

on assignment prior to Appraiser's receipt of written cancellation notice, unless otherwise agreed upon by Appraiser and Client in writing.

NO THIRD PARTY BENEFICIARIES

Nothing in this Agreement shall create a contractual relationship between the Appraiser or the Client and any third party, or any cause of action in favor of any third party. This Agreement shall not be construed to render any person or entity a third party beneficiary of this Agreement, including, but not limited to, any third parties identified herein.

USE OF EMPLOYEES OR INDEPENDENT CONTRACTORS

Appraiser may use employees or independent contractors at Appraiser's discretion to complete the assignment, unless otherwise agreed by the parties. Notwithstanding, Appraiser shall sign the written Appraisal Report and take full responsibility for the services provided as a result of this Agreement.

TESTIMONY AT COURT OR OTHER PROCEEDINGS

Unless otherwise stated in this Agreement, Client agrees that Appraiser's assignment pursuant to this Agreement shall not include the Appraiser's participation in or preparation for, whether voluntarily or pursuant to subpoena, any oral or written discovery, sworn testimony in a judicial, arbitration or administrative proceeding, or attendance at any judicial, arbitration, or administrative proceeding relating to this assignment.

APPRAISER INDEPENDENCE

Appraiser cannot agree to provide a value opinion that is contingent on a predetermined amount. Appraiser cannot guarantee the outcome of the assignment in advance. Appraiser cannot insure that the opinion of value developed as a result of this Assignment will serve to facilitate any specific objective by Client or others or advance any particular cause. Appraiser's opinion of value will be developed competently and with independence, impartiality and objectivity.

EXPIRATION OF AGREEMENT

This Agreement is valid only if signed by both Appraiser and Client within 3 days of the Date of Agreement specified.

20315 DURANGO DRIVE, SUITE 100, LAS VEGAS, NV 89103-9917, PHONE: 702.735.6833, FAX: 702.735.6830

Diane Joslin

From: Matt Lubawy [mailto:matt@lubawy.com]
Sent: Monday, June 08, 2009 9:20 PM
To: Diane Joslin
Subject: FW: Laughlin Appraisal

I need an engagement letter for this property.

Matt

From: Christian Duffin [mailto:cduffin@royal-union.com]
Sent: Monday, June 08, 2009 1:34 PM
To: Matt Lubawy
Cc: 'Vince Hesser'
Subject: RE: Laughlin Appraisal

Matthew,

Please prepare a summary report. Address it to

Michael J. Dawson
515 South Third Street
Las Vegas, NV 89101

Please let me know what you need to get started and I will get it ASAP.

Also, I understand you can complete it by the 30th, but if you can get it done a day or two before that would be very helpful. Thanks.

Christian Duffin
Director of Asset Management
ROYAL UNION
5440 West Sahara Avenue, 3rd Floor
Las Vegas, NV 89146
(702) 948-1710
cduffin@royal-union.com

From: Matt Lubawy [mailto:matt@lubawy.com]
Sent: Thursday, June 04, 2009 10:39 AM
To: 'Christian Duffin'
Subject: RE: Laughlin Appraisal

Our fees for a Self-Contained Report or for a Summary Report. We can complete the appraisal by June 30th.

Thanks,

Matthew Lubawy, MAI
Lubawy & Associates
3054 S. Decatur Blvd.
Las Vegas, NV 89117
Tel: (702) 242-5360
Fax: (702) 242-6331

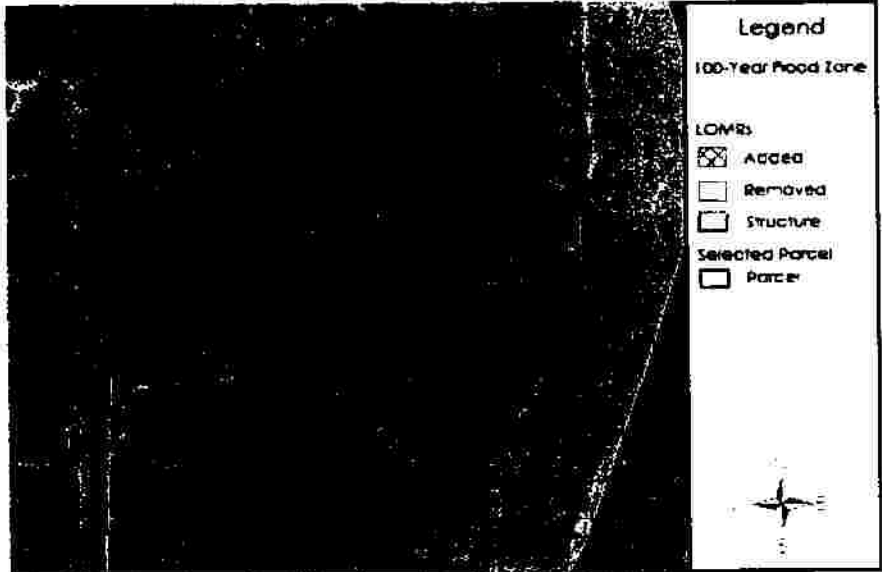
From: Christian Duffin {mailto:cduffin@royal-union.com}
Sent: Tuesday, June 02, 2009 9:27 AM
To: Matt Lubawy
Subject: Laughlin Appraisal

Matt,

The property that we need appraised "as is" consists of two parcels totaling about 80 acres on casino drive in Laughlin NV. The parcels are 264-25-101-001 and 264-25-201-001. They reside in the Commercial tourist district in the Laughlin City Land use plan. Please provide a price for a Summary and a Self-Contained. We would need the appraisal in a little over three weeks. Thanks.

Christian Duffin
Director of Asset Management
ROYAL UNION
5440 West Sahara Avenue, 3rd Floor
Las Vegas, NV 89146
(702) 948-1212
cduffin@royal-union.com

FEMA FLOOD MAPS



Legend

100-Year Flood Zone

LOMRs:

- ☒ Added
- ☐ Removed
- ☐ Structure

Selected Parcel

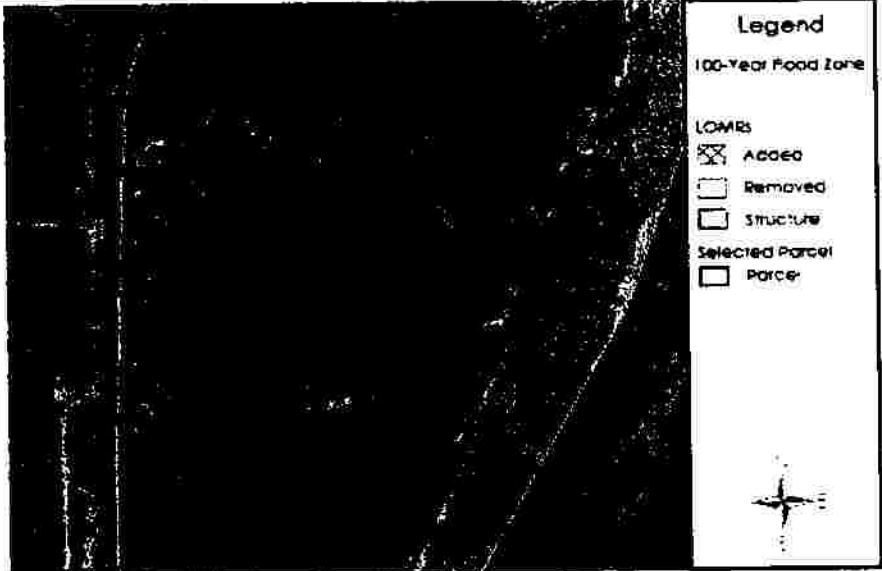
☐ Parcel

[View Printer-Friendly Map](#)

The District makes no warranties concerning the accuracy of this data. [View Disclaimer](#)

This parcel IS in a 100-year flood zone. Type: ZONE AE

<i>Parcel</i>	26425101001
<i>Owner</i>	NEVADA UENO MITA L L C
<i>Address</i>	0
<i>Entity</i>	Clark County
<i>Contact</i>	702-455-4604
<i>Flood Zone</i>	ZONE AE
<i>FIRM Panel</i>	View FIRM Panel (4015)
<i>LOMR</i>	This parcel is not affected by a LOMR

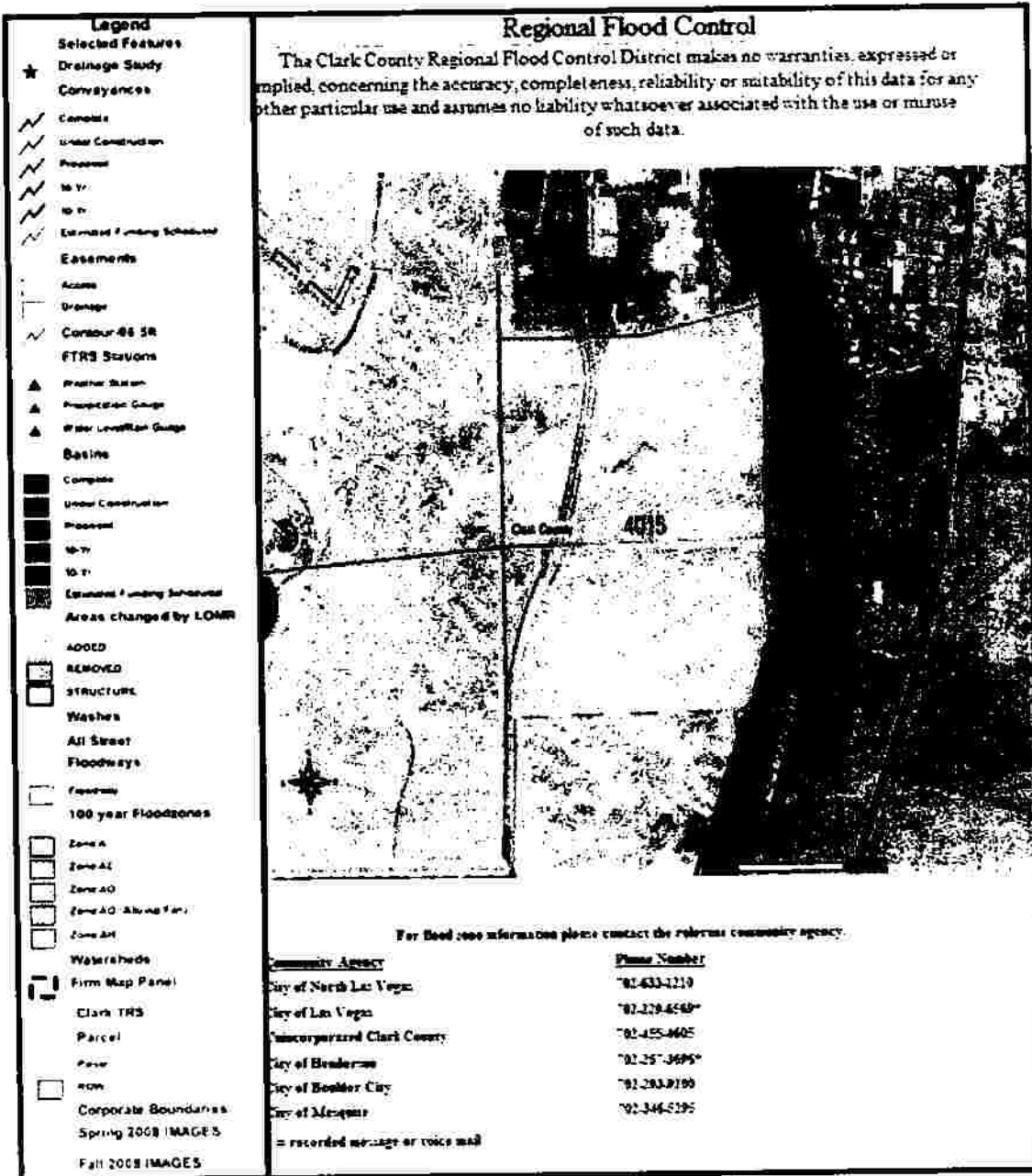


[View Printer-Friendly Map](#)

The District makes no warranties concerning the accuracy of this data. [View Disclaimer](#)

This parcel IS in a 100-year flood zone. Type: ZONE AE

<i>Parcel</i>	26425201001
<i>Owner</i>	NEVADA UENO MITA L L C
<i>Address</i>	0
<i>Entity</i>	Clark County
<i>Contact</i>	702-455-4604
<i>Flood Zone</i>	ZONE AE
<i>FIRM Panel</i>	View FIRM Panel (4015)
<i>LOMR</i>	This parcel is not affected by a LOMR



R-U ZONING ORDINANCE (CLARK COUNTY)

30.40.010	<p>General Applicability. This Chapter outlines the purposes, bulk, and intensity requirements for the various zoning base districts. In addition to the standards outlined in this Chapter, all development shall be subject to the requirements included in Chapters 30.52 (Off-Site Development Requirements), 30.56 (Site Development Standards), 30.60 (Parking and Loading Regulations), 30.64 (Site Landscape and Screening Standards), and 30.68 (Site Environmental Standards), unless modified by the restrictions of any of the overlay districts in Chapter 30.48 (Zoning Overlay Districts). Developments which are to be designed under the planned unit development provisions of this Title shall refer to Chapter 30.24 (Planned Unit Development).</p>
30.40.020	<p>Permitted Deviations from Bulk and Intensity Requirements. In accordance with the limitations listed below, administrative minor deviations up to 10% unless otherwise specified from the development standards listed in the following tables may be approved administratively, in accordance with the procedure outlined in Table 30.16-8, if a signed notarized letter of consent from the owner of any adjacent developed property is submitted with the application. Deviations shall be subject to the following limitations:</p> <ol style="list-style-type: none"> 1. Rural Residential, Single-Family Residential, and Multi-Family Residential Districts: Deviations from density restrictions and the minimum required setback of 10 feet from any street shall not be permitted. In addition, deviations from the height requirements may only be granted for architectural intrusions. Buildings may only intrude into a utility easement with permission from the respective utility company. Intrusions into private easements are not regulated by this Title. 2. Commercial, Industrial and Special Districts: Deviations from the minimum required setback from a street shall not be permitted. In addition, deviations from the height requirements may only be granted for architectural intrusions. Administrative minor deviations for structures over one hundred (100) feet in height are not permitted.
30.40.030	<p>Rural Residential Districts.</p> <ol style="list-style-type: none"> a. General Purpose. The Rural Residential Districts set forth herein, are intended to permit a broad range of rural residential development necessary to serve the citizens of Clark County. b. Standards Applicable to All Rural Residential Districts. All Rural Residential Districts shall comply with the bulk and intensity requirements listed in Table 30.40-1. c. Dwelling Unit Density. <ol style="list-style-type: none"> 1. The number of dwelling units per gross acre shall not exceed limits as set forth for the various districts, or for any lot or parcel within the

	<p>district.</p> <p>2. If a lot or parcel lies within more than one (1) district, the density of that portion within each district shall not exceed the density permitted for the district.</p> <p>3. Variances or waivers of standards to permit additional density shall not be accepted by the Zoning Administrator.</p> <p>d. Uses Permitted. The uses listed under the column of the respective Rural Residential Districts within Table 30.44-1 (see also Appendix F, uses categorized by zoning district) shall establish the uses permitted within the districts, subject to the conditions listed and to all administrative and special use permits as shown in the Table.</p>
30.40.040	<p>Purpose of R-U, Rural Open Land District. This district is established to provide for very low-density residential use and other appropriate uses of the vast areas of rural land, including dwellings which do not conform to the design restrictions for single family dwellings. See Table 30.56-2 (Design Standards) for additional design standards.</p>
30.40.050	<p>Purpose of R-A, Residential Agricultural District. This district is established for areas particularly suited for agricultural uses, including residential uses which do not conform to the design restrictions for single family dwellings, in conjunction with the raising of crops and animals and other agricultural activities. See Table 30.56-2 (Design Standards) for additional design standards.</p>
30.40.060	<p>Purpose of R-E, Rural Estates, Residential District. This district is established for areas particularly suited for low-density residential uses and to the raising of crops and of a limited number of animals for noncommercial purposes. See Table 30.56-2 (Design Standards) for additional design standards.</p> <p>1. R-E will be designated on the zoning map for developed residential lots, or developed or vacant areas under the following circumstances:</p> <p>a. Where according to the land use plan map an area is shown as RNP (Rural Neighborhood Preservation). This area may be adopted as an RNP-I overlay district per Section 30.48, resulting in a zoning map designation of RE-RNP- I; or</p> <p>b. Where regardless of the land use plan map designation, the area contains groups of existing residences and some vacant parcels to be preserved as residential according to NRS 278 This area may be adopted as an RNP-II overlay district per Section 30.48, resulting in a zoning map designation of RE-RNP-II.</p>

	2. RE-UUF, identifying property which is undeveloped, undetermined future, will be designated on the zoning map for vacant properties which are not subject to an RNP overlay and where the land use plan map shows higher density residential areas and/or non-residential designated areas which may be rezoned to a more intense use in the future. See Appendix H for illustration.
30.40.070	Purpose of R-D, Suburban Estates Residential District. This district is established for use in areas particularly suited to low-density, single-family residential use on lots of ten thousand (10,000) square feet or more in area. See Table 30.56-2 (Design Standards) for additional design standards.

Table 30.40-1 Rural Residential Districts - Property Development Standards Bulk Matrix				
Property Development Standards:	R-U	R-A	R-E	R-D
1. Architectural intrusions and enclosures may intrude into a required setbacks up to three (3) feet, but shall not be less than three (3) feet to a property line.				
2. No structure other than a permitted fence, wall, or accessory structures per 30.56.040(G) be located within 10 feet of a street. See 30.56.040(c) for possible additional restrictions.				
3. Legal nonconforming R-U zoned lots containing a minimum of twenty thousand (20,000) square feet and less than eighty thousand (80,000) square feet shall conform to the development standards for the R-E district.				
Dwelling Unit Density (Per Gross Acre):	0.5	1	2	3
Lot Area: May be further restricted by the minimum per Clark County District Health Department requirements for individual water and sewage systems.	80,000 sq. ft.	40,000 sq. ft.	20,000 sq. ft.	10,000 sq. ft.
Lot Coverage:	15%	25%	50%	50%

Yard Setback: See Section 30.56.050 (Sight Zones). Setback measured from property line, except for R-D, which shall be setback from the edge of any private street. Garage openings must be set back a minimum of 20 feet, except for lots on cul-de-sac streets (See 30.56.040 Yards & Setbacks). See Building Code for additional setbacks.	R-U	R-A	R-E	R-D
Front¹: Front setback must be open to the sky, void of buildings and courtyard with alternatives as follows: A. A twelve foot reduction for a maximum fifty percent (50%) of the overall building width (furthest side to furthest side) if: <ul style="list-style-type: none"> i. Two (2) trees are planted adjacent to the street front; or ii. Decorative features are provided and shown on plans, such as bay windows or stucco pop-outs, and color or texture, other than a grey, broom finish, is added to the driveway; (subject to a third party inspection and certification of compliance) and iii. Architectural intrusions and enclosures setback reduction do not apply. B. Barns, corrals and pens for animals must be setback one hundred (100) feet from the front property line, except for Residential Boarding Stables (See Table 30.44-1).	40 feet	40 feet	40 feet	30 feet
Interior Side:				
Principal Structure:	15 feet	15 feet	10 feet	10 feet
Accessory Structure¹:	5 feet	5 feet	5 feet	5 feet
Side Street (corner): A reduction of five (5) feet if a landscape strip three (3) feet wide with shrubs is planted.				
Principal Structure:	25 feet	25 feet	15 feet	15 feet

Accessory Structure ¹ :	10 feet	10 feet	10 feet	10 feet
Rear Setback:	R-U	R-A	R-E	R-D
Principal Structure: A. If the lot has access only from a collector or arterial street, reduction of ten (10) feet. B. Twenty (20) foot, or 15' within the R-D district, setback for patio cover roof if no balconies face the rear yard of an adjacent developed lot.	50 feet	50 feet	30 feet	25 feet
Accessory Structure ¹ :	5 feet	5 feet	5 feet	5 feet
Height: See Chapter 30.56 for height restrictions for hillside development.				
Principal Structure:	35 feet	35 feet	35 feet	35 feet
Accessory Structure ¹ : 1 story, plus a loft.	25 feet	25 feet	25 feet	14 feet
Additional Requirements 1. Accessory buildings shall have: <ol style="list-style-type: none"> 1) the same architectural appearance and front setback of the principal dwelling if not within the rear yard, and 2) a minimum separation of six (6) feet from any other building . Garages, guest homes, sheds and similar buildings in the rear yard shall have similar architectural elements or color, enough to give the appearance of the principal structure. Shed setbacks may be reduced per Table 30.44-1. 				

APPROVED R-U ZONING ORDINANCE (CLARK COUNTY)

30.40.080	<p>Suburban & Compact Residential Districts</p> <p>a. General Purpose. The Suburban & Compact Residential Districts set forth herein are intended to permit a broad range of single-family development necessary to serve the citizens of Clark County.</p> <p>b. Standards Applicable to All Suburban & Compact Residential Districts. All Suburban & Compact Residential Districts shall comply with the bulk and intensity requirements listed in Table 30.40-2.</p> <p>c. Dwelling Unit Density.</p> <ol style="list-style-type: none"> 1. The number of dwelling units per gross acre shall not exceed limits as set forth for the various districts, or for any lot or parcel within the district. 2. If a lot or parcel lies within more than one (1) district, the density of that portion within each district shall not exceed the density allowed for the district. 3. Variances and waivers of standards to density restrictions shall not be accepted by the Zoning Administrator. <p>d. Uses Permitted. The uses listed under the column of the respective single-family residential districts within Table 30.44-1 (see also Appendix F, uses categorized by zoning district) shall establish the uses permitted within the districts, subject to the conditions listed and subject to all administrative and special use permits as shown in the Table.</p>
30.40.090	<p>Purpose of R-1, Single-Family Residential District. The R-1, Single-Family Residential District is established to provide for the development of single-family residential use and to prohibit the development of incompatible uses detrimental to the residential environment. See Table 30.56-2 (Design Standards) for additional design standards.</p>
30.40.100	<p>Purpose of R-T, Manufactured Home Residential District. This district is established to provide for residential areas which would be compatible for the development of single-family residential uses, including dwellings which do not conform to the design restrictions for single-family dwellings, and manufactured home parks, and to prohibit the development of incompatible uses that are detrimental to the residential environment. See Table 30.56-2 (Design Standards) for additional design standards.</p>

30.40.110	Purpose of R-2, Medium Density Residential District. This district is established to provide for the development of compact single-family and two-family residential uses and to prohibit the development of incompatible uses that are detrimental to the residential environment. See Table 30.56-2 (Design Standards) for additional design standards.
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30.40.120	Purpose of RUD, Residential Urban Density District. This district is established to provide for the development of compact single-family residential development and to prohibit the development of incompatible uses that are detrimental to the residential environment. See Table 30.56- 2 (Design Standards) for additional design standards.
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**Table 30.40-2 Suburban and Compact Single-Family Residential Districts -
Property Development Standards Bulk Matrix**

Development Standards:					
	R-1	R-T		R-2	RUD
		Subdivided Lots	Manufactured Home Park		
1. Architectural intrusions and enclosures may intrude into a required setbacks up to three (3) feet, but shall not be less than three (3) feet to a property line.					
2. No structure other than a permitted fence, wall or accessory structures per 30.56.040(G) be located within 10 feet of a street. See 30.56.040(c) for possible additional restrictions.					
Density (Unit Per Gross Acre):	5	5	8	8	14
Lot Area: May be further restricted by the minimum per Clark County District Health Department requirements for individual water and sewage system. Does not include private streets.	5,200 sq. ft.	5,200 sq. ft.	3,000 sq. ft. or 4,000 sq. ft. for doublewide unit	3,300 sq. ft.	2,000 sq. ft.

Yard Setback: Setback measured from property line, back of sidewalk, or edge of private street, which ever is greater. Section 30.56.050 (Sight Zones) & See Building Code for additional setbacks. Garage openings must be set back a minimum of 20 feet, or 18 feet when accessing a cul-de-sac, except for RUD which may be 10 feet.

	R-1	R-T		R-2	RUD
		Subdivided Lots	Manufactured Home Park		
Front: Front setback must be open to the sky, void of buildings and courtyards with alternatives as follows: A. A ten foot reduction for a maximum fifty percent (50%) of the overall building width, and for RUD, the full building width (furthest side to furthest side) if: i. Two (2) trees are planted adjacent to the street front; or ii. Decorative features are provided and shown on plans, such as bay windows or stucco pop outs, and color or texture is added to the driveway other than a grey, broom finish (subject to a third party inspection and certification of compliance); and iii. Architectural intrusions and enclosures setback reduction does not apply.	20 feet	20 feet	5 feet from drive aisle, 10 feet from any perimeter street	20 feet	20 feet average ²
% of Lot Area in Front Yard:	10%	10%	5%	10%	10%
Interior Side:					
Principal Structure:	5 feet ¹	5 feet ¹	5 feet	3 feet ³	3 feet ³

Setbacks (continued . . .)	R-1	R-T		R-2	RUD
		Subdivided Lots	Manufactured Home Park		
Accessory Structure: ¹	3 feet	3 feet	3 feet	3 feet	3 feet
Side Street (corner):					
Principal Structure:	10 feet	10 feet	5 feet or 10 feet from perimeter street only	10 feet	10 feet
Accessory Structure: ¹	10 feet	10 feet	10 feet	10 feet	10 feet
Rear:					
Principal Structure: If the lot has access only from a collector or arterial street, the setback may be reduced to ten (10) feet.	20 feet ⁴	20 feet ⁴	5 feet or 10 feet ¹ from perimeter street only	15 feet ^{4,5}	15 feet ⁵
Accessory Structure ¹ :	3 feet	3 feet	3 feet	3 feet	3 feet
Height:					
Principal Structure:	35 feet	35 feet	35 feet	35 feet	35 feet
Accessory Structure ¹ :	14 feet	14 feet	14 feet	14 feet	14 feet
Recreational Open Space Per Unit:			350 sq. ft.		200 sq. ft.

Additional Requirements

1. Accessory buildings shall have:

- 1) the same architectural appearance and front setback of the principal dwelling if not within the rear yard, and
- 2) a minimum separation of six (6) feet from any other building. Shed setbacks may be reduced per Table 30.44-1). Also, the maximum height of any community or recreation

building shall be 35 feet.

2. For garage setbacks see Chapter 30.60.

3. One (1) side yard may be eliminated per special use permits See Table 30.16-4.

4. Patio cover roofs, balconies, or building additions (not to exceed 50 % of the overall building width (furthest side to furthest side) must be setback a minimum of 10 feet from the rear property line (no architectural intrusions or enclosures allowed). Second story additions and balconies shall provide a landscape buffer with large trees generally spaced 20 feet apart.

5. Patio cover roofs shall may have a five (5) foot setback with a minor deviation per Table 30.16-7, and consent letters from adjacent property owners. An opaque/solid cover requires a minimum of same area in open space within the side or rear yard (no architectural intrusions or enclosures allowed).

QUALIFICATIONS OF APPRAISERS

QUALIFICATIONS OF APPRAISER

MATTHEW J. LUBAWY, MAI
NEVADA LICENSE A.0000044-CG
LUBAWY & ASSOCIATES, INC.
3034 SOUTH DURANGO DRIVE, SUITE 100
LAS VEGAS, NEVADA 89117
TELEPHONE: (702) 242-9369
FAX: (702) 242-6391
COMPANY WEBSITE: lubawy.com
e-mail: matt@lubawy.com

APPRAISAL EXPERIENCE AND BACKGROUND

Lubawy & Associates, Inc.
Independent Fee Appraiser and Real Estate Consultant
December, 1994 to Present

Independent Fee Appraiser and Real Estate Consultant
January, 1992 to December, 1994

First Interstate Bank
Staff Appraiser (Assistant Vice President)
December, 1988 to January, 1992

Independent Fee Appraiser
March, 1987 to December, 1988

EDUCATION

University of Nevada, Las Vegas,
Bachelor of Science in Business Administration - Concentration in Real Estate

Bishop Gorman High School, Las Vegas, Nevada

APPRAISAL EDUCATION

Forecasting Revenue, Appraisal Institute	October 2008
Law of Easements: Legal Issues & Practical Considerations, Lorman Education Services	August 2008
Analyzing Operating Expenses, Appraisal Institute	May, 2007
Valuation of Detrimental Conditions in Real Estate, Appraisal	April, 2007

Institute	
2007 National USPAP Update, Appraisal Institute	March, 2007
Analyzing Commercial Lease Clauses, Appraisal Institute	February, 2007
Analyzing Distressed Real Estate, Appraisal Institute	February, 2007
Uniform Appraisal Standards for Federal Land Acquisitions, Appraisal Institute	October 2005
Online Analyzing Distressed Real Estate, Appraisal Institute	September 2005
Business Practices and Ethics, Course 420, Appraisal Institute	September 2005
USPAP Update - Course 400, Appraisal Institute	February 2005
Litigation Appraising: Specialized Topics and Applications	October 2004
Separating Real & Personal Property from Intangible Business Assets	September 2003
So. NV Public Land Mgt. Act BLM Appraisal Compliance Workshop	May 2003
Income Capitalization	March 2003
Appraising Non-Conforming and Difficult Properties	March 2003
Appraiser Liability	March 2003
2003 National USPAP	February 2003
Valuation of Partial Acquisitions, Course 401 through IRWA	October 2000
Partial Interest Valuation - Divided, Course A7414	April 2000
Highest & Best Use and Market Analysis	March 2000
Subdivision Analysis	January 2000
Writing the Narrative Appraisal Report	November 1999
USPAP 1999 Revisions A7415ES	March 1999
Reporting Sales Comparison Grid Adj. for Residential Properties	March 1999
USPAP 1999 Revisions - A7415ES	March 1998
Litigation Appraisal and Expert Testimony	June 1997
USPAP (Parts A & B)	1996
Ethics - USPAP Statements	March 1995
Comprehensive Appraisal Workshop	July 1994
Current Issues and Misconceptions in Appraisal	December 1993
Standards of Professional Appraisal Practice, Part B	1992
Land Faire Nevada	July 1992
Appraising From Blueprints and Specifications	September 1992
Accrued Depreciation	September 1992
Standards of Professional Appraisal Practice, Part A	1991
Report Writing and Valuation Analysis; Exam 2-2	June 1991
Case Studies; Exam 2-1	June 1991
Capitalization Theory and Techniques, Part B; Exam 1-BB	June 1990
Capitalization Theory and Techniques, Part A; Exam 1-BA	June 1990
Basic Valuation; Exam 1A2	May 1989
Principles of Real Estate Appraisal ; Exam 1A1	May 1989

MEMBERSHIPS AND AFFILIATIONS

Member of the Appraisal Institute (MAI #10,653)	
Director	2008/2009
President of Las Vegas Chapter	1998/1999

1st Vice President of Las Vegas Chapter 1997/1998
2nd Vice President of Las Vegas Chapter 1996/1997
Durango Business Park - Director, President 2007, 2008
Nevada State Development Corporation - Director, and Chairman of the Board
Greater Las Vegas Association of Realtors
National Association of Realtors
Las Vegas Host Lions Club - Director 1996, 1997, and 1998
UNLV Alumni Association
AT&T Alumni Association

TYPES OF APPRAISAL ASSIGNMENTS

Airport Hangars	Residential Subdivisions
Assisted Living	Restaurants
Auto Mall	Retail Shopping Centers
Automobile Dealership Facilities	Single-Family Residences
Condominiums	Special Use Properties
Convenience Stores	Taverns
Golf Courses	Townhouses
Hotels/Casinos	
Industrial Buildings	* * * * *
Low-Income Housing w/Tax Credits & Bond Financing	Condemnation/Eminent Domain
Medical Office Buildings	Fee Simple Valuations
Mini-Storage	Leasehold Valuations
Multi-Family Dwellings	Leased Fee Valuations
Professional Office Buildings	Feasibility Studies
	Market Studies

PROMINENT APPRAISAL ASSIGNMENTS

Hotels/Casinos

Alexis Park	La Bayou Casino
Best Western Mardi Gras Inn	Mt. Charleston Hotel
Binion's Horseshoe Hotel/Casino	PT's Mining Casino
Castaways Hotel/Casino	Regency Casino (Laughlin)
Comfort Inn	Saddle West Hotel/Casino
Courtyard by Marriott (Reno)	Springhill Suites by Marriott
Day's Inn (Pahrump Station)	Sunbird Motel
Four Queens Hotel/Casino	Thirstbuster's Casino
Golden West Casino	Tivoli Motel
Hampton Inn	Vacation Village Hotel/Casino
Holiday Inn	Wildfire Casino
Howard Johnson	

Automobile Dealerships

Allstate Car Rental	Fletcher Jones Mitsubishi
Auto Auction Sales	Freightliner Truck Sales/Repair Facility
Auto Nation	Friendly Ford Dealership
Ben Stepman Dodge	Harley Davidson Sales/Repair Facility
Cashman Cadillac	Norm Baker Auto
Desert Dodge	Rick Peet Chrysler Jeep Dodge
Falconi Acura	

Recreational Uses

Black Mountain Golf Course	Millenium Sports Arena
Dragon Ridge Golf Course	Stallion Mountain Country Club

Special Use Properties

Bible Baptist Church	Montessori Academy
Braggsmith Driving School/Racetrack	Quail Air Center (Airport Hangars)
Cheyenne Air Center (Air Hangars)	Sahara Surgery Center
Friendship Church	UMC Quick Care Centers
Green Valley Christian Center	Victory Christian Church
Las Vegas Day School	Warren Walker Elementary School
Merryhill School	Warren Walker Middle School

Restaurants/Taverns

Arby's	Magoo's
BJ's Lounge	Mc Donald's
Carrow's	Mugshots
Chicago Brewing Co.	Mulligans
Chicago's Own	PT's Pubs
Claim Jumper	Roadrunner Taverns
Denny's	Sean Patrick's
Draft House	Smith & Wollensky
Hamada's	Taco Bell
Harley Davidson Café	T-Bird Lounge
IHOP	Tenaya Lodge
Loose Caboose	Tommy Rockers

Miscellaneous

Aliante (1,900 AC)	K-Mart
Checker Auto Parts	Mountains Edge (3,000 AC)
Inspirada (1,500 AC)	Northport Bus.Center (400,000 SF Bus. Pk.)
Ivanpah Airport (6,000 AC)	Providence (1,700 AC)

James Hardie Gypsum Mine (979 AC) Tuscany Hills (323 AC)

PARTIAL LIST OF CLIENTS

Financial Institutions

American General Realty Advisors	Kennelly Mortgage
American Partners For Life Insurance	Key Bank
ARCS Commercial Mortgage Company	Keystone Capital
Bank of America, California	M&I Thunderbird Bank
Bank of America, Nevada	Marshall and Ilsley
Bank One (Arizona)	Merchants Mortgage & Trust
Bank One (Texas)	Merrill Lynch Mortgage Capital
Bank of Nevada	Midland Loan Services
Belgravia Capital Corporation	Modesto Commerce Bank
Business Bank of Nevada	Nationwide Life Insurance Company
California Bank & Trust	Nevada First Bank
California Cho Hung Bank	Nevada State Bank
Canada Life Assurance Company	Northern Trust Bank
CIB Bank	Pacific First Bank
Citicorp, Arizona	Pacific Housing
City Mortgage	PCV Murcor
City National Bank	Pioneer Citizens Bank
Colonial Bank	PNC Multifamily Capital
Commercial Bank of Nevada	Principal Capital Management LLC
Commercial Federal Bank	Security Mutual Life Insurance Co
Community Bank	Sierra West Bank
Consolidated Mortgage	Silver State Bank
Credit Suisse First Boston Mortgage	Silverstate Credit Union
Criimi Mae	Skymar Capital
Deutsche Bank Mortgage Capital	Southern Pacific Bank
East West Bank	Specialty Financial
Federal Deposit Insurance Corp.	Sunwest Bank
First Denver Mortgage	Temecula Valley Bank
First Federal Lincoln	U S Bank
First National Bank	Union Planter's Bank
First Republic Bank	United Bank of Switzerland
First Security Bank	US Savings Bank
GE Capital	USA Capital
General American Life Ins. Co.	Valley Bank
GMAC	Vestin Mortgage
GPM Life Insurance Company	Ward Cook
Imperial Capital Bank	Wells Fargo
Imperial Thrift & Loan	Western Capital
Independent Order of Foresters	Woodmen of The World Insurance Society
Israel Discount Bank of New York	Zions Bank

**QUALIFICATIONS OF APPRAISER
BART BOWERS**

Certified General Appraiser
Nevada License Number - #A.0006895-CG
Lubawy & Associates, Inc.
3034 S. Durango Drive, Suite 100-Las Vegas, Nevada 89117

APPRAISAL EXPERIENCE AND BACKGROUND

Lubawy & Associates (Certified General Appraiser) *October 2004 to Present*
Las Vegas, NV 89117

- **Certified General Appraiser** - Responsible for researching properties, properties inspections, value opinions and assignment timelines.
- **Recipient of the 2006 Appraisal Institute Educational Scholarship Award**

Sunday's Best Appraisal (Residential Appraiser) *July, 2003 to October 2004*
Las Vegas, NV 89145

- **Residential Appraisal Intern** - Responsible for setting appointments, researching properties, assignment timelines, collections and operations.

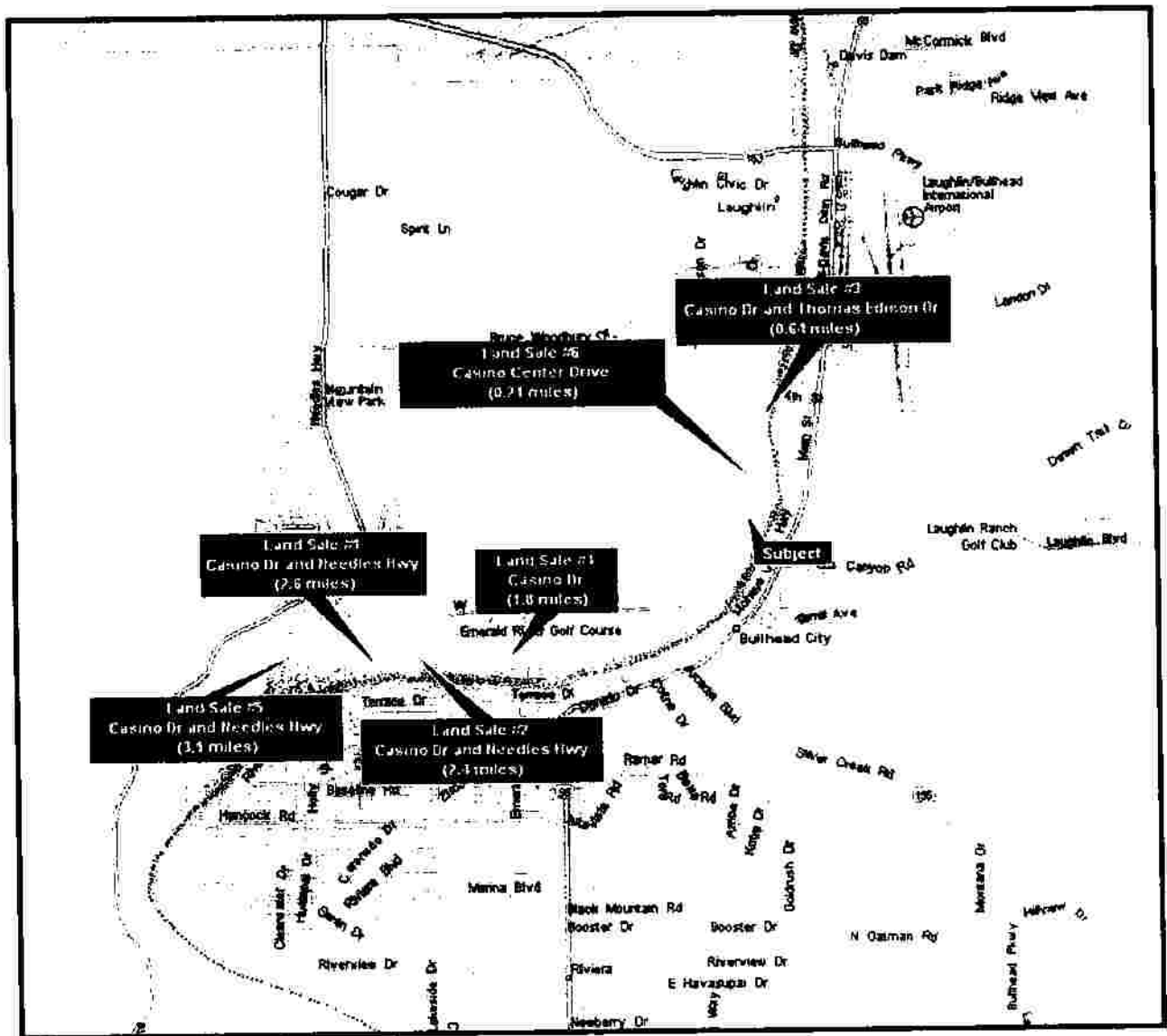
Education

- | | |
|---|----------|
| • Advanced Application (Course 550) - Appraisal Institute | 39 Hours |
| • Report Writing and Valuation Analysis (Course 540) - (AI) | 39 Hours |
| • Advanced Sales Comparison and Cost Approach (Course 530) - (AI) | 39 Hours |
| • Uniform Appraisal Standards for Federal Land Acquisitions - (AI) | 16 Hours |
| • Business Practices and Ethics (Course 420) - Appraisal Institute | 8 Hours |
| • Highest & Best Use and Market Analysis (Course 520) - (AI) | 40 Hours |
| • Advanced Income Capitalization Approach (Course 510) - (AI) | 39 Hours |
| • Income Capitalization Approach (Course 310) - Appraisal Institute | 39 Hours |
| • Analyzing Operating Expenses - Appraisal Institute | 7 Hours |
| • Using HP12C Financial Calculator - Appraisal Institute | 7 Hours |
| • Uniform Standards of Professional Appraisal Practice | 15 Hours |
| • Fundamentals of Appraisal I & II | 90 Hours |
| • Uniform Standards of Professional Appraisal Practice | 3 Hours |
| • Appraisal Law | 3 Hours |
| • Residential Sales Comparison - Appraisal Institute | 7 Hours |
| • Real Estate Division Meetings | 7 Hours |
| • Real Estate Principles | 45 Hours |
| • Nevada Real Estate Law | 45 Hours |
| • Bachelor Degree in Business Administration - University of Kentucky - 4 Years | |

LAND SALES SUMMARY

LOCATION APN	SALE DATE SALE PRICE	NET ACRES	PRICE PER ACRE
1. The east side of Casino Drive, east of Needles Highway. 264-33-501-005	12/15/05 \$3,230,000	6.72	\$480,655
2. The north side of Casino Drive, east of Needles Highway. 264-34-101-003	02/02/06 \$3,960,000	7.63	\$519,004
3. The east side of Casino Drive, south of Thomas Edison Drive. 264-24-402-001	04/14/06 \$21,000,000	42.55	\$493,537
4. The southeast side of Casino Drive approximately 5,200 feet east of Laughlin Bay Marina. 264-34-101-005	04/05/07 \$28,932,750	55.11	\$525,000
5. The south side of Casino Drive, east of Needles Highway. 264-33-501-001	6/29/07 \$1,900,000	3.33	\$570,571
6. The east side of Casino Drive, east of Needles Highway. 264-25-101-001, 264-25-201-001, 264-25-301-001	Listing \$50,000,000	98.0	\$510,204

LAND SALES LOCATION MAP



LAND SALES SUMMARY

PROPERTY DATA

- | | | |
|---|---|---|
| 1. Location: The east side of Casino Drive, east of Needles Highway, Laughlin, Clark County, Nevada
Grantor: Trillium Properties
Grantee: 44 th & Dove Valley, etal | Sale Date: 12/15/05
Sale Price: \$3,230,000
Area (Net): 6.72 Acres
Land SF: 292,723
Land Area \$/SF: \$11.03 | APN: 264-33-501-005
Zoning: H-1
Doc. No.: 05121504104
Prop. No.: CKC-6142g-05-06 |
|---|---|---|

Verification: Verified with Clark County Assessor's Records.

Comments: This parcel is located west of the Emerald River project, which consisted of a golf course and planned residential, hotel/casino development, that was never completed. This site has approximately 550 feet of Colorado River frontage and 558 feet of frontage along Casino Drive. The buyer and seller were unsuccessfully contacted to confirm details of the sale.

- | | | |
|--|---|---|
| 2. Location: The east side of Casino Drive, east of Needles Highway, Laughlin, Clark County, Nevada
Grantor: Laguna Villas, LLC
Grantee: Laughlin River Parcel A, LLC | Sale Date: 02/02/06
Sale Price: \$3,960,000
Area (Net): 7.63 Acres
Land SF: 332,263
Land Area \$/SF: \$11.92 | APN: 264-34-101-003
Zoning: H-1
Doc. No.: 06020203080
Prop. No.: CKC-6142h-05-06 |
|--|---|---|

Verification: Verified with Gadi Hahamy, real estate broker (702-236-7236) and Clark County Assessor Records.

Comments: This parcel was being marketed with the entire Emerald River project consisting of approximately 365 acres. The entire property was available for \$10.00 per square foot, but if subdivided different prices were noted. This sale represents 7.63 acres located on the west side of the project. The site has approximately 770 feet of Colorado River frontage (the lagoon area) and an additional 280 feet of frontage along Casino Drive. The property was previously sold between related parties on January 7, 2005 (Document No.: 20050107:03937) for \$2,300,000, representing an annual appreciation of approximately 72%.

- | | | |
|--|--|---|
| 3. Location: The east side of Casino Drive, south of Thomas Edison Drive, Laughlin, Clark County, Nevada
Grantor: Laughlin Ranch, LLC
Grantee: FAE Company 106, LLC | Sale Date: 04/14/06
List Price: \$21,000,000
Area (Net): 42.55 Acre
Land SF: 1,853,478
Land Area \$/SF: \$11.33 | APN: 264-24-402-001
Zoning: H-1 at time of Sale
Doc. No.: 06041403490
Prop. No.: CKA-6142b-05-06 |
|--|--|---|

Verification: Verified with David Lords (seller) (928-754-2555), and the Clark County Recorder's Office.

Comments: This property is located adjacent to the south of Harrah's Laughlin on the east side of Casino Drive. The property has approximately 1,340 feet of Colorado River frontage and 1,220 feet of frontage along Casino Drive. This sale represents an option to repurchase the property 366 days later for \$42,000,000, which has been stated that it will be exercised. In addition, the property was sold for \$10,500,000 on April 16, 2004 with an option to repurchase for \$14,022,449.10 from the same party involved in this sale/option to purchase.

- | | | |
|---|--|---|
| 4. Location: The southeast side of Casino Drive, with Colorado River frontage along the southern border, approx. 5,200 feet east of the Laughlin Bay Marina, Laughlin, Clark County, Nevada.
Grantor: Riverside Developments, LLC
Grantee: Emerald Shores I, LLC | Sale Date: 04/05/07
List Price: \$28,932,750
Area (Net): 55.11 Acre
Land SF: 2,400,591
Land Area \$/SF: \$12.05 | APN: 264-34-101-005
Zoning: H-1
Doc. No.: 08050801310
Prop. No.: N/A |
|---|--|---|

Verification: Verified with the seller's representative Jim Shaw at (206-780-5370).

Comments: This property is located on the southeast side of Casino Drive approximately 5,200 feet east of the Laughlin Bay Marina. The property has approximately 2,284 feet of Colorado River frontage and 895 feet of frontage along Casino Drive.

PROPERTY DATA

5. **Location:** The south side of Casino Drive, east of Needles Highway. Laughlin, Clark County, Nevada.
Grantor: Thermo Dyanamics Inc.
Grantee: Casino Drive Resort, LLC and Laughlin Landing LLC
- Sale Date:** 06/29/07
Sale Price: \$1,900,000
Area (Net): 3.33 Acres
Land SF: 145,055
Land Area \$/SF: \$13.10
- APN:** 264-33-501-001
Zoning: H-1
Doc. No.: N/A
Prop. No.: N/A

Verification: Verified with Clark County Recorder's Office.

Comments: This transaction includes the sale of vacant land with approximately 300 feet of Colorado River frontage in the lagoon area and 300 feet of frontage along Casino Drive.

6. **Location:** The north and south side of Casino Drive, southeast of Needles Highway. Laughlin, Clark County, Nevada.
Grantor: Nevada Ueno Mita, LLC & Nevada Kamakura, LLC
Grantee: N/A
- Sale Date:** Listing
List Price: \$12,000,000
Area (Net): 23.0 Acres
Land SF: 1,001,880
Land Area \$/SF: \$11.98
- APN:** 264-33-101-006, 264-28-401-004 & 264-28-401-005
Zoning: H-1
Doc. No.: Listing
Prop. No.: N/A

Verification: Verified with listing agent Joe Leavitt with Lee & Associates Commercial Real Estate Services 702-739-6222

Comments: This is a current listing with approximately 605 ft on the Colorado River, 905 feet on the north side of Casino Drive and 905 feet on the south side of Casino Drive. Property is zoned H-1 and approved for high density residential of up to 50 units per acre.

ANALYSIS OF ADJUSTMENTS

As a part of our analysis, we have made individual comparisons between each of the sales and the subject site, giving consideration to financing, condition of sale, time/market conditions, and value characteristics such as size, corner influence, utilities/offsites, zoning, and location. The comparable land sales have a similar highest and best use potential as the subject. The following is an explanation of the adjustments that have been applied to the unit prices of the comparable sales.

Real Property Rights Conveyed

A transaction price is always predicated on the real property interest conveyed. Many types of real estate, particularly income producing property, are sold subject to existing leases. The revenue generating potential of a property is often fixed or limited by the terms of existing leases. In the valuation process, adjustments must be made to reflect the difference between properties leased at market rent and those leased at rent either below or above market levels. The length of the remaining lease term affects these adjustments.

The subject site has been analyzed based on fee simple rights given that the subject property is vacant and is owned in fee simple estate. With regard to the property rights conveyed relative to the comparables, all of the sales involved transfers of fee simple rights. Therefore, no adjustments are required for real property rights conveyed.

Financing

The transaction price of one property may differ from that of an identical property due to different financing arrangements. For example, the purchaser of a comparable property may have assumed an existing mortgage at a favorable interest rate. In another case a developer or seller may have arranged a buy down, paying cash to the lender so that a mortgage with a below market interest rate could be offered. In both cases, the buyer may have paid higher price for the properties to obtain below market financing.

For this analysis, the property has been valued based upon cash equivalent terms. Each of the sale transactions were found to have been negotiated with financing that was either on an "all cash" basis or financing that did not influence the sales price. In conclusion, no adjustment for financing was considered appropriate to any of the land sales.

Conditions of Sale

When the conditions of sale are atypical the result may be a sales price that is higher or lower than a normal market transaction. Examples of atypical transactions are those that occur between related parties or distress sales. Each sale has been examined for atypical characteristics that have been confirmed by either the broker or a principal party to the transaction.

Sale 1, 2, 4 and 5 were negotiated at arm's length with no adverse or unusual conditions affecting the sale. Sale 6 is a listing and has been adjusted downward by 20% due to the asking price being above the market range. Our findings indicate that property rights were conveyed in fee simple ownership, and in each case the terms of sale were equivalent to cash.

Land Sale 3 was considered to be purchased below market value based on our research and discussions with related property owners. Each of these sales included an option for the seller to repurchase the property at some time in the future providing a way for the seller to keep the debt off of the balance sheet while allowing for a safe investment opportunity for the buyer. In summary, based on comparison of the other sales a minimum of 25% discount was presented. Therefore, we have adjusted Land Sale 3 upward by 25%. Furthermore even after the adjustments two out of the three adjusted sales were at the lowest end of the provided range.

Time/Market Conditions

Comparable sales that occurred under different market conditions than those applicable to the subject on the effective date of the report require adjustment for any differences that affect their values. A common adjustment for market conditions is made for differences occurring since the date of sale. Since the time the comparable sales were transacted, general values may have increased or decreased and investor's perceptions of the market conditions may have changed.

Although the adjustment for market conditions is often referred to as a "time" adjustment, time is not the cause of the adjustment. Market conditions which shift over time create the need for an adjustment, not time itself. If market conditions have not changed, no adjustment is required even though considerable time may have elapsed.

Changes in market conditions are usually measured as a percentage of previous prices. There are two traditional methods of estimating this percentage change due to market conditions. The first method is "paired analysis". If the physical and economic characteristics of a property remain unchanged, analyzing two or more sales of the same property over a period of time will indicate the rate of price change. Sales and re-sales of the same property provide the best indication of the change in market conditions over time. If data on re-sales are unavailable, then the second method typically utilized is to survey knowledgeable market participants and estimate the potential impact as a percentage change in the previous price.

Adjustments for time of sale are typically considered if there is reason to believe that the prices of real estate are increasing or decreasing over a particular time period. The land sales occurred from September, 2005 to June 2007, with one current listing.

There has been a limited amount of sales which occurred during 2008 in the market area and none that we can find that are on the water front such as the subject.

We spoke with Tom Patton a broker in Laughlin who handled a 2005 river front land sale near the subject's location. Tom believes that the market has deteriorated since the height in 2006/2007. There have been few, if any sales/re-sales from Laughlin to extract a market condition adjustment. Therefore, we have used sales from the Las Vegas market to illustrate the changing market conditions. We have used sales from this market as we have noticed some parallels between the two markets over the past few years. When prices were increasing in Las Vegas, prices were also increasing in the Laughlin market. The percentage of increase may have been different, but we have taken this into account.

Therefore, we have considered two different market conditions that occurred over the time span of the comparable sales. The first market condition is an upward adjustment. During 2005, 2006 and 2007 property values were increasing. Therefore, to illustrate the upward market conditions had on

the comparable sales we have applied an upward adjustment to all of the comparables at 0.75% per month or 9% per year.

Regarding the second market condition adjustment, during the latter half of 2007 and into 2008, property values declined at an even faster pace than the previous period of appreciation. The following table illustrates the sale and resale as well as a listing of parcels in the Las Vegas valley to illustrate the declining market conditions.

APN	Identification	Closing Date	Price/AC	# of s	Monthly Rate	Annualized Decrease
177-28-201-006	Es LV Blvd. @ Jo Rae	Listing 3/08	\$4,431,452			
		Listing 8/08	\$4,031,855	5.00	-1.80%	-21.64%
APN	Identification	Closing Date	Price/AC	# of s	Monthly Rate	Annualized Decrease
191-04-402-001	Es LV Blvd. @ Bruner	Listing 2/08	\$4,100,000			
		Listing 10/08	\$2,975,000	8.00	-3.43%	-41.16%
APN	Identification	Closing Date	Price/AC	# of s	Monthly Rate	Annualized Decrease
177-33-301-018	SEC LV Blvd. & Siddall	Listing 10/07	\$4,148,472		(Escrow Date)	
		Listing 3/08	\$3,493,450	5.00	-3.16%	-37.89%
APN	Identification	Closing Date	Price/AC	# of s	Monthly Rate	Annualized Decrease
162-17-102-003/5/7/9 & 110-19/20/21	Both Sides of Pollux & Polaris	Listing 06/07	\$4,542,130		Listed Never Sold	
8 Parcels	Pollux & Polaris*Trustee Sale	10/14/08	\$2,422,893	24.00	-1.94%	-23.33%
APN	Identification	Closing Date	Price/AC	# of s	Monthly Rate	Annualized Decrease
162-30-101-003 & 008	Pinnacle Site	Listing 07	\$5,522,088		Current Reduced Listing	
162-30-101-003 & 008	Pinnacle Site	Listing 08	\$3,514,056	24.00	-1.52%	-18.18%

In addition to the listings shown above, we spoke with several brokers active in Las Vegas Strip properties who stated unequivocally that prices have dropped. Howard Bulloch of Las Vegas Strip Properties stated that if he received an offer 10-15% below what he was at last year, he would be happy. Other brokers including Mr. Ron Hurst of Resort Properties of America stated that prices may have dropped more than 30%. Similarly, Mr. Gino Vincent of the CB Richard Ellis Gaming Group stated that the Pinnacle site shown in the above table had dropped significantly and he thought prices had dropped at least 25% in the last year.

Therefore, we have applied a flat rate downward adjustment to all of the comparable sales of 30%. Additionally, Sale 6 (a current listing) was not adjusted for any market conditions.

These adjustments are shown on the Land Sales Adjustment Grid.

Location

An adjustment for location may be required when the locational characteristics of a comparable property are different from those of the subject property. Most comparable properties in the same neighborhood have similar locational characteristics, but variations may exist within a neighborhood. The specific location of a comparable property can influence its price. Further, the access and visibility from a major arterial or location within a specific area can have a positive impact upon the property price. Arterial exposure is primarily important for ease of locating and accessing the property by the public.

The subject property is east side of Casino Drive, approximately 1,200 feet south of Harrah's Laughlin Casino fronting the Colorado River. Sales 4 and 6 (listing) are considered similar regarding location compared to the subject.

Sales 1, 2 and 5 have river frontage, which is located in the lagoon area approximately 4,000 feet west of the subject. The lagoon area is inferior compared to unobstructed river front acreage. Therefore, Sales 1, 2 and 5 have been adjusted upward by 20%.

Sale 3 is located adjacent to Harrah's Laughlin Casino, which is superior compared to the subject. A 25% downward adjustment has been applied for the superior location.

Size

Typically, the price per square foot of a smaller parcel will be higher than the sales price per square foot of a larger parcel. This assumption is based upon the principle of "economy of scale" which is predicated upon the inverted relationship between size and price. Conversely, the smaller the size of the site, the larger the price (per square foot). Adjustments for size are typically considered when there is a wide range between the comparable sales and the subject site.

Sales 1, 2 and 5 were considerably smaller than the remaining comparables as well as the subject. They have been adjusted downward by 20% each.

Shape

The analysis of shape takes into consideration a particular site's dimensions, street frontage, width, depth, and shape. It relates to the "principle of functional utility". For example, an odd-shaped parcel may be appropriate for a dwelling; however, it is unacceptable for most types of commercial or industrial uses. Furthermore, the greater the frontage along a particular roadway, the greater the utility the site generally can accommodate.

The subject property is an irregular shape. The shape of the site does not appear to be detrimental concerning the development potential of the property. All of the included land sales are considered to be similar to the subject property in terms of shape. Therefore, no adjustment for shape was considered appropriate to any of the included land sales.

Utilities/Offsites

Typically, parcels with superior utilities and offsites sell at higher unit prices than parcels without utilities or offsites. The subject parcel is unimproved land with no utilities or offsites.

All of the land comparables are considered similar to the subject property with utilities being in close proximity. As a result, no adjustment for utilities/offsites appears necessary to the land comparables.

Topography

This adjustment considers each comparable in relation to the subject concerning land contours, grades, natural drainage, soils conditions, view, and general physical usability. The subject property is considered similar to the properties in the area. Approximately one-fourth of the subject property will require extensive offsite grading, but after conversations with the developer of the site, the natural land contours will be utilized. Therefore, no adjustment for topology is considered necessary.

The subject has challenging terrain which could create additional expense when developing the property. Sales 3 and 6 are similar regarding topology and no adjustments were applied.

Sales 1, 2, 4 and 5 were more level and overall superior regarding topology. Therefore, we have adjusted them downward by 5%.

Use/Zoning

In the valuation of vacant land, zoning is one of the primary factors in determining the best use of the property. Generally, zoning serves as the test of legal permissibility. As a result, zoning is typically a primary criterion in the selection of market data. When comparable properties with the same zoning as the subject are lacking or scarce, parcels with slightly different zoning that have a similar highest and best use to that of the subject may be used as comparables. These comparables must be adjusted for the difference in utility if the market indicates that this is appropriate.

The subject parcels have a planned land use of Commercial Tourism with a zoning classification of R-U, Rural Open Land. Clark County indicated the zoning could be changed to accommodate a resort type development in the future.

All of the comparable parcels have Colorado River frontage similar to the subject with similar development potential. All of the comparables are likely to be approved for similar land uses and therefore have not been adjusted for use or zoning.

Economic Characteristics

Economic characteristics include all the attributes of a property that affect its net operating income. This element of comparison is usually applied to income-producing properties. Characteristics that affect a property's net operating income include operating expenses, quality of management, tenant mix, rent concessions, lease terms, lease expiration dates, renewal options, and lease provisions such as expense recovery clauses. For vacant land parcels, this adjustment typically identifies other income items such as billboard leases, storage yard leases, and land leases.

No adjustments were necessary to the vacant land sales because the economic characteristics surrounding each sale were considered to be similar to that of the subject.

Non-Realty Components

Non-realty components of value include personality, business concerns, or other items that do not constitute real property but are included in the sale price of either the comparable or the subject property. These components should be analyzed separately from the realty. In most cases the economic lives, associated investment risks, rate of return criteria, and collateral security for such non-realty components differ from those of the realty. Furniture, fixtures, and equipment in a hotel or restaurant are typical examples of personality. In the appraisal of properties in which the business operation is essential to the use of the realty, the use of the non-realty component must be recognized, estimated, and reported.

The land sales were all vacant sites or purchased as if vacant and no non-realty components were reportedly included in the transactions. Therefore, no adjustments were considered appropriate for non-realty components to any of the land sale comparables.

Conclusion of Land Valuation

The preceding adjustments have been applied to the land sales. These adjustments are summarized as follows:

LAND SALES ADJUSTMENT GRID

	Land Sale 1	Land Sale 2	Land Sale 3	Land Sale 4	Land Sale 5	Land Sale 6
Property Location	Casino Drive	Casino Drive	Casino Drive	Casino Drive	Casino Drive	Casino Drive
Date of Sale	12/15/05	02/02/06	04/14/06	04/05/07	06/29/07	Listing
Contract Date	N/A	N/A	N/A	N/A	N/A	N/A
Area (Gross Acres)	6.72	7.63	42.55	55.11	3.33	23.00
Area (Gross SF)	292,723	332,363	1,853,478	2,400,592	145,055	1,001,880
Zoning	H-1	H-1	H-1	H-1	H-1	H-1
PRICE PER ACRE	\$480,655	\$519,004	\$493,537	\$525,000	\$570,571	\$521,739
Real Property Rights Conveyed	\$0	\$0	\$0	\$0	\$0	\$0
SUBTOTAL	\$480,655	\$519,004	\$493,537	\$525,000	\$570,571	\$521,739
Financing	\$0	\$0	\$0	\$0	\$0	\$0
SUBTOTAL	\$480,655	\$519,004	\$493,537	\$525,000	\$570,571	\$521,739
Condition of Sale	\$0	\$0	\$123,384	\$0	\$0	(\$104,348)
SUBTOTAL	\$480,655	\$519,004	\$616,921	\$525,000	\$570,571	\$417,391
Time/Market Cond.	(\$79,308)	(\$89,269)	(\$115,364)	(\$145,425)	(\$171,171)	\$0
SUBTOTAL	\$401,347	\$429,735	\$501,557	\$379,575	\$399,399	\$417,391
Location	\$80,269	\$85,947	(\$125,389)	\$0	\$79,480	\$0
Physical Characteristics						
Size	(\$80,269)	(\$85,947)	\$0	\$0	(\$79,880)	\$0
Shape	\$0	\$0	\$0	\$0	\$0	\$0
Utilities/Offsites	\$0	\$0	\$0	\$0	\$0	\$0
Topography/Flood Zone	(\$20,067)	(\$21,487)	\$0	(\$18,979)	(\$19,970)	\$0
Use/Zoning	\$0	\$0	\$0	\$0	\$0	\$0
Economic Characteristics	\$0	\$0	\$0	\$0	\$0	\$0
Non-Realty Components	\$0	\$0	\$0	\$0	\$0	\$0
NET ADJUSTMENTS	(\$20,067)	(\$21,487)	(\$125,389)	(\$18,979)	(\$19,970)	\$0
ADJ. PRICE/ACRE	\$381,279	\$408,248	\$376,168	\$360,596	\$379,429	\$417,391

Reconciliation

After adjustments have been made, the comparable land sales provide an adjusted range from \$360,596 to \$417,396 per acre. Sales 1 through 5 were adjusted for market conditions. Sales 1, 2 and 5 were adjusted upward for their location on the lagoon waterfront verses the main riverfront. Sale 3 was adjusted downward for being adjacent to Harrah's Casino.

Sale 1, 2, and 5 were adjusted downward for their smaller sizes compared to the subject. We also adjusted the listing (Sale 6) downward by 20% due to the asking price being out of range compared to the adjusted comparable sales.

It should also be noted that the Emerald River Project is currently listed for sale, which includes 11 parcels. There are 4 parcels in that project that are unimproved land with good river frontage. Three of the parcels are listed for sale at \$350,000 per acre, and one is listed at \$375,000 per acre.

In summary, considering the discussion above, we have formed an opinion of the unit value of the subject property at \$350,000 per acre.

Therefore, we have multiplied the subject's land area of 78.74 acres by \$350,000 per acre to provide an indication of the market value of the subject site, in fee simple ownership, subject to the assumptions and limiting conditions contained herein as of June 20, 2009 as follows:

SUMMARY OF LAND VALUATION

Effective Land Area	78.74 Acres
Estimated Unit Value	x \$350,000 Per Acre
Indicated Market Value	\$27,559,000
Rounded To:	\$27,600,000

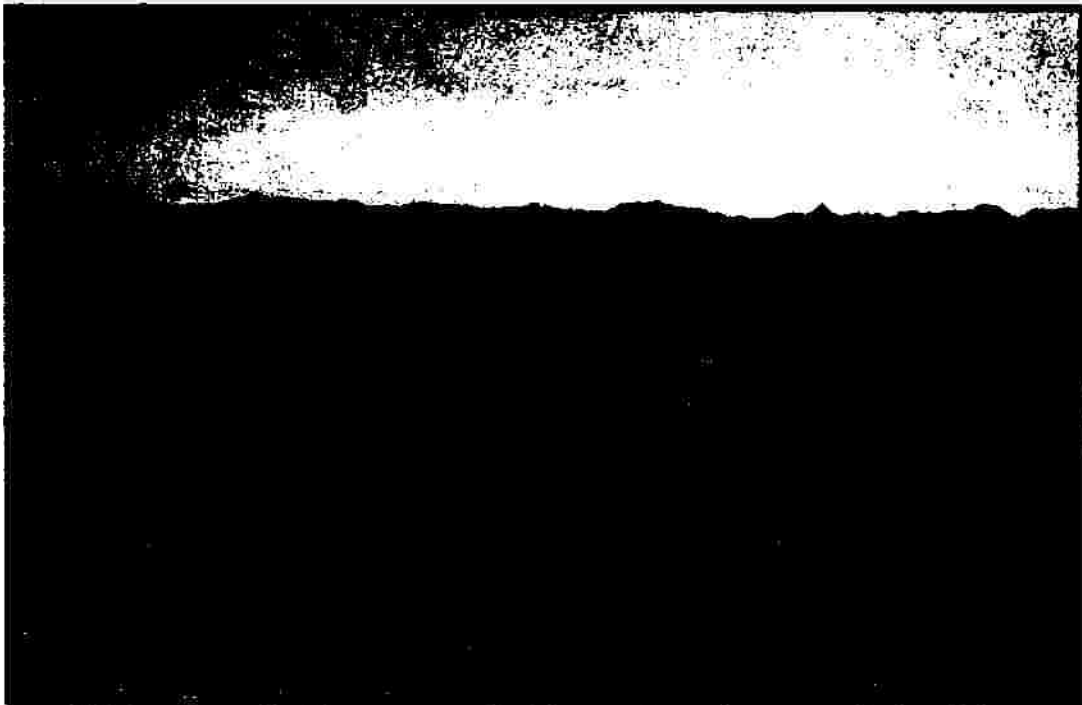
EXPOSURE TIME AND MARKETING PERIOD

Within the preceding sales comparison approach, the marketing periods of the individual comparable sales were illustrated. The marketing period for the sales ranged from 12 months to 24 months. Based upon the general market conditions and the healthy local economy, exposure times ranging from 12 to 24 months in duration is considered typical.

The aforementioned market value opinions have been predicated upon an exposure time of 12 to 24 months. This is the length of time that the property would have been exposed on the market to achieve the opinion of market value. The exposure time is based upon comparable sales within this report as well as discussions with real estate brokers and developers.

ADDENDA

SUBJECT PHOTOGRAPHS



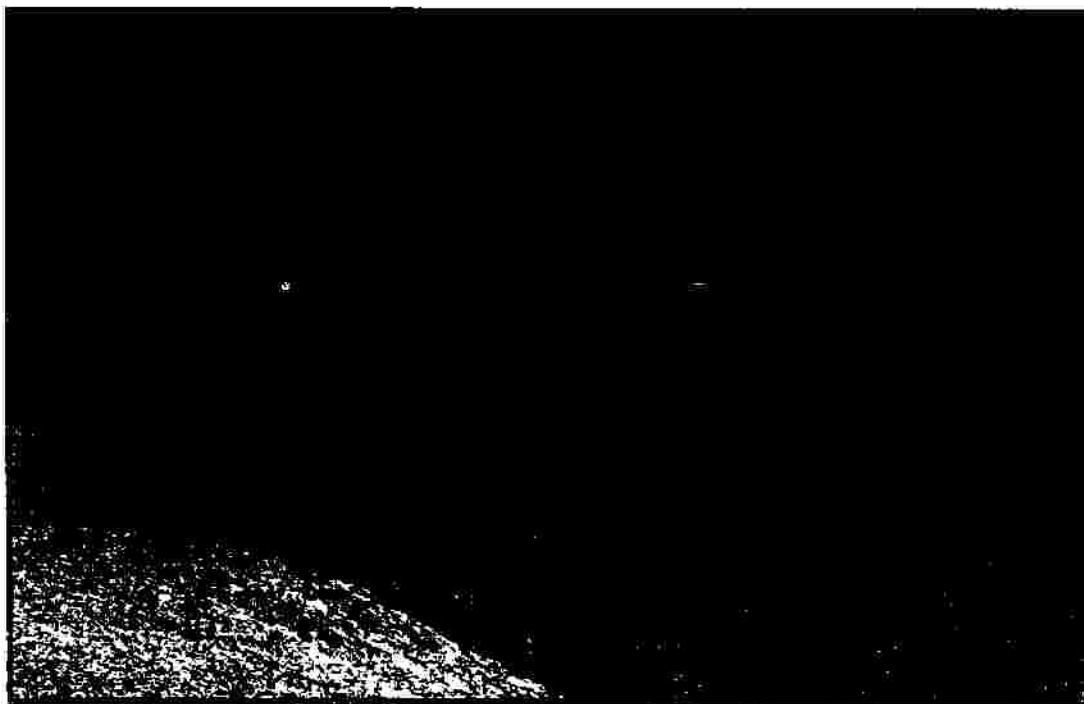
This is a view of subject property looking northeast from near Casino Drive.



This is a view of the subject looking southwest from the Arizona side of the Colorado River.



Looking southeast along Casino Drive, the subject is on the left.



This is a view look north at the subject with Harrah's in the distance.

ENGAGEMENT LETTER

LUBAWY & ASSOCIATES, INC.
REAL ESTATE APPRAISERS AND CONSULTANTS

APPRAISAL ENGAGEMENT LETTER

DATE OF AGREEMENT: June 9, 2009

PARTIES TO AGREEMENT:

Client: Michael Hesser, Manager
Nevada Uno Mita, LLC
5440 W. Sahara, 7th Floor
Las Vegas, NV 89146
Email: cduffin@royal-union.com

Appraiser: Matthew Lubawy, MAI
Lubawy & Associates
3034 S. Durango #100
Las Vegas, NV 89117
Tel (702) 242-9369
Fax (702) 242-6391
Matt@Lubawy.com

Client hereby engages Appraiser to complete an appraisal assignment as follows:

PROPERTY IDENTIFICATION: Two parcels of vacant land in Laughlin, Nevada – APN 264-25-101-001, 264-25-201-001

PROPERTY TYPE: Vacant land

INTEREST VALUED: Fee simple

INTENDED USERS: Nevada Uno Mita, LLC

Note: No other users are intended by Appraiser. Appraiser shall consider the intended users when determining the level of detail to be provided in the Appraisal Report.

INTENDED USE: Establish a value for Chapter 11 bankruptcy

Note: No other use is intended by Appraiser. The intended use as stated shall be used by Appraiser in determining the appropriate Scope of Work for the assignment.

TYPE OF VALUE: "As Is" Market Value

DATE OF VALUE: Date of Inspection

HYPOTHETICAL CONDITIONS, EXTRAORDINARY ASSUMPTIONS: None anticipated

APPLICABLE REQUIREMENTS OTHER THAN THE UNIFORM STANDARDS OF PROFESSIONAL APPRAISAL PRACTICE (USPAP): The Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute

ANTICIPATED SCOPE OF WORK

SITE VISIT: Exterior inspection

3034 S. DURANGO DRIVE, SUITE 100 LAS VEGAS, NV 89117 PHONE (702) 242-9369 FAX (702) 242-6391

VALUATION APPROACHES: Sales Comparison Approach

Note: Appraiser shall use all approaches necessary to develop a credible opinion of value.

APPRAISAL REPORT

REPORT OPTION: Summary Report

CONTACT FOR PROPERTY ACCESS, IF APPLICABLE:

DELIVERY DATE: June 30, 2009

DELIVERY METHOD: Private courier

NUMBER OF COPIES: 2 copies

PAYMENT TO APPRAISER:

RETAINER:

PAYMENT TERMS: If the fee is not paid in full by the delivery date, a 1.5% per month fee will be charged. The Client will be responsible for any and all fees incurred necessary to collect any outstanding balances and late fees, including attorney fees and/or collection agency fees.

PROPOSED IMPROVEMENTS

If the property appraised consists of proposed improvements, Client shall provide to Appraiser plans, specifications, or other documentation sufficient to identify the extent and character of the proposed improvements.

PROPERTIES UNDER CONTRACT FOR SALE

If the property appraised is currently under contract for sale, Client shall provide to Appraiser a copy of said contract including all addenda.

CONFIDENTIALITY

Appraiser shall not provide a copy of the written Appraisal Report to, or disclose the results of the appraisal prepared in accordance with this Agreement with, any party other than Client, unless Client authorizes, except as stipulated in the Confidentiality Section of the ETHICS RULE of the Uniform Standards of Professional Appraisal Practice (USPAP).

CHANGES TO AGREEMENT

Any changes to the assignment as outlined in this Agreement shall necessitate a new Agreement. The identity of the client, intended users, or intended use; the date of value; type of value; or property appraised cannot be changed without a new Agreement.

CANCELLATION

Client may cancel this Agreement at any time prior to the Appraiser's delivery of the Appraisal Report upon written notification to the Appraiser. Client shall pay Appraiser for work completed.

3034 S. DURANGO DRIVE, SUITE 100, LAS VEGAS, NEVADA 89119 PHONE: (702) 251-9691 FAX: (702) 242-6091

and all real or personal property that qualifies and is used for the purpose of air and/or pollution control.

State Business Tax

The business tax is based on the average number of employees within the state. The tax is graduated and generally varies between \$15 to \$30 per employee per quarter.

Other Taxes

Nevada does not have a corporate income tax, personal income tax, unitary tax, franchise tax, inheritance, estate, and/or gift tax, special intangible tax, admission tax, or chain store tax.

EMPLOYMENT

Employment in Laughlin is primarily associated with the hotel/casinos. During the current economic downturn, numerous casinos have laid-off workers or reduced hours and stopped most overtime shifts. Most of the Casino's have tried to keep the layoffs quiet and will not release exact numbers for the employees affected. The local casino's include:

Hotel / Casino	Number OF Rooms
Aquarius Casino Resort	1,890
Golden Nugget Laughlin	300
Harrah's Casino Hotel Laughlin	1,505
Tropicana Express Hotel Casino	1,495
River Palms Resort Hotel and Casino	1,001
Avi Resort and Casino	456
Colorado Belle Hotel and Casino	1,173
Riverside Hotel and Casino	1,404
Edgewater Hotel	1,400
Total	10,624

Source: Laughlin Chamber of Commerce

EMPLOYERS

The table below illustrates the biggest employers in the City of Laughlin.

LARGEST EMPLOYERS

COMPANY	EMPLOYEES
Don Laughlin's Riverside Casino	1,980
Flamingo Laughlin	1,750
Ramada Express Hotel Casino	1,500
Harrah's Laughlin	1,440
Edgewater Hotel Casino	1,434
Colorado Belle Hotel Casino	1,404
Gold River	1,100
Pioneer Hotel & Gambling Hall	729
Avi Resort & Casino	710
Western Arizona Regional Medical Center	550
Wal Mart	500
Mohave Generating Station	390

Source: Laughlin Chamber of Commerce

GAMING/TOURISM

The Laughlin economy is closely linked to tourism and gaming. The most significant economic indicators are related to visitor volume, hotel occupancy, and gaming revenue.

Visitor Volume

After dramatic increases in visitor volume, visitor volume began to decrease in 1994. Data for 1999 and 2000 indicates that visitor volume began to rebound and possibly stabilize. However, the most recent figures do not show this to be the case. The figures are further supported by the decreasing occupancy figures for the hotels. The following table illustrates visitor volume from 1999 to 2007.

VISITOR VOLUME

YEAR	VISITOR VOLUME	PERCENT CHANGE
1999	4,458,824	3.9%
2000	4,576,326	2.6%
2001	4,469,835	-2.3%
2002	4,258,411	-4.4%
2003	4,191,407	-1.6%
2004	4,046,453	-3.5%
2005	3,884,791	-4.0%
2006	3,323,673	-14.4%
2007	3,098,084	-6.8%
2008	2,683,809	-13.37%
2009 YTD	874,384	

Source: Las Vegas Convention & Visitors Authority

Hotel Occupancy

From 1990 to 1994, hotel occupancy was around 90% while hotel room inventory increased from 7,180 rooms to 11,035 rooms. From 1994 to the present, the room inventory has fluctuated; however, occupancy, has dipped to 71.8% in 2007, after declining for seven straight years.

HOTEL OCCUPANCY

YEAR	OCCUPANCY PERCENT	HOTEL ROOM INVENTORY
1995	86.4%	11,035
1996	87.1%	11,035
1997	85.3%	11,017
1998	82.9%	10,912
1999	85.9%	10,884
2000	88.4%	10,842
2001	86.6%	10,811
2002	83.0%	10,817
2003	81.7%	10,817
2004	79.4%	10,743
2005	78.0%	10,737
2006	74.2%	10,660
2007	71.8%	10,696
2008	70.7%	10,655
2009 YTD	68%	10,655

Source: Las Vegas Convention & Visitors Authority

Gaming Revenue

Gaming revenues increased from 1990 to 1993 reaching nearly \$540,000,000 as of 1993. Revenues steadily declined to a low in 1997 of roughly \$482,000,000; 1998 through 2000 saw steady increases in gaming revenue to a high in 2000 of nearly \$560,000,000. The 2004 gaming revenue figure was the first year to exceed the 2000 figure, and increases since 2004 have only been moderate. The 2008 figures show a drop of 15% from the same period in 2007.

The following table illustrates the data discussed above.

GAMING REVENUE

YEAR	GROSS GAMING REVENUE	PERCENT CHANGE
1996	\$490,664,000	-4.9%
1997	\$482,348,000	-1.7%
1998	\$491,385,000	1.9%
1999	\$531,993,000	8.3%
2000	\$559,948,000	5.3%
2001	\$545,215,000	-2.6%
2002	\$551,435,000	1.1%
2003	\$553,240,000	0.4%
2004	\$594,787,000	7.8%
2005	\$621,183,000	4.4%
2006	\$629,757,000	1.4%
2007	\$630,915,000	0.1%
2008	\$533,542,000	-15.4%
2009 YTD	\$186,758,000	

Source: Nevada State Gaming Control Board

While Laughlin did experience tremendous growth from the mid 1980s to the mid 1990s, the community has tapered off mostly due to other gaming venues. Laughlin is expected to show steady income, although most likely declining due to newer competition in coming years.

BULLHEAD CITY, ARIZONA

Bullhead City is directly across the Colorado River from Laughlin in Mojave County, Arizona, and the community had 39,930 residents in 2006. Bullhead City has a full range of schools, parks, community services, and retail/business offerings which makes it a good location to live for employees of the hotel/casinos in Laughlin.

Bullhead City was originally known as Hardyville, but after the railroad bypassed the town, it quickly became a ghost town. The community had a new start with the construction of the Davis Dam (a short distance to the north of Bullhead City), and it was named Bullhead City because of "Bull's Head Rock", a rock formation along the Colorado River. Steamboats on the river used the rock formation as a navigation point, but it was nearly completely covered by rising water after the dam was constructed.

Realtor Pete Doss with Country Ranch GMAC Real Estate Company in Bullhead City pointed out that the Laughlin hotel/casino employees (14,000 in all) are content living in Bullhead because there are shopping malls, supermarkets, retailers, restaurants, and community services that are not available in Laughlin. The lifestyle in Bullhead City is also more laid back and less tourist hectic than in Laughlin, and he said private land for development is available in Bullhead but not in Laughlin.

MARKET AREA/NEIGHBORHOOD ANALYSIS CONCLUSION

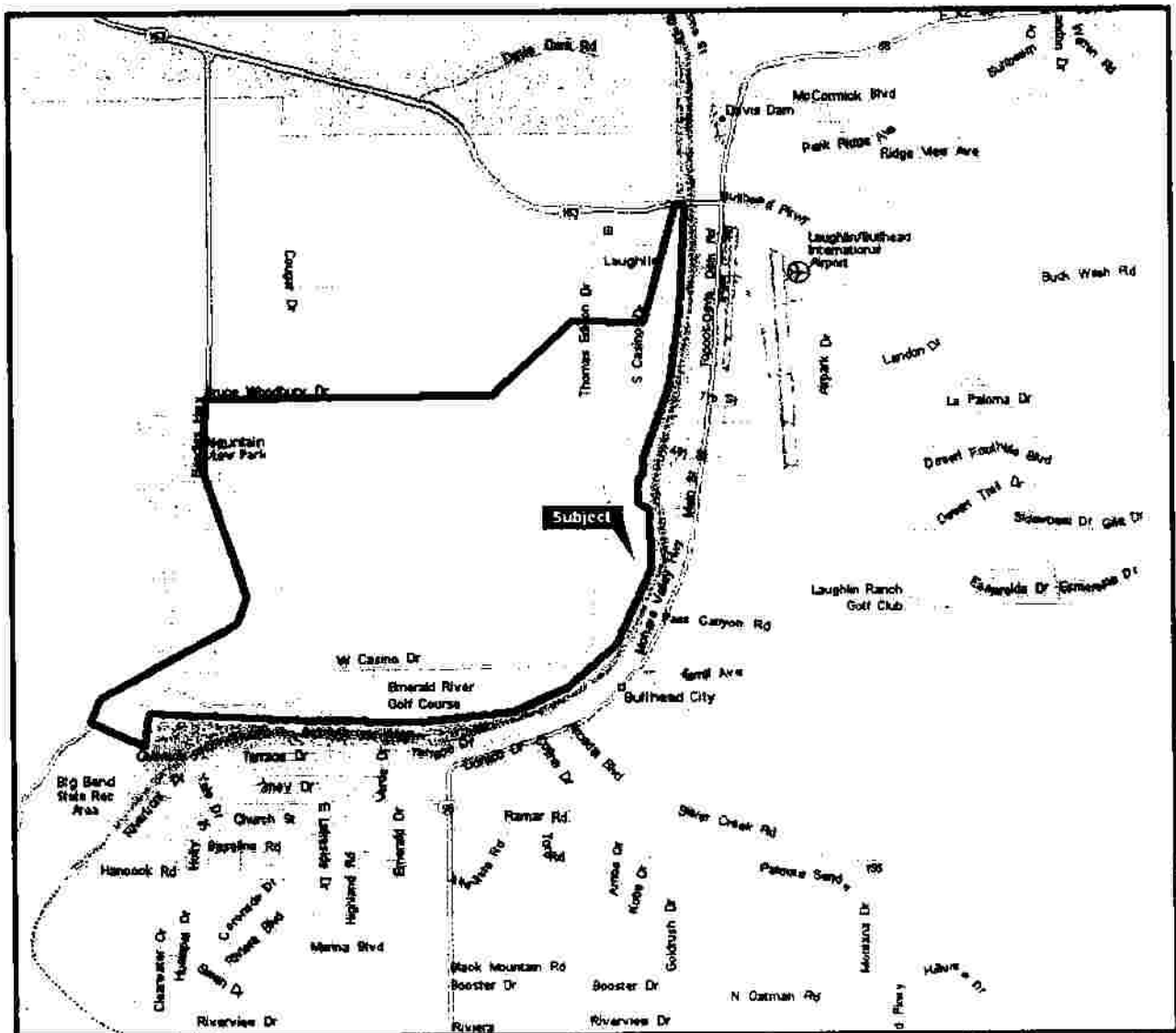
The subject market area/neighborhood encompasses the Laughlin/Bullhead City region along the Colorado River. The subject property is on the Laughlin (Nevada) side of the river where hotel/casinos are prevalent, but where housing and community services are limited. Laughlin does not have much private land and is surrounded by federal land and the Colorado River, so most of Laughlin's 14,000 hotel/casino workers live in Bullhead City.

Laughlin grew rapidly from the 1980s into the early 1990s after construction of a power plant increased the population base, and after Clark County installed public sewer and water lines. The power plant has now closed with an uncertain future at best.

However, by the late 1990s, Indian gaming and new gaming enterprises nationwide virtually stopped Laughlin's growth, and started a period of decline in gaming revenues. More recently, gaming revenue have occasionally rebounded, but the long-term outlook for Laughlin is mixed unless new venues are built due to newer venues being built all over the Country. The future growth of Laughlin will likely not be rapid given the gaming market competition that exists today and could be further impacted by the completion of the Hoover Dam Bypass Bridge.

Laughlin and Bullhead City are sister communities that provide support for each other, and both communities are expected to maintain viability over the long term although the gaming sector will continue to reflect increased competition from nationwide gaming venues.

MARKET AREA/NEIGHBORHOOD DESCRIPTION AND ANALYSIS



MARKET AREA/NEIGHBORHOOD BOUNDARIES

As defined by the American Institute of Real Estate Appraisers in the 12th Edition of *The Appraisal of Real Estate*, a neighborhood is

"A group of complimentary land uses; a related grouping of inhabitants, buildings, or business enterprises."

In a neighborhood, the operation of social, economic, government, and environmental forces generally influence property values in the same way. The neighborhood may consist of a mixture of uses (termed a neighborhood), or one of similar uses (termed a district). A market area is the area in which the subject property competes for the attentions of buyers and sellers in the real estate market. A market area can encompass one or more neighborhoods and/or districts.

The neighborhood boundaries are Bruce Woodbury Drive to Casino Drive to the north, the Colorado River banks to the south and to the east as well as the Needles Highway to the west.

The subject neighborhood is located in Laughlin, Nevada. Laughlin is in the southern portion of Nevada situated in an unincorporated portion of Clark County. Laughlin is located along the west side of the Colorado River which forms the boundary between the state of Nevada and Arizona. Located immediately opposite the Colorado River to the east is Bullhead City, which is in the state of Arizona. Laughlin is primarily a tourist/gaming resort destination with the majority of the residential housing and commercial support services being provided by Bullhead City, Arizona, which has a larger population base. Access between Laughlin and Bullhead City is provided by a bridge across the Colorado River at the north end of the casino "Strip" as well as a bridge near the Fort Mojave Indian Reservation, south of the Laughlin area.

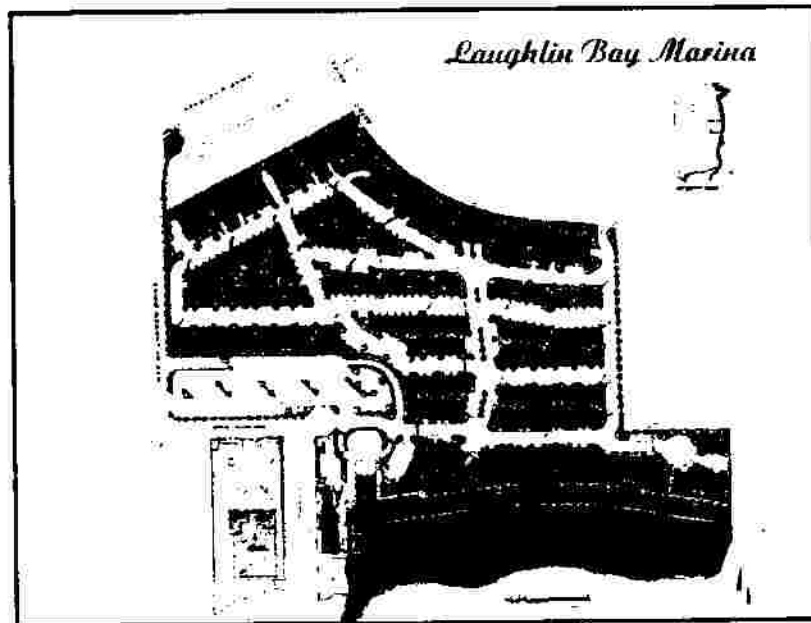
The warm climate, low cost of living, and job opportunities have attracted many new residents to the area. Entertainment and gaming have attracted an overwhelming number of visitors. In summary, the immediate neighborhood is projected to experience significant growth over the next several years. The expansion in the casino industry will create demand on housing in both the single-family and multi-family market within the subject neighborhood that should reduce the potential for significant over-building within the area. It is anticipated that any over-development will only be short term.

In conclusion, the Laughlin market has begun to experience a rebound from its past declines in all of the market categories. The outlook for the Laughlin tourism industry is positive long term. However, the current market conditions are depressed due to a national recession and credit crisis. The subject neighborhood is comprised of the casino/hotel resort corridor. This corridor begins at Highway 163 at the north end of town. The southern and eastern border is comprised of the Colorado River. The western border is approximately 1,000 feet west of Casino Drive and Needles Highway where it passes the lagoon. The map on the preceding page provides an illustration of the mentioned neighborhood.

It should be noted the several new multi-family projects were either approved or going through the approval process at the time the market condition deteriorated. All of those projects have been put on hold.

An example is just west of the subject called Laughlin Bay Marina. The marina is complete. However, the second phase of the project is located adjacent to the new Laughlin Bay Marina and has a proposed total of 521 condominiums and townhouses, which will include a clubhouse with a fitness center, community pool and spa, barbecue facilities and fire pits. The project has been approved for up to 4 - 12 story buildings near Casino Drive as well as smaller townhome buildings moving toward the river. This will be a gated community with 2 car garages and the units will range from 830 to 4,300 square feet.

The future phases of the project have been put on hold due to deteriorating market conditions. The property has been foreclosed on and is current on the market for sale.



SITE DESCRIPTION AND ANALYSIS

The property is comprised of 78.74 acres located approximately 1,200 feet south of Harrah's Laughlin Casino fronting the Colorado River in Laughlin, Clark County, Nevada 89029. As mentioned, the subject is identified as Clark County Assessor's Parcel Numbers 264-25-101-001 & 264-25-201-001.

The parcel has an irregular shape. The site is undulating in terms of topography. The parcel drains to the Colorado River and there is a relatively large difference in elevation between the western portion of the parcel and the eastern or river frontage portion of the parcel. The parcel has several hills and valleys which slope eastward towards the Colorado River. The parcel has approximately 2,000 feet of frontage along the Colorado River.

The parcel is approximately 938 feet at its widest point from north to south and approximately 1,070 feet at its widest point from east to west.

The Flood Disaster Protection Act of 1973 and the National Flood Insurance Reform Act of 1994 have made the purchase of flood insurance mandatory for Federally-backed mortgages on structures located in special flood hazard areas. According to the Regional Flood Control District of Clark County both of the subject properties 264-25-101-001 and 264-25-201-001 are in Zone AE, which is in a 100-year flood zone.

Since the subject property is in a designated flood zone, flood insurance would be required to develop the site.

The parcel is zoned R-U (Rural Open Land) with a Planned Land Use of Commercial Tourism within the jurisdiction of Clark County.

AERIAL PHOTOGRAPH



Photograph Taken: September 2008
Source: Clark County

ACCESSIBILITY

As previously discussed, the subject property is located along Casino Drive and the Colorado River front.

UTILITIES

Public utility services are available to or nearby the site. They are provided by the following agencies:

UTILITY	AGENCY
Electricity	NV Energy
Water	Big Bend Water Co.
Sanitation	Clark County Sanitation District
Telephone	Embarq Telephone Company
Natural Gas	N/A

NUISANCES, HAZARDS, AND SURROUNDING LAND USES

The appraisers were not provided with a copy of an environmental/hazardous material study regarding the subject property. As a result, the environmental condition of the property is not known by the appraisers. The value opinion is therefore predicated upon the assumption that there are no such environmental conditions on or in the property that would cause a loss in value. Further, we reserve the right to amend the values within the report, if such items adversely affect the property. No responsibility is assumed for any such environmental conditions or for any expertise or engineering knowledge required to discover them.

ZONING

The subject property is currently zoned RU (Rural Open Land District). This district is identified in Chapter 30.40 of Title 30 of Clark County Code Zoning Ordinance. A copy of the RU zoning requirements is included in the addenda of this report. Details of the zoning designation are summarized below:

Permitted Uses: One single-family dwelling of a permanent character in a permanent location with each residence on its own lot or parcel of land including all required yard areas. The single-family dwelling may be a mobile home provided it is located on not less than 100 feet from any other zoning district boundary and provided the lot contains a minimum of 80,000 gross square feet. Accessory buildings as well as farming and livestock farming are also permitted.

Minimum Area: The minimum area of any lot is 80,000 gross square feet.

Minimum Width: The minimum width of any lot is 200 feet.

Coverage:	The floor area of the improvements shall not exceed 15% of the total area of the lot.						
Height:	The height of a structure shall not exceed 35 feet.						
Yards:	The minimum setbacks are as follows: <table><tr><td>Front:</td><td>50 Feet</td></tr><tr><td>Side:</td><td>15 Feet</td></tr><tr><td>Rear:</td><td>50 Feet</td></tr></table>	Front:	50 Feet	Side:	15 Feet	Rear:	50 Feet
Front:	50 Feet						
Side:	15 Feet						
Rear:	50 Feet						

CONCLUSION

The physical characteristics of the site included shape, frontage, size, topography, visibility from major arterials, and other physical characteristics. The subject property has excellent Colorado River frontage. The parcels total 78.74 acres. The property has adequate access and an irregular shape. There are no other conditions adversely affecting development of the property. The overall land use plan is CT, Commercial Tourism.

ASSESSED VALUE AND PROPERTY TAXES

CALCULATION OF TAXES

Property taxes are based upon an appraisal of the property performed by the Clark County Assessor's Office. An appraisal is conducted every five years on properties located within Clark County and the values are updated each year by an index computed by the State of Nevada Department of Taxation.

According to personnel at the Assessor's Office, properties are appraised for taxable value based upon the cost approach. This approach to value is performed by estimating the replacement cost new of a property less depreciation of 1.5% per year of effective age, up to a maximum of 75%. State Statute 361.227 indicates that the taxable value of the property must not exceed the current market value. Since the cost approach in some instances may provide an indication higher than current market value, the sales comparison approach and/or income approach may be used to establish the taxable value of the property. Property taxes are calculated by multiplying 35% of the taxable value by the tax rate.

In 2005, a property tax cap was approved by the Nevada Legislature. The cap took effect on July 1, 2005, and limits the maximum increase of property tax to 3% for homeowners and 8% for all other tax bills in Clark County.

TAX RATES

The subject is located within the Tax District Number 107 (Laughlin) which has a current tax rate of \$3.3407 per \$100.00 of assessed value for the 2008/09 tax year. The fiscal year starts July 1st and ends on June 30th of every year. The following is a summary of tax rates for the previous years.

SUBJECT TAX RATE

TAX YEAR	TAX RATE
2008/09	\$3.3407
2007/08	\$3.3407
2006/07	\$3.3432
2005/06	\$3.3441
2004/05	\$3.3610
2003/04	\$3.3479

The tax rate for the subject's tax district has increased slightly since the 2001/2002 tax year, with the exception of the current tax year. This increase is similar to that found in other portions of Clark County as the result of a balanced budget amendment that was implemented within Clark County. Tax rates from 2007/08 to 2008/09 did not increase.

CURRENT PROPERTY TAXES

Taxes for the 2008/09 tax year for this property using the assessments and tax rates are as follows:

CURRENT PROPERTY TAXES

PROPERTY TAXES 2008/2009		
Tax Assessor's Parcel Number:	264-25-101-001	264-25-201-001
Assessed Valuation		
Land (SF)	\$3,823,697	\$3,379,123
Improvements	\$0	\$1
Total Assessed Value	<u>\$3,823,697</u>	<u>\$3,379,124</u>
Tax Rate (Per \$100)	3.3407%	3.3407%
Subject Tax Estimate	\$127,738.25	\$112,886.40
Less: Tax Cap Reduction	<u>(\$41,713.69)</u>	<u>(\$41,712.69)</u>
Subject's Forecasted Taxes	\$86,024.56	\$71,173.71

HIGHEST AND BEST USE

Highest and best use is defined as:

"The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum profitability."

Source: The Dictionary of Real Estate Appraisal, Fourth Edition, (Chicago: Appraisal Institute, 2002) Page 135.

The highest and best use of a property is an economic study focusing on the four criteria. The determination of a property's highest and best use is the basis that provides the valuation framework upon which comparable market data is selected. Such data for improved properties may include cost, income and expense data, and improved sales pertaining to the property's concluded best use.

HIGHEST AND BEST USE AS THOUGH VACANT

Highest and best use of land or site as though vacant is defined as:

"Among all reasonable, alternative uses, the use that yields the highest present land value, after payments are made for labor, capital, and coordination. The use of a property based on the assumption that the parcel of land is vacant or can be made vacant by demolishing any improvements."

Source: The Dictionary of Real Estate Appraisal, Fourth Edition, (Chicago: Appraisal Institute, 2002) Page 135.

Legally Permissible

The parcel is zoned R-U (Rural Open Land) with a Planned Land Use of Commercial Tourism within the jurisdiction of Clark County.

We spoke with Walter Karen a planner with the Clark County Comprehensive Planning. He said the Land Use Plan for the site is Commercial Tourist, which will permit a high rise development. There is a high probability that Clark County will amend the zoning if a developer can show a development plan, which will benefit the Laughlin community. Given the location of the parcel and the views provided by the elevation it is likely a higher density will get approved.

Physically Possible

The physical characteristics of the site that affect its possible use include but are not limited to its location, street frontage, size, shape, street access, availability of utilities, easements/encroachments, soils and subsoil's, and topography.

Overall, access to the subject property is considered good via Casino Drive and along the Colorado River frontage via boat or water craft.

The parcel has several hills and valley's which slope downward from west to east towards the Colorado River. The terrain has steep declines in some areas making development more challenging than a typical flat parcel. However, the steep hillside could also produce good views of the river and Bull Head City across the river to the east.

The subject property is in an area that appears to have stable soils and subsoils with regard to typical commercial structures. No soils report was provided and, as indicated earlier, it is assumed that the soils/subsoils are sufficient for any future construction.

In summary, the site appears to be physically adequate for the development of any legally permitted uses.

Financially Feasible

The financial feasibility aspect of highest and best use considers the economic trends within the neighborhood that impact highest and best use. The subject property is situated along the Colorado River south of casino development in Laughlin.

Due to this location, a potential use for the property would be for a casino resort, a mixed use development with commercial and residential uses or even multi-family use. All could benefit from the Colorado River frontage.

However, current information from the Laughlin Chamber of Commerce indicates that visitor volume, hotel occupancy and gaming revenues are all down for 2007 and 2008. Additionally, the prospects for 2009 are looking slow based on recent newspaper reports. The economy in Laughlin has slowed and may not require additional casinos or hotel rooms for some time.

An example of the current market conditions is the Laughlin Bay Marina, which is a newer development approximately 8,000 feet west of the subject. The project consists of a boat dock, boat storage, ramp and restaurant. There is additional vacant land which is the future location for a proposed condominium tower and townhouse development. Currently, all expansion plans are on hold and the restaurant recently closed, due to inactivity. The property has gone into foreclosure.

In an article in the Review Journal on 1/19/09 Harrah's postponed completion of Octavius Tower at Caesars Palace. Bill Lerner, a gaming analyst for Deutsche Bank commented saying: "Waiting makes sense". "Strategically speaking, especially what we've seen with the downward pressure in pricing, it makes sense to delay."

Regarding retail or mixed use, a recent article published in the InBusiness Magazine on 1/13/09 quoted a senior retail associate in CB Richard Ellis' Las Vegas office saying, "The retail market has taken the hit, especially in our market since it typically follows rooftops," Even the people that have money are holding on to it and saving. Everybody is being very conservative. We see families not eating out as much."

In that same article, Sara Dinwoodie Welser, CB Richard Ellis' research manager stated, "Overall, the mood of Las Vegas retail going into 2009 is one of caution".

Although these articles are specific to the Las Vegas market, Laughlin is directly related to the financial conditions of southern Nevada.

Single family and multi-family residential development have also been affected by the downturn in economy. The statistics for home sales and condo sales are the worst we have seen in years.

The most financially feasible use for the subject would be to hold for future development. Once market conditions do improve, a resort, mixed use or multi-family residential development would be the most financially feasible.

Maximally Productive

We have considered the legally permissible, physically possible, and financially feasible uses of the site as though vacant and concluded that a resort, mixed use or multi-family residential development would be the maximally productive use for the subject at such time as market conditions allow.

Conclusion

In conclusion, the highest and best use for the subject site is to hold for future development. Once market conditions do improve, a resort, mixed use or multi-family residential development appear to be the highest and best use.

METHOD OF VALUATION

The valuation process is the method in which the data used to form an opinion of the value of the subject property are acquired, analyzed, and presented. This data is typically applied within the traditional three approaches to value which are the cost approach, the income capitalization approach, and the sales comparison approach. In appraisal practice, one or more approaches may not be appropriate to the property being appraised depending upon the quality, quantity, and reliability of the data. The sales comparison approach as well as the land residual technique has been used in the valuation of the subject property as it is vacant land. The cost approach and income capitalization approach have not been used since these approaches are typically utilized only for improved properties.

Sales Comparison Approach: The sales comparison approach involves the gathering of data pertinent to sales of properties similar to the subject. It is based upon the principle of substitution, which implies that the property's value tends to be set at the cost of acquiring an equally desirable substitute property, assuming that no costly delay is encountered in making the substitution. The sales data utilized in this approach was gathered through various sources. When possible, the sales data was verified with the grantor, grantee, or the real estate agent involved in the sale.

LAND VALUATION

The sales comparison approach is the most common technique for valuing vacant land. It is used to form an opinion of the market value of the subject site as though vacant. To apply this method, sales of vacant land comparable to the subject property are gathered and analyzed. The sale prices are adjusted for dissimilarities identified between each of the comparables and the subject. The elements considered include property rights, legal encumbrances, financing terms, conditions of sale (motivation), market conditions (sale date), location, physical characteristics, available utilities, zoning, and highest and best use. The adjusted prices are reduced to some common unit of comparison, such as price per square foot or price per acre. The appraisers analyze this information and derive the unit value applicable to the subject property. When applied to the appropriate measure, this results in an opinion of the market value of the vacant land.

The sales used in the valuation are considered to be the most comparable to the subject as of the date of valuation. Specifically, we have identified and analyzed recent sales in the subject area. The following pages display the location, details, property characteristics, and a discussion of the comparability of each sale followed by an adjustment grid.

Appendix “4”

A SUMMARY APPRAISAL REPORT OF
78.74 Acres of Land

TO BE OWNED BY
Nevada Ueno Mita, LLC

LOCATED AT
The East Side of Casino Drive, fronting the Colorado River
Laughlin, Clark County, Nevada

FOR THE PURPOSE OF
Forming an Opinion of Market Value of the
Fee Simple Interest as of June 20, 2009

DATE OF REPORT
June 26, 2009

PREPARED FOR
Mr. Michael Hesser, Manager
Nevada Ueno Mita, LLC
5440 W. Sahara Avenue, 3rd Floor
Las Vegas, Nevada 89146

APPRAISAL COMPLETED BY
LUBAWY & ASSOCIATES, INC.
3034 South Durango Drive, Suite 100
Las Vegas, Nevada 89117

File #09-242

June 26, 2009

File #09-242

Mr. Michael Hesser, Manager
Nevada Ueno Mita, LLC
5440 W. Sahara Avenue, 3rd Floor
Las Vegas, Nevada 89146

Re: A Summary Report of 78.74 Acres of Unimproved Land
Located along the east side of Casino Drive,
approximately 1,200 feet south of Harrah's Laughlin Casino,
Laughlin, Clark County, Nevada 89029

Dear Mr. Hesser:

As requested, we have prepared a Summary Report of approximately 78.74 acres of land located on the east side of Casino Drive, approximately 1,200 feet south of Harrah's Laughlin Casino fronting the Colorado River in Laughlin, Nevada. The parcel consists of approximately 2,000 feet of frontage along the Colorado River. The Clark County Assessor's Parcel Numbers are 264-25-101-001 and 264-25-201-001.

We have made an inspection of the property and investigated and analyzed all necessary data. The supporting data, analyses, and conclusions used to form an opinion of market value of the subject property are contained in the accompanying report and addenda. This letter by itself should not be construed as a complete report.

The purpose of this appraisal report is to form an opinion of the market value of the fee simple interest of the subject property. Nevada Ueno Mita, LLC is the client and intended user of this report. The intended use of the report is to establish value for a Chapter 11 Bankruptcy.

This is a Summary Appraisal Report which is intended to comply with the reporting requirements set forth under Standards Rule 2-2 (b) of the Uniform Standards of Professional Appraisal Practice (USPAP), for a Summary Report. The appraisers are not responsible for unauthorized use of this report.

Based upon an analysis of the market data and subject to the assumptions and limiting conditions contained within this report, we have formed an opinion of the market value of the fee simple interest of the subject property as follows:

VALUE IDENTIFICATION	PROPERTY RIGHTS APPRAISED	DATE OF VALUE OPINION	MARKET VALUE
Market Value	Fee Simple	June 20, 2009	\$27,600,000


The aforementioned market value opinion is contingent upon the general assumptions and limiting conditions contained on pages 1, 2, and 3 of this appraisal.

The acceptance of this appraisal assignment and the completion of the appraisal report submitted herewith is not contingent upon any extraordinary assumptions.

The market value opinions have been predicated upon an exposure time of 12 to 24 months, based upon current market trends. The marketing period has also been estimated at 12 to 24 months.

Thank you for giving us the opportunity of appraising this property for you. If we may be of further assistance, please do not hesitate to contact us.

Sincerely,


Matthew Lubawy, MAI
Nevada License #A.0000044-CG
License expires: April 30, 2011



Bart Bowers
Nevada License #A. 0006895-CG
License expires: August 31, 2010

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ASSUMPTIONS AND LIMITING CONDITIONS**GENERAL ASSUMPTIONS AND LIMITING CONDITIONS**

The acceptance of this appraisal assignment and the completion of the appraisal report submitted herewith are contingent upon the following general assumptions and limiting conditions:

1. No responsibility is assumed for legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.
2. The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated in this report.
3. Responsible ownership and competent property management are assumed, unless otherwise stated.
4. The information furnished by others is believed to be reliable; however, no warranty is given for its accuracy.
5. All engineering is assumed to be correct. Any plot plans and illustrative material in this report are included only to assist the reader in visualizing the property.
6. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.
7. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless otherwise stated.
8. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined, and considered.
9. It is assumed that all required licenses, certificates of occupancy or legislative or administrative authority from any local, state, or national governmental or private entity organization have been or can be obtained or renewed for any use on which the value opinions contained in this report are based.
10. Any sketch may show approximate dimensions and is included to assist the reader in visualizing the property. Maps and exhibits found are provided for reader reference purposes only. No guarantee as to accuracy is expressed or implied unless otherwise stated. No survey has been made for the purpose of this report.
11. It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespasses unless otherwise stated.
12. The appraisers are not qualified to detect hazardous waste and/or toxic materials. Any comment by the appraisers that might suggest the possibility or presence of such substances

should not be taken as confirmation of the presence of hazardous waste and/or toxic materials. Such determination would require investigation by a qualified expert in the field of environmental assessment. The presence of substances such as asbestos, urea-formaldehyde, foam insulation, or other potentially hazardous materials may affect the value of the property. The appraisers' value opinions are predicated on the assumption that there is no such material on or in the property that would cause a loss in value unless otherwise stated in this report. No responsibility is assumed for any environmental conditions, or for any expertise or engineering knowledge required to discover them. The appraisers' descriptions and resulting comments are the result of the routine observations made during the appraisal process.

13. The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal the property is not in compliance with one or more of the requirements of the act. If so, this fact could have a negative effect upon the value of the property. Therefore, it is assumed that the property complies with all ADA requirements.
14. Any proposed improvements are assumed to be completed in a good workmanlike manner in accordance with the submitted plans and specifications.
15. The distribution of any or the total valuation of this report between land and improvements applies under the stated program of utilization. The separate allocations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
16. Possession of this report or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraisers, and in any event, only with the properly written qualification and only in its entirety.
17. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraisers, or the firm with which the appraisers are connected) shall be disseminated to the public through advertising, public relations, news sales, or other media without prior written consent and approval of the appraisers.
18. Prospective values are predicated upon stable market conditions unless otherwise stated. The appraisers cannot be held responsible for unforeseeable events that may alter market conditions prior to the effective date of the appraisal.
19. The opinion of value is predicated upon the assumption that there are no environmental conditions on or in the property that would cause a loss in value. Further, we reserve the right to amend the values within this report if such conditions are found to adversely affect the property. No responsibility is assumed for any environmental conditions or for any expertise or engineering knowledge required to discover them.

EXTRAORDINARY ASSUMPTIONS


The acceptance of this appraisal assignment and the completion of the appraisal report submitted herewith is not contingent upon any extraordinary assumptions.


CERTIFICATION OF VALUE

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

1. The statements of fact contained in this appraisal report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and is 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 no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. 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.
7. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
8. We have made a personal inspection of the property that is the subject of this report.
9. No one provided significant real property appraisal assistance to the persons signing this certification.
10. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.
11. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
12. As of the date of this report, Matthew Lubawy, MAI has completed the continuing education program of the Appraisal Institute.
13. The appraisers' state registration/certification has not been revoked, suspended, canceled or restricted.

14. The Appraiser did not base, either partially or completely, his or her analysis and/or the estimate of value on the race, color, religion, sex, handicap, familial status, health or national origin of the present or prospective owners, occupants or users of the subject property or of the present or prospective owners, occupants or users of the properties in the vicinity of the subject property.


Matthew Lubawy, MAI
Nevada License #A.0000044-CG
License expires: April 30, 2011


Bart Bowers
Nevada License #A.0006895-CG
License expires: August 31, 2010

SUMMARY OF IMPORTANT FACTS AND CONCLUSIONS

PROPERTY ADDRESS:	N/A
LOCATION:	The subject is located on the east side of Casino Drive, approximately 1,200 feet south of Harrah's Laughlin Casino fronting the Colorado River, Laughlin, Clark County, Nevada. The parcel consists of approximately 2,000 feet of frontage along the Colorado River.
ASSESSOR'S PARCEL NUMBERS:	264-25-101-001 & 264-25-201-001
CENSUS TRACT NUMBER:	57.02
CLIENT:	Nevada Ueno Mita, LLC
PURPOSE OF APPRAISAL:	The purpose of this appraisal assignment is to develop an opinion of market value of the fee simple interest.
INTENDED USE OF APPRAISAL:	The intended use of the report is to establish value for a Chapter 11 Bankruptcy.
INTENDED USER:	Nevada Ueno Mita, LLC
DATE OF VALUATION:	June 20, 2009
PROPERTY INSPECTION DATE:	June 20, 2009
DATE OF REPORT:	June 26, 2009
PROPERTY RIGHTS APPRAISED:	Fee Simple estate.
LAND SIZE:	78.74 acres
IMPROVEMENT DATA:	The subject is unimproved land.
ZONING:	The parcel is zoned R-U (Rural Open Land) with a Planned Land Use of Commercial Tourism within the jurisdiction of Clark County.
HIGHEST AND BEST USE:	
As Vacant Land:	The highest and best use of the land as though vacant is for development in the future with a use that would utilize the proximity to the river, as well as the hotel/casino district, such as residential, condominium, time share, commercial development and possible hotel/casino use.

As Improved:

N/A

VALUE OPINIONS:

VALUE IDENTIFICATION	PROPERTY RIGHTS APPRAISED	DATE OF VALUE OPINION	MARKET VALUE
Market Value	Fee Simple	June 20, 2009	\$27,600,000

EXPOSURE TIME:

The aforementioned market value opinion has been predicated on an exposure time of 12 to 24 months.

MARKETING PERIOD:

If the subject were marketed for sale as of the date of the value opinion, the marketing period would be 12 to 24 months assuming competent marketing with pricing commensurate with the market value opinion.

The aforementioned market value opinion is contingent upon the general assumptions and limiting conditions contained on pages 1, 2, and 3 of this appraisal report.

The acceptance of this appraisal assignment and the completion of the appraisal report submitted herewith is not contingent upon any extraordinary assumptions.

INTRODUCTION

IDENTIFICATION OF THE PROPERTY

The property is comprised of 78.74 acres that is located along the east side of Casino Drive, approximately 1,200 feet south of Harrah's Laughlin Casino fronting the Colorado River in Laughlin, Clark County, Nevada 89029. As mentioned, the subject is identified as Clark County Assessor's Parcel Numbers 264-25-101-001 & 264-25-201-001. The subject site is more thoroughly described in the "Site Description and Analysis" section later in this report.

LEGAL DESCRIPTION

The land referred to herein is situated in the County of Clark, State of Nevada and is generally described as follows:

APN 264-25-101-001

Lot Two (2) as shown on that certain parcel map in File 53 of parcel maps, Page 93 in the Office of the County Recorder or Clark County, Nevada

APN 264-25-201-001

The south 1,000 feet of the north 2,000 feet (measured at a right angle to the north line) of Section 25, Township 32 South, Range 66 East, M. D. B. & M.

CENSUS TRACT NUMBER

The subject is located within Census Tract Number 57.02.

PURPOSE OF APPRAISAL

The purpose of this appraisal report is to form an opinion of value of the market value of the fee simple interest of the subject property as of the effective date of the appraisal.

CLIENT

The client of this appraisal is Nevada Ueno Mita, LLC.

INTENDED USE OF THE APPRAISAL

The intended use of the appraisal is to establish a value for Chapter 11 Bankruptcy.

INTENDED USER OF THE APPRAISAL

The intended user of the appraisal is Nevada Ueno Mita, LLC.

EFFECTIVE DATE OF VALUATION

The market value has an effective date of valuation of June 20, 2009. The property was inspected and photographs were taken on June 20, 2009.

DATE OF APPRAISAL REPORT

The date of this appraisal report is June 26, 2009. The comparable sales, rental data, and market data were verified prior to the date of this report.

USPAP COMPETENCY PROVISION

This appraisal report is being prepared with the intention of complying with the most recent version of the Uniform Standards of Professional Appraisal Practice (USPAP) as adopted by the Appraisal Foundation. Matthew Lubawy, MAI and Bart Bowers have appraised several properties in the Las Vegas metropolitan area and the Laughlin area. We are qualified to appraise the subject property. Please see the qualifications of the appraisers contained in the addenda of this report for additional information.

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:

1. buyer and seller are typically motivated;
2. both parties are well informed or well advised, and acting in what they consider their own best interests;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and
5. the 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: 12 C.F.R. Part 34.42(g); 55 Federal Register 34696, August 24, 1990, as amended at 57 Federal Register 12202, April 9, 1992; 59 Federal Register 29499, June 7, 1994).

PROPERTY RIGHTS APPRAISED

We have formed the opinion of value of the subject property in fee simple estate. Fee simple estate may be defined as follows:

"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, Fourth Edition*, (Chicago: Appraisal Institute, 2002, Page 113.

EXPOSURE TIME

One of the implicit conditions of market value is that a reasonable time is allowed for exposure in the open market. This is always assumed to precede the effective date of the appraisal. Specifically, exposure time is defined as:

"The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective opinion based on an analysis of past events assuming a competitive and open market."

Source: *Statement 6, Uniform Standards of Professional Appraisal Practice, 2009 Edition*, Appraisal Standards Board.

MARKETING TIME

Marketing time is defined as follows:

The reasonable marketing time is an opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal.

Source: *The Uniform Standards of Professional Appraisal Practice, 2009, Advisory Opinion 7*.

CURRENT OWNERSHIP/ OWNERSHIP HISTORY

According to information from the Clark County Recorder's Office, the current owner of the property is Nevada Ueno Mita, LLC. The most recent sales transaction on public records show on June 2006, Laughlin Ranch, LLC transferred the both of the subject parcels to CapOne Partners, LLC for \$20,110,213.70.

The property has been listed for sale at \$11.71, which included an additional parcel to the south of the subject parcels. The total offering price was \$50,000,000 for all three parcels. No other sales or listings were discovered in the past 3 years.

SCOPE OF APPRAISAL

This is a Summary Report, which is intended to comply with the reporting requirements set forth under Standards Rule 2-2 (b) of the Uniform Standards of Professional Appraisal Practice (USPAP), for Summary Report. As part of this appraisal, we have made a number of independent investigations and analyses. The investigations undertaken and the major data sources used are listed as follows:

Area/City and Neighborhood Analysis

Data pertaining to the City of Laughlin was provided by information from the local Chamber of Commerce and the Nevada Development Authority. Information pertaining to population was supplied by the Clark County Comprehensive Planning Department; information pertaining to visitor volume, convention attendance, gaming revenue and total visitor revenue was supplied by the Las Vegas Convention and Visitors Authority; data pertaining to the labor force, employment and unemployment was supplied by the State of Nevada Employment Security Department; information pertaining to taxable sales was provided by the Nevada Department of Taxation; and data pertaining to residential construction building permits was collected from the governing jurisdictions. Additional neighborhood data was based upon a physical inspection of the area.

Site Description and Analysis

On June 20, 2009, the subject property and surrounding area was inspected. Photographs of the property were also taken as of this date. Information concerning utilities was collected by a physical inspection as well as contacting the individual utility companies, when necessary. The Clark County Planning and Development Department was contacted to obtain zoning information on the property. Information pertaining to dimensions, shape, and area was taken from the Clark County Assessor's Parcel Maps. The description of analysis of topography, drainage, soils conditions and surrounding land uses was based upon a physical inspection. It is imperative to note that the appraisers are not experts in the analysis of soils conditions or environmental hazards; therefore, any comment by the appraisers that might suggest the presence of such substances should not be taken as confirmation of the presence of hazardous waste or questionable soils conditions. Such determination would require investigation by qualified professionals in the field of environmental assessment or soils testing. No responsibility is assumed for any environmental conditions or for any expertise or engineering knowledge required to discover them. The appraisers' descriptions and resulting comments are a result of routine observations made during the appraisal process.

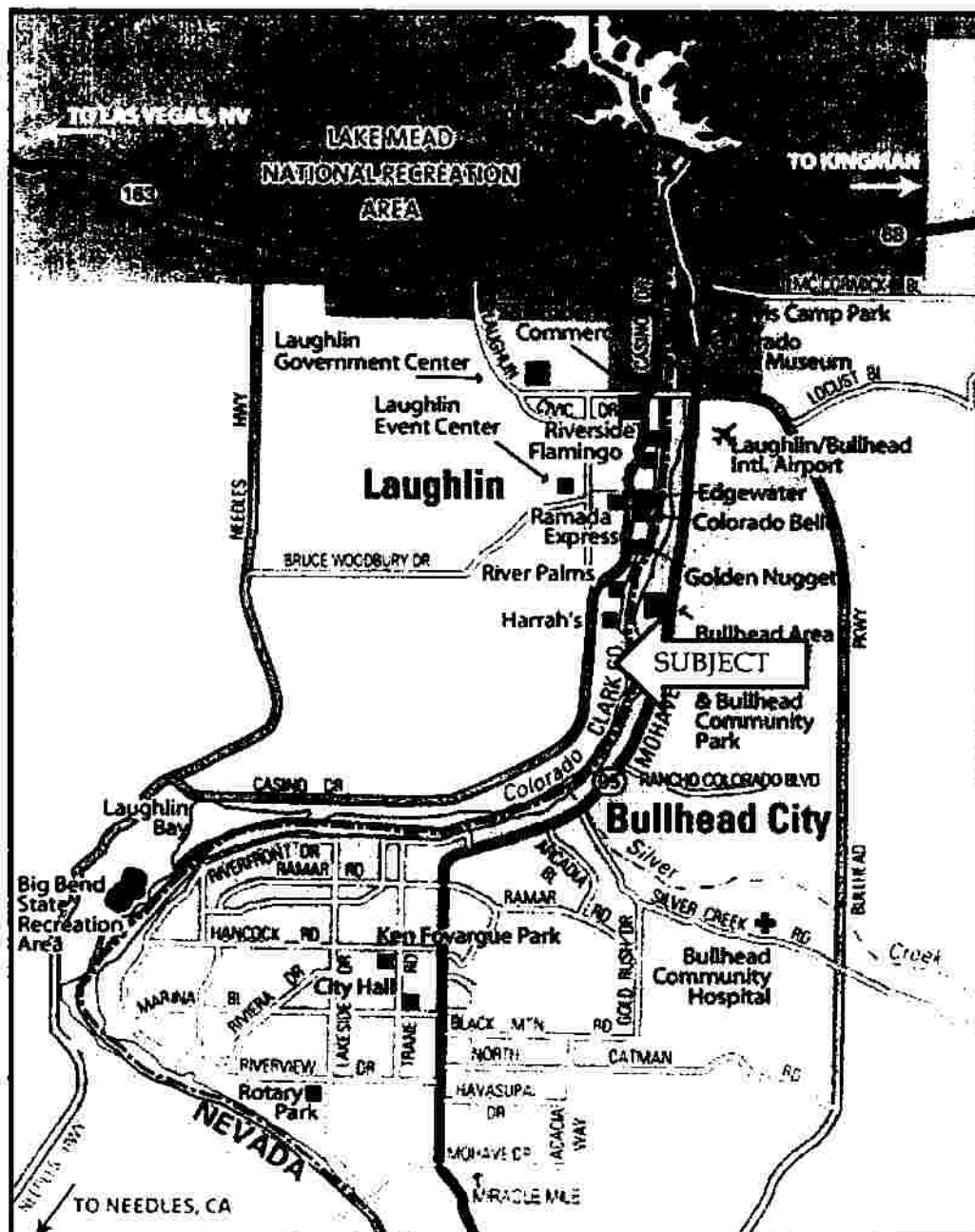
Applied Methods of Valuation

The sales comparison approach will be employed in this report. The cost and income approaches were not considered appropriate in the valuation of the fee simple interest. Please see the section entitled "Method of Valuation," contained later in this report, for a full description of the complete process for each approach utilized.

Market Data Collection and Verification

Data pertaining to land sales was collected from sources including COMPS Incorporated, First American Title, the Property Line, and discussions with brokers, owners and developers. Information on land sales, listings or offers was verified with the parties involved in the transaction including the grantor, grantee, broker or other knowledgeable parties, when possible. Verification of each sale is listed separately on each land sale abstract.

LAUGHLIN AREA /CITY DESCRIPTION AND ANALYSIS



Laughlin is located in the southern portion of Nevada situated in an unincorporated portion of Clark County. Laughlin is located along the west side of the Colorado River which forms the boundary between the state of Nevada and Arizona. Located immediately opposite the Colorado River to the east is Bullhead City, which is in the state of Arizona. Laughlin is primarily a tourist/gaming resort destination with the majority of the residential housing and commercial support services being provided by Bullhead City, Arizona, which has a larger population base. Access between Laughlin and Bullhead City is provided by a bridge across the Colorado River at the north end of the casino "Strip" as well as a bridge near the Fort Mojave Indian Reservation, south of the Laughlin area.

The 80 square mile township is 510 feet above sea level and is the home to approximately 8,500 residents. Laughlin is centrally located between the Los Angeles basin and Phoenix, Arizona just 90 miles south of Las Vegas, Nevada. Laughlin, named in 1968 after its founder and owner of the riverside resort, Don Laughlin, is considered an alternative to the Las Vegas gaming resort. The city has a library, post office, senior center, boys' and girls' club, high school, two parks, and water and waste water facilities which have been developed and built within the last 7 years.

GOVERNMENT

Laughlin is an unincorporated area of Clark County represented by the Laughlin town board and governed by the county commission. Fire and police protection is provided by the Clark County Fire Department and the Las Vegas Metropolitan Police Department, respectively.

POPULATION

In 1985, Laughlin had 95 residents. By 1991, Laughlin's population had grown to over 5,000 residents. The following chart indicates the population and growth rates for Laughlin as estimated by the Laughlin Chamber of Commerce.

POPULATION ESTIMATES FOR LAUGHLIN

YEAR	POPULATION ESTIMATE	GROWTH RATE
1990	5,749	N/A
1997	7,102	24%
2000	7,076	0%
2001	N/A	N/A
2003	8,000	13.00%
2004	8,258	3.20%
2005	8,315	0.69%
2006	8,629	3.78%
2007	8,998	4.28%
2008	8,843	-1.723%

Source: Laughlin Chamber of Commerce and Clark County

It should be noted that a great many people live in Bullhead City but work in Laughlin. While only 8,998 people reside in Laughlin, the Laughlin casino/hotels employ an estimated 14,000 people.

which far exceeds the current population of Laughlin. Additionally, Bullhead City, which had an estimated population of 10,364 in 1980, has grown to approximately 47,000 people in 2007. The large increase on the Arizona side of the Colorado River is primarily attributed to the lack of land available for residential development in Laughlin.

HOUSEHOLDS

In 1991, the housing mix in Laughlin was 26% single family homes, 51% condominium and town homes, 22% apartments and 0.4% mobile homes. Since that time, the mix has not changed significantly due to the limited availability of private land. The table below indicates households and average household size. The most current information as of July 2008 is presented below.

HOUSEHOLD ESTIMATES

YEAR	HOUSEHOLDS	PERCENT CHANGE PER YEAR	AVERAGE HOUSEHOLD SIZE
1990	1,925	N/A	2.42
1997	2,904	7.3%	2.24
2000	3,177	3.1%	2.22
2004	3,827	3.9%	2.15
2005	3,895	1.8%	2.13
2006	3,947	1.34%	2.19
2007	3,948	0.03%	2.28
2008	4,008	1.52%	2.20

Source: Laughlin Chamber of Commerce

Housing in Laughlin is primarily multi-family housing, which reflects the limited amount of private land and the fact that single family homes are typically unaffordable for hotel/casino employees. The Laughlin housing breakdown as of July 1, 2008 was as follows:

Housing Type	Number OF Units
Single-Family	2,964
Mobile Homes	2
Apartments	2,090
Townhomes	778
Condominiums	1,938
Total	8,843

Source: Clark County

INCOME

Per capita income is estimated by dividing total personal income, which includes earned income, property income, and transfer payments, by population. Thus, per capita income serves as an overall measure of economic well being of all residents. Median household income represents the mid-point of all reported income in the area. Average household income represents the total reported income in an area divided by the total number of households.

The table below summarizes the per capita, median household, and average income for Laughlin. It should be noted that between 1990 and 1997, per capita income decreased 0.78%. Median household income over this period of time decreased 4.78%, and average household income decreased 8.93%. Average household income from 1990 to 2002 increased approximately 3.4% per year (straight line).

INCOME

YEAR	PER CAPITA	MEDIAN HOUSEHOLD	AVERAGE HOUSEHOLD	PERCENT CHANGE PER YEAR
1990	\$15,422	\$32,372	\$33,626	N/A
1997	\$15,301	\$30,822	\$30,624	-1.3%
2002	N/A	N/A	\$47,366	10.9%
2008	N/A	\$71,023	N/A	10.9%

Source: Laughlin Chamber of Commerce

It should be noted that the income figures are the most current information available as of May 2006.

UTILITIES

Utility services for the Laughlin area are provided by the following public/private companies:

UTILITIES

UTILITY	AGENCY
Electricity	NV Energy
Water	Big Bend Water Company
Sanitation	Clark County Reclamation
Telephone	Embarq
Natural Gas	Southwest Gas

Increased water allocations and an expanded sewer system have alleviated growth constraints in Laughlin. Added community services including hospitals, schools, police/fire service, libraries, and retail/commercial services are available either in Laughlin or Bullhead City.

TRANSPORTATION

The transportation system to and throughout the Laughlin area appears to be adequate. Las Vegas is located approximately 90 miles to the north via US Highway 95. Los Angeles is approximately 300 miles west with access provided by US Highway 40 and Interstate 15. Flagstaff, Arizona is approximately 180 miles to the northeast via US Highway 40, while Phoenix, Arizona is approximately 170 miles southeast of Laughlin. Nevada State Route 63, which connects the Laughlin area with US Highway 95, has been improved to four lanes and is in good condition. Direct access is provided between Laughlin and Bullhead City via the four-lane Laughlin bridge which crosses the Colorado River immediately to the north of Don Laughlin's Riverside Casino. Recently, another bridge crossing the Colorado River was installed in the Fort Mojave Indian Reservation, just south of the Avi Hotel/Casino. The Bullhead City/Laughlin Airport was expanded and can now service small jet aircraft, including 737's. Although located on the Arizona side of the Colorado River, this airport services both the Laughlin and Bullhead City area.

Today, a single bridge over the Colorado River provides the only link between Laughlin, Nev. and Bullhead City, Ariz. The two communities complement one another in residential and employment opportunities with Bullhead City providing a large majority of Laughlin's workforce.

The existing bridge connects the two cities at State Highway 163 where the river is less than 2,000 feet wide. Vehicle crashes interfere with traffic flow across the bridge and often result in closures and lengthy delays. Emergency medical, fire and other services are compromised and public safety is affected when the existing bridge is blocked due to accidents, stalled vehicles or substantial traffic jams.

The new proposed Laughlin-Bullhead City Bridge Project is to improve access across the Colorado River between Laughlin and Bullhead City. The goal is to accommodate present and future traffic demand; improve access and delivery of emergency services and the distribution of traffic on Arizona SR 95; provide an improved level of service to traffic, and enhance regional connectivity. Final plans for the bridge are expected to be complete by 2009.

TAXES

The Laughlin area has three tax districts. These districts are identified as Numbers 105, 106, and 107, all of which are presently \$3.3407 per \$100 of assessed value for the 2009/10 tax year. The assessed valuation is limited to 35% of the depreciated cost of the improvements plus the land value.

Sales and Use Tax

Nevada has a 6.5% sales and use tax. Clark County has imposed an additional 1.25% tax for a total of 7.75%. Sales tax does not apply to food products for home consumption.

Personal Property Tax

Nevada has a free port law that exempts from state taxation all personal property in transit through Nevada while it is being stored, assembled, or processed for ultimate use in another state. Other items exempt include inventories held for sale within Nevada; personal property stored in a warehouse for interstate transit; all raw materials and supplies utilized in manufacturing processes;

1 **IN THE SUPREME COURT OF THE STATE OF NEVADA**

2
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4
5 VINCENT W. HESSER, an individual,

6 Appellant,

7 vs.

8 KENNEDY FUNDING, INC., a New Jersey
9 corporation,

10 Respondent.
11

Electronically Filed
Aug 03 2010 01:06 p.m.
Supreme Court No. 55654
Tracie K. Lindeman

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17 **APPEAL FROM EIGHTH JUDICIAL
DISTRICT COURT**

18 **APPENDIX TO**
19 **APPELLANTS' OPENING BRIEF**
20

21 HAROLD P. GEWERTER, ESQ.
22 Nevada Bar No. 499
23 HAROLD P. GEWERTER, ESQ., LTD.
24 2705 Airport Drive
25 North Las Vegas, Nevada 89032
26 Telephone: (702) 382-1714
27 Fax: (702) 382-1759
28 Attorney for Appellants

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CERTIFICATE OF SERVICE BY MAIL

I hereby certify that on the 3rd day of August 2010, I personally served a true copy of the foregoing APPENDIX TO APPELLANT’S OPENING BRIEF, by placing a true copy thereof in the United States Mail, postage fully prepaid, addressed as follows:

Richard F. Holley, Esq.
Ogonna M. Atamoh, Esq.
Santoro, Driggs, Walch,
Kearney, Holley & Thompson
400 South Fourth Street, Third Floor
Las Vegas, NV 89101
Fax: (702) 791-1912

/s/ Michele Aceves
An Agent of HAROLD P. GEWERTER, ESQ., LTD.