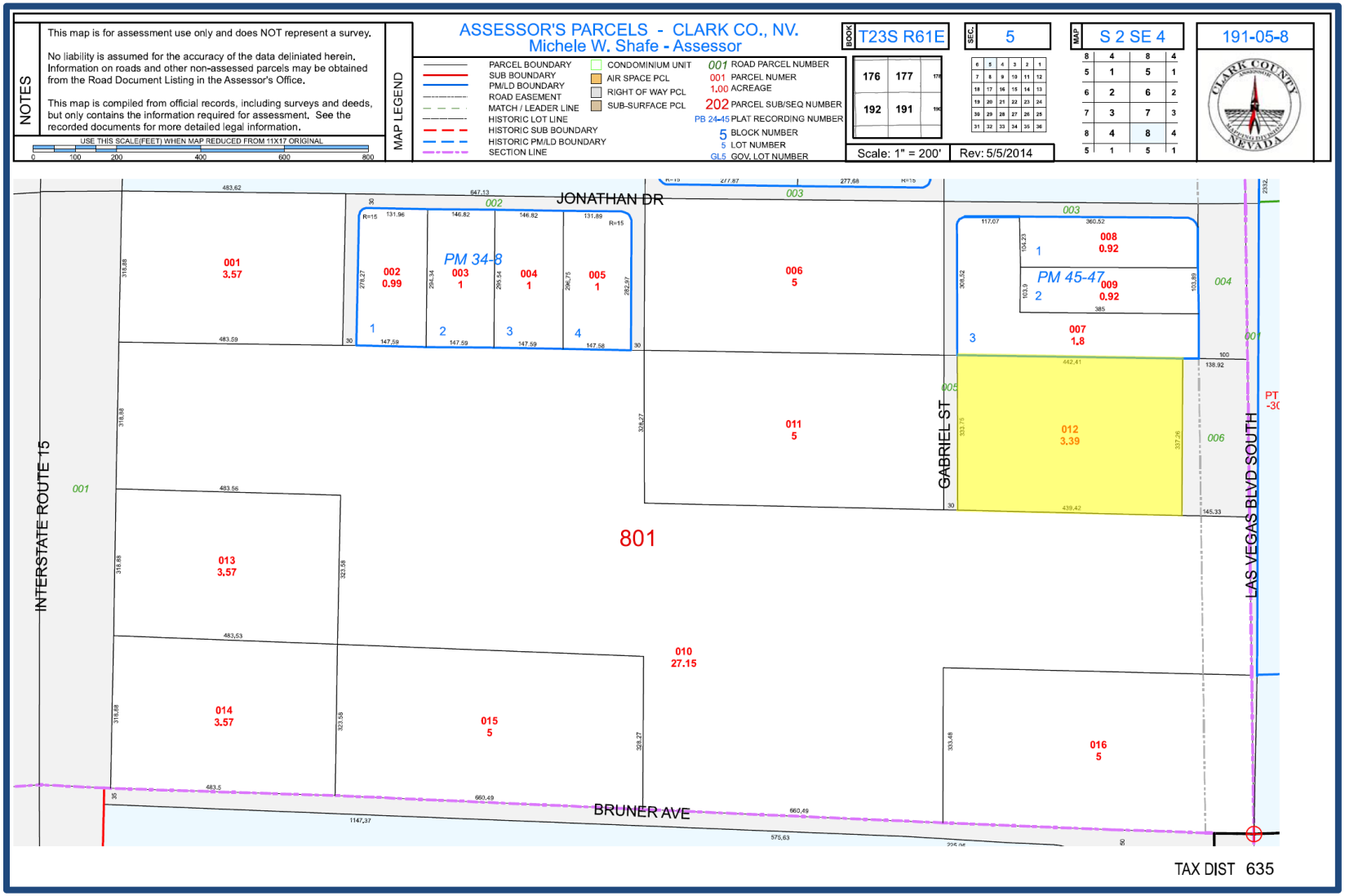
In conclusion, the subject property enjoys a favorable location in a very desirable location within the Enterprise Planned Land Use area in the Southwest submarket area. The subject property is located adjacent Las Vegas Boulevard South to the east which is classified as a major arterial (Las Vegas Blvd. 200+ foot ROW) and this arterial carries north/south direction traffic flows.

We have reviewed and presented within the Area Analysis section the Department of Transportation published 2014 Average Annual Daily Traffic (AADT) (25,000 cars per day) traffic count data along the subject section of Las Vegas Boulevard South.

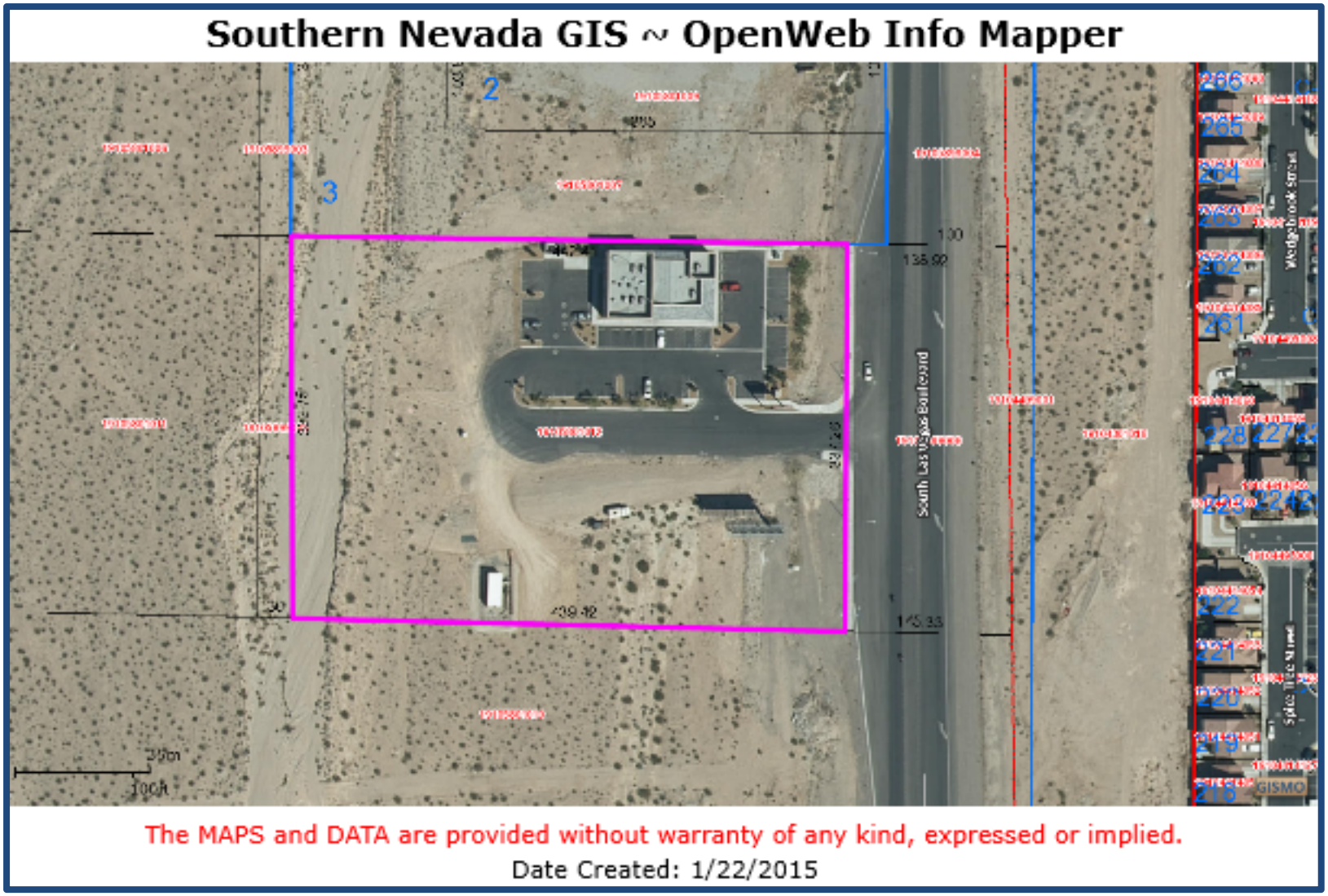
The subject property is located predominately within a Clark County C-2 (General Commercial) zone with underlying CT (Commercial Tourist) land use and is located within the MUD-1 (Mixed Use Development) overlay area and within the Master Planned for Resort-Hotels portion of the Gaming Enterprise District (GED) overlay area.

Overall, the physical characteristics of the site and the availability of utilities result in functional utility suitable for a variety of uses including those permitted by zoning. We are not aware of any other particular restrictions on development.

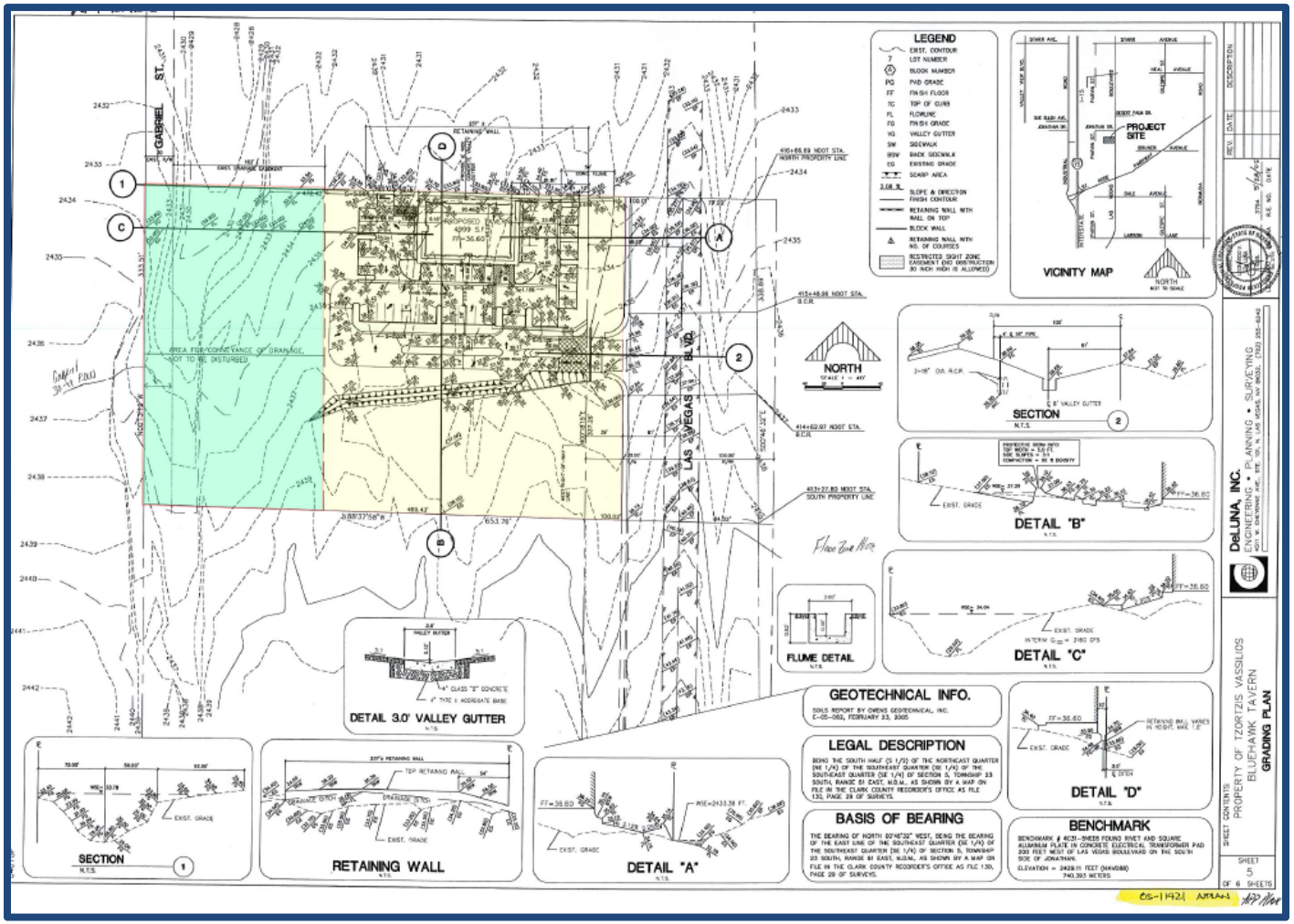
Clark County Assessor's Parcel Map



Clark County Assessor's Aerial Photograph

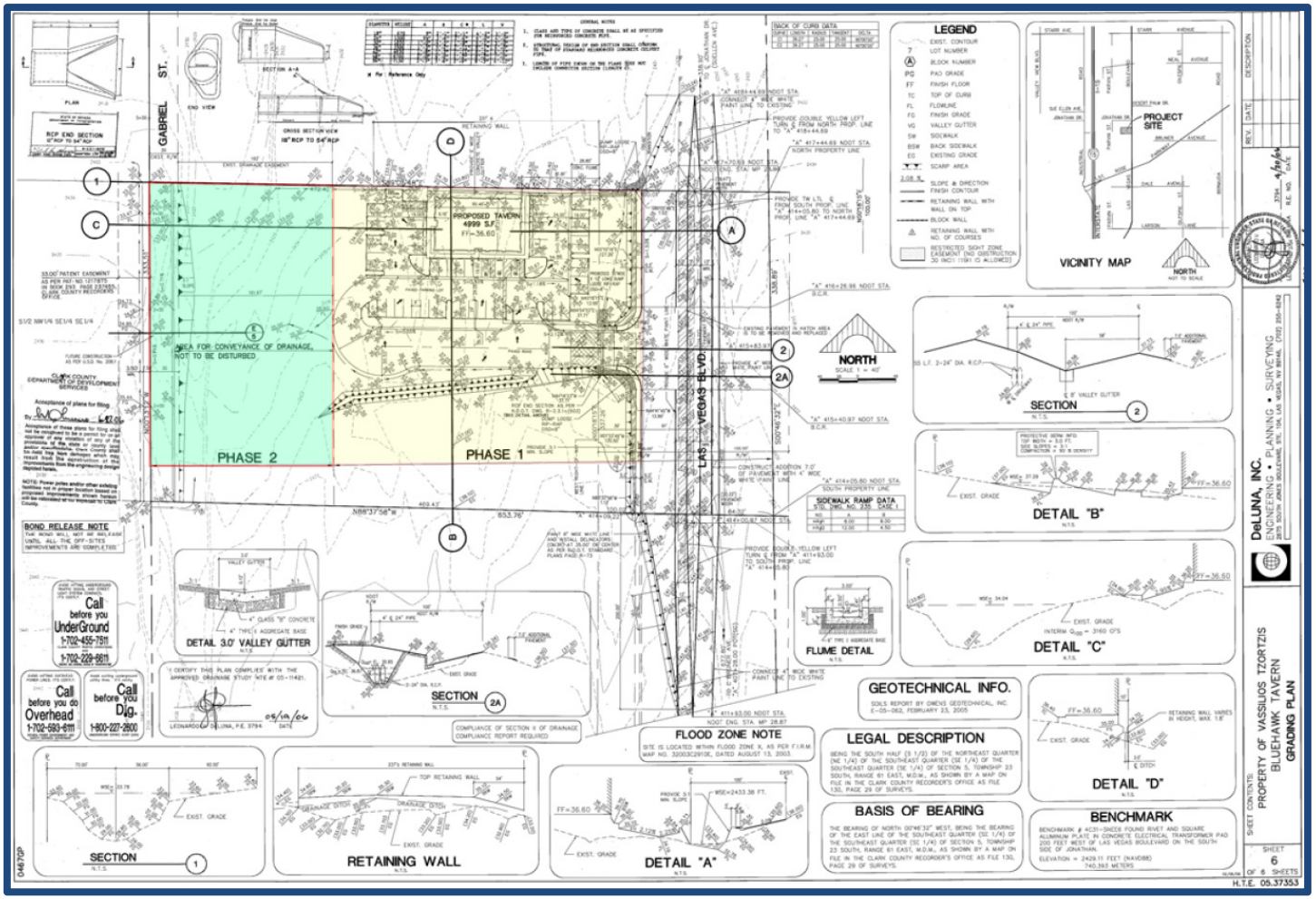


Blue Hawk Tavern Grading and Drainage Pattern



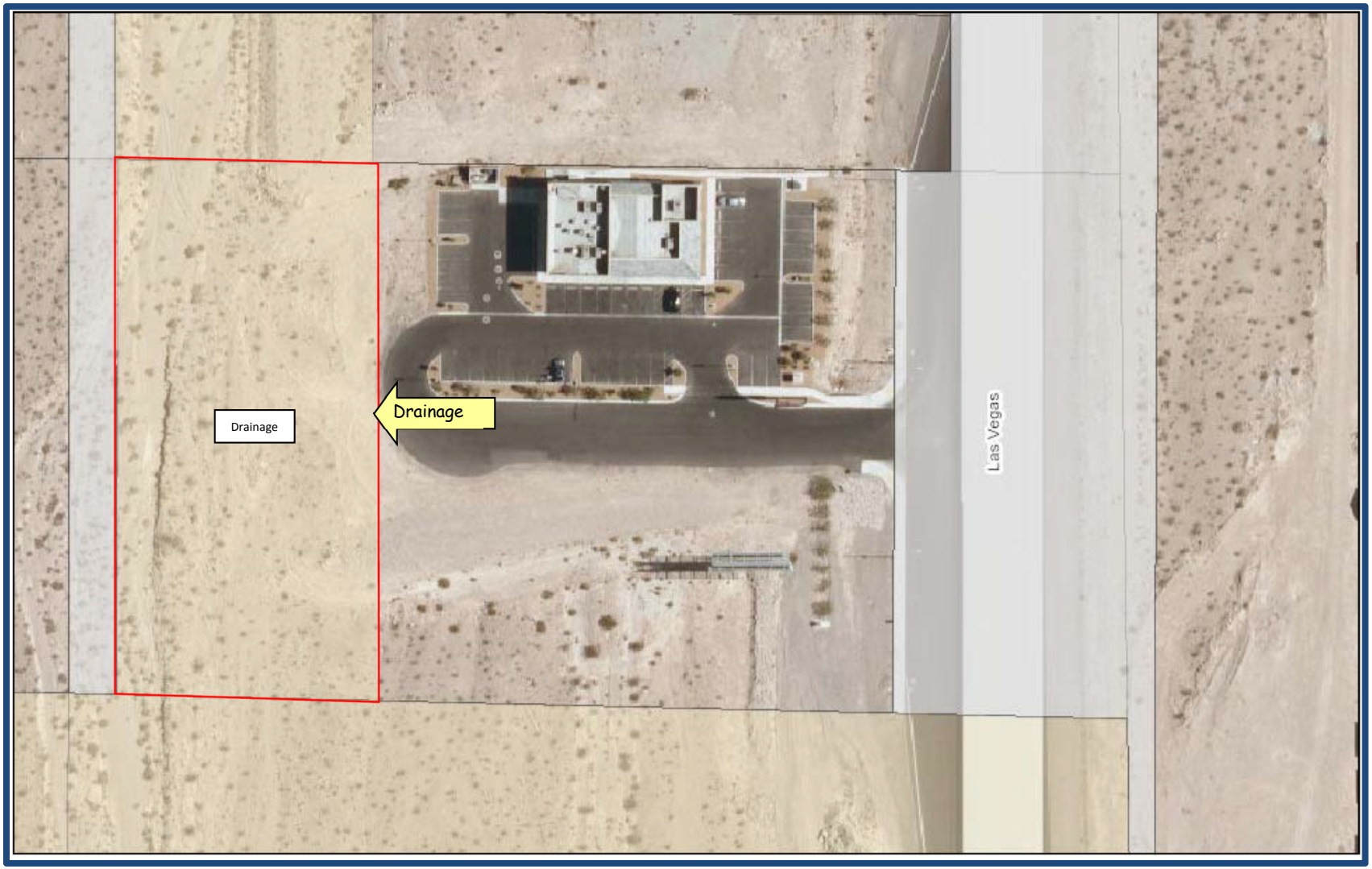
We note the aqua shaded area is marked as "area for conveyance of drainage not to be disturbed"

Blue Hawk Tavern Offsite Plans



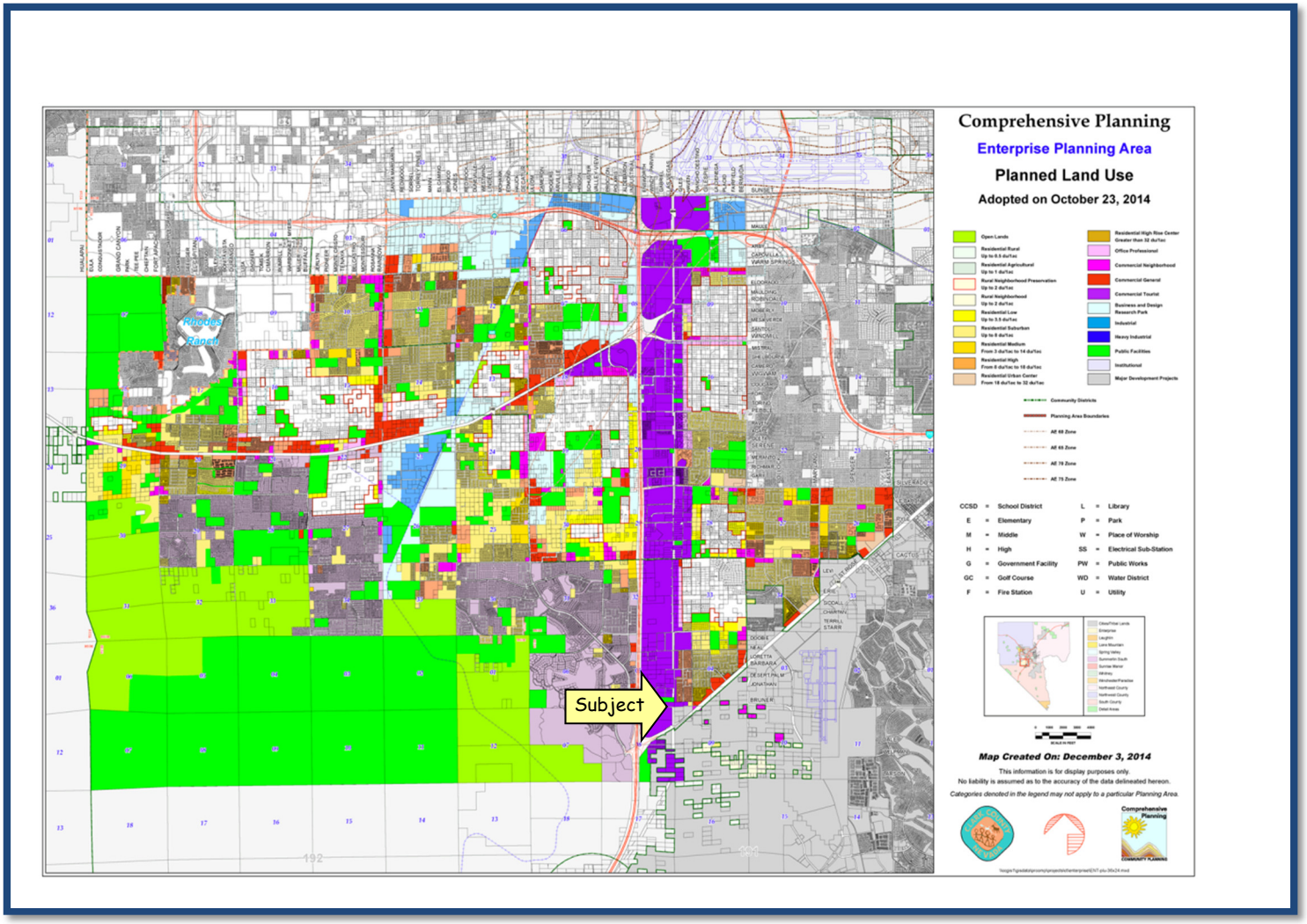
We note the aqua shaded area is marked as "area for conveyance of drainage not to be disturbed"

Aerial of Drainage Easement



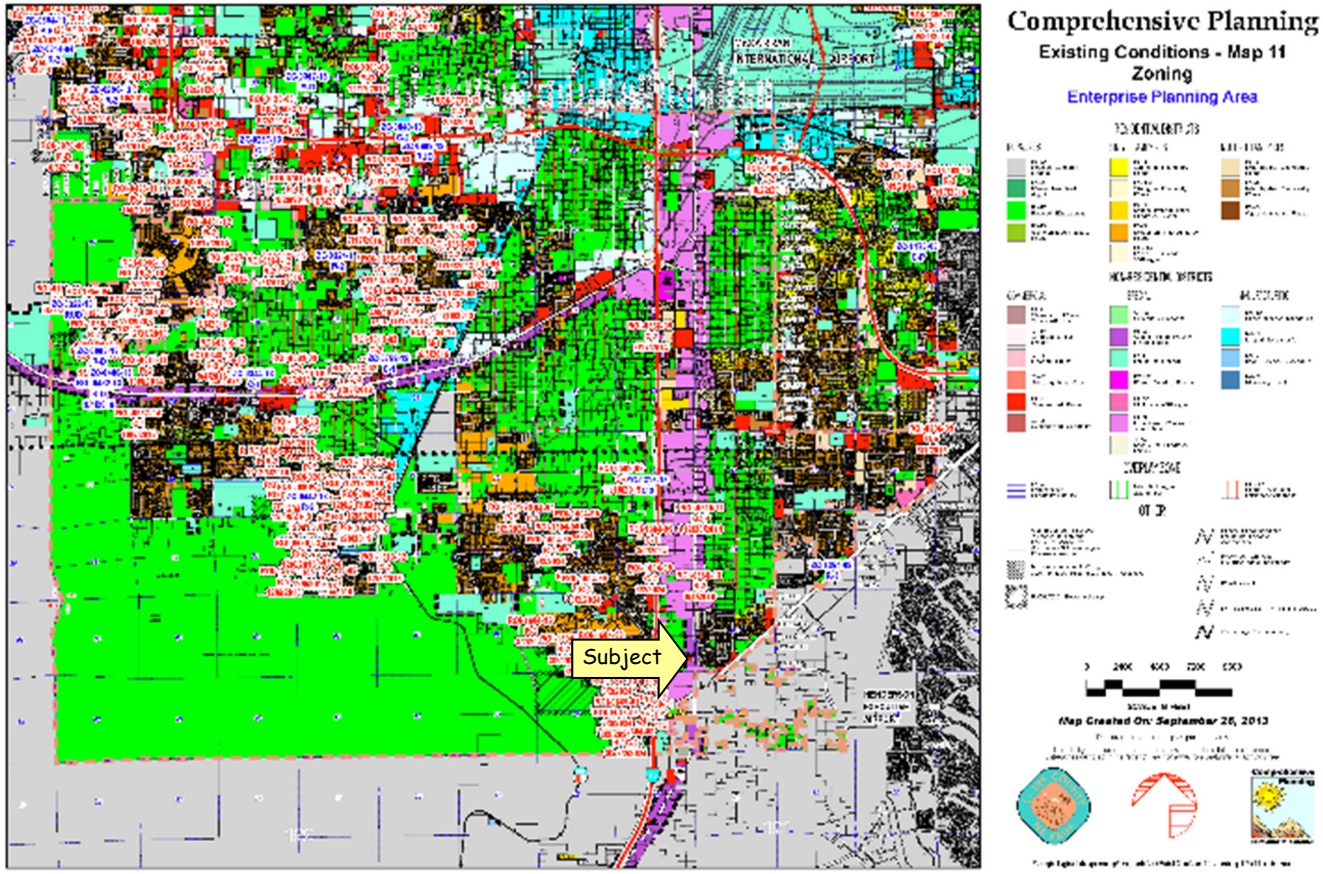
http://gustfront.ccrfcd.org/fvjs/fvjs.html

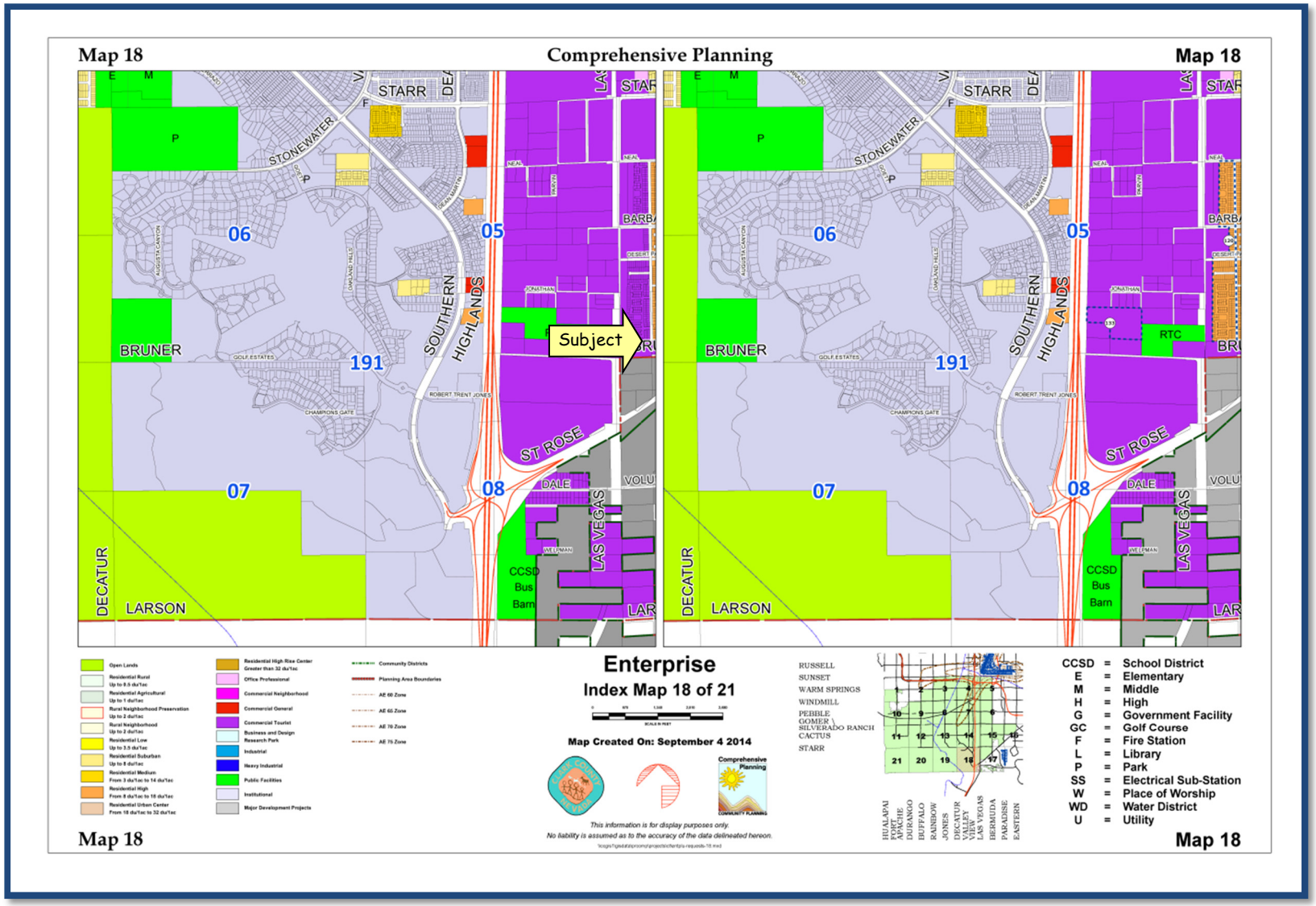
Clark County Enterprise Land Use Plan CT (Commercial Tourist Land Use)



Source: Clark County Comprehensive Planning Department

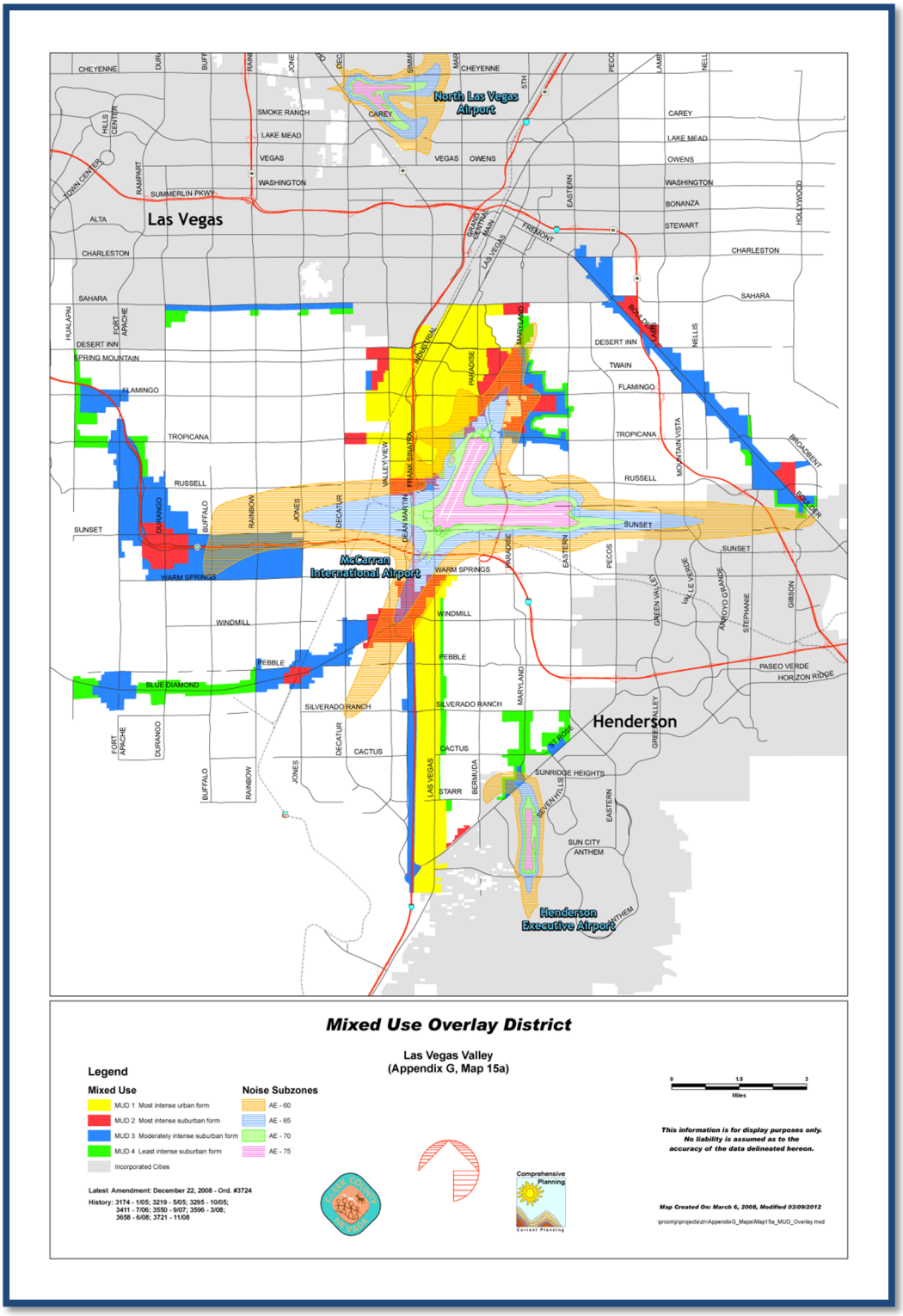
Clark County Enterprise Zoning Map



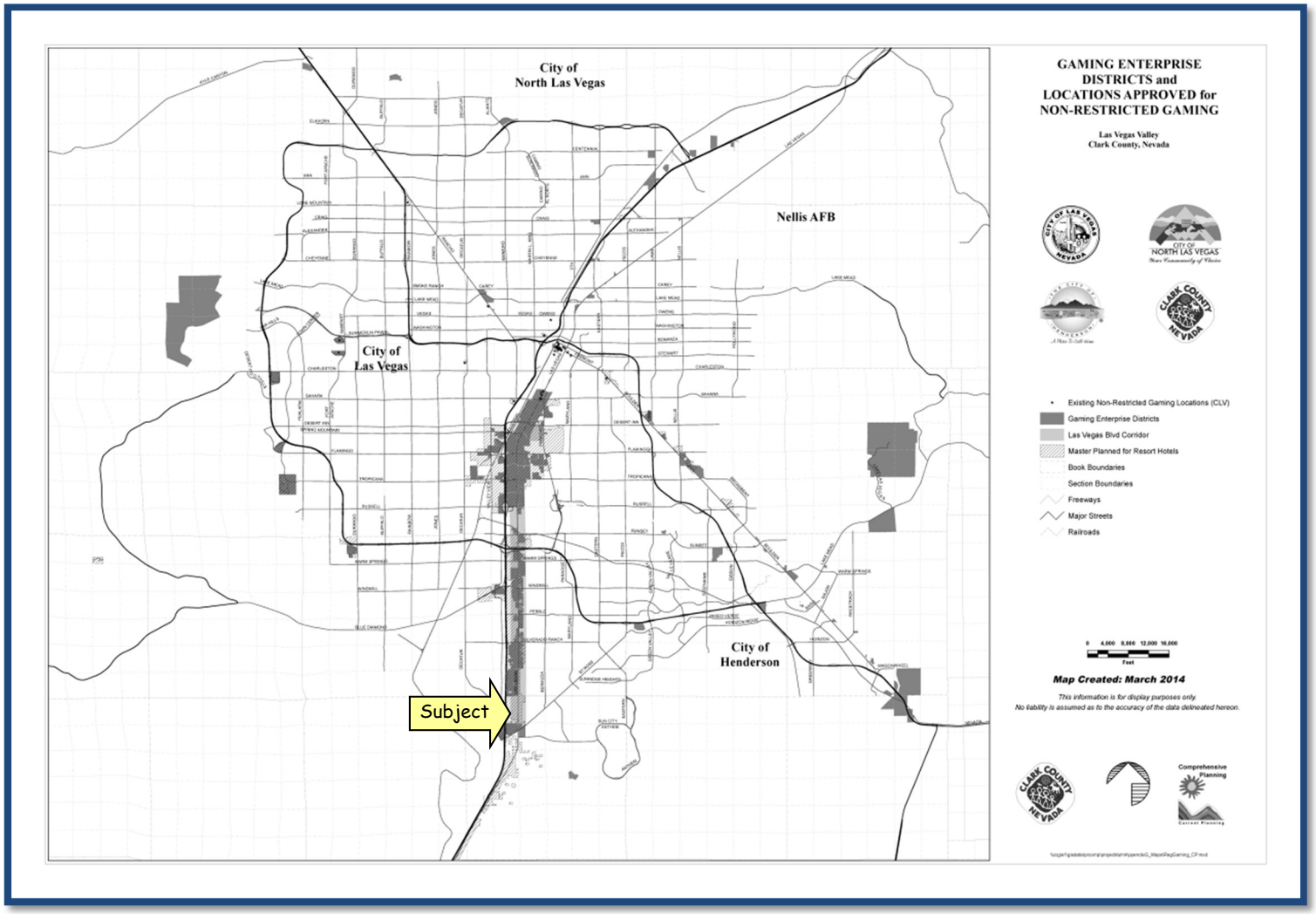


Source: Clark County Comprehensive Planning Department.

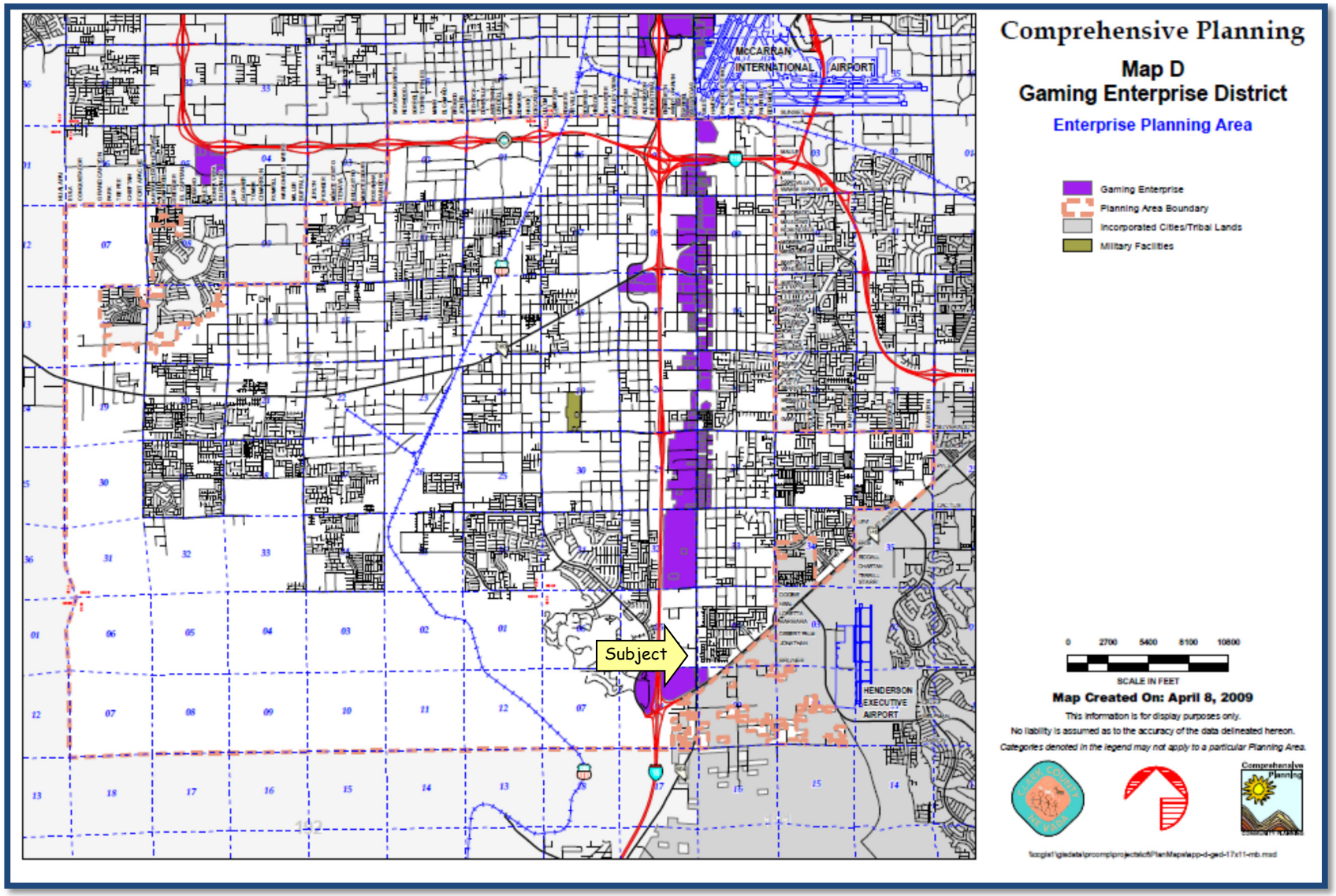
Clark County Mixed Use District (MUD)-Overlay with Airport Environs Overlay Map



Clark County Gaming Enterprise Districts Maps (Enterprise Land Use Planning Area 2009 Adopted Color Version below)



Note: Subject is located in the Las Vegas Boulevard Corridor, Master Planned for Resort Hotels


Comprehensive Planning
Map D
Gaming Enterprise District
Enterprise Planning Area
Gaming Enterprise
Planning Area Boundary
Incorporated Cities/Tribal Lands
Military Facilities
McCARRAN INTERNATIONAL AIRPORT
Subject
HENDERSON EXECUTIVE AIRPORT
0 2700 5400 8100 10800
SCALE IN FEET
Map Created On: April 8, 2009
This information is for display purposes only.
No liability is assumed as to the accuracy of the data delineated hereon.
Categories denoted in the legend may not apply to a particular Planning Area.

Improvements Description and Analysis

The subject is the Blue Hawk Tavern with excess land. According to the Clark County Assessor's Office, the tavern contains 5,028 square feet of gross leasable area. Our concluded total area for the subject's excess land is 103,896 square feet. However, there is currently a drainage easement on the western portion of the subject. We assume under an extraordinary assumption the portion of the site the drainage easement is on is not currently developable. According to our measurements taken from the Advance Flood maps in the Clark County Assessor's website, the drainage easement is 54,478 square feet. We subtract this figure from the total excess land square footage to arrive at the current developable excess land, at 49,418 square feet. This is the figure we use in the "Before Condition". The total square footage of 103,896 square feet is the figure we use in the "After Condition". The improvements were constructed in 2007 and are 100% owner occupied as of the effective appraisal date. The total site area is 3.39 acres or 147,668 square feet. The subject is developed on a septic system and because it is not in Unit 2, the assumption is made that the subject is served by a septic system in both the before and after conditions. We also note there is a billboard and cell tower on the site. We have not been given any income/expense for the billboard or the cell tower and do not include them in the valuation within this report. According to the figures provided us, Clark County is assessing the subject $282,399.25 for implementation of the SID project. Our value conclusion differential between the "Before Condition" and the "After Condition" indicates a special benefit of approximately $560,000 based on the assumptions and conditions employed herein. The "Market Value Before Condition is the opinion of market value prior to implementation of the SID 158 Project and the "Market Value After Condition" is the opinion of market value after implementation of the SID 158 Project.Below is a summary of how we concluded our excess land calculations. This is discussed on more detail and the excess land valuation portions of this report.

The subject is a tavern with excess land. According to the Clark County Assessor’s Office, the subject is currently 3.39 acres, or 147,668 square feet. As the subject not parcels out and has no developed pads, we have taken the floor to area ratios (FAR) from the taverns used in the Sales Comparison Approach, averages their FAR’s and applied this ratio to the subject’s improvements.

Floor to Area Ratios

Property Name	FAR
Mountainside Tavern	0.13
Sundance Kid Café	0.12
PT's Pub	0.09
PT's Pub	0.12
Average	0.115

We then apply the average FAR to the subject improved square footage provided by the Clark County Assessor's Office.

Average FAR applied to Subject Improvements	
Subject Square Footage	5,028
Average Floor to Area Ratio	0.115
Concluded SF of Land for Improvements	43,722 Sf

We then subtract the allotted square footage from the tavern from the total parcel square footage to arrive at a total excess land figure. Later in the report we break down the calculations of the excess land square footage in the "Before Condition" and in the "After Condition".

Improvements Description	
Name of Property	Blue Hawk Tavern
General Property Type	Retail
Property Sub Type	Bar/Tavern/Nightclub
Occupancy Type	Owner Occupied
Percent Leased	NA
Number of Tenants	1
Tenant Size Range (SF)	5,028 - 5,028
Number of Buildings	1
Stories	1
Construction Class	D
Construction Type	Wood frame
Construction Quality	Average
Condition	Average
Gross Building Area (SF)	5,028
Gross Leasable Area (SF)	5,028
Land Area (SF)	147,668
Floor Area Ratio (GLA/Land SF)	0.03
Floor Area Ratio (GBA/Land SF)	0.03
Building Area Source	Clark County Assessor's office
Year Built	2007
Year Renovated	NA
Actual Age (Yrs.)	8
Estimated Effective Age (Yrs.)	5
Estimated Economic Life (Yrs.)	50
Remaining Economic Life (Yrs.)	45
Number of Parking Spaces	56
Parking Type	Surface
Parking Spaces/1,000 SF GLA	11.14

Construction Details	
Foundation	Poured concrete
Structural Frame	Wood frame with stucco
Exterior Walls	Brick veneer with stucco
Roof	Flat
HVAC	Roof mounted
Elevators	None
Sprinklers	Yes

Improvements Analysis

Quality and Condition

The quality and condition of the subject is considered to be consistent with that of competing properties.

Functional Utility

The improvements appear to be adequately suited to their current use, and there do not appear to be any significant items of functional obsolescence.

Deferred Maintenance

No deferred maintenance is apparent from our inspection, and none is identified based on our inspection of the subject.

Planned Capital Expenditures

We are not aware of any planned capital expenditures as of the date of this appraisal.

Hazardous Substances

An environmental assessment report was not provided for review and environmental issues are beyond our scope of expertise. No hazardous substances were observed during our inspection of the improvements; however, we are not qualified to detect such substances. Unless otherwise stated, we assume no hazardous conditions exist on or near the subject.

Personal Property

No personal property items were observed that would have any material contribution to market value.

Conclusion of Improvements Analysis

In comparison to other competitive properties in the region, the subject improvements are rated as follows:

Improvements Ratings	
Visibility	Above Average
Design and Appearance	Average
Age/Condition	Average
Adaptability of Space to other Retail Users	Above Average
% Sprinklered	Average
Interior Amenities	Average
Layout - Store to Store Proximity	Average
Parking Ratios	Above Average
Distance of Parking to Store Access	Average
Landscaping	Average

Overall, the quality, condition, and functional utility of the improvements are average for their age and location.

Exterior 1 of tavern.
Blue Hawk Tavern

Exterior 2 of tavern.
Blue Hawk Tavern

Interior ramp of tavern.
Blue Hawk Tavern

Interior pool table area of tavern.
Blue Hawk Tavern

Interior seating in the tavern.
Blue Hawk Tavern

Interior bar and ramp in tavern.
Blue Hawk Tavern

Interior bar of tavern.
Blue Hawk Tavern

Interior restroom of tavern.
Blue Hawk Tavern

Interior restroom of tavern.
Blue Hawk Tavern

Paved parking west of tavern.
Blue Hawk Tavern

Southwest portion of subject.
Blue Hawk Tavern

Sewer/drainage easement portion northwest of the subject.
Blue Hawk Tavern

Entry to subject from Las Vegas Boulevard and Billboard on subject (not included in valuation).
Blue Hawk Tavern

Cell tower on subject (not included in valuation).
Blue Hawk Tavern

Tavern signage
Blue Hawk Tavern

Looking south on Las Vegas Boulevard South from subject frontage
Blue Hawk Tavern

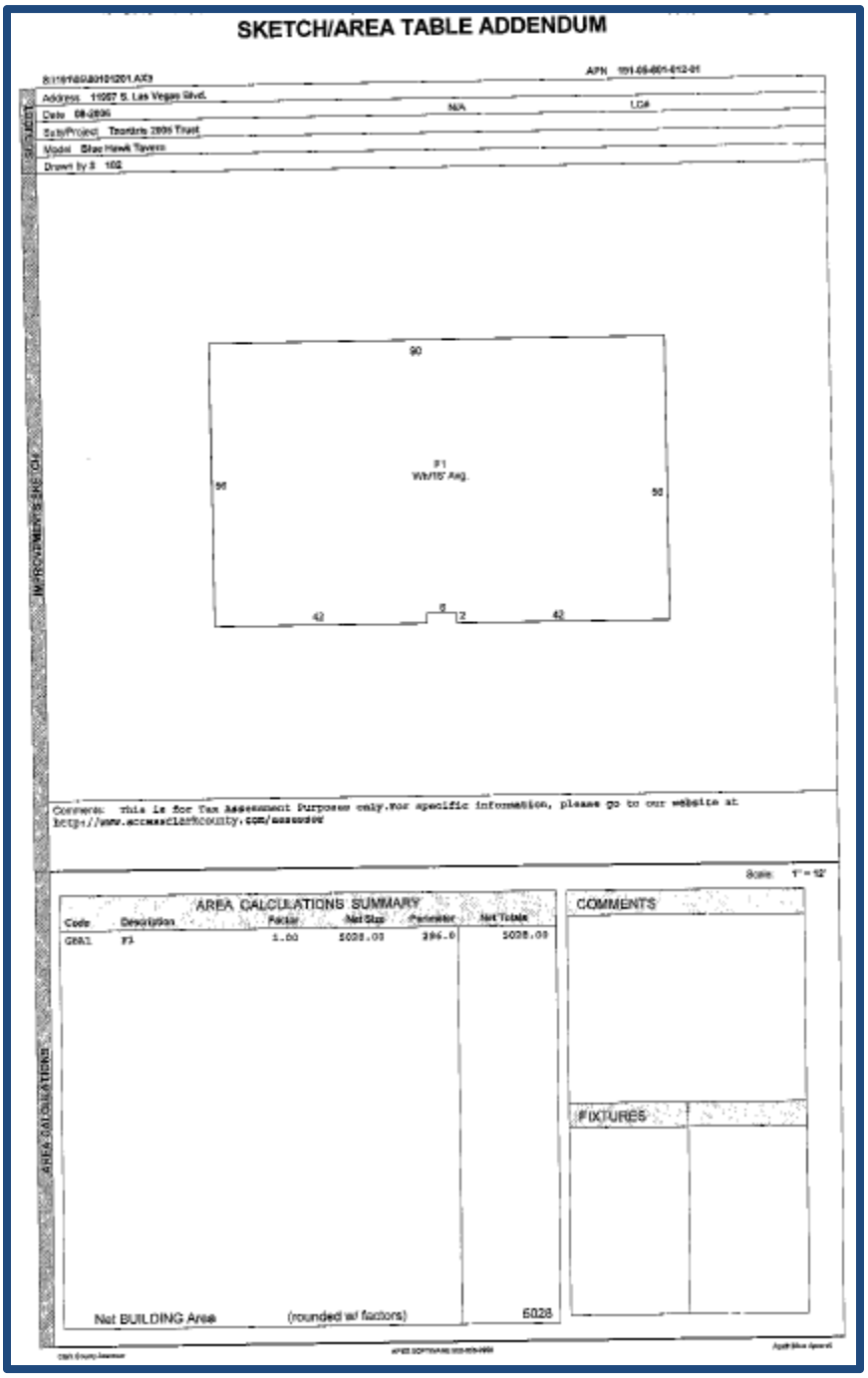
Looking north on Las Vegas Boulevard South from subject frontage..
Blue Hawk Tavern

Western portion of the subject.
Blue Hawk Tavern

Western portion of the subject.
Blue Hawk Tavern

Western portion of the subject.
Blue Hawk Tavern

Clark County Assessor's Floor Plan



SKETCH/AREA TABLE ADDENDUM

Address 11057 S. Las Vegas Blvd.
Date
Sub/Project Tenbrink 2006 Trust
Model Blue Hawk Tavern
Drawn by

90
F1
50
50
42
8
2
42

Comments: This is for Tax Assessment Purposes only.For specific information, please go to our website at http://www.accessclarkcounty.com/assessor

Scale 1" = 10'

AREA CALCULATIONS SUMMARY

Code	Description	Factor	Net Size	Perimeter	Net Totals
GBAL	F1	1.00	5028.00	396.0	5028.00
Net BUILDING Area		(rounded w/ factors)			5028

COMMENTS

FIXTURES

Real Estate Taxes

The real estate tax assessments of the subject property are administered by the Clark County Assessor's Office. Assessed values are based upon a current conversion ratio of 35% of assessor's estimated market value. However, a state law was passed during the 2005 State Legislation Hearings that set Nevada real estate taxes to a base year (2004) with annual increases limited to 3% of owner-occupied residences and 8% or an alternative complex escalation calculation that is currently capped at 3.2% for all other properties this tax year in Clark County. For the purposes of this report, we assume no cap reduction and estimate the real estate taxes in full.

Real estate taxes and assessments for the current tax year are shown in the following table.

Taxes and Assessments - 215/2016

	Assessed Value			Taxes and Assessments		
Tax ID	Land	Improvements	Total	Tax Rate	Tax Cap Reduction	Total
191-05-801-012	$274,958	$259,604	$534,562	2.932800%	-$2,552	$13,125.82

The subject is valued by the Clark County Assessor's Office at $1,527,320. The assessed value is $534,562. Applying the current year tax rate of 2.932800% result in an annual real estate taxes in the amount of $15,677.63. However, the subject has a Tax Cap Reduction of $2,551.81, resulting in a total tax liability amount of $13,125.82.

Assessor's Market Value

Tax ID	Land	Improvements	Total
191-05-801-012	$785,594	$741,726	$1,527,320

Based on the concluded market value of the subject, the assessed value appears low compared to the market.

Highest and Best Use – Before Implementation of SID Project 158

Process

Before a property can be valued, an opinion of highest and best use must be developed for the subject site, both as if vacant, and as improved or proposed. By definition, the highest and best use must be:

- Physically possible.
- Legally permissible under the zoning regulations and other restrictions that apply to the site.
- Financially feasible.
- Maximally productive, i.e., capable of producing the highest value from among the permissible, possible, and financially feasible uses.

As If Vacant

Physically Possible

The subject parcel is generally normative in shape and all private utilities have been extended to the subject's vicinity and were indicated to be immediately available to the site. Again, municipal facilities such as sanitary sewer and storm drainage facilities have not been extended into the subject location. The proposed S.I.D. 158 improvements project extends storm sewer facilities to the subject.

Las Vegas Boulevard South and is paved along the subject parcel frontage and is the primary access roadway at the subject property.

We are unaware of any environmental hazards or conditions that would be restrictive to development. Further restrictions from a legal standpoint will be discussed in the Legally Permissible Use section below.

The physical characteristics of the site do not appear to impose any unusual restrictions on development. Overall, the physical characteristics of the site and the availability of utilities result in functional utility suitable for a variety of uses.

Legally Permissible

The site is zoned C-2, General Commercial. Permitted uses include a full range of commercial uses, or mixed commercial and residential uses, in a manner that can be located to serve the needs of the entire community yet be buffered from having adverse impacts on any adjacent residential neighborhoods. To our knowledge, there are no legal restrictions such as easements or deed restrictions that would effectively limit the use of the property.

Based on the physically possible and legally permissible uses the subject site as well as the surrounding development linkages in the area of the subject, we have determined that commercial development would represent the highest and best use for the subject property. This type of use appears most suitable for the subject given its land use designation "Commercial Tourist" use.

Such a use appears most compatible with the land use plan and is considered the most likely legally permissible use for the subject property given the area, the surrounding land uses, and the land use plan within the Clark County Enterprise Land Use Plan.

Given prevailing land use patterns in the area, only retail use is given further consideration in determining highest and best use of the site, as though vacant.

Financially Feasible

There are adequate improved properties on the market that may be purchased for less than the cost of land and development of an individual site in the present economy. In other words, external obsolescence / economic obsolescence is prevalent in the present local conditions making it more feasible to buy existing properties with the subject property's use potential that are already improved rather than trying to build a new building from scratch that is feasible. The prospects for a short-term turnaround back to a high growth local economy were not perceived likely in the market as of the current effective date of value of the subject appraisal. However, there is currently a sense that the economy has stabilized at much lower levels after the heavy downdraft of the local economic recession and there are certainly higher levels of sales volumes recently in comparison to the very low transaction volume years of 2009-2010.

Based on our analysis of the market, there is currently adequate demand for retail use in the subject's area. It appears that a newly developed retail use on the site would have a value commensurate with its cost. Therefore, retail use is considered to be financially feasible.

Maximally Productive

The analysis of the various available uses above filtered out those uses that are not physically possible, legally permissible, and financially feasible. In the final analysis, the sales data we reviewed suggests the most likely use of the subject site on the effective date was for an eventual commercial tourist and/or mixed use type of development, given the subject's surrounding land use patterns and planned land use.

There does not appear to be any reasonably probable use of the site that would generate a higher residual land value than retail use. Accordingly, it is our opinion that retail use, developed to the normal market density level permitted by zoning, is the maximally productive use of the property.

Conclusion

Development of the site for retail use is the only use that meets the four tests of highest and best use. Therefore, it is concluded to be the highest and best use of the property as if vacant.

As Improved

The subject has excess vacant land, however, the northern portion of the site is developed with the Blue Hawk Tavern which is consistent with the highest and best use of the site as if it were vacant.

The existing improvements are currently occupied and produce a positive cash flow that we expect will continue. Therefore, a continuation of this use is concluded to be financially feasible.

Based on our analysis, there does not appear to be any alternative use that could reasonably be expected to provide a higher present value than the current use, and the value of the existing improved property exceeds the value of the site, as if vacant. For these reasons, continued retail use is concluded to be maximally productive and the highest and best use of the property as improved.

Most Probable Buyer

Taking into account the size and characteristics of the property and its owner occupancy, the likely buyer is a local investor such as or an owner-user.

Highest and Best Use - After Implementation of SID Project 158

We note that the previous approved grading, drainage, utility, and offsite plans for the Blue Hawk Tavern all reserve that area of the Western portion of the subject property with the notation "Area for conveyance of drainage – Not to be disturbed."

We reasonably presume that these plans depict a planned or existing drainage area that will not allow disturbance or development of this area of the site until appropriate drainage facilities or remediation is installed. Without such facilities the site would lack "salability", "marketability", and / or "developability".

The implementation of SID Project 158 will solve the dilemma of trying to provide adequate drainage facilities to the subject property. Our opinion is that the prevailing impediment to development of the western portion of the subject property identified herein within this appraisal is most largely due to the drainage easement / reservation of a large portion of the western half of the site. Again, this will be solved by the implementation of SID Project 158. The drainage issue could also possibly be solved by individual corrective action taken by the property owner but the ownership costs for this corrective action would also be significant and may possibly exceed that of the local improvement district assessment being proposed for the subject under SID Project 158.

We note that the provided utility plan for the bar shows the rear drainage easement area as "Phase II" of the development indicating that the ownership regarded this area as not fit for immediate development and this is due most likely to the classification of this area in an area of drainage easement conveyance that is "Not to be disturbed". Only with proper drainage control facilities would it be likely that the subject improvements would be approved for development. This makes the utility of the property circumspect and not likely to be considered marketable / saleable until adequate drainage control facilities are placed in effect at or surrounding the subject property.

We have appraised a number of properties subject to drainage channels and/or drainage easements. Those locations within the drainage easement, drainage / flood control, or drainage channel area are typically extracted from the usable or developable acreage that the purchaser considers when formulating a price to be paid for the property. This is especially true for those drainage facilities that are "open" like the subject and do not allow for ingress / egress or parking and/or landscaping improvements to be placed on the drainage area. Closed facilities include those upon which a culvert or reinforced concrete box (RCB) drainage piping is installed underneath allowing for at least limited utility of the area of the drainage facility. For the subject, without a drainage facility (or at least an underground drainage facility) to correct the drainage / flooding problem at this portion of the site,

our opinion is that the market would not assign value to this portion of the subject site and subtract this particular area from the total in formulating a price for the usable and developable acreage at the subject property. Given that the subject SID 158 Project is a known element in the market, we believe the operative condition in the present market is that the property owner would consider the County's assessment of the property and accompanying physical extension of the associated storm drainage improvements as likely to occur in the near term. The property owner would also consider the alternative impact to the property in the form of a non-developable area allocated to the drainage requirement. This alternative may not to be as desirable and may be more impactful in terms of the dollar market value impact to the property compared to the dollars that would be assumed under the proposed SID 158 assessment. This is the scenario tested within this appraisal.

There is an argument that the property owner could make that the value of the property in the rear easement area could be represented by its raw value as excess land less the cost to cure the drainage element issue. This may be a valid argument, but only if the private property owner's cost to cure the drainage issue was less than the County's cost to cure. The impact on other adjoining property owners and the distance to nearest storm and drainage detention facilities is such that it is unlikely that the costs to the private property owner would be less than the County's assessment in this case in our opinion. As a result, we have not considered this as a likely possibility for consideration. We are willing to consider this possibility if the private property owner shows sufficient flood control engineering support and utility contractor cost estimates although we consider this possibility as slight given the present condition and attributes of the property.

In conclusion, we determined that the Highest and Best Use of the Property in the After Condition, once we consider the impact of the installation of the improvements of SID Project 158 would be a property with a higher level of marketable and developable excess land. The value of this area that was previously reserved for drainage will be recuperated by the implementation of SID Project 158.

Valuation

Valuation Methodology

Appraisers usually consider three approaches to estimating the market value of real property. These are the cost approach, sales comparison approach and the income capitalization approach.

The **cost approach** assumes that the informed purchaser would pay no more than the cost of producing a substitute property with the same utility. This approach is particularly applicable when the improvements being appraised are relatively new and represent the highest and best use of the land or when the property has unique or specialized improvements for which there is little or no sales data from comparable properties.

The **sales comparison approach** assumes that an informed purchaser would pay no more for a property than the cost of acquiring another existing property with the same utility. This approach is especially appropriate when an active market provides sufficient reliable data. The sales comparison approach is less reliable in an inactive market or when estimating the value of properties for which no directly comparable sales data is available. The sales comparison approach is often relied upon for owner-user properties.

The **income capitalization approach** reflects the market's perception of a relationship between a property's potential income and its market value. This approach converts the anticipated net income from ownership of a property into a value indication through capitalization. The primary methods are direct capitalization and discounted cash flow analysis, with one or both methods applied, as appropriate. This approach is widely used in appraising income-producing properties.

Reconciliation of the various indications into a conclusion of value is based on an evaluation of the quantity and quality of available data in each approach and the applicability of each approach to the property type.

The methodology employed in this assignment is summarized as follows:

Approaches to Value

Approach	Applicability to Subject	Use in Assignment
Cost Approach	Not Applicable	Not Utilized
Sales Comparison Approach	Applicable	Utilized
Income Capitalization Approach	Applicable	Utilized

Excess Land Valuation

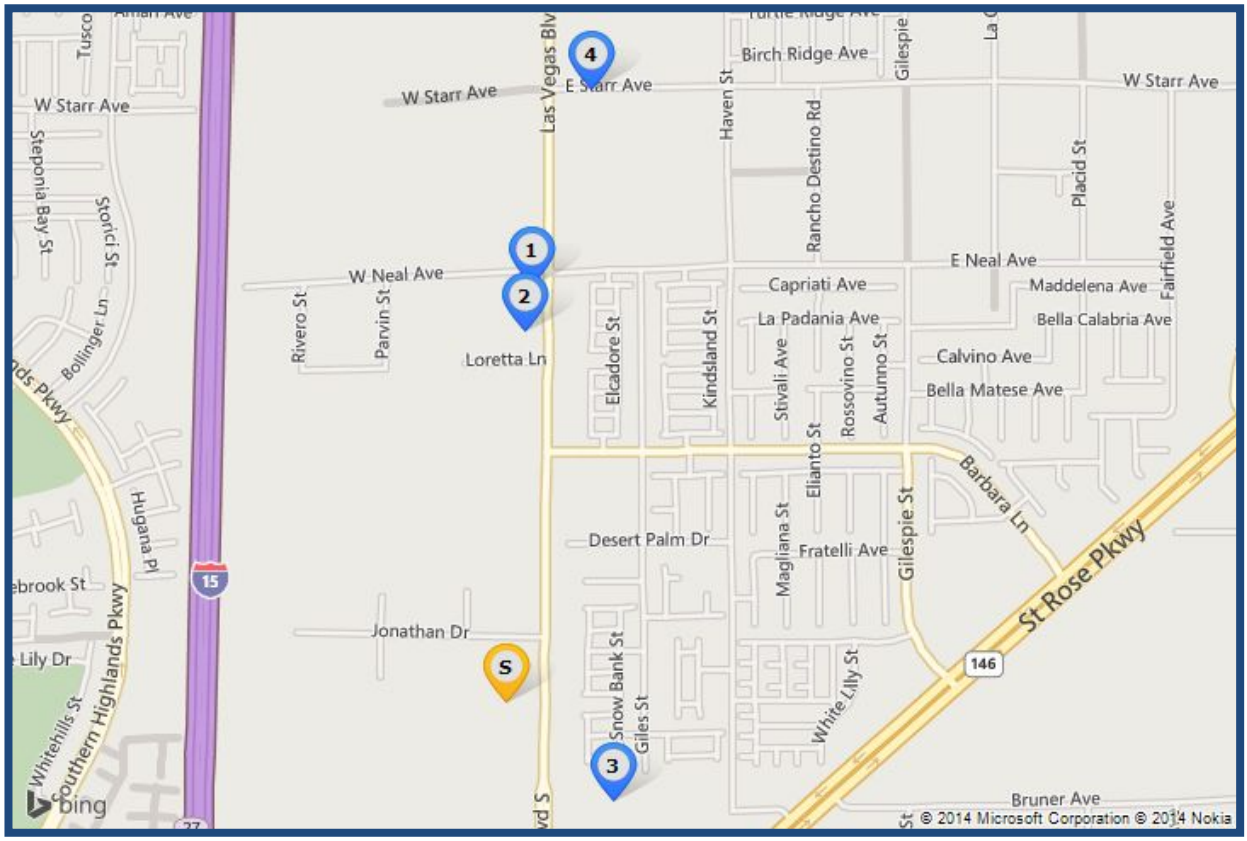
To develop an opinion of the subject's land value, as if vacant and available to be developed to its highest and best use, we utilize the sales comparison approach. For this analysis, we use price per usable square foot as the appropriate unit of comparison because market participants typically compare sale prices and property values on this basis. The most relevant sales are summarized in the following table.

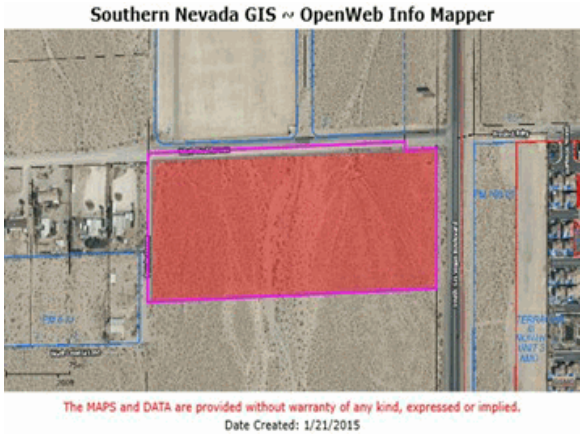
Summary of Comparable Land Sales - Before Condition

No.	Name/Address	Sale Date; Status	Effective Sale Price	Usable SF; Usable Acres	Zoning	$/Usable SF	$/Usable Acre
1	Vacant Land Sale SWC of Las Vegas Blvd. South Clark Clark County NV	Jan-15 Closed	$6,000,000	522,307 11.99	Limited Resort and Apartment	$11.49	$500,396
	Comments: This is a 13.12 gross acres (11.99 net acre) parcel located at the southwest corner of South Las Vegas Boulevard and Neal Avenue. Neal Avenue is not fully installed as of the date of sale. This site is zoned H-1, Limited Resort and Apartment, is located in the MUD-1 and has a Commercial Tourist planned land use. This sale was confirmed with Kent Witt, one of the seller's representatives.						
2	Vacant Land Sale Las Vegas Blvd., South of Neal Las Vegas Clark County NV	Oct-14 Closed	$4,300,000	566,280 13.00	General Highway	$7.59	$330,769
	Comments: This site has approximately 500 feet of frontage along Las Vegas Boulevard South. It is located within the MUD-1 and has a Commercial Tourist planned land use. There were no permits on the site included in the sale.						
3	NEC Las Vegas Blvd. & Bruner Avenue Las Vegas Blvd. South Las Vegas Clark County NV	Feb-14 Closed	$1,892,000	196,795 4.52	Limited Resort and Apartment	$9.61	$418,788
	Comments: This sale consisted of a 5.1239 acre vacant parcel located slightly north of the intersection of St. Rose Parkway and Las Vegas Blvd. South.with approximately 339 linear feet of roadway frontage on Las Vegas Blvd. South. The parcel is zoned H-1 (Limited Resort-Apartment) and the parcel is located within the CT (Commercial Tourist) land use designated area and the parcel is also located within the MUD-1 (Mixed Use Development) Overlay District.						
4	Vacant Land Sale 21 Starr Ave. Las Vegas Clark County NV	Oct-13 Closed	$14,250,000	1,481,040 34.00	Medium Density Residential	$9.62	$419,118
	Comments: This site was zoned H-1 Limited Resort & Apartment originally. It was then zoned down to R-2 Medium Density Residential under app no. ROI-0358-13, which expires on 9/4/2016. The is a power line bisecting this parcel running north/south.						
	Subject Blue Hawk Tavern Las Vegas, NV			49,468 1.14	General Commercial		

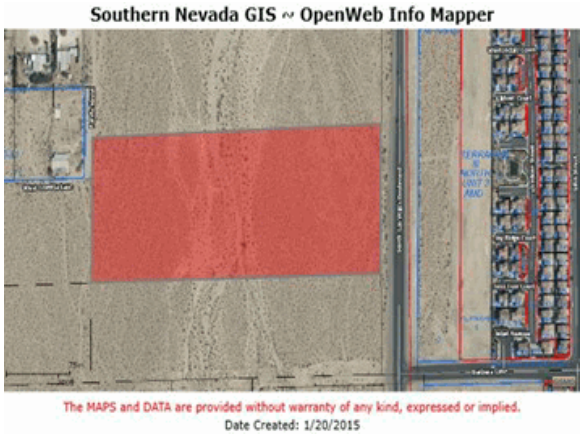
Note: Usable Acreage in the table above is defined as the acreage net of streets and right-of-way dedications surrounding a property. It is also often defined as "net" acreage.

Comparable Land Sales Map



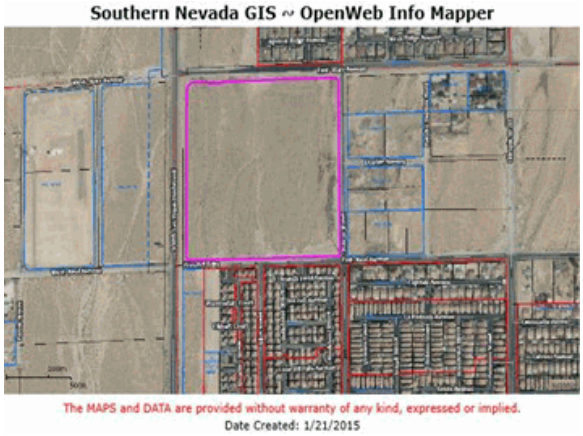


Sale 1
Vacant Land Sale



Sale 2
Vacant Land Sale

Sale 3
NEC Las Vegas Blvd. & Bruner Avenue



Sale 4
Vacant Land Sale

Analysis and Adjustment of Sales

The sales are compared to the subject and adjusted to account for material differences that affect value. Adjustments are considered for the following factors, in the sequence shown below.

Adjustment Factor	Accounts For	Comments
Effective Sale Price	Atypical economics of a transaction.	No adjustment warranted.
Real Property Rights	Fee simple, leased fee, leasehold, partial interest, etc.	No adjustment warranted.
Financing Terms	Seller financing, or assumption of existing financing, at non-market terms.	No adjustment warranted.
Conditions of Sale	Extraordinary motivation of buyer or seller, assemblage, forced sale.	No adjustment warranted.
Market Conditions	Changes in the economic environment over time that affect the appreciation and depreciation of real estate.	Sale 4 is adjusted upward for market conditions as market conditions have improved since this site sold.
Location	Market or submarket area influences on sale price; surrounding land use influences.	Sales 3 & 4 are adjusted upward for location as they are located on the east side of Las Vegas Boulevard. The west side of Las Vegas Boulevard South typically allows for a larger variety of potential development scenarios.
Access/Exposure	Convenience to transportation facilities; ease of site access; visibility; traffic counts.	Sales 1 and 3 have a corner orientation and are adjusted downward for as the subject has an interior location. While Bruner is not installed along Sale 3, it is dedicated in the parcel map.
Size	Inverse relationship that often exists between parcel size and unit value.	Typically in the Downtown, Strip, and South Las Vegas Boulevard corridors, the size of the site does not substantially affect the unit price due to the assemblage nature of the market area.
Shape and Topography	Primary physical factors that affect the utility of a site for its highest and best use.	No adjustment warranted.

Adjustment Factor	Accounts For	Comments
Zoning	Government regulations that affect the types and intensities of uses allowable on a site.	No adjustment warranted.

The following table summarizes the adjustments we make to each sale.

Land Sales Adjustment Grid - Before Condition

	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Name	Blue Hawk Tavern	Vacant Land Sale	Vacant Land Sale	NEC Las Vegas Blvd. & Bruner Avenue	Vacant Land Sale
Address	11997 Las Vegas Blvd. S.	SWC of Las Vegas Blvd. South & Neal Ave.	Las Vegas Blvd., South of Neal Ave.	Las Vegas Blvd. South	21 Starr Ave.
City	Las Vegas	Clark	Las Vegas	Las Vegas	Las Vegas
County	Clark	Clark	Clark	Clark	Clark
State	Nevada	NV	NV	NV	NV
Sale Date		Jan-15	Oct-14	Feb-14	Oct-13
Sale Status		Closed	Closed	Closed	Closed
Sale Price		$6,000,000	$4,300,000	$1,892,000	$14,250,000
Effective Sale Price		$6,000,000	$4,300,000	$1,892,000	$14,250,000
Usable Square Feet	49,468	522,307	566,280	196,795	1,481,040
Usable Acres	1.14	11.99	13.00	4.52	34.00
Price per Usable Square Foot		**$11.49**	**$7.59**	**$9.61**	**$9.62**
Property Rights		Fee Simple	Fee Simple	Fee Simple	Fee Simple
Adjustment		=	=	=	=
Financing Terms		Cash to seller	Cash to seller	Cash to seller -	Cash to seller
Adjustment		=	=	=	=
Conditions of Sale					
Adjustment		=	=	=	=
Market Conditions	8/4/2015	Jan-15	Oct-14	Feb-14	Oct-13
Adjustment		=	=	=	+
Location		=	=	+	+
Access/Exposure		-	=	-	=
Size		=	=	=	=
Shape and Topography		=	=	=	=
Zoning		=	=	=	=
Overall Adjustment		**-**	**=**	**=**	**++**

Indicated Value	**$10.25**

Land Value Conclusion

Prior to adjustment, the sales reflect a range of $7.59 - $11.49 per usable square foot. We give greatest weight to Comparable Sales 1, 3, & 4. Comparable Sale 2 appears to be at the low end of the range. We arrive at a land value conclusion as follows:

Land Value Conclusion	
Before Condition	
Indicated Value per Usable Square Foot	$10.25
Subject Usable Square Feet	49,468
Indicated Value	$507,047
Rounded	$510,000

Excess Land Value After Implementation of SID Project 158

The prior concluded value was for the subject's current excess land in the "Before Condition" as the drainage easement on the west portion of the subject is labeled, "Area for Conveyance of Drainage Not to be Used". This area is not developable, therefore, we do not value it in the "Before Condition" as prospective buyers and market participants would not likely view land that cannot be developed as a desirable purchase option. Once the SID 158 project is completed, the western portion of the subject will be developable. In the "After Condition" this portion of the site is added to the current excess land area used in the before condition. These two area's total the entirety of the subject's excess land. This is the figure used in the "After Condition". The process of how we went about calculating these figures is explained in the following paragraphs.

Land Value Conclusion	
After Condition	
Indicated Value per Usable Square Foot	$10.25
Subject Usable Square Feet	103,946
Indicated Value	$1,065,447
Rounded	$1,070,000

Additional Excess Land Derivation / Calculation

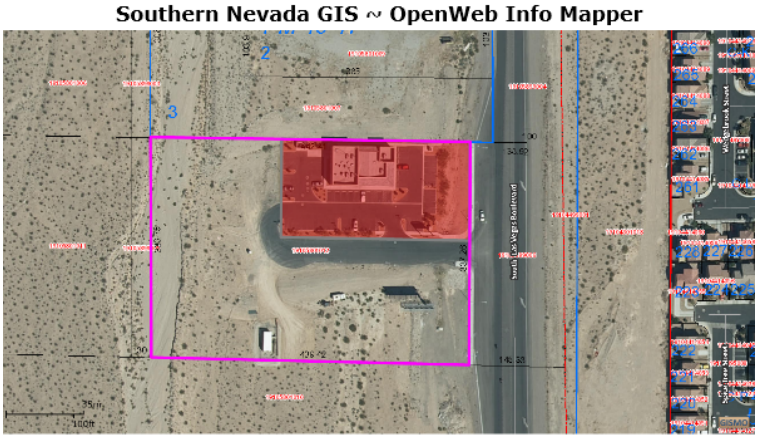
The subject is a tavern with excess land. According to the Clark County Assessor's Office, the subject is currently 3.39 acres, or 147,668 square feet. Currently, the subject is not separately parceled out and has no presently developed pads. We take the floor to area ratios (FAR) from the taverns used in the Sales Comparison Approach and average their FAR's, applying this ratio to the subject's improvements.

Floor to Area Ratios	
Property Name	**FAR**
Mountainside Tavern	0.13
Sundance Kid Café	0.12
PT's Pub	0.09
PT's Pub	0.12
Average	0.115

We then apply the average FAR to the subject improved square footage provided by the Clark County Assessor's Office.

Average FAR applied to Subject Improvements	
Subject Square Footage	5,028
Average Floor to Area Ratio	0.115
Concluded SF of Land for Improvements	43,722 Sf

Applying our concluded floor to area ratio gives us a square footage for the subject improvements of 43,722 square feet. We note that according to our measurements (provided by the Clark County Assessor's website) of the developed area surrounding the subject improvements is 42,331 square feet. This is the shaded area in the aerial photograph below. This area and exhibit below showing the 42,331 square foot area is only shown to illustrate the reasonableness of the application of a 0.115 FAR to the subject improvements and is not utilized in our calculations of excess land area below. We move forward with our calculated 43,722 square feet of necessary land area for the existing improvements in our analysis and calculations below.



To figure the square footage of the excess land, we subtract the concluded drainage easement square footage (54,478 square feet – please see below) and the concluded necessary land area allocated to

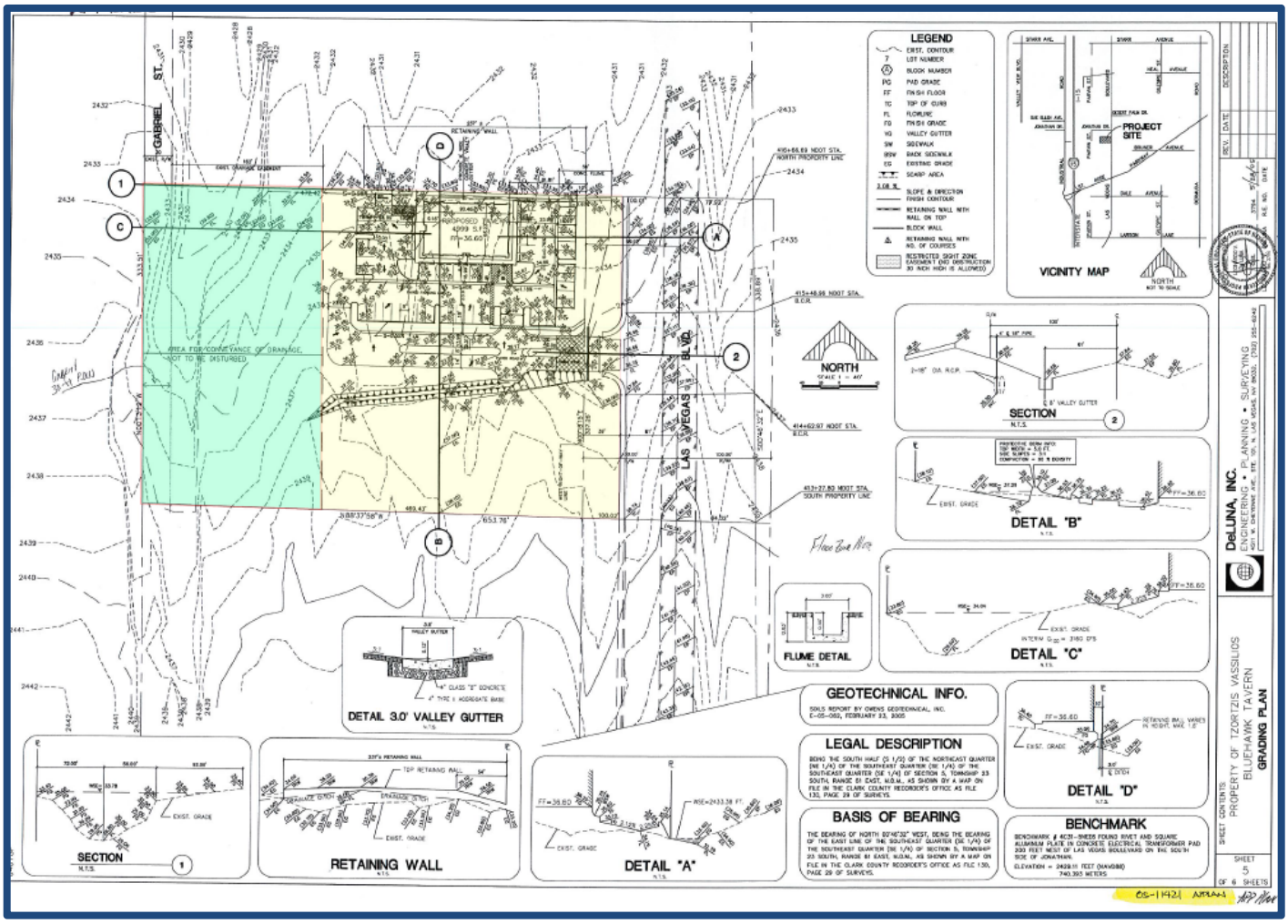
the existing building utilizing the FAR of the existing improvements (43,722 square feet) from the total square footage of the parcel (147,668 square feet). (I.E., 147,668 – 54,478 – 43,722 = 49,468 square feet).

If there was no drainage easement on the western portion of the property, the subject would have 103,946 square feet of excess land. (147,668 square feet – 43,722 square feet = 103,946 square feet). However, due to the fact the storm drainage portion is not developable, the subject currently only has 49,468 square feet of excess land. (103,946 square feet – 54,478 square feet = 49,468 square feet).

Excess Land

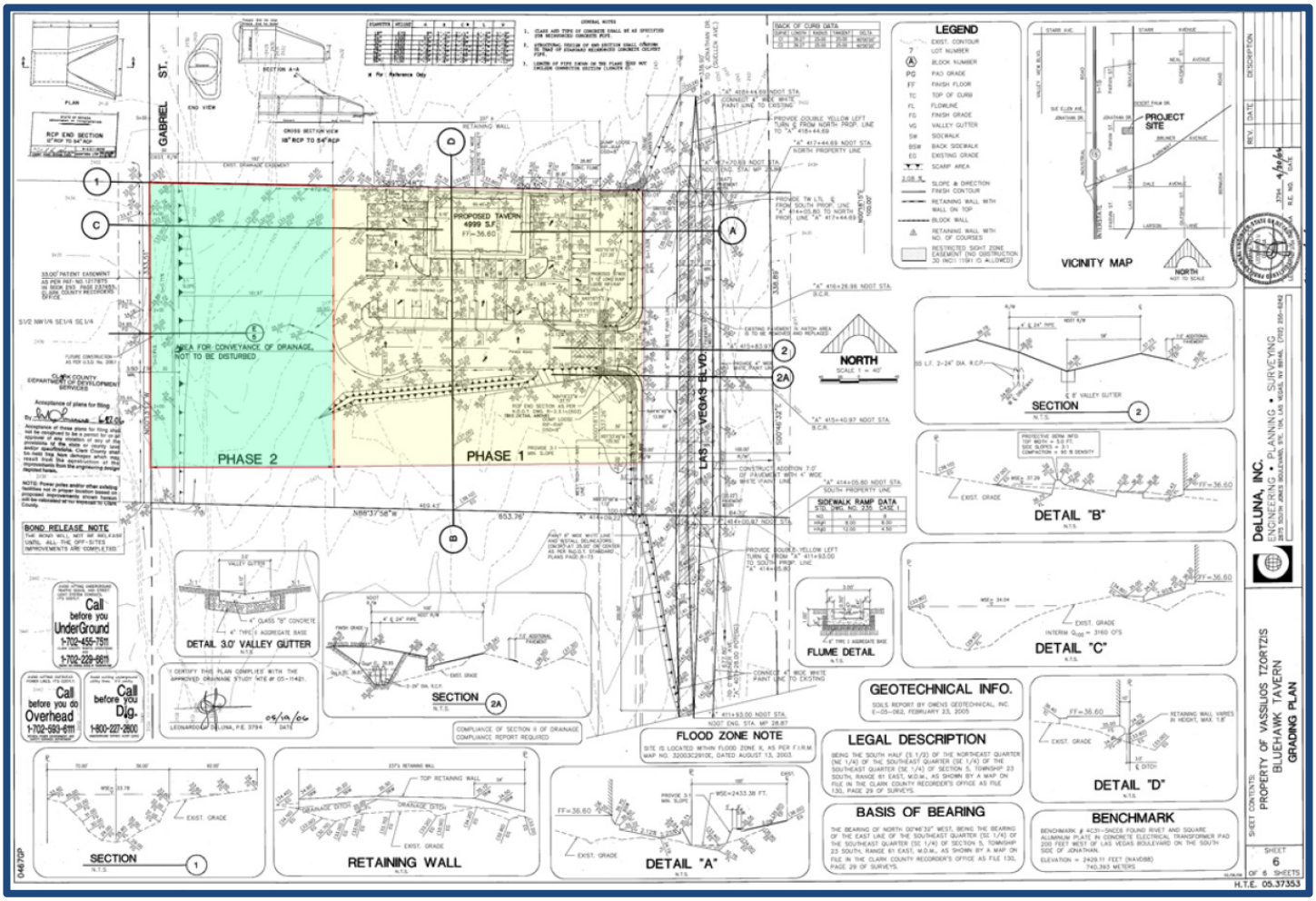
Total Parcel Square Footage	Total Excess Land	Current Developable Excess Land
147,668 square feet	103,946 square feet	49,468 square feet

Blue Hawk Tavern Grading and Drainage Pattern



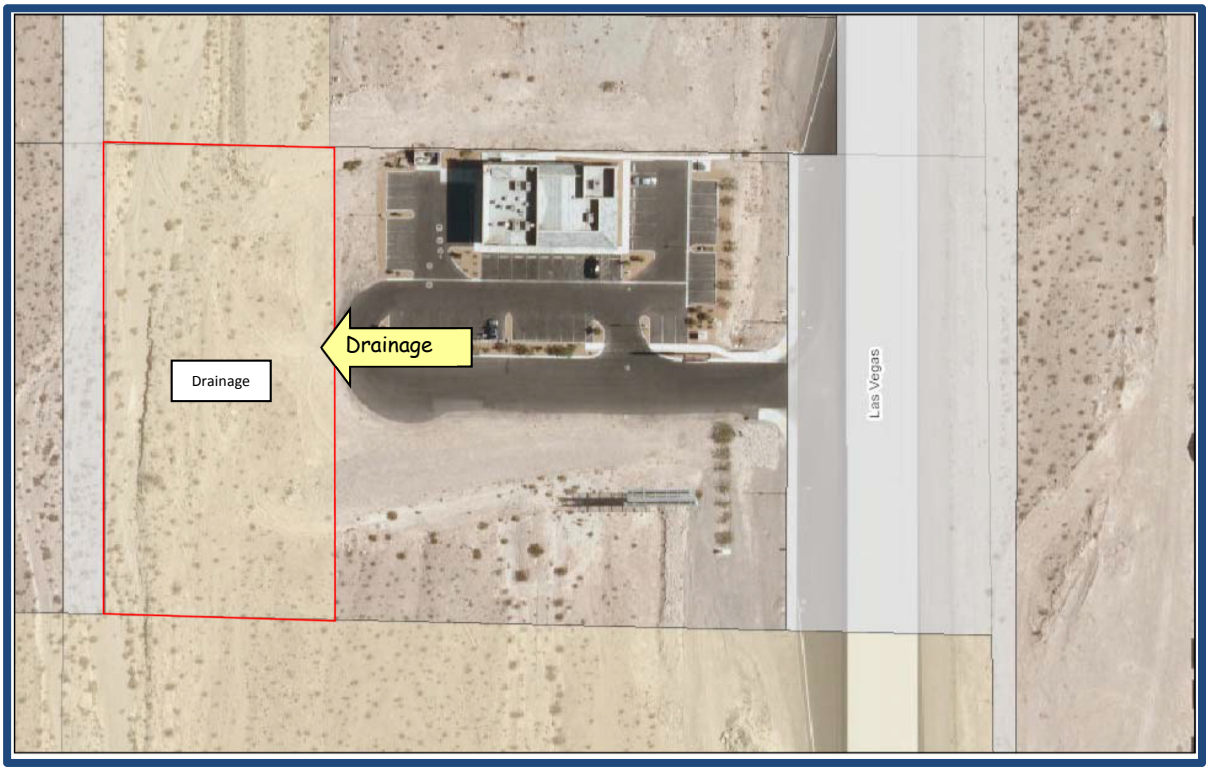
We note the aqua shaded area is marked as "area for conveyance of drainage not to be disturbed"

Blue Hawk Tavern Offsite Plans



We note the aqua shaded area is marked as "area for conveyance of drainage not to be disturbed"

Aerial of Drainage Easement



http://gustfront.ccrfcd.org/fvjs/fvjs.html

According to the flood view advanced portion of the Clark County Assessor's website, the drainage easement on the eastern portion of the subject property is 54,478 square feet. We subtract this figure from the total excess land to arrive at the current developable square footage at 49,468 square feet. Our concluded land value is $10.25 per square foot. Our value of the excess land for the subject in its current state is $507,047 (49,468 sf X $10.25). Once the county finished the SID project and the 54,478 square feet on the western portion of the subject become developable square footage, the benefit to the subject at our concluded value per square foot will be $558,399 (54,478 X 10.25.

Conclusion of Excess Land Values

Excess Land Values	Developable Square Footage	Concluded $/Sf	Concluded Excess Land Value
Before Condition	49,468 square feet	$10.25	$507,047
After Condtion	103,946 square feet	$10.25	$1,065,447
Benefit			$558,400
Rounded			$560,000

Sales Comparison Approach

The sales comparison approach develops an indication of value by comparing the subject to sales of similar properties. The steps taken to apply this approach are:

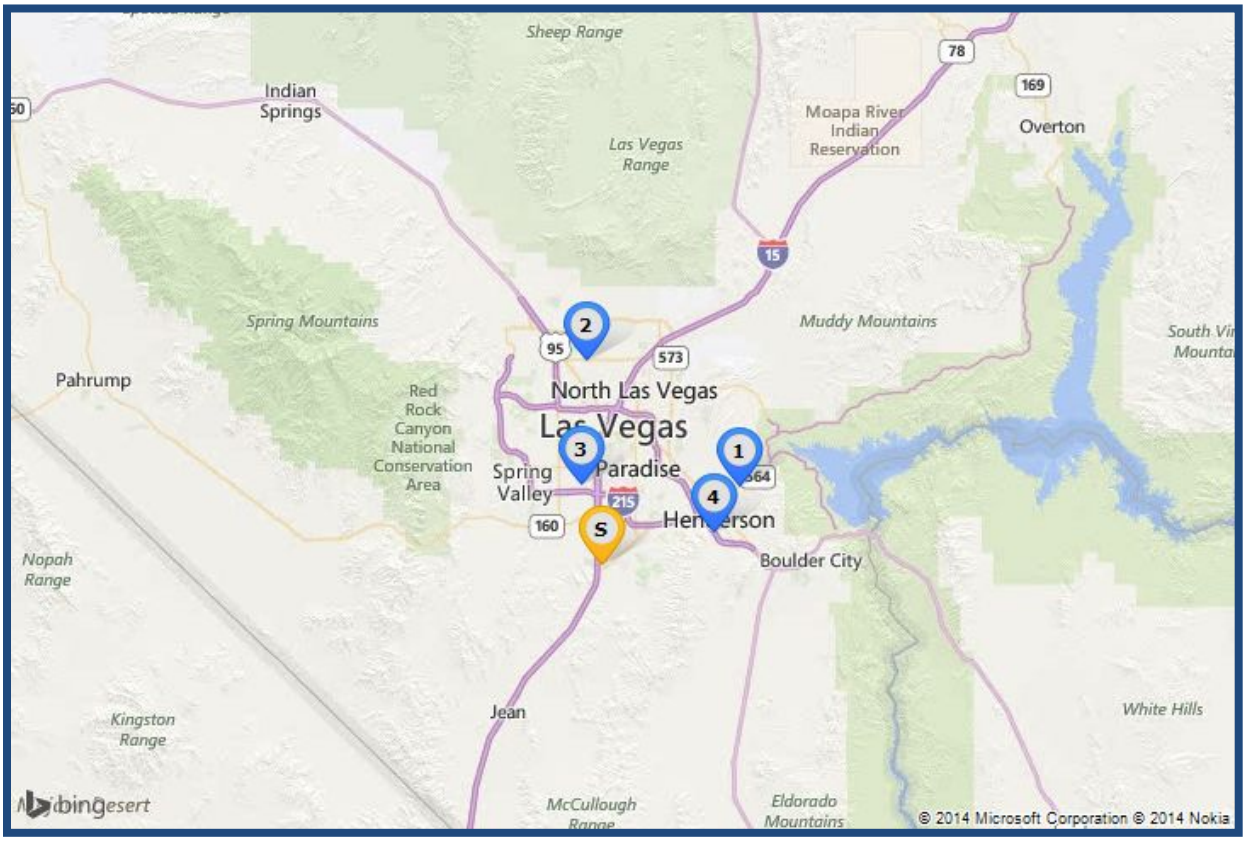
- Identify relevant property sales;
- Research, assemble, and verify pertinent data for the most relevant sales;
- Analyze the sales for material differences in comparison to the subject;
- Reconcile the analysis of the sales into a value indication for the subject.

For this analysis, we use price per square foot of gross leasable area as the appropriate unit of comparison because market participants typically compare sale prices and property values on this basis. The most relevant sales are summarized in the following table.

Summary of Comparable Improved Sales

No.	Name/Address	Sale Date; Status	Yr. Built; # Stories; % Occ.	Acres; FAR; Parking Ratio	Subtype	Effective Sale Price	Leasable SF	$/Leasable SF	Cap Rate
1	Mountainside Tavern 1442 E. Lake Mead Pky. Henderson Clark County NV	Dec-14 Recorded	2008 1 100%	0.85 0.13 13.48/1,000	Bar/Tavern/Nightclub	$2,300,000	4,969	$462.87	N/A
2	Sundance Kid Cafe 4325 W. Craig Rd. North Las Vegas Clark County NV	Sep-14 Recorded	1995 1 100%	0.76 0.13 13.64/1,000	Restaurant/Bar	$1,700,000	3,960	$429.29	N/A
3	PT's Pub 6235 S. Decatur Blvd. Las Vegas Clark County NV	Sep-14 Recorded	2001 1 100%	1.73 0.09 9.85/1,000	Bar/Tavern/Nightclub	$3,575,000	6,600	$541.67	6.84%
4	PT's Pub 61 NW. Horizon Ridge Pky. Henderson Clark County NV	Mar-14 Recorded	2005 1 100%	1.16 0.12 12.50/1,000	Bar/Tavern/Nightclub	$2,700,000	6,000	$450.00	N/A
	Comments: This transaction represents the sale of a 6,000 squre foot restaurant/tavern located in Henderson. The property sold for $2,700,000 or $450 per square foot according to the true buyer and listing broker.								
	Subject Blue Hawk Tavern Las Vegas, NV		2007 1 NA	3.39 0.03 11.14/1,000	Bar/Tavern/Nightclub		5,028		

Comparable Improved Sales Map



Sale 1
Mountainside Tavern

Sale 2
Sundance Kid Cafe

Sale 3
PT's Pub

Sale 4
PT's Pub

Analysis and Adjustment of Sales

The sales are compared to the subject and adjusted to account for material differences that affect value. Adjustments are considered for the following factors, in the sequence shown below.

Adjustment Factor	Accounts For	Comments
Effective Sale Price	Atypical economics of a transaction, such as excess land or non-realty components.	No adjustment warranted.
Real Property Rights	Leased fee, fee simple, leasehold, partial interest, etc.	No adjustment warranted.
Financing Terms	Seller financing, or assumption of existing financing, at non-market terms.	No adjustment warranted.
Conditions of Sale	Extraordinary motivation of buyer or seller.	No adjustment warranted.
Market Conditions	Changes in the economic environment over time that affect the appreciation and depreciation of real estate.	No adjustment warranted.
Location	Market or submarket area influences on sale price; surrounding land use influences.	Comparables 1, 2, & 3 are adjusted upward for their inferior location compared to the subject location on Las Vegas Boulevard South.
Access/Exposure	Convenience to transportation facilities; ease of site access; visibility; traffic counts.	No adjustment warranted.
Size	Inverse relationship that often exists between building size and unit value.	Comparable 2 is adjusted downward for its smaller size. Typically smaller properties sell at increased unit prices.
Parking	Ratio of parking spaces to building area.	No adjustment warranted.
Building to Land Ratio	Ratio of building area to land area; also known as floor area ratio (FAR).	No adjustment warranted.
Building Quality	Construction quality, amenities, market appeal, functional utility.	Sales 3 and 4 are adjusted downward for superior building quality.

Adjustment Factor	Accounts For	Comments
Age/Condition	Effective age; physical condition.	No adjustment warranted.

The following table summarizes the adjustments we make to each sale.

Improved Sales Adjustment Grid

	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Property Name	Blue Hawk Tavern	Mountainside Tavern	Sundance Kid Cafe	PT's Pub	PT's Pub
Address	11997 Las Vegas Blvd. S.	1442 E. Lake Mead Pky.	4325 W. Craig Rd.	6235 S. Decatur Blvd.	61 NW. Horizon Ridge Pky.
City	Las Vegas	Henderson	North Las Vegas	Las Vegas	Henderson
County	Clark	Clark	Clark	Clark	Clark
State	Nevada	NV	NV	NV	NV
Sale Date		Dec-14	Sep-14	Sep-14	Mar-14
Sale Status		Recorded	Recorded	Recorded	Recorded
Sale Price		$2,300,000	$1,700,000	$3,575,000	$2,700,000
Effective Sale Price		$2,300,000	$1,700,000	$3,575,000	$2,700,000
Gross Leasable Area	5,028	4,969	3,960	6,600	6,000
Price per SF of Gross Leasable Area		**$462.87**	**$429.29**	**$541.67**	**$450.00**
Property Rights		Leased Fee	Fee Simple	Leased Fee	Leased Fee
Adjustment		=	=	=	=
Financing Terms		Cash to seller	Cash to seller	Cash to seller	Cash to seller
Adjustment		=	=	=	=
Conditions of Sale					
Adjustment		=	=	=	=
Market Conditions	12/30/2014	Dec-14	Sep-14	Sep-14	Mar-14
Adjustment		=	=	=	=
Location		+	+	=	+
Access/Exposure		=	=	=	=
Size		=	-	=	=
Parking		=	=	=	=
Building to Land Ratio (FAR)		=	=	=	=
Building Quality		=	=	-	-
Age/Condition		=	=	=	=
Overall Adjustment		**+**	**=**	**-**	**=**

Indicated Value	**$465.00**

Value Indication

Prior to adjustment, the sales reflect a range of $429.29 to $541.67 per square foot. We give greatest weight to Comparable Sales 1, 2, & 4 and arrive at a value indication as follows:

Value Indication by Sales Comparison

Indicated Value per SF	$465.00
Subject Square Feet	5,028
Indicated Value	$2,338,020
Rounded	$2,300,000

Income Capitalization Approach

The income capitalization approach converts anticipated economic benefits of owning real property into a value estimate through capitalization. The steps taken to apply the income capitalization approach are:

- Analyze the revenue potential of the property.
- Consider appropriate allowances for vacancy, collection loss, and operating expenses.
- Calculate net operating income by deducting vacancy, collection loss, and operating expenses from potential income.
- Apply the most appropriate capitalization method to convert anticipated net income to an indication of value.

The two most common capitalization methods are direct capitalization and discounted cash flow analysis. In direct capitalization, a single year's expected income is divided by an appropriate capitalization rate to arrive at a value indication. In discounted cash flow analysis, anticipated future net income streams and a future resale value are discounted to a present value at an appropriate yield rate.

As the subject is currently owner occupied and the most probable purchaser is another owner-user, we use market rent as the basis of our income projection and apply only the direct capitalization method. Our valuation assumes stabilized occupancy without a deduction for lease-up costs.

Market Rent Analysis

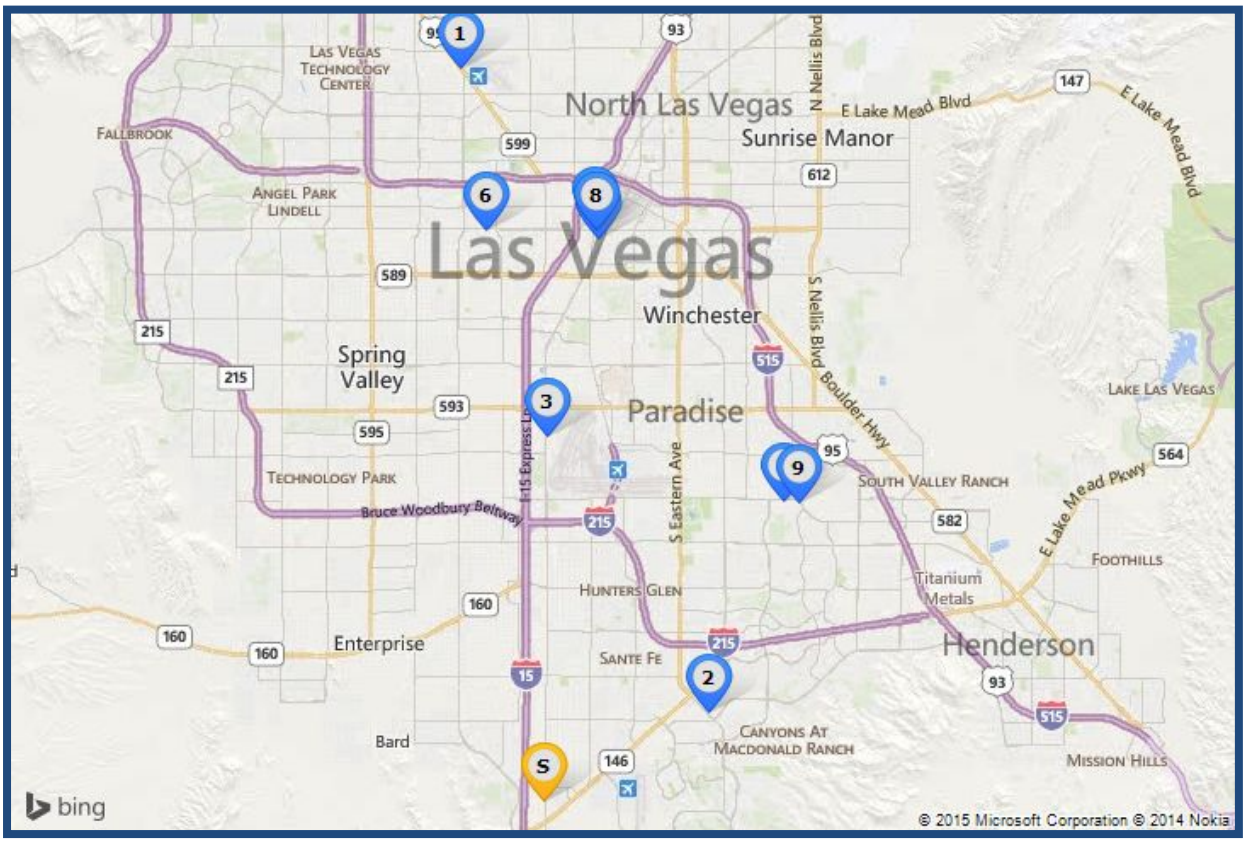
To estimate market rent, we analyze comparable rentals most relevant to the subject in terms of location, property type, size, and transaction date. Comparables used in our analysis are summarized in the following table.

Summary of Comparable Rentals - Retail

No.	Property Information	Description		SF	Lease Start	Term (Mos.)	Rent/SF	Lease Type
1	Mulligan's Landing	Yr Blt.	2000	3,465	Jun-14	60	$25.92	Triple Net
	2851 N. Rancho Dr.	Stories:	1					
	Las Vegas	GLA:	3,465					
	89130 County	Parking Ratio:	17.3 /1,000					
	NV							
	Comments: This lease was reportedly verified with Les Eisinga with North Cap. This is an operating Mulligan's Tavern, which is being sold to the tenant. Upon close of escrow the tenant is signing a five-year lease at $7,500 per month on a triple-net basis. The rate is fixed for the first three-years. Annual increase of 3% apply in years 4 and 5. There are 3, five-year extensions.							
2	Golden Gaming	Yr Blt.	2004	6,678	Aug-13	120	$24.12	Triple Net
	10430 S. Eastern Avenue	Stories:	1					
	Henderson	GLA:	6,678					
	Clark County	Parking Ratio:	5.1 /1,000					
	NV							
	Comments: This lease has been verified with Scot Marker of Colliers. Dotty's has originally signed a lease for $11,500 per month and they ut in an application with the gaming control board around March only to withdraw in July. In August, the property was leased to Golden Gaming with an effective lease rate reported at $24.12 per square foot annually for a ten-year period.							
3	Laughing Jackalope	Yr Blt.	NA	3,200	Jan-15	–	$72.00	Triple Net
	3969 E. Las Vegas Blvd. S.	Stories:	1					
	Las Vegas	GLA:	3,200					
	Clark County	Parking Ratio:	–					
	NV							
	Comments: This is the listing of the Laughing Jackalope , located on Las Vegas Boulevard South across from the Madalay Bay. The tavern is in turn-key condition ready for immediate occupancy. It has a built-in cooler and full kitchen. This property is being marketed on a five-year term.							
4	Art Yard Bar Space	Yr Blt.	1942	2,700	Jan-15	–	$36.00	Triple Net
	1025-0139 S. Main St.	Stories:	1					
	Las Vegas	GLA:	2,700					
	Clark County	Parking Ratio:	–					
	NV							
	Comments: This is the listing for a restaurant/bar/urban lounge with gaming in the Arts District in Downtown Las Vegas. There is a 10,000 sf courtyard/dining area. Generous tenant improvements, new HVAC units, new plumbing.							
5	Bar/Urban Lounge	Yr Blt.	1969	2,100	Jan-15	–	$40.50	Triple Net
	1310 S. 3rd St.	Stories:	1					
	Las Vegas	GLA:	2,100					
	Clark County	Parking Ratio:	4.8 /1,000					
	NV							
	Comments: This is the listing for a bar/urban lounge located in Downtown Las Vegas, south of Charleston Boulevard.							

6	Skinny Dugans	Yr Blt.	1960	6,000	Jan-15	–	$50.04	Triple Net
	4127-4141 W. Charleston	Stories:	1					
	Las Vegas	GLA:	6,000					
	Clark County	Parking Ratio:	25.0 /1,000					
	NV							
	Comments: This is the listing of Skinny Dugans tavern. The building is approved for 35 slots, packaged liquor, and has a full kitchen. The building is completely furnished and has abundant parking. It has been remodeled within the past five-years. The tavern has frontage on Charleston Boulevard.							
7	Restaurant/Bar Listing	Yr Blt.	1995	6,163	Jan-15	–	$24.00	Triple Net
	4423 E. Sunset Rd.	Stories:	1					
	Henderson	GLA:	6,163					
	Clark County	Parking Ratio:	6.5 /1,000					
	NV							
	Comments: This is the offering of a free standing restaurant in Green Valley. The property is located on Sunset Road with traffic counts of 35,000 cars per day. It sits adjacent to the Wildfire Casino and Bowling Alley, across the street from the Galaxy Luxury Theater, Barley's Casino and Brewing Company as well as Club Sport Green Valley.							
8	Arts District Bar Space	Yr Blt.	1950	1,000	Jan-15	–	$60.00	Triple Net
	1115 Casino Center Blvd.	Stories:	1					
	Las Vegas	GLA:	1,000					
	Clark County	Parking Ratio:	15.0 /1,000					
	NV							
	Comments: This is the listing for 1,000 square feet of Arts District bar space located at 1115 Casino Center, north of Charleston Boulevard. The 1,000 square feet includes an additional 700 square feet of dedicated shaded patio space. The building was originally built in the 1950's, but has been renovated recently. The interiors have not been completed and are waiting to be finished for the new tenant. All MP&E is complete. FF&E and final design are responsibility of the tenant. Landlord will install new floors and allow $10/ft TI allowance.							
9	Restaurant/Bar	Yr Blt.	1996	8,006	Jan-15	–	$27.00	Triple Net
	2061 W. Sunset Rd.	Stories:	1					
	Henderson	GLA:	8,006					
	Clark County	Parking Ratio:	9.0 /1,000					
	NV							
	Comments: This is the listing of a restaurant/bar located at 2061 W. Sunset Road. This asking rate is $27.00 per square foot annually. The property is a free standing restaurant constructed in 1996 and renovated in 2003. The general layout of the building includes a lobby area, restaurant seating with a separate bar room, two public restrooms, one employee restroom and a private banquet room.							

Comparable Rentals Map



We note Comparables 4 & 5 are overlapped by Comparable 8 on the above map.
We note Comparable 7 is overlapped by Comparable 9 on the above map.

Lease 1
Mulligan's Landing

Lease 2
Golden Gaming

Lease 3
Laughing Jackalope

Lease 4
Art Yard Bar Space

Lease 5
Bar/Urban Lounge

Lease 6
Skinny Dugans

Lease 7
Restaurant/Bar Listing

Lease 8
Arts District Bar Space

Lease 9
Restaurant/Bar

Rental Analysis Factors

The following elements of comparison are considered in our analysis of the comparable rentals.

Rental Analysis Factors	
Expense Structure	Division of expense responsibilities between landlord and tenants.
Conditions of Lease	Extraordinary motivations of either landlord or tenant to complete the transaction.
Market Conditions	Changes in the economic environment over time that affect the appreciation and depreciation of real estate.
Location	Market or submarket area influences on rent; surrounding land use influences.
Access/Exposure	Convenience to transportation facilities; ease of site access; visibility from main thoroughfares; traffic counts.
Size	Difference in rental rates that is often attributable to variation in sizes of leased space.
Building Quality	Construction quality, amenities, market appeal, functional utility.
Age/Condition	Effective age; physical condition.
Economic Characteristics	Variations in rental rate attributable to such factors as free rent or other concessions, pattern of rent changes over lease term, or tenant improvement allowances.

Market Rent Conclusion

Based on the preceding analysis of comparable rentals, we conclude market lease terms for the subject as follows:

Concluded Market Lease Terms

Space Type	SF	Market Rent/ SF/Yr	Rent Escalations	Lease Type	Lease Term (Mos.)
Retail	5,028	$35.00	3% annually	Triple Net	120

Stabilized Income and Expenses

Potential Gross Rent

The market rental rate is applied to the subject's gross leasable area to arrive at Potential Gross Rent.

Expense Reimbursements

Operating expenses are assumed to be paid directly by the owner-user; therefore, it is not necessary to estimate reimbursement income.

Vacancy & Collection Loss

Stabilized vacancy and collection loss is estimated at 3.0% based on the vacancy rate of the subject's owner occupancy.

Expenses

As stated previously, it is assumed that operating expenses are directly paid by the owner-user. The only expense deductions that are appropriate are insurance and property management.

Insurance is estimated at 2.0% of effective gross income. Management is estimated at 3.0% of effective gross income considering the limited managerial responsibilities associated with this type of property.

Capitalization Rate Selection

A capitalization rate is used to convert net income into an indication of value. Selection of an appropriate capitalization rate considers the future income pattern of the property and investment risk associated with ownership. We consider the following data in selecting a capitalization rate for the subject.

Capitalization Rate Comparables

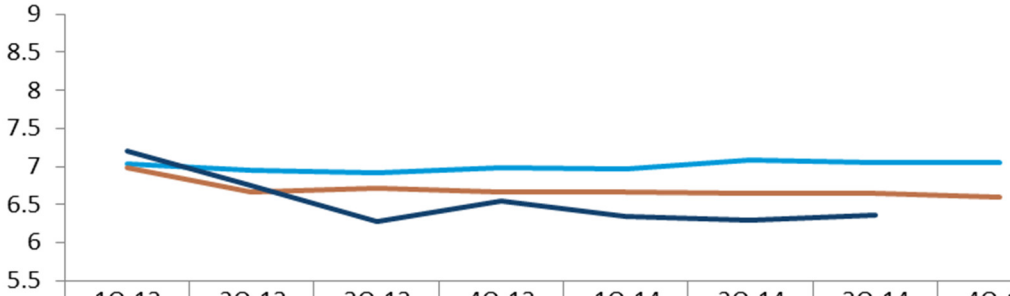
No.	Property Name	Year Built	Sale Date	Gross Leasable Area	% Occup.	Price /SF	Cap Rate
1	Global Plaza West	1996	6/12/2014	51,281	100%	$97.50	6.94%
2	Multi-Propoerty Sale	1970	5/20/2014	4,500	100%	$211.11	11.00%
3	PT's Pub	2001	9/24/2014	6,600	100%	$541.67	6.84%
4	Sundance Plaza	2004	10/18/2013	54,277	100%	$78.92	10.13%
	Average (Mean) Cap Rate:						8.73%

Capitalization Rate Surveys – Retail Properties

	IRR-Viewpoint Year End 2014 Natl Neighbor Retail	IRR-Viewpoint Year End 2014 Natl Community Retail Center	PwC 4Q-2014 National Strip Shopping Center	PwC 4Q-2014 National Power Center	ACLI 3Q-2014 National Retail
Range	5.50% - 9.0%	5.25% - 8.55%	5.00 - 10.00	5.50% - 8.00%	NA
Average	7.33%	7.17%	7.05%	6.60%	6.36%

Source: IRR-Viewpoint 2014; PwC Real Estate Investor Survey; American Council of Life Insurers Investment Bulletin.

Retail Capitalization Rate Trends



	1Q-13	2Q-13	3Q-13	4Q-13	1Q-14	2Q-14	3Q-14	4Q-14
STRIP	7.04	6.95	6.91	6.98	6.97	7.09	7.05	7.05
PWR	6.98	6.67	6.71	6.67	6.67	6.65	6.65	6.6
ACLI	7.21	6.75	6.27	6.54	6.35	6.3	6.36	

STRIP - PwC Real Estate Investor Survey - National Strip Shopping Center Market
PWR - PwC Real Estate Investor Survey - National Power Center Market
ACLI - American Council of Life Insurers Investment Bulletin - Retail Properties

Band of Investment Method

Mortgage/Equity Assumptions					
Loan To Value Ratio	75%				
Interest Rate	6.25%				
Amortization (Years)	30				
Mortgage Constant	0.0739				
Equity Ratio	25%				
Equity Dividend Rate	13.00%				
Weighted Average of Mortgage and Equity Requirements					
Mortgage Requirement	75%	x	7.39%	=	5.54%
Equity Requirement	25%	x	13.00%	=	3.25%
Indicated Capitalization Rate					**8.79%**
Rounded					**8.75%**

Based on the cap rate surveys on the prior page, the cap rate range for retail properties is 5.5%% to 9.00%, with an average of 7.33%. To reach a capitalization rate conclusion, we consider each of the following investment risk factors to gauge its impact on the rate. The direction of each arrow in the following table indicates our judgment of an upward, downward, or neutral influence of each factor.

Risk Factor	Issues	Impact on Rate
Competitive Market Position	Construction quality, appeal, condition, effective age, functional utility.	↓
Location	Market area demographics and life cycle trends; proximity issues; access and support services.	↓
Market	Vacancy rates and trends; rental rate trends; supply and demand.	↔
Highest & Best Use	Upside potential from redevelopment, adaptation, expansion.	↓
Overall Impact		↓

We place greatest reliance on the cap rate for the sale of the PT's Pub as it is a stand-alone tavern similar to the subject. We place secondary emphasis on the national surveys. Accordingly, we conclude a capitalization rate as follows:

Capitalization Rate Conclusion	
Going-In Capitalization Rate	7.00%

Direct Capitalization Analysis

Net operating income is divided by the capitalization rate to arrive at a value indication by the income capitalization approach as follows:

Direct Capitalization Analysis							
		SF	Space Type	Rent Applied	$/SF	Annual	$/SF Bldg.
Income							
Base Rent							
Blue Hawk		5,028	Retail	Market	$35.00	$175,980	–
Potential Gross Rent		5,028				$175,980	$35.00
Expense Reimbursements						$0	$0.00
Net Parking Income						$0	$0.00
Percentage Rent						$0	$0.00
Vacancy & Collection Loss	3.00%					-$5,279	-$1.05
Other Income						$0	$0.00
Effective Gross Income						$170,701	$33.95
Expenses							
Insurance						$3,414	$0.68
Management	3.00%					$5,121	$1.02
Total Expenses						$8,535	$1.70
Net Operating Income						**$162,166**	**$32.25**
Capitalization Rate						7.00%	
Indicated Value						$2,316,651	$460.75
Rounded						**$2,300,000**	**$457.44**

Reconciliation and Conclusion of Value

The values indicated by our analyses are as follows:

Summary of Value Indications	
Cost Approach	Not Used
Sales Comparison Approach	$2,300,000
Income Capitalization Approach	$2,300,000
Reconciled	$2,300,000
Excess Land	
Before Condition	$510,000
After Condition	$1,070,000

Value of Additional Land Parcels	Square Footage	
Before Condition - 1.14 acres	49,468 SF	$510,000
After Condition - 2.39 acres	103,946 zSF	$1,070,000

*Rounded to Nearest $10,000.

The sales comparison approach is given the greatest weight because it is the most reliable valuation method for the subject. The income approach is given less weight because it does not directly consider the sale prices of alternate properties having similar utility. The cost approach is not applicable to the subject and is not used. Accordingly, our value opinion follows.

Value Conclusions			
Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value Before Condition	Fee Simple	August 4, 2015	$2,810,000
Market Value After Condition	Fee Simple	August 4, 2015	$3,370,000
Special Benefit - SID 158 (Storm Unit 1)	Fee Simple	August 4, 2015	$560,000

Note: Above value conclusions are calculated from the existing improved bar/restaurant value with the additions of the respective excess land values in the before and after condition.

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results. An extraordinary assumption is uncertain information accepted as fact. If the assumption is found to be false as of the effective date of the appraisal, we reserve the right to modify our value conclusions.

1. As indicated within the Transmittal Letter, we have not been transmitted or had the opportunity during this appraisal assignment to review the results of survey data including survey area calculations regarding the subject parcel. As a result, we have based our valuation opinions and conclusions upon our own method of area calculation regarding the areas in question. We have assumed that the results of these area calculations are accurate enough to form opinions of value. However, it must be understood that our area measurements and calculations are less accurate than the results that could be obtained through an actual survey. For this reason this appraisal assignment is based upon the extraordinary assumption our area calculations are based upon uncertain information accepted as fact and the results of our area calculations are, for appraisal analysis purposes only, and are subject to revision. See area calculation disclaimer for details.
2. The total excess land is 103,946 square feet, the drainage easement is 54,478 square feet; the current developable excess land is 49,468 square feet.
3. The portion of the subject currently under the drainage easement is not developable or marketable land, and will be developable in the after condtion once the SID project has been implemented.

The value conclusions are based on the following hypothetical conditions that may affect the assignment results. A hypothetical condition is a condition contrary to known fact on the effective date of the appraisal but is supposed for the purpose of analysis.

1. This hypothetical condition is central to the “after” condition which utilizes the hypothetical condition of completion of the Special Improvements District 158 (S.I.D)“Project” improvements as proposed. As of the effective date, one condition applies before consideration of the the proposed project improvements and another condition exists after consideration of the project. In the case of the subject property, the “Project” is described as S.I.D. Number 158 which consists of Storm Sewer improvements adjacent to the subject property. Typically a hypothetical condition is employed considering the “Before Condition” as one that existed prior to the consideration and implementation of the subject Project. The “After Condition” considers the valuation of the subject property after the project is fully implemented and in place. When communicating before and after valuation opinions, typically the before and the after conditions have to be considered hypothetically based on the description of the project by the public agency and considering whether the project for which the proposed improvements is undertaken for is completed or not. Handling these typical elements related to a before and after condition valuation as a hypothetical condition both "before" and "after" the consideration of a project is discussed and recommended in various Appraisal Institute eminent domain textbooks and courses. The employment of a hypothetical condition considering the subject before and after the implementation of the subject S.I.D. Improvements "Project” is a framework structured to test the requirement of NRS Chapter 271 that the amount of the assessment does not exceed the special benefit to the property. This is also a condition expressed within Article II Scope of Services Section 2.02 subsection C(3) contained within the Professional Appraisal Services contract dated November 20, 2014.
2. There is no cell tower on the property. (Analysis of this element does not change in the before & after condition utilized herein, thus, there is no differential contribution offered by analyzing this element.)
3. There is no billboard on the property. ((Analysis of this element does not change in the before & after condition utilized herein, thus, there is no differential contribution offered by analyzing this element.)

The opinions of value expressed in this report are based on estimates and forecasts that are prospective in nature and subject to considerable risk and uncertainty. Events may occur that could cause the performance of the property to differ materially from our estimates, such as changes in the economy, interest rates, capitalization rates, financial strength of tenants, and behavior of investors, lenders, and consumers. Additionally, our opinions and forecasts are based partly on data obtained from interviews and third party sources, which are not always completely reliable. Although we are of the opinion that our findings are reasonable based on available evidence, we are not responsible for the effects of future occurrences that cannot be reasonably foreseen at this time.

Exposure Time

Exposure time is the length of time the subject property would have been exposed for sale in the market had it sold on the effective valuation date at the concluded market value. Based on the concluded market value stated previously, it is our opinion that the probable exposure time is within 12 months.

Marketing Period

Marketing time is an estimate of the amount of time it might take to sell a property at the concluded market value immediately following the effective date of value. We estimate the subject's marketing period at within 12 months.

Certification

We certify that, to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. We 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.
4. We have previously appraised the property that is the subject of this report for the current client within the three-year period immediately preceding acceptance of this assignment.
5. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. Our 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.
8. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice as well as applicable state appraisal regulations.
9. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
10. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
11. Charles E. Jack, MAI, made a personal inspection of the property that is the subject of this report. George Lowe Wara has personally inspected the subject.
12. No one provided significant real property appraisal assistance to the person(s) signing this certification.
13. We have experience in appraising properties similar to the subject and are in compliance with the Competency Rule of USPAP.
14. As of the date of this report, Charles E. Jack, MAI, has completed the continuing education program for Designated Members of the Appraisal Institute.

15. As of the date of this report, George Lowe Wara, has completed the Standards and Ethics Education Requirements for Candidates/Practicing Affiliates of the Appraisal Institute.

Charles E. Jack, MAI
Certified General Real Estate Appraiser
Nevada Certificate # A.0000503-CG

George Lowe Wara
Certified General Real Estate Appraiser
Nevada Certificate # A.0206651-CG

Assumptions and Limiting Conditions

This appraisal and any other work product related to this engagement are limited by the following standard assumptions, except as otherwise noted in the report:

1. The title is marketable and free and clear of all liens, encumbrances, encroachments, easements and restrictions. The property is under responsible ownership and competent management and is available for its highest and best use.
2. There are no existing judgments or pending or threatened litigation that could affect the value of the property.
3. There are no hidden or undisclosed conditions of the land or of the improvements that would render the property more or less valuable. Furthermore, there is no asbestos in the property.
4. The revenue stamps placed on any deed referenced herein to indicate the sale price are in correct relation to the actual dollar amount of the transaction.
5. The property is in compliance with all applicable building, environmental, zoning, and other federal, state and local laws, regulations and codes.
6. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.

This appraisal and any other work product related to this engagement are subject to the following limiting conditions, except as otherwise noted in the report:

1. An appraisal is inherently subjective and represents our opinion as to the value of the property appraised.
2. The conclusions stated in our appraisal apply only as of the effective date of the appraisal, and no representation is made as to the effect of subsequent events.
3. No changes in any federal, state or local laws, regulations or codes (including, without limitation, the Internal Revenue Code) are anticipated.
4. No environmental impact studies were either requested or made in conjunction with this appraisal, and we reserve the right to revise or rescind any of the value opinions based upon any subsequent environmental impact studies. If any environmental impact statement is required by law, the appraisal assumes that such statement will be favorable and will be approved by the appropriate regulatory bodies.
5. Unless otherwise agreed to in writing, we are not required to give testimony, respond to any subpoena or attend any court, governmental or other hearing with reference to the property without compensation relative to such additional employment.
6. We have made no survey of the property and assume no responsibility in connection with such matters. Any sketch or survey of the property included in this report is for illustrative purposes only and should not be considered to be scaled accurately for size. The appraisal

covers the property as described in this report, and the areas and dimensions set forth are assumed to be correct.

7. No opinion is expressed as to the value of subsurface oil, gas or mineral rights, if any, and we have assumed that the property is not subject to surface entry for the exploration or removal of such materials, unless otherwise noted in our appraisal.

8. We accept no responsibility for considerations requiring expertise in other fields. Such considerations include, but are not limited to, legal descriptions and other legal matters such as legal title, geologic considerations such as soils and seismic stability; and civil, mechanical, electrical, structural and other engineering and environmental matters. Such considerations may also include determinations of compliance with zoning and other federal, state, and local laws, regulations and codes.

9. The distribution of the total valuation in the report between land and improvements applies only under the reported highest and best use of the property. The allocations of value for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used. The appraisal report shall be considered only in its entirety. No part of the appraisal report shall be utilized separately or out of context.

10. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraisers, or any reference to the Appraisal Institute) shall be disseminated through advertising media, public relations media, news media or any other means of communication (including without limitation prospectuses, private offering memoranda and other offering material provided to prospective investors) without the prior written consent of the persons signing the report.

11. Information, estimates and opinions contained in the report and obtained from third-party sources are assumed to be reliable and have not been independently verified.

12. Any income and expense estimates contained in the appraisal report are used only for the purpose of estimating value and do not constitute predictions of future operating results.

13. If the property is subject to one or more leases, any estimate of residual value contained in the appraisal may be particularly affected by significant changes in the condition of the economy, of the real estate industry, or of the appraised property at the time these leases expire or otherwise terminate.

14. Unless otherwise stated in the report, no consideration has been given to personal property located on the premises or to the cost of moving or relocating such personal property; only the real property has been considered.

15. The current purchasing power of the dollar is the basis for the values stated in the appraisal; we have assumed that no extreme fluctuations in economic cycles will occur.

16. The values found herein is subject to these and to any other assumptions or conditions set forth in the body of this report but which may have been omitted from this list of Assumptions and Limiting Conditions.

17. The analyses contained in the report necessarily incorporate numerous estimates and assumptions regarding property performance, general and local business and economic

conditions, the absence of material changes in the competitive environment and other matters. Some estimates or assumptions, however, inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by our analysis will vary from our estimates, and the variations may be material.

18. The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific survey or analysis of the property to determine whether the physical aspects of the improvements meet the ADA accessibility guidelines. We claim no expertise in ADA issues, and render no opinion regarding compliance of the subject with ADA regulations. Inasmuch as compliance matches each owner's financial ability with the cost to cure the non-conforming physical characteristics of a property, a specific study of both the owner's financial ability and the cost to cure any deficiencies would be needed for the Department of Justice to determine compliance.

19. The appraisal report is prepared for the exclusive benefit of the Client, its subsidiaries and/or affiliates. It may not be used or relied upon by any other party. All parties who use or rely upon any information in the report without our written consent do so at their own risk.

20. No studies have been provided to us indicating the presence or absence of hazardous materials on the subject property or in the improvements, and our valuation is predicated upon the assumption that the subject property is free and clear of any environment hazards including, without limitation, hazardous wastes, toxic substances and mold. No representations or warranties are made regarding the environmental condition of the subject property. Integra Realty Resources – Las Vegas, Integra Realty Resources, Inc., Integra Strategic Ventures, Inc. and/or any of their respective officers, owners, managers, directors, agents, subcontractors or employees (the "Integra Parties"), shall not be responsible for any such environmental conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because we are not experts in the field of environmental conditions, the appraisal report cannot be considered as an environmental assessment of the subject property.

21. The persons signing the report may have reviewed available flood maps and may have noted in the appraisal report whether the subject property is located in an identified Special Flood Hazard Area. We are not qualified to detect such areas and therefore do not guarantee such determinations. The presence of flood plain areas and/or wetlands may affect the value of the property, and the value conclusion is predicated on the assumption that wetlands are non-existent or minimal.

22. Integra Realty Resources – Las Vegas is not a building or environmental inspector. Integra Las Vegas does not guarantee that the subject property is free of defects or environmental problems. Mold may be present in the subject property and a professional inspection is recommended.

23. The appraisal report and value conclusions for an appraisal assume the satisfactory completion of construction, repairs or alterations in a workmanlike manner.

24. It is expressly acknowledged that in any action which may be brought against any of the Integra Parties, arising out of, relating to, or in any way pertaining to this engagement, the

appraisal reports, and/or any other related work product, the Integra Parties shall not be responsible or liable for any incidental or consequential damages or losses, unless the appraisal was fraudulent or prepared with intentional misconduct. It is further acknowledged that the collective liability of the Integra Parties in any such action shall not exceed the fees paid for the preparation of the appraisal report unless the appraisal was fraudulent or prepared with intentional misconduct. Finally, it is acknowledged that the fees charged herein are in reliance upon the foregoing limitations of liability.

25. Integra Realty Resources – Las Vegas, an independently owned and operated company, has prepared the appraisal for the specific intended use stated elsewhere in the report. The use of the appraisal report by anyone other than the Client is prohibited except as otherwise provided. Accordingly, the appraisal report is addressed to and shall be solely for the Client's use and benefit unless we provide our prior written consent. We expressly reserve the unrestricted right to withhold our consent to your disclosure of the appraisal report or any other work product related to the engagement (or any part thereof including, without limitation, conclusions of value and our identity), to any third parties. Stated again for clarification, unless our prior written consent is obtained, no third party may rely on the appraisal report (even if their reliance was foreseeable).

26. The conclusions of this report are estimates based on known current trends and reasonably foreseeable future occurrences. These estimates are based partly on property information, data obtained in public records, interviews, existing trends, buyer-seller decision criteria in the current market, and research conducted by third parties, and such data are not always completely reliable. The Integra Parties are not responsible for these and other future occurrences that could not have reasonably been foreseen on the effective date of this assignment. Furthermore, it is inevitable that some assumptions will not materialize and that unanticipated events may occur that will likely affect actual performance. While we are of the opinion that our findings are reasonable based on current market conditions, we do not represent that these estimates will actually be achieved, as they are subject to considerable risk and uncertainty. Moreover, we assume competent and effective management and marketing for the duration of the projected holding period of this property.

27. All prospective value opinions presented in this report are estimates and forecasts which are prospective in nature and are subject to considerable risk and uncertainty. In addition to the contingencies noted in the preceding paragraph, several events may occur that could substantially alter the outcome of our estimates such as, but not limited to changes in the economy, interest rates, and capitalization rates, behavior of consumers, investors and lenders, fire and other physical destruction, changes in title or conveyances of easements and deed restrictions, etc. It is assumed that conditions reasonably foreseeable at the present time are consistent or similar with the future.

28. The appraisal is also subject to the following.

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results. An extraordinary assumption is uncertain information accepted as fact. If the assumption is found to be false as of the effective date of the appraisal, we reserve the right to modify our value conclusions.

1. As indicated within the Transmittal Letter, we have not been transmitted or had the opportunity during this appraisal assignment to review the results of survey data including survey area calculations regarding the subject parcel. As a result, we have based our valuation opinions and conclusions upon our own method of area calculation regarding the areas in question. We have assumed that the results of these area calculations are accurate enough to form opinions of value. However, it must be understood that our area measurements and calculations are less accurate than the results that could be obtained through an actual survey. For this reason this appraisal assignment is based upon the extraordinary assumption our area calculations are based upon uncertain information accepted as fact and the results of our area calculations are, for appraisal analysis purposes only, and are subject to revision. See area calculation disclaimer for details.
2. The total excess land is 103,946 square feet, the drainage easement is 54,478 square feet; the current developable excess land is 49,468 square feet.
3. The portion of the subject currently under the drainage easement is not developable or marketable land, and will be developable in the after condtion once the SID project has been implemented.

The value conclusions are based on the following hypothetical conditions that may affect the assignment results. A hypothetical condition is a condition contrary to known fact on the effective date of the appraisal but is supposed for the purpose of analysis.

1. This hypothetical condition is central to the “after” condition which utilizes the hypothetical condition of completion of the Special Improvements District 158 (S.I.D)“Project” improvements as proposed. As of the effective date, one condition applies before consideration of the the proposed project improvements and another condition exists after consideration of the project. In the case of the subject property, the “Project” is described as S.I.D. Number 158 which consists of Storm Sewer improvements adjacent to the subject property. Typically a hypothetical condition is employed considering the “Before Condition” as one that existed prior to the consideration and implementation of the subject Project. The “After Condition” considers the valuation of the subject property after the project is fully implemented and in place. When communicating before and after valuation opinions, typically the before and the after conditions have to be considered hypothetically based on the description of the project by the public agency and considering whether the project for which the proposed improvements is undertaken for is completed or not. Handling these typical elements related to a before and after condition valuation as a hypothetical condition both "before" and "after" the consideration of a project is discussed and recommended in various Appraisal Institute eminent domain textbooks and courses. The employment of a hypothetical condition considering the subject before and after the implementation of the subject S.I.D. Improvements "Project” is a framework structured to test the requirement of NRS Chapter 271 that the amount of the assessment does not exceed the special benefit to the property. This is also a condition expressed within Article II Scope of Services Section 2.02 subsection C(3) contained within the Professional Appraisal Services contract dated November 20, 2014.
2. There is no cell tower on the property. (Analysis of this element does not change in the before & after condition utilized herein, thus, there is no differential contribution offered by analyzing this element.)
3. There is no billboard on the property. ((Analysis of this element does not change in the before & after condition utilized herein, thus, there is no differential contribution offered by analyzing this element.)

Addendum A

Appraiser Qualifications

Charles E. Jack, IV, MAI

Integra Realty Resources
Las Vegas

8367 West Flamingo Road
Suite 100
Las Vegas, NV 89147

T 702-869-0442
F 702-869-0955

www.irr.com

Experience

Experienced in the valuation of commercial and industrial properties and is highly proficient in computer and networking applications for real estate valuations. Experience involves discounted cash flow analysis and setup of technology infrastructure. His experience includes investment analyses and valuations of shopping centers, office buildings, warehouses, apartments, master planned communities, residential subdivisions, and commercial tracts. Specialized experience includes ad valorem tax valuation, eminent domain appraisal, bankruptcy appraisal, deficiency appraisal, other various forms of litigation appraisal, hotel/casino land, undivided partial interest appraisals, estate appraisals, airspace appraisals, federal agency appraisals, and others.

Mr. Jack provides litigation support for condemnation, foreclosure, bankruptcy, and business disputes.

Mr. Jack has local retail, office, industrial and land appraisal experience in the Southern Nevada and Northern Arizona markets. Mr. Jack has appraised institutional and /or local profile buildings in the Las Vegas area and in the Northern Arizona market areas. Mr. Jack has a developed a broad based clientele including government agencies, attorneys, master-plan developers, accountants, and high net worth property owners. Mr. Jack has developed unique experience in master planned appraisals, BLM Land Exchanges and Auctions, UASFLA appraisals, and airspace appraisals. Mr. Jack has been intimately involved in a large number of the seminal inverse condemnation airspace cases in Nevada (Sisolak, Vacation Village) on behalf of the private landowners versus the Clark County Aviation Department.

Professional Activities & Affiliations

Member: University of Wisconsin - Madison Real Estate Alumni Association

Member: Realtor Member of National Association of Realtors

Clark County Family Court – Las Vegas, Nevada

cjack@irr.com - 702-906.0480

George Wara

Experience

Mr. Wara was born and raised in Las Vegas before moving to Reno to attend college at the University of Nevada – Reno. Mr. Wara graduated from this school with a Bachelor of Fine Arts with a major in English Literature.

Mr. Wara is a Certified General Real Estate Appraiser in the State of Nevada and is a member of the Las Vegas Chapter of the Appraisal Institute.

Professional Activities & Affiliations

Appraisal Institute, Associate Member Las Vegas Chapter
Board of Director: Las Vegas Chapter of the Appraisal Institute

Licenses

Nevada, Certified General Real Estate Appraiser, A.0206651-CG, Expires November 2014

Education

Bachelor of Fine Arts at the University of Nevada-Reno; Major English/Literature

Successfully completed numerous real estate related Clinics, Conferences, Courses, and Seminars sponsored by the Appraisal Institute.

Alumnus - Bishop Gorman High School - Class of 1998

President: Las Vegas Chapter of Appraisal Institute, 2000
Education Chair: Las Vegas Chapter of Appraisal Institute, 2014-2015

Licenses

Nevada, Certified General Real Estate Appraiser, A.0000503-CG, Expires November 2015
Arizona, Certified General Real Estate Appraiser, 31148, Expires May 2015
Nevada, Broker/Salesman, 46976, Expires June 2016

Education

Bachelor of Business Administration Degree, Majors: 1) Real Estate and Urban Land Economics, 2) Finance, Investments, and Banking, University of Wisconsin - Madison, Wisconsin (1990)

Currently certified by the Appraisal Institute's voluntary program of continuing education for its designated members.

Qualified Before Courts & Administrative Bodies

Nevada State Board of Equalization & Clark County Board of Equalization
U.S. Bankruptcy Court, Las Vegas and Reno
Clark County District Court – Nevada
Nye County District Court – Nevada

gwara@irr.com - 702-906.0482

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Integra Realty Resources, Inc.
Corporate Profile

Integra Realty Resources, Inc. offers the most comprehensive property valuation and counseling coverage in the United States with 62 independently owned and operated offices in 34 states and the Caribbean. Integra was created for the purpose of combining the intimate knowledge of well-established local firms with the powerful resources and capabilities of a national company. Integra offers integrated technology, national data and information systems, as well as standardized valuation models and report formats for ease of client review and analysis. Integra's local offices have an average of 25 years of service in the local market, and virtually all are headed by a Senior Managing Director who is an MAI member of the Appraisal Institute.

A listing of IRR's local offices and their Senior Managing Directors follows:

ATLANTA, GA - Sherry L. Watkins., MAI, FRICS
AUSTIN, TX - Randy A. Williams, MAI, SR/WA, FRICS
BALTIMORE, MD - G. Edward Kerr, MAI, MRICS
BIRMINGHAM, AL - Rusty Rich, MAI, MRICS
BOISE, ID - Bradford T. Knipe, MAI, ARA, CCIM, CRE, FRICS
BOSTON, MA - David L. Cary, Jr., MAI, MRICS
CHARLESTON, SC - Cleveland "Bud" Wright, Jr., MAI
CHARLOTTE, NC - Fitzhugh L. Stout, MAI, CRE, FRICS
CHICAGO, IL - Eric L. Enloe, MAI, FRICS
CINCINNATI, OH - Gary S. Wright, MAI, FRICS, SRA
CLEVELAND, OH - Douglas P. Sloan, MAI
COLUMBIA, SC - Michael B. Dodds, MAI, CCIM
COLUMBUS, OH - Bruce A. Daubner, MAI, FRICS
DALLAS, TX - Mark R. Lamb, MAI, CPA, FRICS
DAYTON, OH - Gary S. Wright, MAI, FRICS, SRA
DENVER, CO - Brad A. Weiman, MAI, FRICS
DETROIT, MI - Anthony Sanna, MAI, CRE, FRICS
FORT WORTH, TX - Gregory B. Cook, SR/WA
GREENSBORO, NC - Nancy Tritt, MAI, SRA, FRICS
GREENVILLE, SC - Michael B. Dodds, MAI, CCIM
HARTFORD, CT - Mark F. Bates, MAI, CRE, FRICS
HOUSTON, TX - David R. Dominy, MAI, CRE, FRICS
INDIANAPOLIS, IN - Michael C. Lady, MAI, SRA, CCIM, FRICS
JACKSON, MS - J. Walter Allen, MAI, FRICS
JACKSONVILLE, FL - Robert Crenshaw, MAI, FRICS
KANSAS CITY, MO/KS - Kenneth Jaggers, MAI, FRICS
LAS VEGAS, NV - Charles E. Jack IV, MAI
LOS ANGELES, CA - John G. Ellis, MAI, CRE, FRICS
LOS ANGELES, CA - Matthew J. Swanson, MAI
LOUISVILLE, KY - Stacey Nicholas, MAI, MRICS
MEMPHIS, TN - J. Walter Allen, MAI, FRICS
MIAMI/PALM BEACH, FL - Scott M. Powell, MAI, FRICS
MIAMI/PALM BEACH, FL- Anthony M. Graziano, MAI, CRE, FRICS
MINNEAPOLIS, MN - Michael F. Amundson, MAI, CCIM, FRICS
NAPLES, FL - Carlton J. Lloyd, MAI, FRICS
NASHVILLE, TN - R. Paul Perutelli, MAI, SRA, FRICS
NEW JERSEY COASTAL - Halvor J. Egeland, MAI
NEW JERSEY NORTHERN - Barry J. Krauser, MAI, CRE, FRICS
NEW YORK, NY - Raymond T. Cirz, MAI, CRE, FRICS
ORANGE COUNTY, CA - Larry D. Webb, MAI, FRICS
ORLANDO, FL - Christopher Starkey, MAI, MRICS
PHILADELPHIA, PA - Joseph D. Pasquarella, MAI, CRE, FRICS
PHOENIX, AZ - Walter 'Tres' Winius III, MAI, FRICS
PITTSBURGH, PA - Paul D. Griffith, MAI, CRE, FRICS
PORTLAND, OR - Brian A. Glanville, MAI, CRE, FRICS
PROVIDENCE, RI - Gerard H. McDonough, MAI, FRICS
RALEIGH, NC - Chris R. Morris, MAI, FRICS
RICHMOND, VA - Kenneth L. Brown, MAI, CCIM, FRICS
SACRAMENTO, CA - Scott Beebe, MAI, FRICS
ST. LOUIS, MO - P. Ryan McDonald, MAI, FRICS
SALT LAKE CITY, UT - Darrin W. Liddell, MAI, CCIM, FRICS
SAN ANTONIO, TX - Martyn C. Glen, MAI, CRE, FRICS
SAN DIEGO, CA - Jeff A. Greenwald, MAI, SRA, FRICS
SAN FRANCISCO, CA - Jan Kleczewski, MAI, FRICS
SARASOTA, FL - Carlton J. Lloyd, MAI, FRICS
SAVANNAH, GA - J. Carl Schultz, Jr., MAI, FRICS, CRE, SRA
SEATTLE, WA - Allen N. Safer, MAI, MRICS
SYRACUSE, NY - William J. Kimball, MAI, FRICS
TAMPA, FL - Bradford L. Johnson, MAI, MRICS
TULSA, OK - Robert E. Gray, MAI, FRICS
WASHINGTON, DC - Patrick C. Kerr, MAI, SRA, FRICS
WILMINGTON, DE - Douglas L. Nickel, MAI, FRICS
CARIBBEAN/CAYMAN ISLANDS - James Andrews, MAI, FRICS

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Addendum B

Comparison of Report Formats

Comparison of Report Formats

Reporting Options in 2014-2015 Edition of USPAP	Integra Reporting Formats Effective January 1, 2014	Corresponding Reporting Options in 2012-2013 Edition of USPAP
Appraisal Report	Appraisal Report – Comprehensive Format	Self-Contained Appraisal Report
	Appraisal Report – Standard Format	Summary Appraisal Report
	Appraisal Report – Concise Summary Format	Minimum Requirements of Summary Appraisal Report
Restricted Appraisal Report	Restricted Appraisal Report	Restricted Use Appraisal Report

USPAP Reporting Options

The 2014-2015 edition of USPAP requires that all written appraisal reports be prepared under one of the following options: Appraisal Report or Restricted Appraisal Report.

An Appraisal Report summarizes the information analyzed, the appraisal methods employed, and the reasoning that supports the analyses, opinions, and conclusions. The requirements for an Appraisal Report are set forth in Standards Rule 2-2 (a) of USPAP.

A Restricted Appraisal Report states the appraisal methods employed and the conclusions reached but is not required to include the data and reasoning that supports the analyses, opinions, and conclusions. Because the supporting information may not be included, the use of the report is restricted to the client, and further, the appraiser must maintain a work file that contains sufficient information for the appraiser to produce an Appraisal Report if required. The requirements for a Restricted Appraisal Report are set forth in Standards Rule 2-2 (b).

Integra Reporting Formats under the Appraisal Report Option

USPAP gives appraisers the flexibility to vary the level of information in an Appraisal Report depending on the intended use and intended users of the appraisal. Accordingly, Integra Realty Resources has established internal standards for three alternative reporting formats that differ in depth and detail yet comply with the USPAP requirements for an Appraisal Report. The three Integra formats are:

- Appraisal Report – Comprehensive Format
- Appraisal Report – Standard Format
- Appraisal Report – Concise Summary Format

An Appraisal Report – Comprehensive Format has the greatest depth and detail of the three report types. It describes and explains the information analyzed, the appraisal methods employed, and the reasoning that supports the analyses, opinions, and conclusions. This format meets or exceeds the former Self-Contained Appraisal Report requirements that were contained in the 2012-2013 edition of USPAP.

An Appraisal Report – Standard Format has a moderate level of detail. It summarizes the information analyzed, the appraisal methods employed, and the reasoning that supports the analyses, opinions, and conclusions. This format meets or exceeds the former Summary Appraisal Report requirements that were contained in the 2012-2013 edition of USPAP.

An Appraisal Report - Concise Summary Format has less depth and detail than the Appraisal Report – Standard Format. It briefly summarizes the data, reasoning, and analyses used in the appraisal process while additional supporting documentation is retained in the work file. This format meets the minimum requirements of the former Summary Appraisal Report that were contained in the 2012-2013 edition of USPAP.

On occasion, clients will request, and Integra will agree to provide, a report that is labeled a Self-Contained Appraisal Report. Other than the label, there is no difference between a Self-Contained Appraisal Report and an Appraisal Report - Comprehensive Format. Both types of reports meet or

exceed the former Self-Contained Appraisal Report requirements set forth in the 2012-2013 edition of USPAP.

Integra Reporting Format under Restricted Appraisal Report Option

Integra provides a Restricted Appraisal Report format under the USPAP Restricted Appraisal Report option. This format meets the requirements of the former Restricted Use Appraisal Report that were contained in the 2012-2013 edition of USPAP.

Addendum C

Property Information

1/15/2015 Ascend Web Inquiry Summary Page

Property Account Inquiry - Summary Screen

New Search | Recorder | Treasurer | Assessor | Clark County Home

Parcel ID	191-05-801-012	Tax Year	2015	District	635	Rate	2.9328

Situs Address:	11997 S LAS VEGAS BLVD ENTERPRISE
Legal Description:	ASSESSOR DESCRIPTION: PT SE4 SE4 SEC 05 23 61 GEOID: PT SE4 SE4 SEC 05 23 61

Status:
Active
Taxable

Property Characteristics	
Tax Cap Increase Pct.	3
Tax Cap Limit Amount	13100.38
Tax Cap Reduction	0.00
Land Use	3-60 Restaurants And Cocktail Lounges
Cap Type	OTHER
Acreage	3.3900
Supplemental Tax	0.00

Property Values	
Land	201567
Improvements	232108
Total Assessed Value	433675
Net Assessed Value	433675
Exemption Value New Construction	0
New Construction - Supp Value	0

Property Documents	
2005113003781	11/30/2005
2005113003781	11/30/2005
2005113003781	11/30/2005
90030700148	3/7/1990

Role	Name	Address	Since	To
Owner	TZORTZIS 2005 TRUST	3625 W COUGAR , LAS VEGAS, NV 89139 UNITED STATES	6/6/2014	Current
Owner	TZORTZIS VASSILIOS & M V CO-TRS	3625 W COUGAR , LAS VEGAS, NV 89139 UNITED STATES	6/6/2014	Current

Summary

Item	Amount
Taxes as Assessed	$12,718.82
Less Cap Reduction	$0.00
Net Taxes	$12,718.82

PAST AND CURRENT CHARGES DUE TODAY

Tax Year	Charge Category	Amount Due Today
THERE IS NO PAST OR CURRENT AMOUNT DUE as of 1/15/2015		$0.00

NEXT INSTALLMENT AMOUNTS

Tax Year	Charge Category	Installment Amount Due
2015	Property Tax Principal	$3,179.71
NEXT INSTALLMENT DUE AMOUNT due on 3/2/2015		$3,179.71

TOTAL AMOUNTS DUE FOR ENTIRE TAX YEAR

Tax Year	Charge Category	Remaining Balance Due
2015	Property Tax Principal	$3,179.71
2015	Las Vegas Artesian Basin	$0.00
TAX YEAR TOTAL AMOUNTS DUE as of 1/15/2015		$3,179.71

http://trweb.co.clark.nv.us/print_wep2.asp?Parcel=191-05-801-012&DateSelect=1/15/2015 1/2

1/15/2015 Ascend Web Inquiry Summary Page

PAYMENT HISTORY	
Last Payment Amount	$3,179.71
Last Payment Date	1/7/2015
Fiscal Tax Year Payments	$9,546.54
Prior Calendar Year Payments	$12,726.25
Current Calendar Year Payments	$3,179.71

http://trweb.co.clark.nv.us/print_wep2.asp?Parcel=191-05-801-012&DateSelect=1/15/2015 2/2

1/26/2015 gisgate.co.clark.nv.us/gismoreports/printmap.aspx?mapnumber=974266&

Southern Nevada GIS ~ OpenWeb Info Mapper

The MAPS and DATA are provided without warranty of any kind, expressed or implied.

Date Created: 1/26/2015

Property Information			
Parcel:	191-05-801-012		
Owner Name(s):	TZORTZIS 2005 TRUST and TZORTZIS VASSILIOS & M V CO-TRS		
Site Address:	11997 LAS VEGAS BLVD		
Jurisdiction:	CC Enterprise - 89183		
Zoning Classification:	General Commercial (C-2)		
Planned Landuse:	CT - Commercial Tourist		
Misc Information			
Lot Block:	Lot: Block:	Construction Year:	Construction Year: 2007
Sale Date:	Not Available	T-R-S:	23-61-5
Sale Price:	Not Available	Census Tract:	2842
Recorded Doc Number:	20051130 00003781	Estimated Lot Size:	Estimated Lot Size: 3.39
Flight Date:	Aerial Flight Date: 04/06/2014		
Elected Officials			
Commission District:	A - STEVE SISOLAK (D)		
US Senate:	Dean Heller, Harry Reid	US Congress:	3 - JOE HECK (R)
State Senate:	20 - ROBERSON, MICHAEL (R)	State Assembly:	41 - VICKI DOOLING (R)
School District:	A - DEANNA WRIGHT	University Regent:	3 - KEVIN PAGE
Board of Education:	3 - ALLISON SERAFIN	Minor Civil	Las Vegas

http://gisgate.co.clark.nv.us/gismoreports/printmap.aspx?mapnumber=974266& 1/2

Division: Township

1/26/2015 Clark County Assessor

Michele W. Shafe, Assessor

PARCEL OWNERSHIP HISTORY

Assessor Map | Aerial View | Comment Codes | Current Ownership | New Search

ASSESSOR DESCRIPTION
PT SE4 SE4 SEC 05 23 61

CURRENT PARCEL NO.	CURRENT OWNER	%	RECORDED DOCUMENT NO.	RECORDED DATE	VESTING	TAX DIST	EST SIZE	COMMENTS
191-05-801-012	TZORTZIS 2005 TRUST TZORTZIS VASSILIOS & M V CO-TRS		20051130:03781	11/30/2005	NS	635	3.39 AC	RELINQUISHMENT-20070111:3775;-.28A COR, SF 191-71

PARCEL NO.	PRIOR OWNER(S)	%	RECORDED DOCUMENT NO.	RECORDED DATE	VESTING	TAX DIST	EST SIZE	COMMENTS
191-05-801-012	TZORTZIS 2005 TRUST TZORTZIS VASSILIOS & M V CO-TRS		20051130:03781	11/30/2005	NS	635	3.6700 AC	1.33A TO RD 20060612:5042
191-05-801-012	TZORTZIS VASSILIOS & MARIA		19900307:00148	03/07/1990	JT	635	5.0000 AC	
380-460-009	POWERS JEAN B ETAL		0703:0662475	02/01/1977	JT	635	5.00 AC	+2.16A COR EASMT 1513:1472121,2
380-460-009	POWERS JEAN B ETAL		0703:0662475	02/01/1977	JT	635	2.84 AC	
380-460-009	POWERS JEAN B ETAL		0703:0662475	02/01/1977	JT	630	2.84 AC	
380-460-009	POWERS JEAN B		0694:0653805	01/05/1977		630	2.84 AC	
380-460-009	POWERS CHARLES A		0370:0298876	07/16/1962		630	2.84 AC	
380-460-009	POWERS CHARLES A					630	2.84 AC	INITIAL

Note: Only documents from September 15, 1999 through present are available for viewing.

NOTE: THIS RECORD IS FOR ASSESSMENT USE ONLY. NO LIABILITY IS ASSUMED AS TO THE ACCURACY OF THE DATA DELINEATED HEREON.

http://sandgate.co.clark.nv.us/assrrealprop/ParcelHistory.aspx?instance=pcl2&parcel=19105801012 1/1

1/26/2015 Clark County Real Property

GENERAL INFORMATION	
PARCEL NO.	191-05-801-012
OWNER AND MAILING ADDRESS	TZORTZIS 2005 TRUST TZORTZIS VASSILIOS & M V CO-TRS 3625 W COUGAR LAS VEGAS NV 89139
LOCATION ADDRESS CITY/UNINCORPORATED TOWN	11997 LAS VEGAS BLVD ENTERPRISE
ASSESSOR DESCRIPTION	PT SE4 SE4 SEC 05 23 61
RECORDED DOCUMENT NO.	* 20051130:03781
RECORDED DATE	Nov 30 2005
VESTING	NS
COMMENTS	RELINQUISHMENT-20070111:3775;-.28A COR, SF 191-71

*Note: Only documents from September 15, 1999 through present are available for viewing.

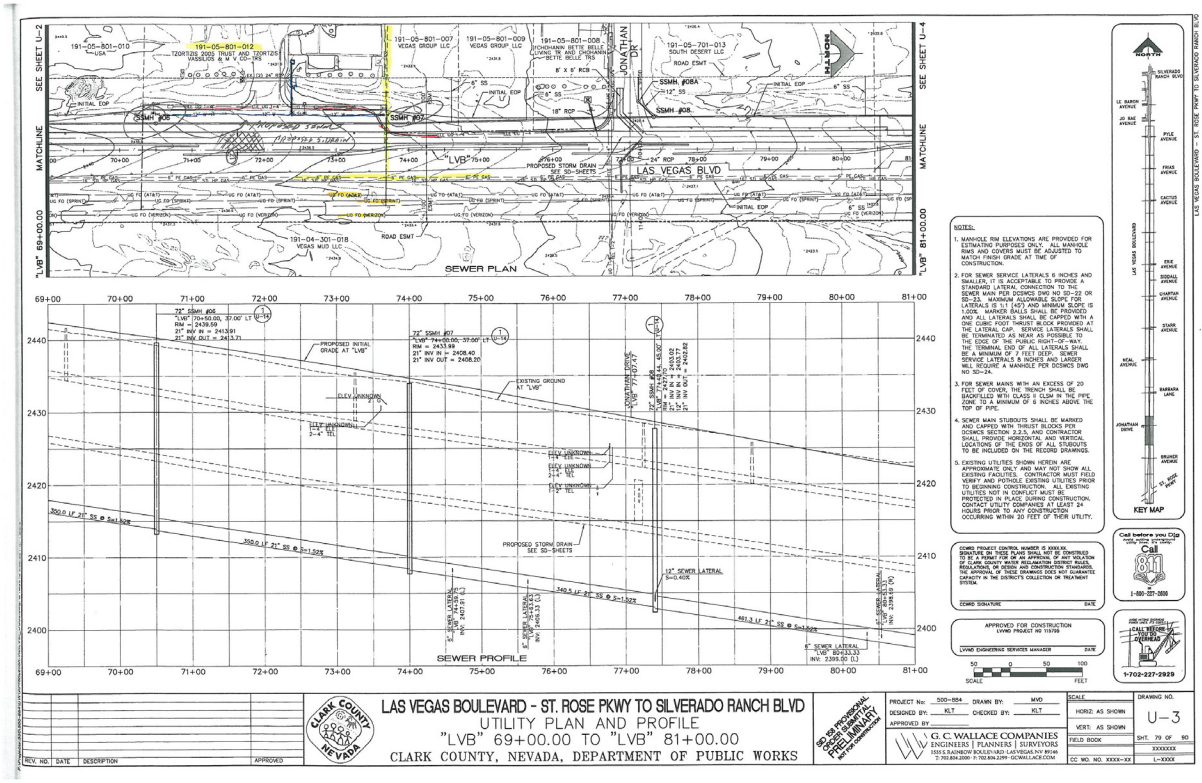
ASSESSMENT INFORMATION AND SUPPLEMENTAL VALUE	
TAX DISTRICT	635
APPRAISAL YEAR	2014
FISCAL YEAR	2015-16
SUPPLEMENTAL IMPROVEMENT VALUE	0
SUPPLEMENTAL IMPROVEMENT ACCOUNT NUMBER	N/A

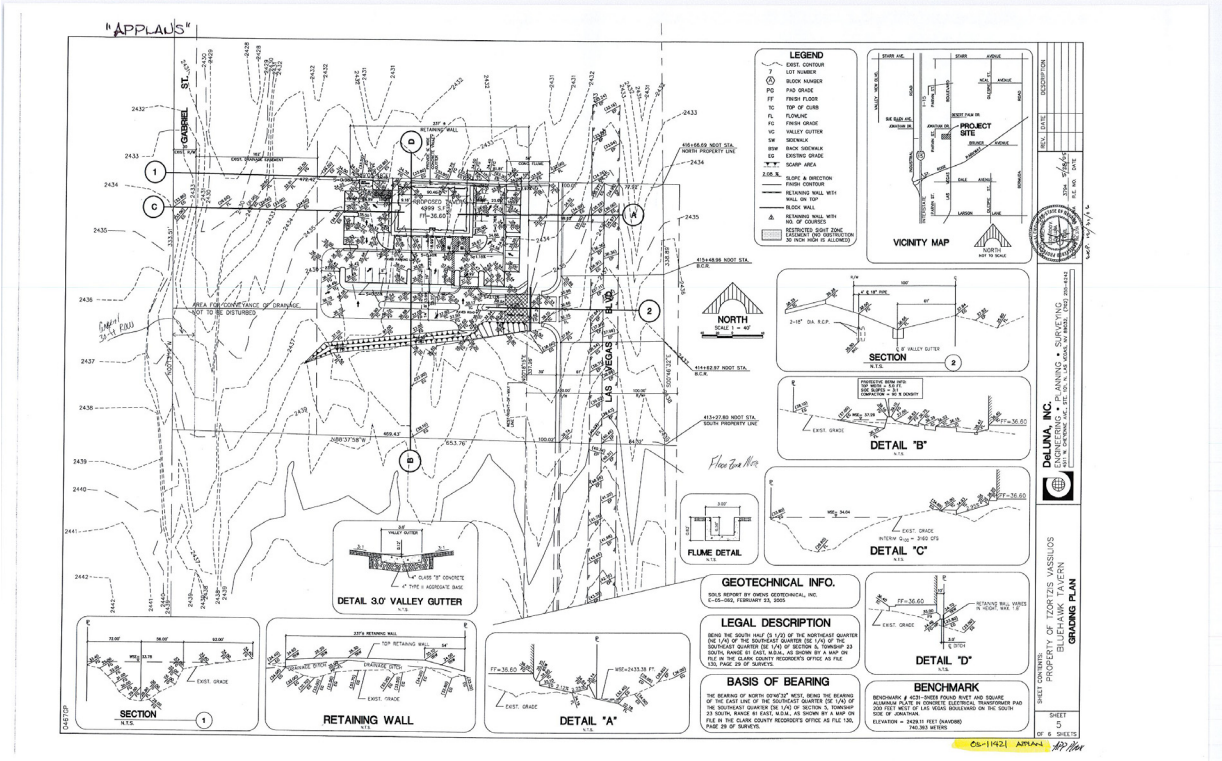
REAL PROPERTY ASSESSED VALUE		
FISCAL YEAR	2014-15	2015-16
LAND	201567	274958
IMPROVEMENTS	232108	259604
PERSONAL PROPERTY	0	0
EXEMPT	0	0
GROSS ASSESSED (SUBTOTAL)	433675	534562
TAXABLE LAND+IMP (SUBTOTAL)	1239071	1527320
COMMON ELEMENT ALLOCATION ASSD	0	0
TOTAL ASSESSED VALUE	433675	534562
TOTAL TAXABLE VALUE	1239071	1527320

ESTIMATED LOT SIZE AND APPRAISAL INFORMATION	
ESTIMATED SIZE	3.39 Acres
ORIGINAL CONST. YEAR	2007
LAST SALE PRICE MONTH/YEAR	0
LAND USE	360 - Restaurants And Cocktail Lounges
DWELLING UNITS	0

http://sandgate.co.clark.nv.us/assrrealprop/ParcelDetail.aspx?hdnParcel=19105801012&hdnInstance=pcl7 1/2

PRIMARY RESIDENTIAL STRUCTURE					
1ST FLOOR SQ. FT.	0	CASITA SQ. FT.	0	ADDN/CONV	
2ND FLOOR SQ. FT.	0	CARPORT SQ. FT.	0	POOL	NO
3RD FLOOR SQ. FT.	0	STORIES	Cocktail Lounge	SPA	NO
UNFINISHED BASEMENT SQ. FT.	0	BEDROOMS	0	TYPE OF CONSTRUCTION	
FINISHED BASEMENT SQ. FT.	0	BATHROOMS	0	ROOF TYPE	
BASEMENT GARAGE SQ. FT.	0	FIREPLACE	0		
TOTAL GARAGE SQ. FT.	0				


SEWER PLAN
SEWER PROFILE
LAS VEGAS BLVD
LAS VEGAS BOULEVARD - ST. ROSE PKWY TO SILVERADO RANCH BLVD
KEY MAP
NOTES:
1. MANHOLE RIM ELEVATIONS ARE PROVIDED FOR ESTIMATING PURPOSES ONLY. ALL MANHOLE RIMS AND COVERS MUST BE ADJUSTED TO MATCH FINISH GRADE AT TIME OF CONSTRUCTION.
2. FOR SEWER SERVICE LATERALS 6 INCHES AND SMALLER, IT IS ACCEPTABLE TO PROVIDE A STANDARD LATERAL CONNECTION TO THE SEWER MAIN PER DCSWCS DWG NO SD-22 OR SD-23. MAXIMUM ALLOWABLE SLOPE FOR LATERALS IS 1:1 (45°) AND MINIMUM SLOPE IS 1.00%. MARKER BALLS SHALL BE PROVIDED AT THE END OF ALL LATERALS. PROVIDE A ONE CUBIC FOOT THRUST BLOCK PROVIDED AT THE LATERAL CAP. SERVICE LATERALS SHALL BE TERMINATED AS NEAR AS POSSIBLE TO THE EDGE OF THE PUBLIC RIGHT-OF-WAY. THE TERMINAL END OF ALL LATERALS SHALL BE A MINIMUM OF 7 FEET DEEP. SEWER SERVICE LATERALS 8 INCHES AND LARGER WILL REQUIRE A MANHOLE PER DCSWCS DWG NO SD-24.
3. FOR SEWER MAINS WITH AN EXCESS OF 20 FEET OF COVER, THE TRENCH SHALL BE BACKFILLED WITH CLASS II CLSM IN THE PIPE ZONE TO A MINIMUM OF 6 INCHES ABOVE THE TOP OF PIPE.
4. SEWER MAIN STUBOUTS SHALL BE MARKED AND CAPPED WITH THRUST BLOCKS PER DCSWCS SECTION 2.2.5, AND CONTRACTOR SHALL PROVIDE HORIZONTAL AND VERTICAL LOCATIONS OF THE ENDS OF ALL STUBOUTS TO BE INCLUDED ON THE RECORD DRAWINGS.
5. EXISTING UTILITIES SHOWN HEREIN ARE APPROXIMATE ONLY AND MAY NOT SHOW ALL EXISTING FACILITIES. CONTRACTOR MUST FIELD VERIFY AND POTHOLE EXISTING UTILITIES PRIOR TO BEGINNING CONSTRUCTION. ALL EXISTING UTILITIES NOT IN CONFLICT MUST BE PROTECTED IN PLACE. PRIOR TO CONSTRUCTION, CONTACT UTILITY COMPANIES AT LEAST 24 HOURS PRIOR TO ANY CONSTRUCTION OCCURRING WITHIN 20 FEET OF THEIR UTILITY.
DCSWCS PROJECT CONTROL NUMBER IS XXXX.XX
SIGNATURE ON THESE PLANS SHALL NOT BE CONSTRUED TO BE A PERMIT FOR OR AN APPROVAL OF ANY VIOLATION OF CLARK COUNTY WATER RECLAMATION DISTRICT RULES, REGULATIONS OR DESIGN GUIDELINES. FURTHERMORE, THE APPROVAL OF THESE DRAWINGS DOES NOT GUARANTEE CAPACITY IN THE DISTRICT'S COLLECTION OR TREATMENT SYSTEM.
DCSWCS SIGNATURE DATE
APPROVED FOR CONSTRUCTION
LVWD PROJECT NO 115799
LVWD ENGINEERING SERVICES MANAGER DATE
Call before you Dig
1-800-227-2600
1-702-227-2929
LAS VEGAS BOULEVARD - ST. ROSE PKWY TO SILVERADO RANCH BLVD
UTILITY PLAN AND PROFILE
"LVB" 69+00.00 TO "LVB" 81+00.00
CLARK COUNTY, NEVADA, DEPARTMENT OF PUBLIC WORKS
G. C. WALLACE COMPANIES
ENGINEERS | PLANNERS | SURVEYORS
DRAWING NO. U-3
SHT. 79 OF 80



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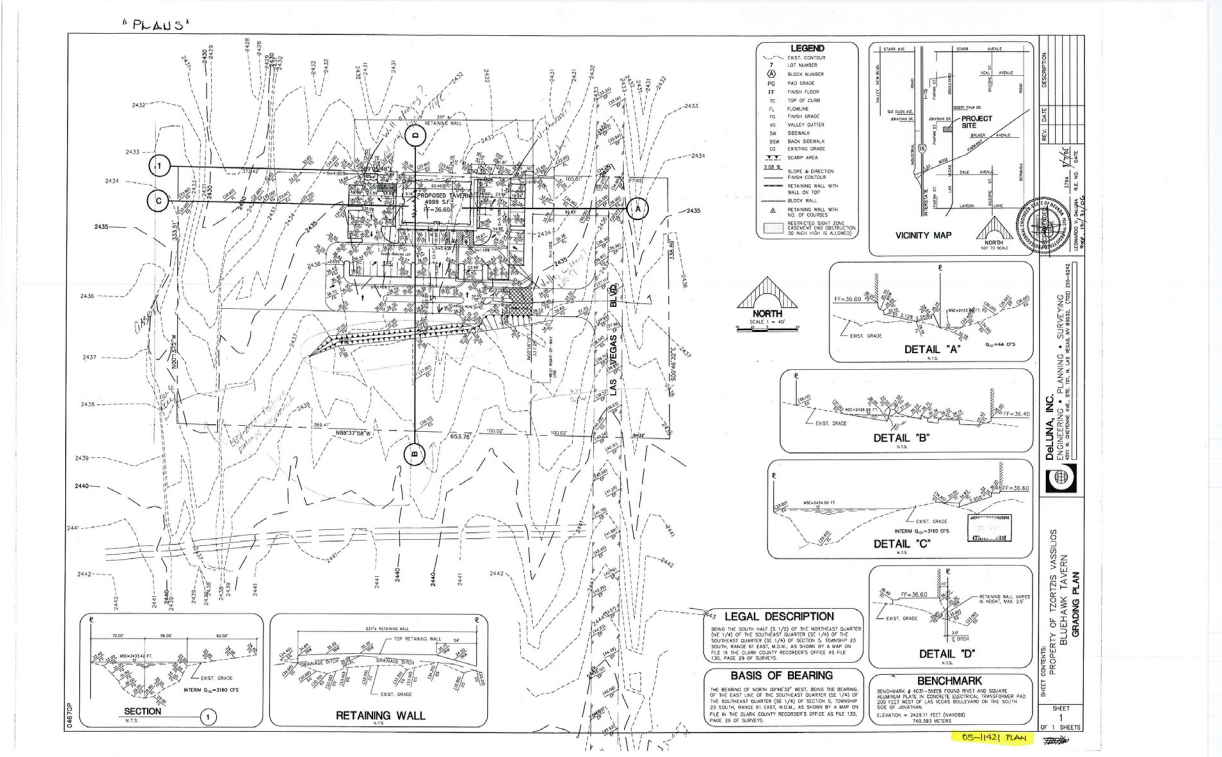

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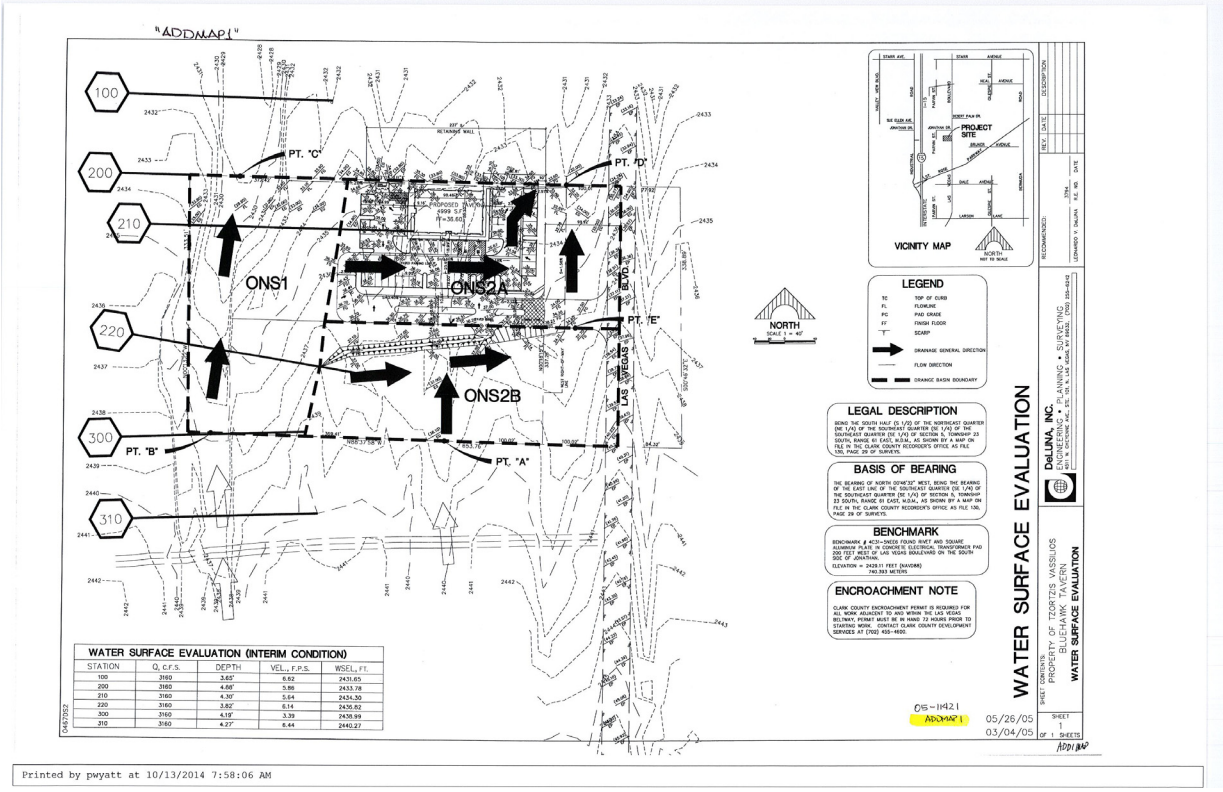
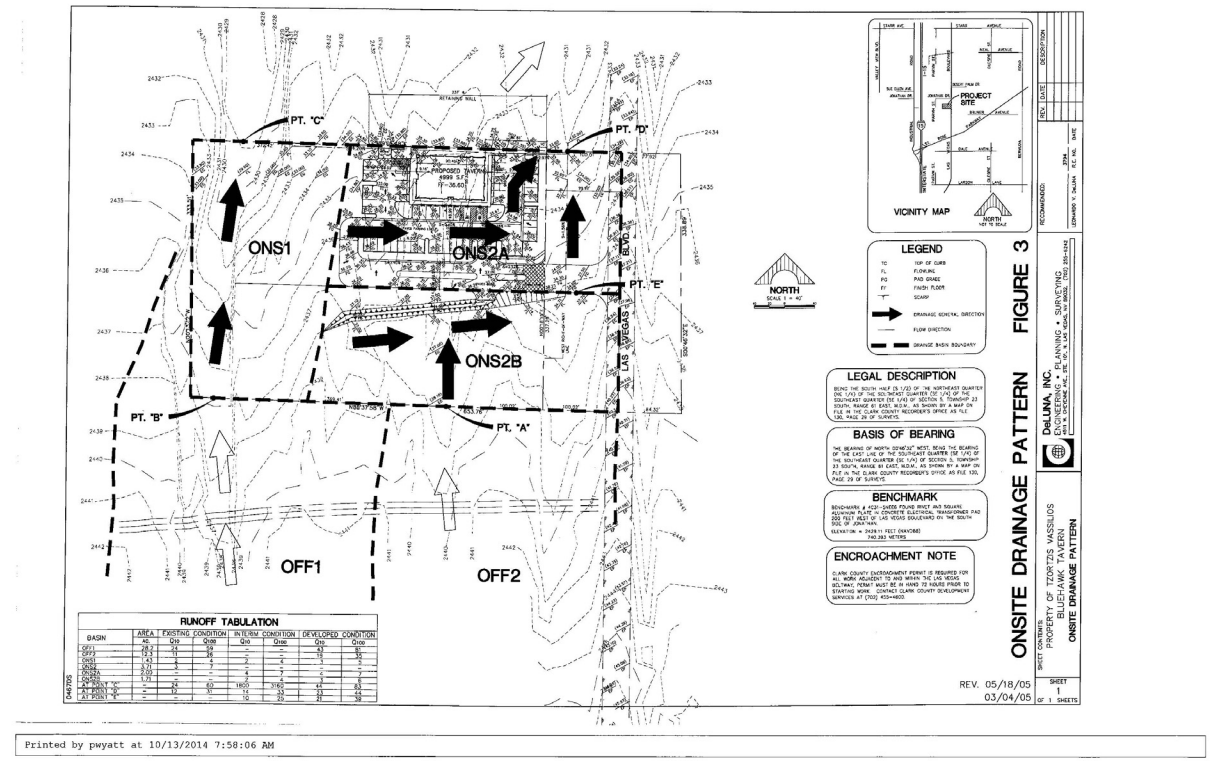


WATER SURFACE EVALUATION (INTERIM CONDITION)

STATION	Q, c.f.s.	DEPTH	VEL., F.P.S.	WSEL, FT.
100	3160	3.65'	6.62	2431.65
200	3160	4.68'	5.86	2433.78
210	3160	4.30'	5.64	2434.30
220	3160	3.82'	6.14	2436.82
300	3160	4.19'	3.39	2438.99
310	3160	4.27'	6.44	2440.27



RUNOFF TABULATION

BASIN	AREA AC	EXISTING CONDITION Q10	EXISTING CONDITION Q100	INTERIM CONDITION Q10	INTERIM CONDITION Q100	DEVELOPED CONDITION Q10	DEVELOPED CONDITION Q100
OFF1	.28	1.1	3.0	–	–	1.1	3.0
OFF2	.23	.4	.9	–	–	.4	.9
ONS1	1.43	4	9	2	4	3	7
ONS2A	0.71	3	7	2	4	3	7
ONS2B	0.69	2	5	2	4	2	5
TOTAL	1.71	–	–	–	–	6	15
AT POINT "A"	–	24	60	1803	3160	42	83
AT POINT "B"	–	12	31	14	33	23	45
AT POINT "E"	–	–	–	10	25	21	38

Addendum D

Comparable Data

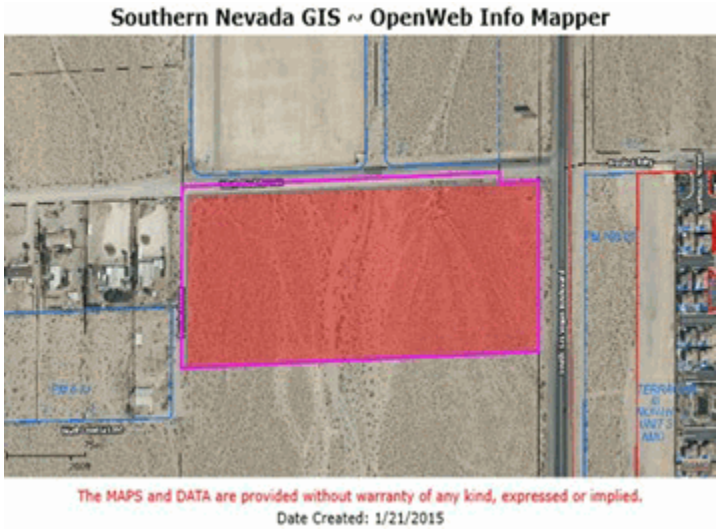
Comparable Land Sales

Land Sale Profile

Sale No. 1

Location & Property Identification

Property Name:	Vacant Land Sale
Sub-Property Type:	Commercial
Address:	SWC of Las Vegas Blvd. South & Neal Ave.
City/State/Zip:	Clark, NV 89183
County:	Clark
Submarket:	Southwest
Market Orientation:	Suburban



Lat./Long.: 35.980722/-115.173133 IRR Event ID (1092618)

Sale Information

Sale Price:	$6,000,000
Eff. R.E. Sale Price:	$6,000,000
Sale Date:	01/16/2015
Sale Status:	Recorded
$/Acre(Gross):	$457,317
$/Land SF(Gross):	$10.50
$/Acre(Usable):	$500,396
$/Land SF(Usable):	$11.49
Grantee/Buyer:	Spartan Miscellaneous, LLC
Property Rights:	Fee Simple
% of Interest Conveyed:	100.00
Financing:	Cash to seller
Document Type:	Bargain and Sale Deed
Recording No.:	20150116:01716
Verified By:	Mr. Stephen F. Somers, RM
Verification Source:	Kent Witt, CoStar, Public records
Verification Type:	Confirmed-Seller

Improvement and Site Data

MSA:	Las Vegas Paradise MSA
Legal/Tax/Parcel ID:	191-05-601-021
Acres(Usable/Gross):	11.99/13.12
Land-SF(Usable/Gross):	522,307/571,507
Usable/Gross Ratio:	0.91

Corner Lot:	Yes
Frontage Type:	2 way, 1 lane each way
Traffic Control at Entry:	None
Traffic Flow:	Moderate
AccessibilityRating:	Average
Visibility Rating:	Good
Zoning Code:	H-1
Zoning Desc.:	Limited Resort and Apartment
Source of Land Info.:	Public Records

Comments

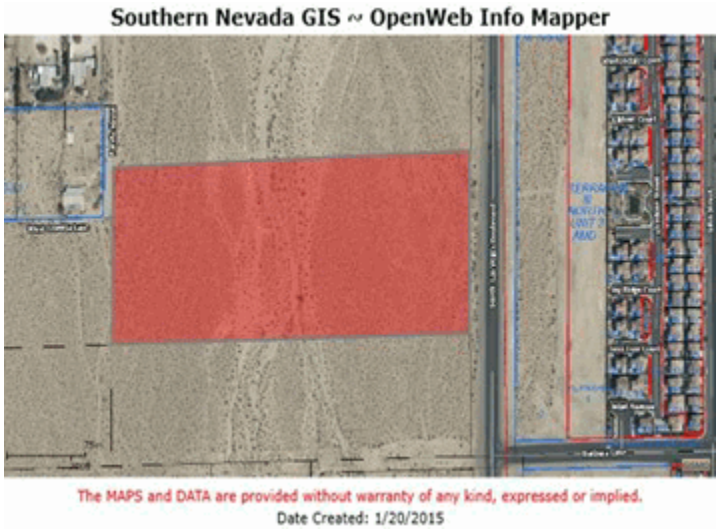
This is a 13.12 gross acres (11.99 net acre) parcel located at the southwest corner of South Las Vegas Boulevard and Neal Avenue. Neal Avenue is not fully installed as of the date of sale. This site is zoned H-1, Limited Resort and Apartment, is located in the MUD-1 and has a Commercial Tourist planned land use. This sale was confirmed with Kent Witt, one of the seller's representatives.

Land Sale Profile

Sale No. 2

Location & Property Identification

Property Name:	Vacant Land Sale
Sub-Property Type:	Commercial
Address:	Las Vegas Blvd., South of Neal Ave.
City/State/Zip:	Las Vegas, NV 89123
County:	Clark
Submarket:	Southwest
Market Orientation:	Suburban



Lat./Long.: 35.979764/-115.173316 IRR Event ID (1092234)

Sale Information

Sale Price:	$4,300,000
Eff. R.E. Sale Price:	$4,300,000
Sale Date:	10/03/2014
Sale Status:	Recorded
$/Acre(Gross):	$327,744
$/Land SF(Gross):	$7.52
$/Acre(Usable):	$330,769
$/Land SF(Usable):	$7.59
Grantor/Seller:	Market Investment Unlimited, LLC
Grantee/Buyer:	La Brea Equity Venture, LLC
Property Rights:	Fee Simple
% of Interest Conveyed:	100.00
Financing:	Cash to seller
Document Type:	Bargain and Sale Deed
Recording No.:	20141003:00339
Verified By:	George L. Wara
Verification Source:	CoStar, Public Records, Grant Bargain Sales Deed
Verification Type:	Secondary Verification

Improvement and Site Data

MSA:	Las Vegas Paradise MSA
Legal/Tax/Parcel ID:	191-05601-015
Acres(Usable/Gross):	13.00/13.12
Land-SF(Usable/Gross):	566,280/571,507
Usable/Gross Ratio:	0.99
Zoning Code:	H-2
Zoning Desc.:	General Highway
Source of Land Info.:	Public Records

Comments

This site has approximately 500 linear feet of frontage along Las Vegas Boulevard South. It is located within the MUD-1 and has a Commercial Tourist planned land use. There were no permits on the site included in the sale.

Land Sale Profile

Sale No. 3

Location & Property Identification

Property Name:	NEC Las Vegas Blvd. & Bruner Avenue
Sub-Property Type:	Other
Address:	Las Vegas Blvd. South
City/State/Zip:	Las Vegas, NV 89183
County:	Clark
Market Orientation:	Suburban
Property Location:	East side of S. Las Vegas Boulevard north of St. Rose Parkway.

Lat./Long.: 35.970193/-115.171073 IRR Event ID (779502)

Proposed Use Desc.:	Mixed Use

Sale Information

Sale Price:	$1,892,000
Eff. R.E. Sale Price:	$1,892,000
Sale Date:	02/20/2014
Sale Status:	Closed
$/Acre(Gross):	$378,400
$/Land SF(Gross):	$8.69
$/Acre(Usable):	$378,400
$/Land SF(Usable):	$8.69
Grantor/Seller:	Wild Cougar, LLC
Grantee/Buyer:	Gateway Pacific, LLC
Assets Sold:	Real estate only
Property Rights:	Fee Simple
% of Interest Conveyed:	100.00
Financing:	Cash to seller - buyer obtained financing
Document Type:	Bargain and Sale Deed
Recording No.:	20140220:02422
Verified By:	Mr. Stephen F. Somers, RM
Verification Date:	6/19/14
Verification Type:	Secondary Verification

Sale Analysis

Current Use:	Vacant
Proposed Use Change:	Yes

Improvement and Site Data

Legal/Tax/Parcel ID:	191-04-402-001
Acres(Usable/Gross):	4.52/5.12
Land-SF(Usable/Gross):	196,795/223,197
Usable/Gross Ratio:	0.88
Shape:	Rectangular
Topography:	Level
Corner Lot:	No
Traffic Count:	25000
Zoning Code:	H-1
Zoning Desc.:	Limited Resort and Apartment
Flood Plain:	No
Utilities:	Electricity, Water Public, Sewer, Gas, Telephone, CableTV, Fiber Optics
Utilities Desc.:	All private and municipal utilities are located within close proximity to the site
Source of Land Info.:	Public Records

Comments

This sale consisted of a 5.1239 acre vacant parcel located slightly north of the intersection of St. Rose Parkway and

Comments (Cont'd)

Las Vegas Blvd. South.with approximately 339 linear feet of roadway frontage on Las Vegas Blvd. South. The parcel is zoned H-1 (Limited Resort-Apartment) and the parcel is located within the CT (Commercial Tourist) land use designated area and the parcel is also located within the MUD-1 (Mixed Use Development) Overlay District.

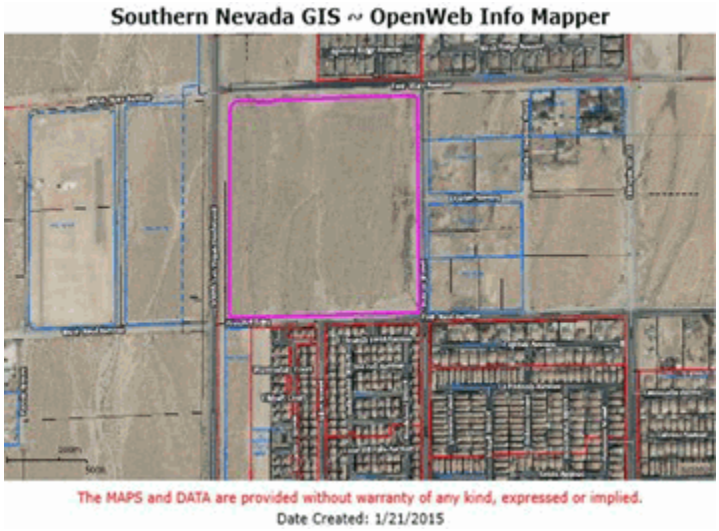
5.1239 gross acre (4.52 Net Acres) land parcel zoned H-1 (Limited Resort and Apartment) and located within the CT (Commercial Tourist) land use designated area and is located within the MUD-1 (Mixed Use Development) Overlay District.

Land Sale Profile

Sale No. 4

Location & Property Identification

Property Name:	Vacant Land Sale
Sub-Property Type:	Residential
Address:	21 Starr Ave.
City/State/Zip:	Las Vegas, NV 89183
County:	Clark
Submarket:	Southwest
Market Orientation:	Suburban



Lat./Long.: 35.984703/-115.171670 IRR Event ID (1092633)

Shape:	Rectangular
Topography:	Level
Corner Lot:	Yes
Zoning Code:	R-2
Zoning Desc.:	Medium Density Residential
Source of Land Info.:	Public Records

Sale Information

Sale Price:	$14,250,000
Eff. R.E. Sale Price:	$14,250,000
Sale Date:	10/02/2013
Sale Status:	Recorded
$/Acre(Gross):	$419,118
$/Land SF(Gross):	$9.62
$/Acre(Usable):	$419,118
$/Land SF(Usable):	$9.62
Grantor/Seller:	Las Vegas Boulevard & Starr Ave, LLC
Grantee/Buyer:	DR Horton, Inc.
Property Rights:	Fee Simple
% of Interest Conveyed:	100.00
Financing:	Cash to seller
Document Type:	Bargain and Sale Deed
Recording No.:	20131002:01536
Verification Source:	Grant Bargain Sales Deed, Public Records
Verification Type:	Secondary Verification

Comments

This site was zoned H-1 Limited Resort & Apartment originally. It was then zoned down to R-2 Medium Density Residential under app no. ROI-0358-13, which expires on 9/4/2016. The is a power line bisecting this parcel running north/south.

Improvement and Site Data

MSA:	Las Vegas Paradise MSA
Legal/Tax/Parcel ID:	191-04-101-001
Acres(Usable/Gross):	34.00/38.09
Land-SF(Usable/Gross):	1,481,040/1,659,200
Usable/Gross Ratio:	0.89

Comparable Tavern Sales

Retail Sale Profile

Sale No. 1

Location & Property Identification

Property Name:	Mountainside Tavern
Sub-Property Type:	Restaurant/Bar, Bar/Tavern/Nightclub
Address:	1442 E. Lake Mead Pky.
City/State/Zip:	Henderson, NV 89015
County:	Clark
Submarket:	Southeast
Market Orientation:	Suburban

Lat./Long.: 36.072929/-114.953316 IRR Event ID (1092189)

Sale Information

Sale Price:	$23,000,000
Eff. R.E. Sale Price:	$2,300,000
Sale Date:	12/10/2014
Sale Status:	Recorded
$/SF GBA:	$462.87
$/SF NRA:	$462.87
Grantor/Seller:	Hillside Pad, LLC
Grantee/Buyer:	SEPK Enterprise, Inc.
Property Rights:	Leased Fee
% of Interest Conveyed:	100.00
Occupancy at Time of Sale:	100.00
Financing:	Cash to seller
Document Type:	Bargain and Sale Deed
Recording No.:	20141210:03995
Verified By:	George L. Wara
Verification Source:	CoStar, Public Records, Grant Bargain Sales Deed
Verification Type:	Secondary Verification

Improvement and Site Data

MSA:	Las Vegas Paradise
Legal/Tax/Parcel ID:	160-33-411-006
GBA-SF:	4,969
GLA-SF:	4,969
Acres(Usable/Gross):	0.85/0.85
Land-SF(Usable/Gross):	37,026/37,026
Usable/Gross Ratio:	1.00
Year Built:	2008
Building/M&S Class:	B/C
Construction Quality:	Average
Improvements Cond.:	Good
Exterior Walls:	Stucco
No. of Buildings/Stories:	1/1
Total Parking Spaces:	67
Park. Ratio 1000 SF GLA:	13.48
No. Surface Spaces:	67
Park. Ratio 1000 SF GBA:	13.48
AccessibilityRating:	Average
Visibility Rating:	Average
Bldg. to Land Ratio FAR:	0.13
Zoning Code:	CC
Zoning Desc.:	Community Commercial
Source of Land Info.:	Public Records

Retail Sale Profile

Sale No. 2

Location & Property Identification

Property Name:	Sundance Kid Cafe
Sub-Property Type:	Restaurant/Bar
Address:	4325 W. Craig Rd.
City/State/Zip:	North Las Vegas, NV 89032
County:	Clark
Submarket:	North Las Vegas
Market Orientation:	Suburban

Lat./Long.: 36.238514/-115.199585 IRR Event ID (1092165)

Usable/Gross Ratio:	1.00
Year Built:	1995
Building/M&S Class:	B/C
Construction Quality:	Average
No. of Buildings/Stories:	1/1
Total Parking Spaces:	54
Park. Ratio 1000 SF GLA:	13.64
No. Surface Spaces:	54
Park. Ratio 1000 SF GBA:	12.86
Bldg. to Land Ratio FAR:	0.13
Zoning Code:	C-1
Zoning Desc.:	Neighborhood Commercial
Source of Land Info.:	Public Records

Sale Information

Sale Price:	$1,700,000
Eff. R.E. Sale Price:	$1,700,000
Sale Date:	09/30/2014
Sale Status:	Recorded
$/SF GBA:	$404.76
$/SF NRA:	$429.29
Grantor/Seller:	Kimancrist Ltd
Grantee/Buyer:	SKGB Holdings, LLC
Property Rights:	Fee Simple
% of Interest Conveyed:	100.00
Occupancy at Time of Sale:	100.00
Financing:	Cash to seller
Document Type:	Bargain and Sale Deed
Recording No.:	20140930:02594
Verified By:	George L. Wara
Verification Source:	Costar, Public Records, Grant Bargain Sales Deed
Verification Type:	Secondary Verification

Improvement and Site Data

MSA:	Las Vegas Paradise MSA
Legal/Tax/Parcel ID:	139-06-301-003
GBA-SF:	4,200
GLA-SF:	3,960
Acres(Usable/Gross):	0.76/0.76
Land-SF(Usable/Gross):	33,105/33,105

Retail Sale Profile

Sale No. 3

Location & Property Identification

Property Name:	PT's Pub
Sub-Property Type:	Restaurant/Bar, Bar/Tavern/Nightclub
Address:	6235 S. Decatur Blvd.
City/State/Zip:	Las Vegas, NV 89118
County:	Clark
Submarket:	Southwest
Market Orientation:	Suburban

Lat./Long.: 36.076683/-115.208504 IRR Event ID (1092168)

Sale Information

Sale Price:	$3,575,000
Eff. R.E. Sale Price:	$3,575,000
Sale Date:	09/24/2014
Sale Status:	Recorded
$/SF GBA:	$541.67
$/SF NRA:	$541.67
Grantor/Seller:	PT Landtech LLC
Grantee/Buyer:	Lam & Chow 2, LLC
Property Rights:	Leased Fee
% of Interest Conveyed:	100.00
Occupancy at Time of Sale:	100.00
Financing:	Cash to seller
Document Type:	Bargain and Sale Deed
Recording No.:	20140924:01355
Verified By:	George L. Wara
Verification Source:	CoStar, Public Records, Grant Bargain Sales Deed
Verification Type:	Secondary Verification

Operating Data and Key Indicators

Net Operating Income:	$244,553
OAR(Cap. rate)Actual:	6.84%
OAR(Cap. Rate)Reported:	6.75%

Tenants / Credit / Chain

Building Tenant:	1
Net Lease Type:	Triple Net

Improvement and Site Data

MSA:	Las Vegas Paradise MSa
Legal/Tax/Parcel ID:	163-36-712-002
GBA-SF:	6,600
GLA-SF:	6,600
Acres(Usable/Gross):	1.73/1.73
Land-SF(Usable/Gross):	75,358/75,358
Usable/Gross Ratio:	1.00
Year Built:	2001
Building/M&S Class:	B/C
Construction Quality:	Good
Improvements Cond.:	Average
Exterior Walls:	Stucco
No. of Buildings/Stories:	1/1
Total Parking Spaces:	65
Park. Ratio 1000 SF GLA:	9.85
No. Surface Spaces:	65
Park. Ratio 1000 SF GBA:	9.85
AccessibilityRating:	Average
Visibility Rating:	Good
Bldg. to Land Ratio FAR:	0.09
Zoning Code:	C-2
Zoning Desc.:	General Commercial
Source of Land Info.:	Public Records

Retail Sale Profile

Sale No. 4

Location & Property Identification

Property Name:	PT's Pub
Sub-Property Type:	Restaurant/Bar, Bar/Tavern/Nightclub
Address:	61 NW. Horizon Ridge Pky.
City/State/Zip:	Henderson, NV 89102
County:	Clark
Submarket:	Southeast
Market Orientation:	Suburban

Lat./Long.: 36.012825/-114.993683 IRR Event ID (1092178)

Sale Information

Sale Price:	$2,700,000
Eff. R.E. Sale Price:	$2,700,000
Sale Date:	03/21/2014
Sale Status:	Recorded
$/SF GBA:	$450.00
$/SF NRA:	$450.00
Grantor/Seller:	Karlin Black Mountain, LLC
Grantee/Buyer:	Miller Trust Et Al
Property Rights:	Leased Fee
% of Interest Conveyed:	100.00
Exposure Time:	5.00 (months)
Occupancy at Time of Sale:	100.00
Financing:	Cash to seller
Document Type:	Bargain and Sale Deed
Recording No.:	20140321:01360
Verified By:	George L. Wara
Verification Source:	CoStar, Public records, Grant Bargain Sales Deed
Verification Type:	Secondary Verification

Improvement and Site Data

MSA:	Las Vegas Paradise MSA
Legal/Tax/Parcel ID:	179-19-401-006
GBA-SF:	6,000
GLA-SF:	6,000
Acres(Usable/Gross):	1.16/1.16
Land-SF(Usable/Gross):	50,529/50,529
Usable/Gross Ratio:	1.00
Year Built:	2005
Building/M&S Class:	B/C
Construction Quality:	Average
Improvements Cond.:	Good
Exterior Walls:	Stucco
No. of Buildings/Stories:	1/1
Total Parking Spaces:	75
Park. Ratio 1000 SF GLA:	12.50
No. Surface Spaces:	75
Park. Ratio 1000 SF GBA:	12.50
Shape:	Rectangular
Topography:	Level
AccessibilityRating:	Average
Visibility Rating:	Good
Bldg. to Land Ratio FAR:	0.12
Zoning Code:	CC
Zoning Desc.:	Community Commercial
Source of Land Info.:	Public Records

Comments

This transaction represents the sale of a 6,000 squre foot restaurant/tavern located in Henderson. The property sold for $2,700,000 or $450 per square foot according to the true buyer and listing broker.

Comments (Cont'd)

Comparable Leases/Listings

Retail Lease Profile

Lease No. 1

Location & Property Identification

Property Name:	Mulligan's Landing
Sub-Property Type:	Restaurant/Bar
Address:	2851 N. Rancho Dr.
City/State/Zip:	Las Vegas, NV 89130
County:	89130
Submarket:	Northwest
Market Orientation:	Suburban

Lat./Long.: 36.210789/-115.207100 IRR Event ID (1093820)

Lease Information

Init Year Contract Rate:	$25.92 /$/SF/YR
Effective Lease Rate:	$25.92 /$/SF/YR
Lease Commencement:	06/16/2014
Term of Lease:	60 months
Space Type:	Retail
Transaction Reliability:	Confirmed
Leased Area:	3,465

Lease Expense Information

Lease Reimburse. Type:	Triple Net

Improvement and Site Data

Legal/Tax/Parcel ID:	139-18-201-002
GBA-SF:	3,465
GLA-SF:	3,465
Acres(Usable/Gross):	0.90/0.90
Land-SF(Usable/Gross):	39,204/39,204
Usable/Gross Ratio:	1.00
Year Built:	2000
Building/M&S Class:	C/C
Total Parking Spaces:	60
Park. Ratio 1000 SF GLA:	17.32
No. Surface Spaces:	60
Park. Ratio 1000 SF GBA:	17.32
Bldg. to Land Ratio FAR:	0.09
Source of Land Info.:	Public Records

Comments

This lease was reportedly verified with Les Eisinga with North Cap. This is an operating Mulligan's Tavern, which is being sold to the tenant. Upon close of escrow the tenant is signing a five-year lease at $7,500 per month on a triple-net basis. The rate is fixed for the first three-years. Annual increase of 3% apply in years 4 and 5. There are 3, five-year extensions.

Retail Lease Profile

Lease No. 2

Location & Property Identification

Property Name:	Golden Gaming
Sub-Property Type:	Restaurant/Bar
Address:	10430 S. Eastern Avenue
City/State/Zip:	Henderson, NV 89052
County:	Clark
Market Orientation:	Urban

Lat./Long.: 36.001231/-115.107110 IRR Event ID (1093819)

Park. Ratio 1000 SF GBA:	5.09
Bldg. to Land Ratio FAR:	0.22
Source of Land Info.:	Public Records

Lease Information

Init Year Contract Rate:	$24.12 /$/SF/YR
Effective Lease Rate:	$24.12 /$/SF/YR
Lease Commencement:	08/01/2013
Term of Lease:	120 months
Lease Type:	Local
Space Type:	Retail
Transaction Reliability:	Confirmed
Leased Area:	6,678

Lease Expense Information

Lease Reimburse. Type:	Triple Net

Improvement and Site Data

MSA:	Las Vegas-Paradise, NV Metropolitan Statistical Area
Legal/Tax/Parcel ID:	177-25-813-003
GBA-SF:	6,678
GLA-SF:	6,678
Acres(Gross):	0.69
Land-SF(Gross):	30,056
Year Built:	2004
Building/M&S Class:	B/D
No. of Buildings/Stories:	1/1
Total Parking Spaces:	34
Park. Ratio 1000 SF GLA:	5.09
No. Surface Spaces:	34

Comments

This lease has been verified with Scot Marker of Colliers. Dotty's has originally signed a lease for $11,500 per month and they ut in an application with the gaming control board around March only to withdraw in July. In August, the property was leased to Golden Gaming with an effective lease rate reported at $24.12 per square foot annually for a ten-year period.

Retail Lease Profile

Lease No. 3

Location & Property Identification

Property Name:	Laughing Jackalope
Sub-Property Type:	Restaurant/Bar
Address:	3969 E. Las Vegas Blvd. S.
City/State/Zip:	Las Vegas, NV 89119
County:	Clark
Submarket:	South Strip
Market Orientation:	Suburban

Lat./Long.: 36.091285/-115.172684 IRR Event ID (1093817)

Lease Information

Init Year Contract Rate:	$72.00 /$/SF/YR
Effective Lease Rate:	$72.00 /$/SF/YR
Lease Commencement:	01/01/2015
Space Type:	Retail
Transaction Reliability:	Researched
Leased Area:	3,200

Lease Expense Information

Lease Reimburse. Type:	Triple Net

Improvement and Site Data

MSA:	Las Vegas Paradise MSA
GBA-SF:	3,200
GLA-SF:	3,200
Acres(Usable/Gross):	1.79/1.79
Land-SF(Usable/Gross):	77,972/77,972
Usable/Gross Ratio:	1.00
Bldg. to Land Ratio FAR:	0.04
Source of Land Info.:	Other

Comments

This is the listing of the Laughing Jackalope , located on Las Vegas Boulevard South across from the Madalay Bay. The tavern is in turn-key condition ready for immediate occupancy. It has a built-in cooler and full kitchen. This property is being marketed on a five-year term.

Retail Lease Profile

Lease No. 4

Location & Property Identification

Property Name:	Art Yard Bar Space
Sub-Property Type:	Restaurant/Bar
Address:	1025-0139 S. Main St.
City/State/Zip:	Las Vegas, NV 89101
County:	Clark
Submarket:	Downtown
Market Orientation:	Suburban

Lat./Long.: 36.160045/-115.152877 IRR Event ID (1093816)

This is the listing for a restaurant/bar/urban lounge with gaming in the Arts District in Downtown Las Vegas. There is a 10,000 sf courtyard/dining area. Generous tenant improvements, new HVAC units, new plumbing.

Lease Information

Init Year Contract Rate:	$36.00 /$/SF/YR
Effective Lease Rate:	$36.00 /$/SF/YR
Lease Commencement:	01/01/2015
Space Type:	Retail
Verified with:	Listing
Transaction Reliability:	Researched
Leased Area:	2,700

Lease Expense Information

Lease Reimburse. Type:	Triple Net

Improvement and Site Data

MSA:	Las Vegas Paradise MSa
Legal/Tax/Parcel ID:	139-33-811-020
GBA-SF:	2,700
GLA-SF:	2,700
Acres(Usable/Gross):	0.24/0.24
Land-SF(Usable/Gross):	10,454/10,454
Usable/Gross Ratio:	1.00
No. of Buildings/Stories:	1/1
Accessibility Rating:	Average
Visibility Rating:	Above average
Bldg. to Land Ratio FAR:	0.26
Source of Land Info.:	Public Records

Comments

Retail Lease Profile

Lease No. 5

Location & Property Identification

Property Name:	Bar/Urban Lounge
Sub-Property Type:	Restaurant/Bar
Address:	1310 S. 3rd St.
City/State/Zip:	Las Vegas, NV 89104
County:	Clark
Submarket:	Downtown
Market Orientation:	Suburban

Lat./Long.: 36.155495/-115.151566 IRR Event ID (1093814)

Source of Land Info.: Public Records

Lease Information

Init Year Contract Rate:	$40.50 /$/SF/YR
Effective Lease Rate:	$40.50 /$/SF/YR
Lease Commencement:	01/01/2015
Space Type:	Retail
Verified with:	Listing
Transaction Reliability:	Researched
Leased Area:	2,100

Lease Expense Information

Lease Reimburse. Type:	Triple Net

Improvement and Site Data

MSA:	Las Vegas Paradise MSA
Legal/Tax/Parcel ID:	162-03-110-023
GBA-SF:	2,100
GLA-SF:	2,100
Acres(Usable/Gross):	0.30/0.30
Land-SF(Usable/Gross):	13,068/13,068
Usable/Gross Ratio:	1.00
Year Built:	1969
No. of Buildings/Stories:	1/1
Total Parking Spaces:	10
Park. Ratio 1000 SF GLA:	4.76
Park. Ratio 1000 SF GBA:	4.76
Bldg. to Land Ratio FAR:	0.16
Zoning Code:	C-2
Zoning Desc.:	General Commercial

Comments

This is the listing for a bar/urban lounge located in Downtown Las Vegas, south of Charleston Boulevard.

Retail Lease Profile

Lease No. 6

Location & Property Identification

Property Name:	Skinny Dugans
Sub-Property Type:	Restaurant/Bar
Address:	4127-4141 W. Charleston Blvd.
City/State/Zip:	Las Vegas, NV 89102
County:	Clark
Market Orientation:	Urban

Lat./Long.: 36.158367/-115.196884 IRR Event ID (1093799)

Bldg. to Land Ratio FAR:	0.07
Zoning Code:	c-1
Zoning Desc.:	Neighborhood Commercial
Source of Land Info.:	Other

Lease Information

Init Year Contract Rate:	$50.04 /$/SF/YR
Effective Lease Rate:	$50.04 /$/SF/YR
Lease Commencement:	01/01/2015
Space Type:	Retail
Verified with:	Listing
Transaction Reliability:	Researched
Leased Area:	6,000

Lease Expense Information

Lease Reimburse. Type:	Triple Net

Improvement and Site Data

Legal/Tax/Parcel ID:	162-06-510-040 & 019
GBA-SF:	6,000
GLA-SF:	6,000
Acres(Usable/Gross):	1.89/1.89
Land-SF(Usable/Gross):	82,328/82,328
Usable/Gross Ratio:	1.00
Year Built:	1960
No. of Buildings/Stories:	1/1
Total Parking Spaces:	150
Park. Ratio 1000 SF GLA:	25.00
No. Surface Spaces:	150
Park. Ratio 1000 SF GBA:	25.00
Accessibility Rating:	Above average
Visibility Rating:	Good

Comments

This is the listing of Skinny Dugans tavern. The building is approved for 35 slots, packaged liquor, and has a full kitchen. The building is completely furnished and has abundant parking. It has been remodeled within the past five-years. The tavern has frontage on Charleston Boulevard.

Retail Lease Profile

Lease No. 7

Location & Property Identification

Property Name:	Restaurant/Bar Listing
Sub-Property Type:	Restaurant/Bar
Address:	4423 E. Sunset Rd.
City/State/Zip:	Henderson, NV 89104
County:	Clark
Market Orientation:	Suburban

Lat./Long.: 36.070141/-115.076668 IRR Event ID (1093796)

Source of Land Info.: Public Records

Lease Information

Init Year Contract Rate:	$24.00 /$/SF/YR
Effective Lease Rate:	$24.00 /$/SF/YR
Lease Commencement:	01/20/2015
Space Type:	Retail
Verified with:	Listing
Transaction Reliability:	Researched
Leased Area:	6,163

Lease Expense Information

Lease Reimburse. Type:	Triple Net

Improvement and Site Data

Legal/Tax/Parcel ID:	178-05-101-016
GBA-SF:	6,163
GLA-SF:	6,163
Acres(Usable/Gross):	1.03/1.03
Land-SF(Usable/Gross):	44,866/44,866
Usable/Gross Ratio:	1.00
Total Parking Spaces:	40
Park. Ratio 1000 SF GLA:	6.49
No. Surface Spaces:	40
Park. Ratio 1000 SF GBA:	6.49
Accessibility Rating:	Average
Visibility Rating:	Average
Bldg. to Land Ratio FAR:	0.14
Zoning Code:	CC
Zoning Desc.:	Community Commercial

Comments

This is the offering of a free standing restaurant in Green Valley. The property is located on Sunset Road with traffic counts of 35,000 cars per day. It sits adjacent to the Wildfire Casino and Bowling Alley, across the street from the Galaxy Luxury Theater, Barley's Casino and Brewing Company as well as Club Sport Green Valley.

Retail Lease Profile

Lease No. 8

Location & Property Identification

Property Name:	Arts District Bar Space
Sub-Property Type:	Restaurant/Bar
Address:	1115 Casino Center Blvd.
City/State/Zip:	Las Vegas, NV 89104
County:	Clark
Submarket:	Downtown Las Vegas
Market Orientation:	Suburban

Lat./Long.: 36.158530/-115.152193 IRR Event ID (1093788)

Lease Information

Init Year Contract Rate:	$60.00 /$/SF/YR
Effective Lease Rate:	$60.00 /$/SF/YR
Lease Commencement:	01/20/2015
Space Type:	Retail
Verified with:	Listing
Transaction Reliability:	Researched
Leased Area:	1,000

Lease Expense Information

Lease Reimburse. Type:	Triple Net

Improvement and Site Data

Legal/Tax/Parcel ID:	162-03-105-002
GBA-SF:	1,000
GLA-SF:	1,000
Acres(Usable/Gross):	0.64/0.64
Land-SF(Usable/Gross):	27,878/27,878
Usable/Gross Ratio:	1.00
No. of Buildings/Stories:	1950/2013
Total Parking Spaces:	15
Park. Ratio 1000 SF GLA:	15.00
No. Surface Spaces:	15
Park. Ratio 1000 SF GBA:	15.00
Bldg. to Land Ratio FAR:	0.04
Zoning Code:	C-1
Zoning Desc.:	Local Business
Source of Land Info.:	Other

Comments

This is the listing for 1,000 square feet of Arts District bar space located at 1115 Casino Center, north of Charleston Boulevard. The 1,000 square feet includes an additional 700 square feet of dedicated shaded patio space. The building was originally built in the 1950's, but has been renovated recently. The interiors have not been completed and are waiting to be finished for the new tenant. All MP&E is complete. FF&E and final design are responsibility of the tenant. Landlord will install new floors and allow $10/ft TI allowance.

Retail Lease Profile

Lease No. 9

Location & Property Identification

Property Name:	Restaurant/Bar
Sub-Property Type:	Restaurant/Bar
Address:	2061 W. Sunset Rd.
City/State/Zip:	Henderson, NV 89014
County:	Clark
Market Orientation:	Suburban

Lat./Long.: 36.069794/-115.070595 IRR Event ID (1093782)

Zoning Code:	CC
Zoning Desc.:	Community Commercial
Improve. Info. Source:	Other
Source of Land Info.:	Public Records

Lease Information

Init Year Contract Rate:	$27.00 /$/SF/YR
Effective Lease Rate:	$27.00 /$/SF/YR
Lease Commencement:	01/20/2015
Lease Type:	Local
Space Type:	Retail
Transaction Reliability:	Researched
Leased Area:	8,006
Full Building Lease:	Yes

Lease Expense Information

Lease Reimburse. Type:	Triple Net

Improvement and Site Data

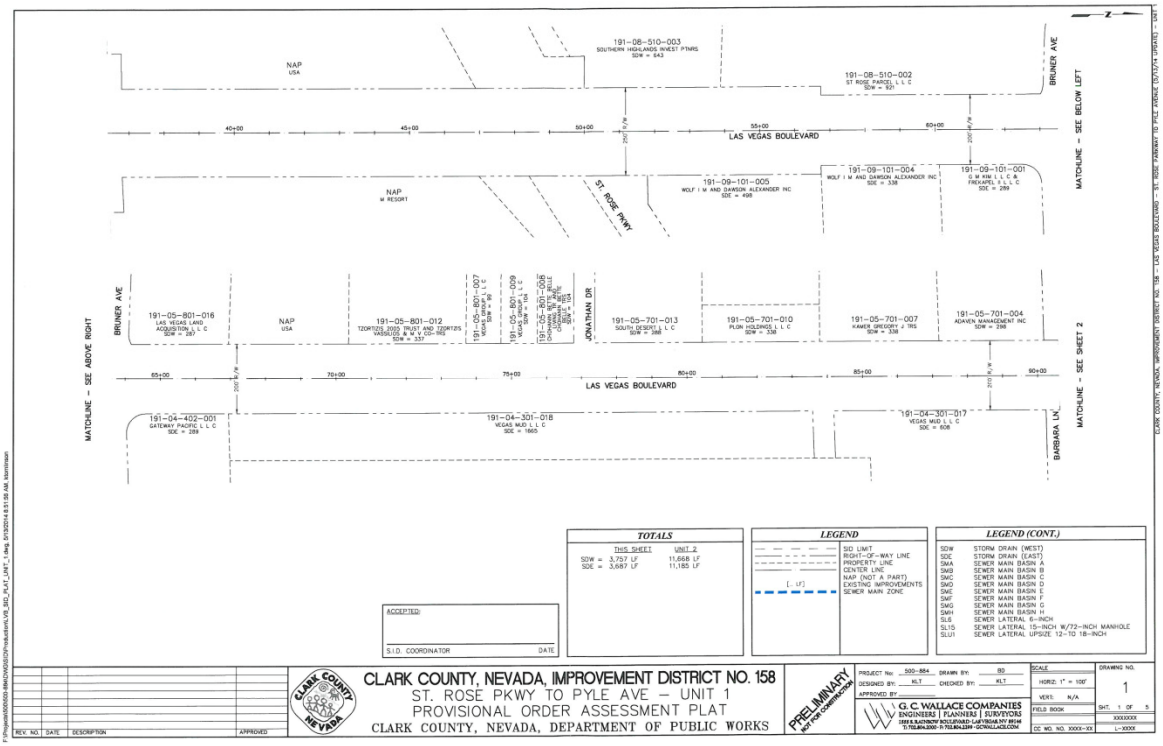
Legal/Tax/Parcel ID:	178-05-514-011
GBA-SF:	8,006
GLA-SF:	8,006
Acres(Usable/Gross):	1.25/1.25
Land-SF(Usable/Gross):	54,450/54,450
Usable/Gross Ratio:	1.00
Year Built:	1996
Most Recent Renovation:	2003
No. of Buildings/Stories:	1/1
Total Parking Spaces:	72
Park. Ratio 1000 SF GLA:	8.99
No. Surface Spaces:	72
Park. Ratio 1000 SF GBA:	8.99
Bldg. to Land Ratio FAR:	0.15

Comments

This is the listing of a restaurant/bar located at 2061 W. Sunset Road. This asking rate is $27.00 per square foot annually. The property is a free standing restaurant constructed in 1996 and renovated in 2003. The general layout of the building includes a lobby area, restaurant seating with a separate bar room, two public restrooms, one employee restroom and a private banquet room.

Addendum E

S.I.D. 158 Unit 1 and Unit 2 Provisional Order Assessment Plats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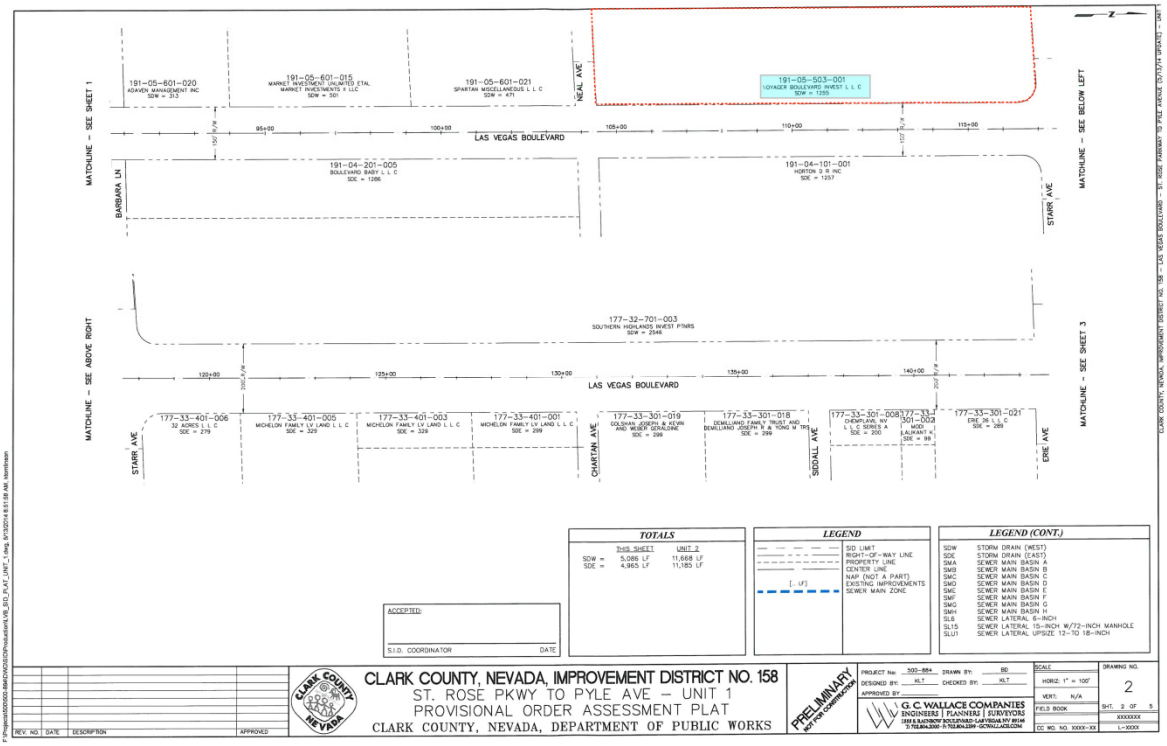
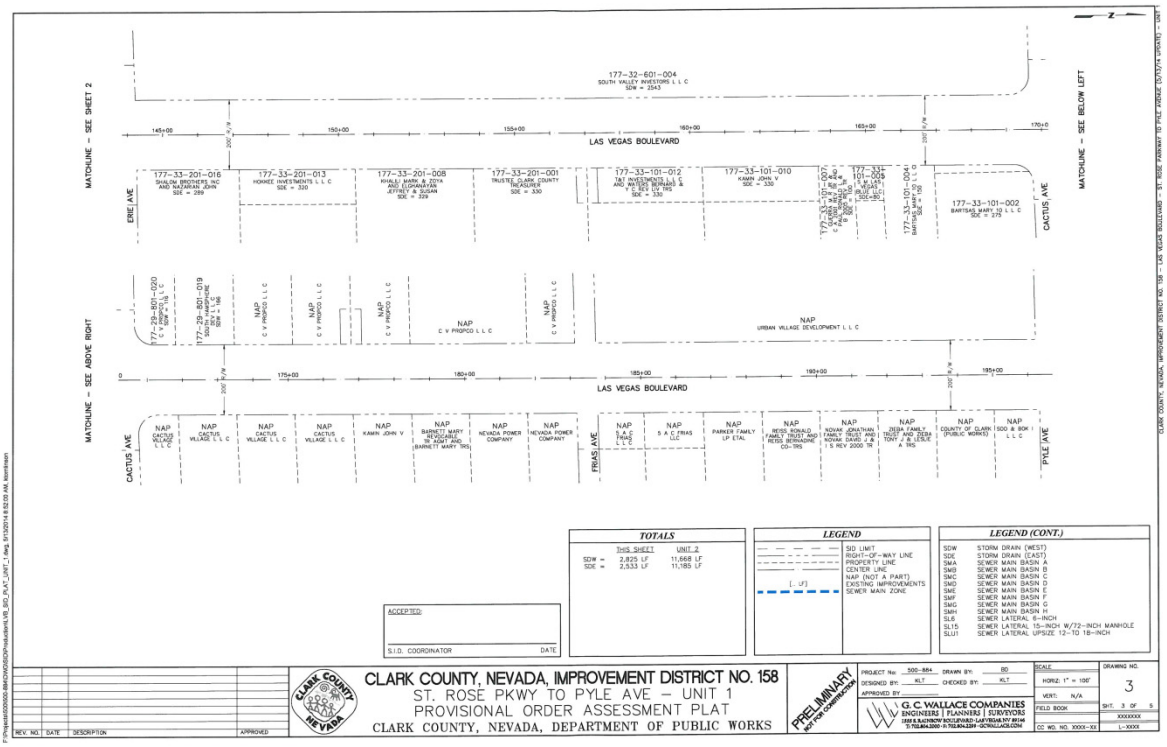
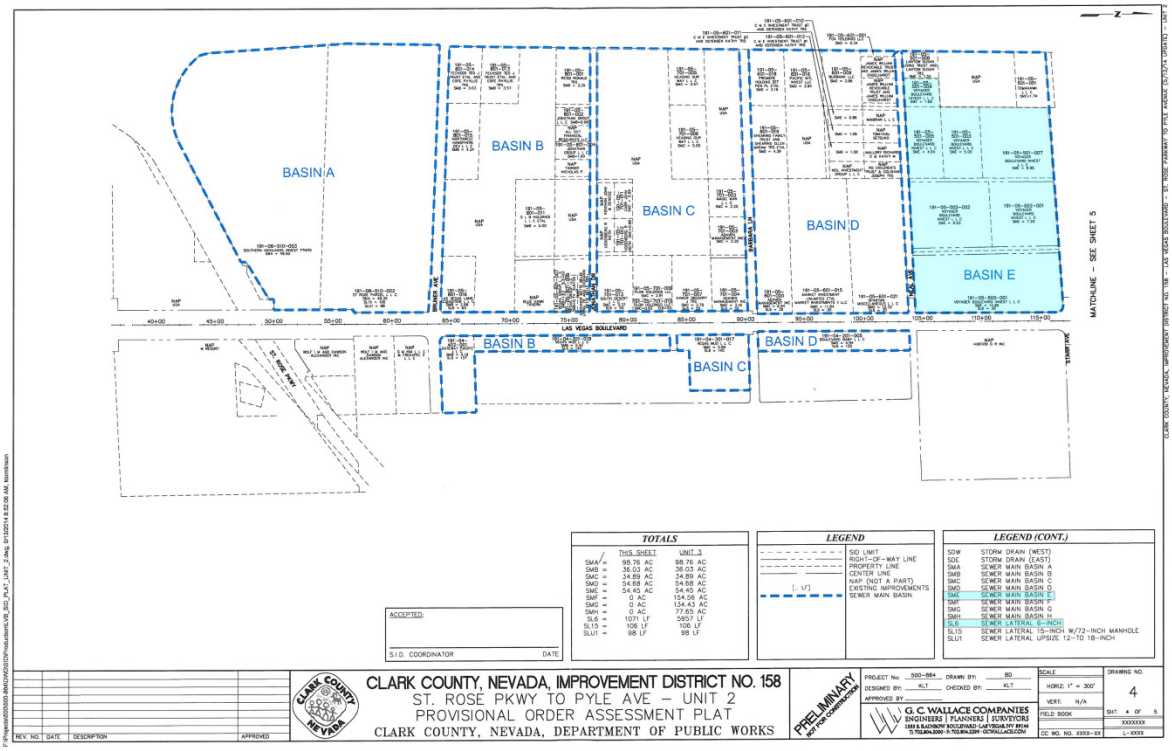
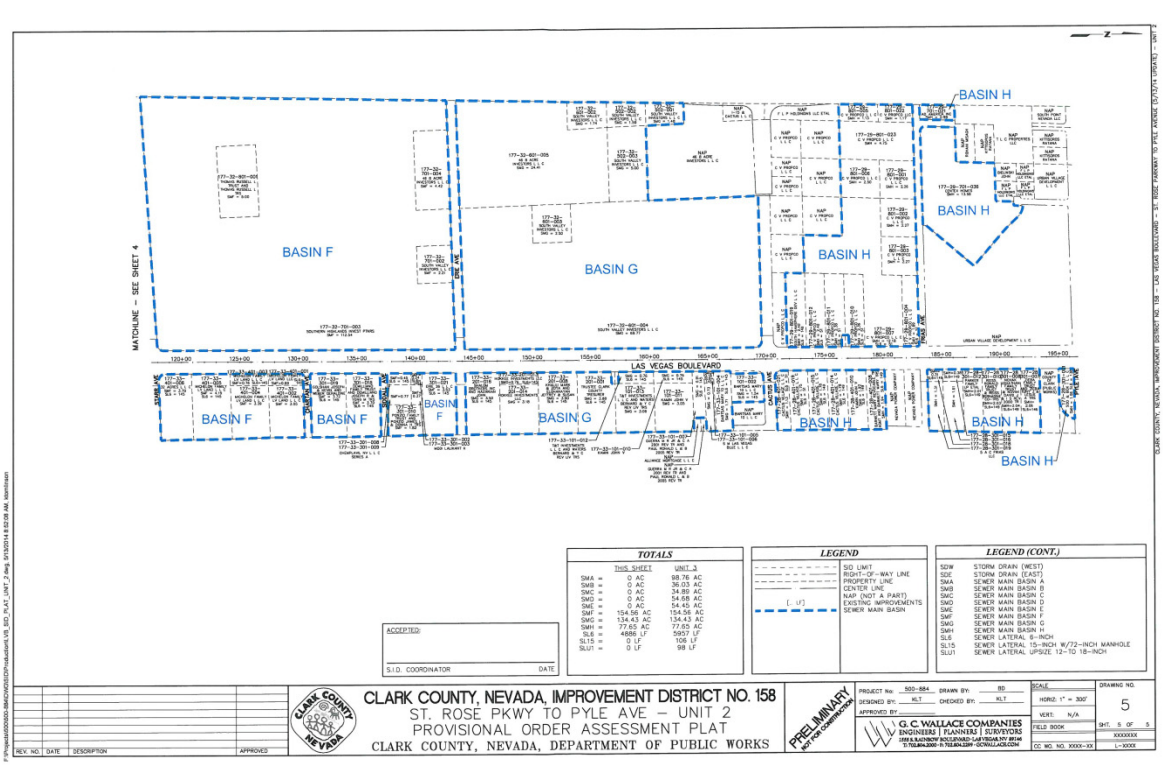
ST. ROSE PKWY TO PYLE AVE – UNIT 1
PROVISIONAL ORDER ASSESSMENT PLAT
CLARK COUNTY, NEVADA, DEPARTMENT OF PUBLIC WORKS
LAS VEGAS BOULEVARD
ST ROSE PKWY
BRUNER AVE
JONATHAN DR
BARBARA LN
MATCHLINE – SEE ABOVE RIGHT
MATCHLINE – SEE BELOW LEFT
MATCHLINE – SEE SHEET 2
TOTALS
LEGEND
LEGEND (CONT.)
PRELIMINARY NOT FOR CONSTRUCTION
G. C. WALLACE COMPANIES
ENGINEERS | PLANNERS | SURVEYORS


CLARK COUNTY, NEVADA, IMPROVEMENT DISTRICT NO. 158
ST. ROSE PKWY TO PYLE AVE – UNIT 1
PROVISIONAL ORDER ASSESSMENT PLAT
CLARK COUNTY, NEVADA, DEPARTMENT OF PUBLIC WORKS
LAS VEGAS BOULEVARD
NEAL AVE
BARBARA LN
STARR AVE
CHARTAN AVE
SIDDALL AVE
ERIE AVE
MATCHLINE – SEE SHEET 1
MATCHLINE – SEE ABOVE RIGHT
MATCHLINE – SEE BELOW LEFT
MATCHLINE – SEE SHEET 3
TOTALS
LEGEND
LEGEND (CONT.)
PRELIMINARY NOT FOR CONSTRUCTION
G. C. WALLACE COMPANIES
ENGINEERS | PLANNERS | SURVEYORS


LAS VEGAS BOULEVARD
ERIE AVE
CACTUS AVE
FRIAS AVE
PYLE AVE
MATCHLINE – SEE SHEET 2
MATCHLINE – SEE ABOVE RIGHT
MATCHLINE – SEE BELOW LEFT
TOTALS
LEGEND
LEGEND (CONT.)
ACCEPTED:
S.I.D. COORDINATOR
DATE
CLARK COUNTY, NEVADA, IMPROVEMENT DISTRICT NO. 158
ST. ROSE PKWY TO PYLE AVE – UNIT 1
PROVISIONAL ORDER ASSESSMENT PLAT
CLARK COUNTY, NEVADA, DEPARTMENT OF PUBLIC WORKS
PRELIMINARY NOT FOR CONSTRUCTION
G. C. WALLACE COMPANIES
ENGINEERS | PLANNERS | SURVEYORS
DRAWING NO.
3


BASIN A
BASIN B
BASIN C
BASIN D
BASIN E
LAS VEGAS BOULEVARD
ST. ROSE PKWY
MATCHLINE – SEE SHEET 5
TOTALS
LEGEND
LEGEND (CONT.)
ACCEPTED:
S.I.D. COORDINATOR
DATE
CLARK COUNTY, NEVADA, IMPROVEMENT DISTRICT NO. 158
ST. ROSE PKWY TO PYLE AVE – UNIT 2
PROVISIONAL ORDER ASSESSMENT PLAT
CLARK COUNTY, NEVADA, DEPARTMENT OF PUBLIC WORKS
PRELIMINARY NOT FOR CONSTRUCTION
G. C. WALLACE COMPANIES
ENGINEERS | PLANNERS | SURVEYORS
DRAWING NO.
4


BASIN F
BASIN G
BASIN H
MATCHLINE – SEE SHEET 4
LAS VEGAS BOULEVARD
TOTALS
LEGEND
LEGEND (CONT.)
ACCEPTED:
S.I.D. COORDINATOR
DATE
CLARK COUNTY, NEVADA, IMPROVEMENT DISTRICT NO. 158
ST. ROSE PKWY TO PYLE AVE – UNIT 2
PROVISIONAL ORDER ASSESSMENT PLAT
CLARK COUNTY, NEVADA, DEPARTMENT OF PUBLIC WORKS
PRELIMINARY NOT FOR CONSTRUCTION
G. C. WALLACE COMPANIES
ENGINEERS | PLANNERS | SURVEYORS
DRAWING NO.
5