IN THE SUPREME COURT OF THE STATE OF NEVADA

CLARK COUNTY, A POLITICAL SUBDIVISION OF THE STATE OF NEVADA,
Appellant,
vs.
HQ METRO, LLC, AN ARIZONA LIMITED LIABILITY COMPANY; PROJECT ALTA, LLC, A NEVADA LIMITED LIABILITY COMPANY; PROJECT ALTA II, LLC, A NEVADA LIMITED LIABILITY COMPANY PROJECT ALTA III, LLC, A NEVADA LIMITED LIABILITY COMPANY; AND PROJECT ALTA LIQUIDATING TRUST U/A/D 12/31/09, BY AND THROUGH MARK L. FINE & ASSOCIATES, A NEVADA CORPORATION, INDIVIDUALLY AND AS TRUSTEE,
Respondents.

Supreme Court No. 71877
District Court Case No. A681632

JOINT APPENDIX

Volume 5

Pages 0855-1104

STEVEN B. WOLFSON
District Attorney
CIVIL DIVISION
State Bar No. 001565
By: **LESLIE A. NIELSEN**
Deputy District Attorney
State Bar No. 002764
By: **LAURA C. REHFELDT**
Deputy District Attorney
State Bar No. 005101
500 South Grand Central Pkwy.
P. O. Box 552215
Las Vegas, Nevada 89155-2215
Telephone: (702) 455-4761
Fax: (702) 382-5178
Attorneys for Appellant Clark County

LAW OFFICES OF BRIAN C. PADGETT
BRIAN C. PADGETT, ESQ.
State Bar No. 007474
AMY L. SUGDEN, ESQ.
State Bar No. 009983
611 South Sixth Street
Las Vegas, NV 89101
Telephone: (702) 304-0123
Fax: (702) 368-0123
Attorneys for Respondents

Docket 71877 Document 2017-21769

NEVADA POWER COMPANY V. HQ METRO, LLC, ET AL
Case No: A-13-681632-C
Dept No: 28

Document	Filed	Volume	Bates No.
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Central Telephone Company's Answer to Complaint	6/13/2013	3	0650-0655
Certificate of Cash Deposit	10/17/2013	3	0716-0719
City of Las Vegas' Answer to Complaint in Eminent Domain	7/8/2013	3	0656-0658
City of Las Vegas' Answer to First Amended Complaint in Eminent Domain	2/4/2016	7	1445-1447
Defendant Clark County's Answer to Complaint	7/8/2013	3	0659-0663
Defendant Clark County's Answer to First Amended Complaint in Eminent Domain	2/8/2016	7	1448-1452
Defendant Clark County's Notice of Appeal	11/29/2016	8	1719-1720
Defendant Clark County's Opposition to Defendant Landowners' Motion for Summary Judgment and Countermotion for Partial Summary Judgment and Application for Withdrawal of Funds Deposited for the Permanent Easement	1/13/2016	5 6	0855-1104 1105-1296
Defendant Clark County's Opposition to HQ Metro, LLC's Motion for Apportionment of Funds	10/4/2016	8	1698-1703
Defendant HQ Metro LLC's Motion for Apportionment of Funds Pursuant to NRS 37.115 and February 25, 2016 Court Order	9/20/2016	8	1604-1697

Defendant HQ Metro, LLC's Reply to Motion for Apportionment of Funds Pursuant to NRS 37.115 and February 25, 2016 Court Order	10/19/2016	8	1704-1709
Defendant Landowner’s Motion for Summary Judgment	12/30/2015	4	0720-0854
Defendant Landowners' Opposition to Clark County's Countermotion for Partial Summary Judgment & Application for Withdrawal of Funds Deposited for the Permanent Easement	2/1/2016	6	1339-1350
Defendants HQ Metro, LLC, Project Alta, LLC, Project Alta II, LLC, Project Alta III, LLC, Project Alta Liquidating Trust U/A/D 12/31/09 by and Thru Mark L. Fine & Associates, and Wells Fargo Bank, National Association, as Trustee's Answer to Plaintiff's Verified Complaint in Eminent Domain; Defendant HQ Metro, LLC's Counterclaims	7/9/2013	3	0668-0679
Defendants HQ Metro, LLC, Project Alta, LLC, Project Alta II, LLC, Project Alta III, LLC, Project Alta Liquidating Trust U/A/D 12/31/09 by and thru Mark L. Fine & Associates' Answer to Plaintiff's First Amended Verified Complaint in Eminent Domain; Defendant HQ Metro, LLC's Counterclaims	7/11/2016	7	1518-1524
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Las Vegas Metropolitan Police Department's Answer to First Amended Complaint	2/8/2016	7	1453-1457
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Order 2.25.16	2/25/2016	7	1465-1469
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Order RE: Defendant HQ Metro LLC's Motion for Apportionment of Funds Pursuant to NRS 37.115 and February 25, 2016 Court Order	11/9/2016	8	1710-1712
Plaintiff Nevada Power Company d/b/a NV Energy's Limited Opposition(s) to: (1) Defendant Las Vegas Metropolitan Police Department's Counter-Motion for Partial Summary Judgment and Application for Distribution of Funds Allocable to Temporary Construction Easement; and (2) Defendant Clark County's Counter-Motion for Partial Summary Judgment and Application for Withdrawal of Funds Deposited for the Permanent Easement	2/2/2016	7	1351-1406
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Transcript of Proceedings All Pending Motion February 16, 2016	3/21/2016	7	1470-1517

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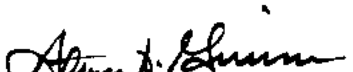

CLERK OF THE COURT

OPPM
STEVEN B. WOLFSON
District Attorney
CIVIL DIVISION
State Bar No. 1565
By: **LESLIE A. NIELSEN**
Deputy District Attorney
State Bar No. 2764
500 South Grand Central Pkwy.
P. O. Box 552215
Las Vegas, Nevada 89155-2215
(702) 455-4761
Fax (702) 382-5178
E-Mail: Leslie.Nielsen@ClarkCountyDA.com
Attorneys for Defendant **Clark County**

DISTRICT COURT

CLARK COUNTY, NEVADA

NEVADA POWER COMPANY, a Nevada corporation d/b/a NV ENERGY,

Plaintiff,

vs.

HQ METRO, LLC, an Arizona Limited liability company; et al.;

Defendants.

Case No.: A-13-681632-C
Dept. No.: 28

DEFENDANT CLARK COUNTY'S OPPOSITION TO DEFENDANT LANDOWNERS' MOTION FOR SUMMARY JUDGMENT and COUNTERMOTION FOR PARTIAL SUMMARY JUDGMENT AND APPLICATION FOR WITHDRAWAL OF FUNDS DEPOSITED FOR THE PERMANENT EASEMENT

Date of Hearing: February 2, 2016
Time of Conference: 9:00 a.m.

Defendant, CLARK COUNTY, by and through its attorney, STEVEN B. WOLFSON, District Attorney, by LESLIE A. NIELSEN, Deputy District Attorney, opposes the Motion for Summary Judgment filed by Defendants, HQ Metro, LLC, Project Alta II, LLC, Project Alta III, LLC, Project Alta Liquidating Trust U/A/D 12/31/09, and Wells Fargo Bank, N.A. (collectively, "**Prior Owners**" and "**Prior Owners' Motion**") and submits its countermotion for partial summary judgment to establish that Clark County is entitled to the compensation due for the permanent

easement taken by Plaintiff Nevada Power Company ("**NV Energy**") for its transmission line project. Under *Argier v. Nevada Power Company*, 114 Nev. 137, 141, 952 P.2d 1390, 1393 (1998), the right to compensation vested on January 8, 2015, when NV Energy entered into possession of the subject property to install its transmission line and when Clark County was the fee owner.[1] Additionally, pursuant to NRS 37.100(6), Clark County applies for an order requiring the court clerk to pay Clark County a $166,000 portion of the $281,000 deposited, representing the estimate of value of the permanent easement as appraised by NV Energy's appraiser.

This opposition and countermotion are based on the pleadings and papers on file, the following memorandum of points and authorities, the Declaration of Randall J. Tarr attached hereto as **Exhibit A**, and any oral argument the Court may entertain in this matter.

DATED this 13 day of January, 2016.

STEVEN B. WOLFSON
DISTRICT ATTORNEY

By: _____
LESLIE A. NIELSEN
District Attorney
Nevada Bar No. 2704
500 South Grand Central Pkwy. 5th Flr.
P. O. Box 552215
Las Vegas, Nevada 89155-2215
Attorneys for Defendant
Clark County

POINTS AND AUTHORITIES

I. SUMMARY OF UNDISPUTED FACTS

This is an eminent domain case filed by NV Energy on May 10, 2013 to acquire permanent and temporary easements needed for NV Energy's electrical transmission line relocation project necessitated by the Nevada Department of Transportation's Project Neon. Clark County was named as a defendant because its interest as tenant was shown in a Memorandum of Lease and Purchase

[1] Clark County hereby joins in the arguments made in the Countermotion for Partial Summary Judgment and Application for Distribution of Funds Allocable to Temporary Construction Easement filed by the Las Vegas Metropolitan Police Department ("LVMPD" and "**LVMPD's Motion**"); specifically, that the compensation due for the taking of the temporary construction easement should be awarded to LVMPD, particularly in light of Clark County's arguments

Option recorded in the Office of the Clark County Recorder.[2] The lease executed on December 2, 2008 ("**Lease**"), between Defendants Project Alta, LLC and Project Alta II, LLC, as landlords ("**Landlords**"), and Clark County, as tenant, provided for the development and 30-year lease of ±370,500 square feet of Class B office space and a parking garage on ±13.76 acres at the northwest corner of Alta Drive and Martin Luther King Boulevard in Las Vegas ("**Property**") for sublease to LVMPD.[3] The Lease contains an option allowing Clark County to purchase the Property for "Fair Market Value" on the third anniversary of the date on which LVMPD commenced operation of its business on the Property, which was deemed to be July 1, 2014.[4]

The parties negotiated the terms of a Stipulation and Order for Immediate Occupancy which was entered on October 15, 2013 ("**Occupancy Order**"). The Occupancy Order was recorded with the Clark County Recorder on October 18, 2013, in Book no. 20131018 as Instrument No. 0000985

On November 8, 2013, Clark County gave notice of exercise of its option to purchase the Property referencing an appraisal by Matthew Lubawy, MAI, concluding the Fair Market Value of the Property was $170,000,000 as of that date.[5] Clark County's notice set July 1, 2014, as its target closing date. The Landlords' successor (Mark L. Fine & Associates, as manager for the owner at that time, HQ Metro, LLC)[6] relied on several appraisal reports to establish the purchase price, one of which was prepared by Tio S. DiFederico, MAI, concluding the Fair Market Value of the Property was $225,000,000.[7] This report labeled File#13-097 and dated December 1, 2013, relied on the sales comparison, direct income capitalization and discounted cash flow methods. This DiFederico report makes no reference to, *nor deduction for*, the future transmission line or the permanent easement.

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herein that the Prior Owners have no rights whatsoever to compensation due to this case having sold the subject property to Clark County over two months before NV Energy took possession.

[2] See Complaint, par. 8(M)(1).

[3] See the Lease (attached to the Prior Owners' motion for summary judgment as Exhibit "C"), the Third Amendment dated July 21, 2009 (attached to the Tarr declaration as **Exhibit A-1**), the Fourth Amendment dated August 4, 2009 (attached to the Tarr declaration as **Exhibit A-2**), and the Interlocal Agreement for Sublease of Real Property dated December 15, 2008 (attached to the Prior Owners' motion for summary judgment as Exhibit "D"). Reference herein to the "Lease" means the Lease, as amended. The First and Second Amendments are not relevant to these motions, and therefore, have not been included.

[4] See Fourth Amendment section 5.01 and Tarr declaration, par. 4.

[5] See letter dated November 8, 2013 (attached to the Tarr declaration as **Exhibit A-3**).

[6] For purposes of these motions, no further distinction between the Landlords and Prior Owners is relevant or necessary.

[7] See DiFederico Appraisal dated December 1, 2013 (attached to the Tarr declaration as **Exhibit A-4**).

In a separate report labeled File#13-098 and dated November 14, 2014, the same appraiser concluded the compensation due for acquisition of the easements sought in this case and severance damages to the remainder due to installation of the transmission line is $1,517,500.[8]

Ultimately, Clark County and the Prior Owners compromised on the purchase price at $203,000,000, and on September 2, 2014, Defendant HQ Metro, LLC and Clark County executed a Purchase and Sale Agreement.[9] Defendant HQ Metro, LLC conveyed the Property to Clark County by Grant, Bargain and Sale Deed recorded on October 28, 2014 ("**Deed**").[10] Neither the Purchase and Sale Agreement nor the Deed contain any mention of who is entitled to the compensation due on account of NV Energy's transmission line project in this condemnation case.[11] The Deed did convey title subject to the recorded Order for Occupancy which gave NV Energy the right to occupy the easement areas and which merely precluded Clark County from asserting any claim against the Prior Owners that they had failed to convey title subject only to certain exceptions listed in the Lease purchase option.[12]

None of the appraisers consulted by Clark County agrees with DiFederico that the transmission line project warrants an award of severance damages, and Clark County is not asserting any entitlement to severance damages in this case.

On December 11, 2015, NV Energy supplemented its NRCP 16.1 production by submitting an "addendum amendment" prepared by its appraiser, Glenn Anderson, reporting he had new information that changed his opinions, including that NV Energy "was on property" to commence installation of the transmission line on January 8, 2015.[13] Thus, although NV Energy had the right to occupy the easement areas effective on October 15, 2013 on account of its recorded Order for Occupancy, it chose not to exercise that right until January 8, 2015, when it commenced installation of its transmission line. Anderson also reported that he had just learned of a blanket easement recorded in 2009 ("**2009 Blanket Easement**") allowing for installation of electric distribution

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[8] See DiFederico Appraisal dated November 14, 2014 (attached hereto as **Exhibit B**)
[9] See Tarr declaration, par. 8.
[10] See Tarr declaration, par. 9 and **Exhibit A-5**.
[11] See Tarr declaration, par. 10.
[12] See Third Amendment, par. 3, adding to Lease sec. 5.01.
[13] See excerpts of Second Supplement to Plaintiff's Production of Documents and List of Witnesses Pursuant to NRCP 16.1 and 26(e) (attached hereto as **Exhibit C**), and specifically page 6 of Anderson letter dated December 11, 2015

facilities, but not the subject transmission lines.[14] He concluded that the compensation due for the condemned easements should be reduced by 15 percent, because "the property owner would be required to obtain permission from NV Energy to build any form of building improvement. . . ."[15] Further, he opined that NV Energy "had the right to enter the site and use the property for the installation of electrical distribution facilities . . ."[16]

As shown in the four Anderson appraisals dated between 2011 and 2015 attached to NV Energy's Motion for Immediate Occupancy and the fifth Anderson appraisal dated 2014[17], he was apparently not aware of the 2009 Blanket Easement and did not lower his opinion of compensation until only recently. NV Energy was, however, aware of the 2009 Blanket Easement throughout the pendency of this case as shown in the "Exhibit of Condition After NV Energy New Easement" dated May 29, 2013.[18]

Although not conclusively established yet through discovery in this case, Clark County believes the form of the 2009 Blanket Easement was the standard form easement to use by NV Energy at that time in 2009 when the proposed development of commercial property includes onsite installation of electric facilities, such as transformers, to be owned and maintained by NV Energy.[19] Further, no compensation was paid by NV Energy for the 2009 Blanket Easement[20] which NV Energy now asserts has reduced the value of the property not occupied by a building structure and reduced the compensation due for the easements from 75 percent to 60 percent of the $17/sf fee value.[21]

II. STANDARD FOR GRANTING SUMMARY JUDGMENT

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[14] See Exhibit C, Anderson page 5 and Bates page number Project Neon/HQ Metro 2822-24

[15] See *id.*

[16] See *id.*

[17] See Exhibit 5 to LVMPD's Motion.

[18] See attached **Exhibit D**.

[19] Clark County's discovery requests are being served on NV Energy simultaneously with filing of this motion to confirm whether this is true.

[20] *Id.*

[21] Assuming the area not occupied by a building structure totals 382,910sf, and that area is valued by Anderson at $17/sf, a 15 percent reduction from 75 percent to 60 percent of fee value for the easement interest due to the 2009 Blanket Easement for which NV Energy paid no compensation, damages the Property by approximately $1,301,894. This calculation is based on the ratio between 60 and 75 percent, equalling 80 percent, indicating Anderson would likely apply a 20 percent reduction to the unit value of the fee interest in the areas not occupied by a building structure.

"Summary judgment is appropriate and 'shall be rendered forthwith' when the pleadings and other evidence on file demonstrate that no 'genuine issue of as to any material fact [remains] and that the moving party is entitled to a judgment as a matter of law.'" *Wood v. Safeway, Inc.*, 121 Nev. 724, 729, 121 P.3d 1026, 1029 (2005), *quoting* NRCP 56(c); *Tucker v. Action Equip. and Scaffold Co.*, 113 Nev. 1349, 1353, 951 P.2d 1027, 1029 (1997).

In *Wood*, the "slightest doubt" standard is specifically rejected. That standard undermines the purpose of Rule 56 by making it nearly impossible to receive summary judgment. *Id.* at 729-32, 121 P.3d at 1029-31.

Instead, Nevada has now adopted the jurisprudence of the United States Supreme Court, as announced in the seminal cases of *Celotex Corp. v. Carrett*, 477 U.S. 317 (1986), and *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242 (1986). According to *Celotex*, the purpose of Rule 56 is "to secure the just, speedy and inexpensive determination of every action." *Celotex*, 477 U.S. at 327; see also NRCP 1 (stating that the Rules, as a whole, are to be "construed and administered to secure the just, speedy, and inexpensive determination of every action").

To effectuate this purpose, the proper inquiry is on the two key terms, (1) material and (2) genuine. "The substantive law controls which factual disputes are material and will preclude summary judgment; other factual disputes are irrelevant. A factual dispute is genuine when the evidence is such that a rational trier of fact could return a verdict for the non-moving party." *Wood* at 731, 121 P.3d at 1031.

The *Woods* Court went on to further clarify how the standard should be utilized:

> While the pleadings and other proof must be construed in a light most favorable to the nonmoving party, that party bears the burden to "do more than simply show that there is some metaphysical doubt" as to the operative facts in order to avoid summary judgment being entered in the moving party's favor.[22] The nonmoving party "must, by affidavit or otherwise, set forth specific facts demonstrating the existence of a genuine issue for trial or have summary judgment entered against him."[23] The nonmoving party "is not entitled to build

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[22] *Quoting Matsushita Electric Industrial Co. v. Zenith Radio*, 475 U.S. 574, 586 (1986); *Posadas v. City of Reno*, 109 Nev. 448, 452, 851 P.2d 438, 441-42.

[23] *Quoting Bulbman, Inc. v. Nevada Bell*, 108 Nev. 105, 110, 825 P.2d 588, 591 (1992).

> a case on the gossamer threads of whimsy, speculation, and conjecture."[24]

Here, no genuine issues of material fact exist. Under *Argier*, the right to compensation vested on January 8, 2015, when NV Energy took possession to commence its project. 114 Nev. At 141, 952 P.2d at 1393. Having closed escrow and recorded the Deed on October, 28, 2014, Clark County was the owner of the Property when the right to compensation vested.

III. ARGUMENT

A. Under *Argier*, Clark County is Entitled to Compensation for the Permanent Easement, Because it Owned the Property When NV Energy Entered into Physical Occupation

In *Argier*, the Nevada Supreme Court held that the right to compensation vested in the Argiers who owned the property when the power company entered into possession of their property. *Id.* Likewise, the compensation due in this case vested in Clark County who owned the Property when NV Energy entered the Property. Quoting from the leading treatise on eminent domain, the *Argier* Court stated, "'[I]f the land is sold after condemnation proceedings have been instituted but before the *punctum temporis* of the taking, the purchaser, and not the vendor, is entitled to the compensation.'"[25] 114 Nev. at 139, 952 P.2d at 1391(quoting 3 Julius Sackman, *Nichols on Eminent Domain* § 5.04[4].

In determining that the *punctum temporis* of the taking occurs at the point of physical occupation of the property, the *Argier* Court cited to United States Supreme Court and other authorities. *See, e.g., United States v. Dow*, 357 U.S. 17, 22, 78 S.Ct. 1039, 1044 (1958)(when the government enters into possession, that is the event which constitutes the taking); *Nollan v. California Coastal Comm'n*, 483 U.S. 825, 831, 107 S.Ct. 3141, 3145 (1987)(where governmental action has caused a permanent physical occupation of the land, the Court has consistently found a

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[24] *Id., quoting Colibas v. Union Fed. Savings & Loan*, 99 Nev. at 284, 302, 662 P.2d 610, 621 (1983).

[25] In its footnote, the Court included the following definition of *punctum temporis*:

> *Punctum temporis* is defined as "A point of time; an indivisible period of time; the shortest space of time, an invisible period of time; the shortest space of time; an instant." Black's Law Dictionary 1480 (4th ed. 1951). Nichols also states that the *punctum temporis* is the time at which the right of the public to the land and the right of the owner to the compensation become vested. 3 Julius Sackman, *Nichols on Eminent Domain* at § 3.04[4].

taking to the extent of the occupation); *Yee v. City of Escondido*, 503 U.S. 519, 527, 112 S.Ct. 1522, 1528 (1992)(the government effects a taking when it requires the landowner to submit to the physical occupation of her land).

Likewise, in *Buzz Stew, LLC v. City of No. Las Vegas*, 131 Nev. Adv. Op. 1, 341 P.3d 646, 650 (2015), the Nevada Supreme Court recently held that a former owner had failed to establish that a taking occurred while it owned the property, and thus, any provision in the sales contract purportedly retaining the right to proceeds from a future condemnation action, reserved no property interest. Citing to *Argier*, the Court stated, "[t]akings claims lie only with the party who owned the property at the time the taking occurred. *Id.*

Despite the unambiguous holdings in the Nevada Supreme Court cases cited above, Prior Owners flagrantly misstate the law. Apparently wishing it were true, they state in an argument heading that "Nevada Law Provides That The Landowners At The Time Of The Initiation of the Lawsuit Are Entitled to The Just Compensation Proceeds In An Eminent Domain Case UNLESS The Landowners Otherwise Negotiated Away Those Rights."

As explained above, in 2015, the Nevada Supreme Court unambiguously reaffirmed its prior ruling in *Argier* that one who sells *before* the physical occupation of the property, has no rights to retain or to assign. *Id.* Prior Owners sold the Property to Clark County over two months *before* NV Energy physically occupied the Property.

Neither can the Prior Owners show that the $205,000,000 purchase price paid by Clark County for the Property was discounted due to any taking by NV Energy. On the contrary, when DiFederico appraised the Property for the Prior Owners in 2013, he concluded the Property was valued at $225,000,000, without any mention of or reduction for NV Energy's condemnation case or the transmission line project.[26] Yet, one year later he prepared a report concluding that the compensation due for the easements and severance damages to the remainder is $1,517,500.

B. Under NRS 37.100(6), the Court Should Allow Clark County to Withdraw $166,000 Representing the Value of the Permanent Easement, as Appraised by NV Energy's Appraiser

Upon application and notice to all parties, "the court . . . may order the money deposited with

the clerk of the court or any part thereof to be paid to the defendant." NRS 37.100(6). Further, "[i]f the amount of the compensation awarded upon judgment is less than the sum deposited and paid to the defendant, the court shall enter judgment in favor of the plaintiff and against the defendant for the amount of the excess." NV Energy's appraiser Glenn Anderson opined in 2015 and in 2014 that the compensation due for the permanent easement was $166,000.[6] Only within the last month did he change his opinion and dropped that number to $135,000. The sole basis for the change was the 2009 Blanket Easement which the County believes was required by NV Energy of all commercial developers, as a condition for receiving electric service. Clark County intends to show at trial that NV Energy's practice of requiring blanket easements as a condition of providing electric service, rather than accepting a narrowly drawn easement encumbering only the few thousand square feet actually needed is heavy-handed, but the advantage taken here by reducing the amount of compensation to be paid is truly unjust.

Nevertheless, the determination of the amount due for the permanent easement should be left for trial, and this Court should enter an order requiring that $166,000 be paid by the court clerk to Clark County.

Respectfully submitted this 18 day of January, 2016.

STEVEN B. WOLFSON
DISTRICT ATTORNEY

By: _____
LESLIE A. NIELSEN
District Attorney
State Bar No. 2764
500 South Grand Central Pkwy. 5th Flr.
P. O. Box 552215
Las Vegas, Nevada 89155-2215
Attorneys for Defendant
Clark County

[6] See Exhibit B.
[7] His 2015 opinion was the basis for this Court to enter the Occupancy Order.

CERTIFICATE OF SERVICE

I hereby certify that I am an employee of the Office of the Clark County District Attorney and that on this 12th day of January, 2016, I served a true and correct copy of the foregoing **DEFENDANT CLARK COUNTY'S OPPOSITION TO DEFENDANT LANDOWNERS' MOTION FOR SUMMARY JUDGMENT and COUNTERMOTION FOR PARTIALSUMMARY JUDGMENT AND APPLICATION FOR WITHDRAWAL OF FUNDS DEPOSITED FOR THE PERMANENT EASEMENT** by:

ATTORNEYS OF RECORD	PARTIES REPRESENTED	SERVICE METHOD
Kirby C. Gruchow, Jr. Esq. Leach Johnson Song & Gruchow 8945W. Russell Road, Suite 330 Las Vegas, NV 89148	*Plaintiff Nevada Power Company d/b/a NV Energy*	☑ Wiznet ☐ Fax Service ☐ Mail Service ☐ Personal Service (ROC)
Brian C. Padgett, Esq. Law Offices of Brian C. Padgett 611 South Sixth Street Las Vegas, NV 89101	*Defendant HQ Metro, LLC*	☑ Wiznet ☐ Fax Service ☐ Mail Service ☐ Personal Service (ROC)
Michael D. Rawlins, Esq. Bradley S. Slighting, Esq. Durham Jones & Pinegar, P.C. 10785 West Twain Avenue, Suite 200 Las Vegas, NV 89135	*Defendant Las Vegas Metropolitan Police Department*	☑ Wiznet ☐ Fax Service ☐ Mail Service ☐ Personal Service (ROC)
Philip R. Byrnes, Esq. 495 South Main Street, Sixth Floor Las Vegas, NV 89101	*City of Las Vegas*	☑ Wiznet ☐ Fax Service ☐ Mail Service ☐ Personal Service (ROC)

An Employee of the Clark County District Attorney's Office – Civil Division

EXHIBIT A

DECLARATION OF RANDALL J. TARR

Randall J. Tarr, declares and states as follows.

1. I am currently the Assistant County Manager of Clark County.

2. This declaration is submitted in support of Clark County's Opposition to Defendant Landowners' Motion for Summary Judgment and Countermotion for Partial Summary Judgment and Application for Withdrawal of Funds Deposited for the Permanent Easement.

3. The lease executed on December 2, 2008 ("**Lease**"), between Defendants Project Alta, LLC and Project Alta II, LLC, as landlords ("**Landlords**"), and Clark County, as lessee, provided for the development and 30-year lease of ±370,800 square feet of Class B+ office space and a parking garage on ±13.76 acres at the northwest corner of Alta Drive and Martin Luther King Boulevard in Las Vegas ("**Property**") for sublease to the Las Vegas Metropolitan Police Department ("**LVMPD**").

4. The Lease contains an option allowing Clark County to purchase the Property for "Fair Market Value" on the third anniversary of the date on which LVMPD commenced operation of its business on the Property, which was deemed to be July 1, 2014. Copies of the Third and Fourth Amendments to the Lease are attached hereto as **Exhibits A-1** and **A-2**, respectively.

5. On November 8, 2013, Clark County gave notice of exercise of its option to purchase the Property asserting the Fair Market Value of the Property was $170,000,000 based on an appraisal by Matthew Lubawy, MAI. Clark County's notice set July 1, 2014, as its target closing date. A copy of the County's notice is attached hereto as **Exhibit A-3**.

6. The Landlords' successor (Mark L. Tine & Associates, as manager for the owner at that time, HQ Metro, LLC) relied on several appraisal reports to establish the purchase price, one of which was prepared by Tio S. DiFederico, MAI, concluding the Fair Market Value of the Property was $225,000,000. A copy of the DiFederico appraisal report dated December 1, 2013, is attached hereto as **Exhibit A-4**.

7. One of my responsibilities as Assistant County Manager was to participate on the County's team of negotiators to establish the price for purchase of the Property.

8. Representatives of Clark County, Mark L. Fine & Associates, as manager for HQ Metro, LLC, and Project Alta Liquidating Trust compromised at $205,000,000 for purchase of the Property, and on September 2, 2014, HQ Metro, LLC and Clark County executed a Purchase and Sale Agreement. A copy of the Purchase and Sale Agreement is attached hereto as **Exhibit A-8**.

9. HQ Metro, LLC conveyed the Property to Clark County by Grant, Bargain and Sale Deed recorded on October 28, 2014 ("**Deed**"). A copy of the recorded Deed is attached hereto as **Exhibit A-9**.

10. Both the Purchase and Sale Agreement dated September 2, 2014 and the Deed are silent as to who is entitled to the compensation due on account of NV Energy's transmission line project in this condemnation case.

11. No appraiser consulted by Clark County agrees with DiFederico that the transmission line project warrants an award of severance damages, and Clark County is not asserting any entitlement to severance damages in this case.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on 1/12/16.

RANDALL J. TARR

EXHIBIT A-1

THIRD AMENDMENT

THIS THIRD AMENDMENT (the "Third Amendment") is entered into this 21st day of July, 2009, by and between **Project Alta, LLC,** a Nevada limited liability company and **Project Alta II, LLC**, a Nevada limited liability company (collectively, the "Landlord"), and **Clark County, Nevada** ("Tenant"), with the consent and approval of **Las Vegas Metropolitan Police Department** ("Subtenant").

RECITALS:

A. Landlord and Tenant entered into that certain Lease dated December 2, 2008, as amended by that certain First Amendment dated March 3, 2009 and Second Amendment dated July 10, 2009 (collectively, the "Lease"), for the Leased Property described therein. Capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Lease.

B. Tenant acknowledges that entering into the Lease with Landlord lessens the governmental burdens of Tenant.

C. Landlord's prospective lenders have requested that the Lease be amended to (i) provide for a minimum purchase price in the event that Tenant exercises its Purchase Option; and (ii) establish definite periods of time during which Tenant may purchase the Leased Property pursuant to the exercise of its Purchase Option; and

D. Landlord and Tenant have agreed to amend the Lease as specifically set forth herein.

NOW THEREFORE, based upon the covenants and promises contained herein and other good and valuable consideration, Landlord and Tenant mutually agree as follows:

1. Section 3.01 of the Lease is hereby amended by inserting the following at the end of the first sentence thereof:

> ", provided, however that Tenant's obligation to pay Base Rent shall not commence earlier than July 1, 2011."

2. The first paragraph of Section 5.01 of the Lease is hereby deleted in its entirety and the following substituted in lieu thereof:

> "5.01. Tenant shall have an option to purchase the Leased Property during any of the following 12-month periods: (A) the 12-month period beginning upon the earlier of (i) the third (3rd) annual anniversary of the Commencement Date of the last Building, or (ii) the first day of the forty-seventh (47th) month after the Commencement Date of the first Building (the earlier of such two dates being sometimes referred to herein as the "Option Period Reference Date"); or (B) the 12-month periods which commence upon the fifth, tenth, fifteenth, twentieth and twenty-fifth annual anniversaries of the Option Period Reference Date ("Purchase Option"); provided that Tenant shall give Landlord no less than six (6) months prior written notice of the exercise of such option ("Notice Period"); and provided further that at the time of the commencement of the Notice Period and as of the Closing (as defined below), (i) Tenant remains in occupancy of the Leased Property in accordance with the terms of this Lease, and (ii) no uncured event of default exists under this Lease. The price to be paid by Tenant for the purchase of the Leased Property

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("Purchase Price") shall be the greater of (i) $167,400,000.00, or (ii) Fair Market Value (as defined below). If Tenant exercises its Purchase Option hereunder at any time on or prior to the fifth (5th) annual anniversary of the Commencement Date of the last Building, Tenant shall be responsible for any documented defeasance, yield maintenance or other prepayment fees, costs or penalties actually incurred by Landlord in connection with the payoff of any loans encumbering the Leased Property; provided, however, in no event shall Tenant be responsible for the portion of such defeasance, yield maintenance or other prepayment fees, costs or penalties that exceed two percent (2%) of Fair Market Value. If Tenant exercises its Purchase Option hereunder at any time following the fifth (5th) annual anniversary of the Commencement Date of the last Building, Tenant shall not be responsible for any defeasance, yield maintenance or other prepayment fees, costs or penalties incurred in connection with the payoff of any loans encumbering the Leased Property. If Tenant exercises its Purchase Option hereunder Tenant shall repay the remaining balance of the Base Rent Contingency Obligation, and shall be responsible for Rent due hereunder up to and including the closing date of the purchase, and the payment of such amounts shall be a condition to the Closing. The foregoing Purchase Option shall be assignable by Tenant to any City of Las Vegas or Clark County governmental authority, but to no other party. Any attempted assignment of the Purchase Option to any other party without the prior written consent of Landlord shall be of no effect and the Purchase Option shall become forever null and void as of the date of the purported assignment. If Tenant gives notice of exercise its Purchase Option hereunder, the 12-month period described above applicable to that Purchase Option shall be extended if necessary until the Business Day succeeding the date of determination of Fair Market Value (if Fair Market Value is not determined at least one business day prior to the end of the applicable 12 month period). In the event Tenant notifies Landlord of the exercises its Purchase Option hereunder, it may cancel that notice at any time before the Closing, without penalty or cause, by written notice to Landlord, and the parties shall then be and remain in the same position hereunder as if a notice of exercise of an option hereunder had not been given. Any such cancelation shall not affect the Tenant's right to exercise its Purchase Options at other times as provided above (but not again during the same 12-month period).

3. The following is hereby added at the end of Section 5.01 of the Lease:

At Closing, title to the Leased Property shall be conveyed to Tenant free of any deeds of trust or mortgages and subject only to (i) those title exceptions shown on Exhibit "G" attached hereto and incorporated herein by this reference, and (ii) such other title exceptions as may be either (A) approved, in writing, by Tenant, such approval not to be unreasonably withheld or delayed, or (B) access and utility easements described in Section 9.04 of the Lease which are reasonably required for the development and use of the Leased Property in accordance with the terms of the Lease (collectively, the "Permitted Exceptions").

4. Section 29.15 of the Lease is hereby amended to read as follows:

Prior to the recordation of any new mortgage or deed of trust against the Leased Property, and prior to the transfer of fee title or any other interest in the Leased Property (other than the Permitted Exceptions) by Landlord, Landlord and Tenant shall cause a memorandum of this Lease (the "Memorandum") to be recorded. Such Memorandum shall give notice of Tenant's leasehold interest in the Leased Property and Tenant's right to purchase the Leased Property pursuant to Section 5.01 above and shall otherwise be reasonably acceptable to Landlord and

Tenant. Upon recordation of the Memorandum, Landlord shall cause Nevada Title Company to issue to Tenant a leasehold title insurance policy in the amount of not less than $15,000,000, at Tenant's cost, showing Tenant's interest in the Leased Property subject only to the Permitted Exceptions.

Landlord agrees to obtain from all Mortgagees whose interests are created on or after the date of this Third Amendment, as well as from any transferee of Landlord's fee title, a commercially reasonable subordination, nondisturbance and attornment agreement pursuant to which the Mortgagee (as well as any such transferee) shall agree, in writing, for the benefit of Tenant, that so long as Tenant is not in default beyond any notice and cure periods under any of the provisions, covenants or conditions of this Lease on the part of Tenant to be kept and performed, neither this Lease nor any of the rights of Tenant hereunder (including, without limitation, Tenant's Purchase Option pursuant to Section 5.01 above) shall be terminated or modified or be subject to termination or modification, nor shall Tenant's possession of the Leased Property be disturbed, by proceedings to foreclose said mortgage, deed of trust or other encumbrance, and including, without limitation, an agreement that upon exercise of Tenant's Purchase Option pursuant to such Section 5.01 hereof, and payment of the Purchase Price by Tenant, the Mortgagee will release its interest in the Leased Property to Tenant at no cost and record an instrument reasonably necessary to evidence that release (hereinafter referred to as a "Subordination, Nondisturbance and Attornment Agreement"). The interest of any Mortgagee (or transferee) which fails to execute and record a Subordination, Nondisturbance and Attornment Agreement shall at all times be subject and subordinate to the rights and interests of Tenant under this Lease, including, without limitation, Tenant's Purchase Option pursuant to Section 5.01 above.

5. As further consideration for the agreements of Landlord set forth herein, Tenant agrees that Tenant will enter into an escrow agreement with a Bank of America, N.A., to provide $13,661,412.50 in escrow to secure payment of Rent hereunder in the event Tenant fails to pay the same for any reason, including a default by County in paying rent after the notice and cure period provided in 20.02 of the Lease or a non-appropriation by County under Sections 2.04 to 2.06 of the Lease. Such escrow agreement will be for the benefit of the assignee of Landlord's rights to receive rental payments under the Lease that is named in the escrow agreement, and will be effective on the date the assignment to that assignee is effective.

6. As further consideration for the agreements of Tenant set forth herein, Landlord shall provide upgrades and/or improvements with a cost of $2,000,000.00 ("Upgrade Allowance") to the Base Building Improvements, including but not limited to the mechanical system or core improvements to enhance the quality of the Base Building Improvements above a suburban Class B office building. The upgrades and/or improvements shall be completed prior to the Turnover Date and shall include those identified in Exhibit "H," which Landlord and Tenant agree and stipulate total $1,532,302.00 of the Upgrade Allowance, and others to be identified by County and incorporated into the design or added by change order totaling additional costs of $467,698.00, as such costs are determined by County in its discretion exercised reasonably and in good faith. Any portion of the Upgrade Allowance not spent on upgrades and/or improvements shall be credited to County as a discount on the Purchase Price upon exercise of the Purchase Option, if the Purchase Option is exercised during the first 12-month option period (as described in Section 5.01(A) above) and the County actually proceeds with its purchase pursuant to such exercise. If the Purchase Option is not exercised during that first 12-month period (or if the County elects not to proceed with its purchase), then the unspent portion of the Upgrade

Allowance shall be credited against the first payments of Basic Rent which become due and payable after the expiration of such first 12-month option period.

7. Except as modified herein, the Lease shall remain in full force and effect.

IN WITNESS WHEREOF, this Third Amendment has been executed on the day and year above written.

[Signatures Appear on Next Page]

"LANDLORD"

Project Alta, LLC, a Nevada limited liability company, and
Project Alta II, LLC, a Nevada limited liability company

By: FF Alta Partners, LLC, their manager

By: Fine Properties, LLC, its manager

By_____

Name: JEFFREY A. FINE

Title: MANAGER

"TENANT"

Clark County, Nevada

By_____

Name: Rory Reid

Title: Chairman, Board of County Commissioners

The undersigned hereby consents to and approves the execution of the foregoing amendment.

"SUBTENANT"

LAS VEGAS METROPOLITAN POLICE DEPARTMENT

By_____

Name: DOUGLAS GILLESPIE

Title: SHERIFF

NOT DELIVERED OR EFFECTIVE AS OF THE DATE OF THIS COPY

State of Nevada
County of Clark

This instrument was acknowledged before me on 7-14-2009 by JEFFREY A. FINE as MANAGER of PROJECT ALTA, LLC AND PROJECT ALTA II, LLC.

(Seal)

Brooke D. Taylor
Notary Public

BROOKE D. TAYLOR
Notary Public State of Nevada
No. 06-105961-1
My appt. exp. June 8, 2010

State of Nevada
County of Clark

This instrument was acknowledged before me on 7-21-09 by Rory Reid as Chairman of Board of County Commissioners.

(Seal)

Notary Public

Notary Public - State of Nevada
County of Clark
ROSANNA JONES
My Appointment Expires
May 28, 2012
No: 01-69882-1

State of Nevada
County of Clark

This instrument was acknowledged before me on 7/31/09 by Douglas C. Gillespie as Sheriff of Las Vegas Metropolitan Police Dept.

(Seal)

Notary Public

CLAIRE A. MURPHY
Notary Public State of Nevada
No. 97-4337-1
My appt. exp. Nov. 10, 2009

EXHIBIT "G"
TO THIRD AMENDMENT

1. State and County Taxes
2. Any supplemental or recapture taxes under NRS Chapter 361, as amended, which may become a lien on the property by reason of increased valuations due to land use, improvement or otherwise
3. Reservations and Easements in the patent from the State of Nevada, recorded November 30, 1902, in Book F of Miscellaneous Records, Page 265 of Official Records
4. An easement affecting that portion of the property and for the purpose therein and incidental purposes thereof, in favor of Central Telephone Company, for telephone and/or other communication circuits, recorded April 22, 1992, in Book 920422 as Document No. 01019 of Official Records.
5. Terms, covenants, conditions and provisions in an instrument entitled, "Covenant Running with the Land", recorded October 19, 1992, in Book 921019 as Document No. 00700, of Official Records.
6. Dedications and Easements as shown on the recorded Map referred to herein, in File 79 of Parcel Maps, Page 21, of Official Records. The parcel Map has been amended by Certificate of Amendment recorded on July 18, 1994 in Book 940718 as Document No. 00834 of Official Records.
7. An easement affecting that portion of the property and for the purpose therein and incidental purposes thereto, in favor of Nevada Power Company, for electrical lines, recorded August 25, 1995, in Book 950825 as Document No. 01377 of Official Records.
8. Terms, covenants, conditions and provisions in an instrument entitled, "Judgment and Final Order of Condemnation", recorded March 24, 2008, in Book 20080324 as Document No. 01868, of Official Records.
9. Mineral rights and reservations in the patent conveying the property, issued by the State of Nevada on November 13, 1902 as Patent No. 4882, Volume 9, Page 347, but not recorded in the public record.
10. An easement affecting that portion of the property for the purposes therein and incidental purposes thereto, in favor of Nevada Power Company and Central Telephone Company, for electrical lines, recorded May 1, 1978, in Book 880 as Document No. 839802 of Official Records.
11. Terms, covenants, conditions and provisions in an instrument entitled, "Notice of Zoning Action", recorded April 21, 2009, in Book 20090421 as Document NO. 01989, of Official Records.
12. The terms and provisions contain in instrument entitled City of Las Vegas Revised Downtown Development Area recorded March 11, 1986 in Book 860311 as Document No. 00777 of Official Records. Said instrument contains, among other things, provisions for rehabilitation of the downtown area financed by additional tax assessments. Said instrument had been revised by (a) an instrument recorded February 11, 1988 in Book 880211 as Document No. 00382 of Official Records and (b) an instrument recorded November 22, 1996 in Book 961122 as Document No. 00847 of Official Records. A notice of Adoption of Amendment To The Redevelopment Pan Recorded November 22, 1996 in Book 961122 as Document No. 00848; re-recorded November 25, 1996 in Book 961125 as Document No. 00566 and as set forth in Record of Survey performed by Rita M. Lumas, filed in File LG of Local Government Plats at Page 78 recorded November 22, 1996 in Book 961122 as Document NO. 00849 of Official Records. An Ordinance to Adopt an

Amended and Restated Redevelopment Plan recorded June 2, 2006 in Book 20060602 as Document No. 0001395 of Official Records.

EXHIBIT "H"
TO THIRD AMENDMENT

Metro Headquarters
Landlord Core & Shell Allowance in Consideration of Lease Amendment #3
7/16/2008

Items Provided at Landlord Cost	Agreed Credit
1. Structural steel moment frame instead of brace frame	$250,000
2. Upgrade HVAC system to allow VAV units with hot water re-heat coils	$275,000
3. Larger janitor closets per Clark County spec.	$15,717
4. (1) Ships ladder per bldg. for roof access instead of vertical ladder	$15,000
5. Interconnecting conduits between buildings	$48,000
6. Studs & drywall over spandrel glass on inside of main elect. rooms	$9,000
7. Empty conduit system for perimeter door access control	$15,000
8. Redesign costs to accommodate tenant requested items	$6,000
9. Upgraded elevators (traction) instead of hydraulic	$565,000
10. Electrical room required due to IDF room issue	$63,585
11. Roof top davits and swing arms for window washing	$270,000
Subtotal	$1,532,302
Unused/Available Allowance	**$467,698**
TOTAL LANDLORD CORE & SHELL IMPROVEMENTS ALLOWANCE	**$2,000,000**

EXHIBIT A-2

FOURTH AMENDMENT

THIS FOURTH AMENDMENT (the "Fourth Amendment") is entered into this 4th day of August, 2009, by and between **Project Alta, LLC,** a Nevada limited liability company and **Project Alta II, LLC**, a Nevada limited liability company (collectively, the "Landlord"), and **Clark County, Nevada** ("Tenant"), with the consent and approval of **Las Vegas Metropolitan Police Department** ("Subtenant").

RECITALS:

A. Landlord and Tenant entered into that certain Lease dated December 2, 2008, as amended by that certain First Amendment dated March 3, 2009, Second Amendment dated July 10, 2009 and Third Amendment dated July 21, 2009 (collectively, the "Lease"), for the Leased Property described therein. Capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Lease.

B. The Third Amendment added the concept of a minimum Purchase Price for the Leased Property in the event that Tenant exercises its Purchase Option pursuant to Section 5.01 of the Lease. Landlord and Tenant now wish to clarify the Third Amendment and to memorialize their understanding that Landlord will deliver the Leased Property to Tenant as a whole, and not on a Building by Building basis, so that there is no longer any possibility that the Purchase Option would be exercised for less than the entire Leased Property.

NOW THEREFORE, based upon the covenants and promises contained herein and other good and valuable consideration, Landlord and Tenant mutually agree as follows:

1. Any references in the Lease to the "Commencement Date" followed by "with respect to each Building", "with respect to a given Building", "with respect to any Building", "with respect to such Building", "of the first Building", "for the last Building", "of the last Building", "to the subject Building", and "for the first Building", are hereby deleted and replaced with "Commencement Date."

2. Section 1.03 of the Lease is hereby deleted in its entirety and the following substituted in lieu thereof:

> "1.03. **Commencement Date**:
>
> The Commencement Date shall be the earliest of the following: (i) the date on which Landlord's Work (as defined below) is Substantially Complete, as determined pursuant to the Work Letter (the "Turnover Date"), or (ii) the date on which the Landlord Work would have been Substantially Complete but for a Tenant Delay (as such term is defined in the Work Letter), or (iii) the date on which Tenant commences the operation of its business at the Leased Property; provided, however, that in no event shall the Commencement Date occur prior to (a) the Target Delivery Date specified in the Construction Schedule attached hereto as Exhibit C-1 (unless Tenant has commenced the operation of its business at the Leased Property prior to such date) and (b) the date that Landlord has substantially completed construction of the On and OffSite Improvements which are required for the use and occupancy of the Leased Property (including, without limitation, having parking in accordance with Section 24.03, having fully functioning utilities and having full access, ingress and egress to and from the

Leased Property) in accordance with the requirements of the Work Letter. Upon request of Tenant (to be given no more than once during each calendar year, and which shall be given on or before April 1st of each such year), Landlord shall provide Tenant with notice of the anticipated Turnover Date , notwithstanding anything to the contrary herein, in no event shall the Turnover Date occur prior to the date specified in such notice of anticipated Turnover Date. If Landlord is delayed in delivering possession of the Leased Property, including Landlord's failure to Substantially Complete the Landlord Work by the Turnover Date or for any other reason, such delay shall not be a default by Landlord, render this Lease void or voidable, or otherwise render Landlord liable for damages; provided, however, in the event the Commencement Date does not occur by December 31, 2012 (subject to Section 25) (the "Outside Delivery Date"), Tenant shall have the right to terminate this Lease as of the Outside Delivery Date, without recourse by Landlord, provided Tenant has not commenced the operation of its business at the Leased Property prior to the Outside Delivery Date. If the Improvements required by the terms of the Lease to be made to the Leased Property by Landlord have not been completed by the Outside Delivery Date and Tenant has not commenced the operation of its business at the Leased Property, Tenant's exercise of its right to terminate this Lease extinguishes any obligation to pay Rent or any other sums, and all amounts placed in escrow to secure payment of rent as required by the Third Amendment will be released to Tenant within ten (10) days of Tenant's written notice to the escrow holder. Within thirty (30) days after the Commencement Date, Tenant shall execute and deliver to Landlord a letter substantially in the form of Exhibit D hereto confirming (i) the Rentable Area of each Building, (ii) the Commencement Date (and the expiration date of the Initial Term), (iii) that Tenant has accepted possession of the Leased Property, and (iv) that Landlord has performed all of its obligations with respect to the Improvements (except for punch-list items specified in such letter and warranty work required pursuant to this Lease and the Work Letter); however, the failure of the parties to execute any such letter shall not defer the subject Commencement Date or otherwise invalidate this Lease."

3. The fourth sentence of Section 3.01 of the Lease is hereby deleted in its entirety. Nothing contained in this Fourth Amendment shall modify Landlord's agreement, as set forth in the Third Amendment, that Tenant's obligation to pay Base Rent shall not commence earlier than July 1, 2011.

4. Section 5.01 (A) of the Lease, as amended by the Third Amendment, is hereby deleted in its entirety and replaced with the following:

"(A) the 12-month period beginning upon the third (3rd) annual anniversary of the Commencement Date (the "Option Period Reference Date");"

5. The third sentence in the second paragraph of Section 5.01 of the Lease is hereby deleted in its entirety.

6. All references to "arbitrators" in Sections 3.04(b)4, 3.04(b)(5), 5.01(4) and 5.01(5) are hereby deleted and replaced with "appraisers".

7. Sections 3.04(b)(8) and 5.01(8) of the Lease, are hereby deleted in their entirety and replaced with the following:

"(8) the cost of the appraisals (or arbitration if required) shall be paid equally by Landlord and Tenant."

8. Paragraphs 5, 6, 7, and 8 of Exhibit C attached to the Lease are hereby deleted in their entirety and replaced with the following:

"5. Punch List; Time and Delay.

Landlord's Work shall be "Substantially Complete" when (i) Landlord obtains for the Buildings (including all Base Building Improvements and Tenant Improvements) and the parking structure either a final certificate of occupancy or a temporary certificate of occupancy or final inspection approval allowing Tenant to legally occupy such Improvements for the conduct of its business and (ii) Landlord obtains evidence of final acceptance for the remainder of the Improvements from the City of Las Vegas. In the event that Landlord's Work is Substantially Complete as a result of obtaining a temporary certificate of occupancy or final inspection, as opposed to a final certificate of occupancy, Landlord shall nonetheless be obligated to obtain a final certificate of occupancy for the Buildings and the parking structure within 60 days after the Turnover Date (or such longer period of time as may be reasonably required for Landlord, acting with commercially reasonable diligence, to obtain a final certificate of occupancy).

Landlord shall provide no less than 120 days prior notice of the anticipated Turnover Date (as defined in the Lease). Prior to the Turnover Date, Landlord and Tenant shall conduct a joint walk through and complete a punchlist of required items. Punchlist items shall not delay the Turnover Date so long as such punchlist items do not impede Tenant from opening for business, but Landlord shall complete required items within 30 days (or such additional period of time as may reasonably be required if Landlord cannot complete the required items within the initial 30 day period, but not to exceed 90 days). Within 60 days after the Turnover Date, Landlord shall provide Tenant a complete set of as built final plans and specifications for the Buildings and the parking structure.

Time is of the essence in connection with the obligations of Landlord and Tenant under this Work Letter. Except for the specific remedies set forth in the Lease, Landlord shall not be liable or responsible for any claims incurred (or alleged) by Tenant due to any delay in completing the Landlord Work for any reason. Tenant's sole and exclusive remedy for any delay in Landlord's completion of the Landlord Work for any reason other than Tenant Delay (defined below) shall be the resulting postponement (if any) of the commencement of rental payments under the Lease and the right to terminate the Lease if the Turnover Date has not occurred as of the Outside Delivery Date (subject to Section 25 of the Lease), as described in Section 1.03 of the Lease. ***"Tenant Delay"*** means any act or omission of Tenant or its agents, employees, vendors or contractors that actually delays the completion of the Landlord Work, which delays cannot be reasonably avoided by Landlord, including: (i) Tenant's failure to furnish information or approvals within any time period specified in this Lease, including the failure to prepare or approve preliminary or final plans by any applicable due date; (ii) Tenant's selection of non-standard equipment or materials which cannot be

reasonably obtained and/or completed by Landlord or its contractors within time periods that standard equipment or materials could be obtained; (iii) changes to, and deviations from, the Approved Construction Documents that delay the completion of the Landlord Work; (iv) performance of work in the Leased Property by Tenant or Tenant's contractor(s) during the performance of the Landlord Work that delays the performance of Landlord's Work; or (v) failure of Tenant to install system furniture or installations which are required by applicable law in order for Landlord to obtain the certificate of occupancy, temporary certificate of occupancy or final inspection approval for the Buildings and the Parking Structure (provided, however, Landlord shall have provided Tenant commercially reasonable prior written notice of Tenant's requirement to install system furniture or installations). Any claim by Landlord of a Tenant Delay shall be made by Landlord in good faith and shall be evidenced by reasonable supporting documentation."

6. Change Orders and Cost Overruns. Landlord's approval is required in advance of all changes to, and deviations from, the Approved Construction Documents (each, a "***Change Order***"), including any (i) omission, removal, alteration or other modification of any portion of the Landlord Work, (ii) additional architectural or engineering services, (iii) changes to materials, whether building standard materials, specially ordered materials, or specially fabricated materials, or (iv) cancellation or modification of supply or fabrication orders. Except as otherwise expressly provided in this Work Letter, all costs of the Tenant Improvements in excess of the Base Construction Allowance, including Change Orders requested by Tenant and approved by Landlord which increase the cost of the Landlord Work (collectively, "*Cost Overruns*"), shall be paid by Tenant to Landlord within 30 days of receipt of Landlord's invoice. In addition, at Landlord's election, Landlord may require Tenant to prepay any projected Cost Overruns within 30 days of receipt of Landlord's invoice for same. Landlord may stop or decline to commence all or any portion of the Landlord Work until such payment (or prepayment) of Cost Overruns is received. On or before the Commencement Date, and as a condition to Tenant's right to take possession of the Leased Property, Tenant shall pay Landlord the entire amount of all accrued and unpaid Cost Overruns, less any prepaid amounts. Tenant's failure to pay, when due, any Cost Overruns or the cost of any Change Order shall constitute an event of default under the Lease.

7. Early Access. Prior to the date the Landlord Work is Substantially Complete, and at such time as Landlord reasonably determines that Tenant's access to a Building will not delay or interfere with the construction of the Landlord Work, Tenant and its contractors shall be permitted to enter the Building for the sole purpose of performing improvements or installing furniture, equipment or other personal property. Such right of access may be suspended at any time if Landlord determines that Tenant's activities are delaying or interfering with the construction of the Landlord Work. Any damage to the Landlord Work caused by Tenant or its contractors during such early access shall be repaired at Tenant's cost and any delay caused by such early access shall be a Tenant Delay. Such entry for the limited purposes of installing furniture, equipment or other personal property shall not be construed as the operation of Tenant's business at the Leased Property or acceptance of possession of the Leased Property for any purpose.

8. Acceptance. Subject to Section 5 and 7, by taking possession of the Leased

Property, Tenant agrees and acknowledges that (i) the Improvements are usable by Tenant as intended; (ii) Landlord has no further obligation to perform any Landlord Work or other construction (except punchlist items, if any agreed upon by Landlord and Tenant in writing, and warranty work); and (iii) the Improvements are satisfactory in all respects.

9. Exhibit D attached to the Lease is hereby deleted in its entirety and replaced with Exhibit D attached to this Fourth Amendment and incorporated herein by this reference.

10. Except as modified herein, the Lease shall remain in full force and effect.

IN WITNESS WHEREOF, this Fourth Amendment has been executed on the day and year above written.

[Signatures Appear on Next Page]

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"LANDLORD"

Project Alta, LLC, a Nevada limited liability company, and
Project Alta II, LLC, a Nevada limited liability company

By: FF Alta Partners, LLC, their manager

By: Fine Properties, LLC, its manager

By_____

Name: JEFFREY FINE

Title: MANAGER

"TENANT"

Clark County, Nevada

By_____

Name: Rory Reid

Title: CHAIRMAN

The undersigned hereby consents to and approves the execution of the foregoing amendment.

"SUBTENANT"

LAS VEGAS METROPOLITAN POLICE DEPARTMENT

By_____

Name: DOUGLAS C. GILLESPIE

Title: SHERIFF

[Acknowledgements on the Following Page]

NOT DELIVERED FOR EFFECTIVE AS OF THE DATE OF THIS COPY

State of Nevada
County of Clark

This instrument was acknowledged before me on July 27, 2009 by Jeffrey Fine as Manager of Fine Properties, LLC

(Seal)

Notary Public

Notary Public - State of Nevada
County of Clark
EDMUND J. CAIN
My Appointment Expires
No: 05-100633-1 September 21, 2009

State of Nevada
County of Clark

This instrument was acknowledged before me on 8/7/09 by Rory Reid as Chairman of Clark County Commission

(Seal)

Notary Public

JOYCE LYNN TECHET
Notary Public State of Nevada
No. 96-[illegible]-1
My appt. exp. Aug. 27, 2012

State of Nevada
County of Clark

This instrument was acknowledged before me on 7/31/09 by Douglas C. Gillespie as Sheriff of Las Vegas Metropolitan Police Dept.

(Seal)

Notary Public

CLAIRE A. MURPHY
Notary Public State of Nevada
No. 97-4337-1
My appt. exp. Nov. 10, 2009

EXHIBIT D

CONFIRMATION OF COMMENCEMENT DATE

_____, 200_

_____
_____
_____
_____

Re: Lease Agreement (the "**Lease**") dated _____, 200__, between _____ ("**Landlord**"), and _____, a _____ ("**Tenant**"). Capitalized terms used herein but not defined shall be given the meanings assigned to them in the Lease.

Ladies and Gentlemen:

Landlord and Tenant agree as follows:

1. **Condition of Leased Property**. Tenant has accepted possession of the Leased Property pursuant to the Lease. Any improvements required by the terms of the Lease to be made by Landlord have been completed to the full and complete satisfaction of Tenant in all respects except for the punchlist items described on Exhibit A hereto (the "**Punchlist Items**"), and except for such Punchlist Items and Landlord's warranty work required by the Lease, Landlord has fulfilled all of its duties under the Lease with respect to such initial tenant improvements. Furthermore, Tenant acknowledges that the Leased Property is suitable for the Specific Permitted Use.

2. **Rentable Area**. The Rentable Area of the Buildings is _____.

3. **Commencement Date**. The Commencement Date is _____, 200__.

4. **Expiration Date**. The Term is scheduled to expire on the last day of the ___th full calendar month of the Term, which date is _____, 200__.

5. **Contact Person**. Tenant's contact person in the Leased Property is:

_____
_____
_____
Attention: _____
Telephone: ____-___-_____
Telecopy: ____-___-_____

6. **Ratification**. Tenant hereby ratifies and confirms its obligations under the Lease, and represents and warrants to Landlord that it has no defenses thereto. Additionally, Tenant further confirms and ratifies that, as of the date hereof, (a) the Lease is and remains in good standing and in full force and effect, and (b) Tenant has no claims, counterclaims, set-offs or defenses against Landlord arising out of the Lease or in any way relating thereto or arising out of any other transaction between Landlord and Tenant.

CC000091
0886

7. **Binding Effect; Governing Law**. Except as modified hereby, the Lease shall remain in full effect and this letter shall be binding upon Landlord and Tenant and their respective successors and assigns. If any inconsistency exists or arises between the terms of this letter and the terms of the Lease, the terms of this letter shall prevail. This letter shall be governed by the laws of the state in which the Leased Property are located.

Please indicate your agreement to the above matters by signing this letter in the space indicated below and returning an executed original to us.

Sincerely,

_____

By: _____

Name: _____

Title: _____

Agreed and accepted:

[TENANT'S SIGNATURE BLOCK], a _____

By:_____

Name:_____

Title:_____

Schedule A

PUNCHLIST ITEMS

Please insert any punchlist items that remain to be performed by Landlord. If no items are listed below by Tenant, none shall be deemed to exist.

EXHIBIT A-3

Department of Real Property Management

500 S Grand Central Pky 4th Fl • Box 551825 • Las Vegas NV 89155-1825
(702) 455-4616 • Fax (702) 455-4055

Jerome A. Stueve, Director • Lisa Kremer, Assistant Director

November 8, 2013

Via Certified Mail Return Receipt
#91 7108 2133 3939 0560 6464
HQ Metro, LLC
c/o Community Finance Corporation
335 North Wilmot Road, Suite 420
Tucson, Arizona 85711-2632
Attention: Gary Molenda

Via Certified Mail Return Receipt
 # 91 7108 2133 3939 0560 6440
Mark L. Fine & Associates
650 S. Main St.
Las Vegas, Nevada 89101-6421
Attention: Jeffrey Fine

Via Certified Mail Return Receipt
 # 91 7108 2133 3939 0560 6457
Wells Fargo Bank, N.A.
Corporate Trust and Escrow Services
MAC E2818-176
707 Wilshire Boulevard, 17th Floor
Los Angeles, California 90017
Attention: Kathryn Valdivia

Via Certified Mail Return Receipt
 # 91 7108 2133 3939 0560 6433
Wells Fargo Bank, N.A.
100 West Washington Street, 22nd Floor
Mail Code: MAC S4101-22E
Phoenix, Arizona 85003-1808
Attention: Corporate Trust Services, CMES ***Via***

Via Certified Mail Return Receipt
 # 91 7108 2133 3939 0560 6426
Project Alta, LLC
Project Alta II, LLC
c/o Mark L. Fine & Associates
650 S. Main St.
Las Vegas, Nevada 89101-6421

Certified Mail Return Receipt
 # 91 7108 2133 3939 0560 6419
The Industrial Development Authority of the County of Pima
c/o Russo, Russo & Slania, P.C.
6700 N. Oracle Road, Suite 100
Tucson, Arizona 85704
Attn: Michael Al. Slania, Esq.

Via Certified Mail Return Receipt
 # 91 7108 2133 3939 0560 6402
Rice Reuther Sullivan & Carroll, LLP
3800 Howard Hughes Parkway, Suite 1200
Las Vegas, Nevada 89169
Attention: Stephen M. Rice, Esq.

Via Certified Mail Return Receipt
 # 91 7108 2133 3939 0560 6396
Michael Werner
c/o Rice Reuther Sullivan & Carroll, LLP
3800 Howard Hughes Parkway, Suite 1200
Las Vegas, Nevada 89169
Attention: Stephen M. Rice, Esq.

Via Certified Mail Return Receipt
 # 91 7108 2133 3939 0560 6389
Slosser, Hudgins, Struse & Freund, P.L.C.
6750 North Oracle Road
Tucson, Arizona 85704
Attention: Robert Struse or Susan Freund

Via Certified Mail Return Receipt
 # 91 7108 2133 3939 0560 6372
Project Alta, LLC and Project Alta II, LLC
3883 Howard Hughes Parkway, 8th Floor
Las Vegas, Nevada 89169
Attention: Mark L. Fine

RE: NOTICE OF EXERCISE OF PURCHASE OPTION
(400 S. Martin Luther King Blvd., Las Vegas, NV, APN 139-33-202-009)

BOARD OF COUNTY COMMISSIONERS
STEVE SISOLAK, Chairman • LARRY BROWN, Vice Chairman
SUSAN BRAGER • TOM COLLINS • CHRIS GIUNCHIGLIANI • MARY BETH SCOW • LAWRENCE WEEKLY
DONALD G. BURNETTE, County Manager

Clark County hereby exercises its option to purchase the Las Vegas Metropolitan Police Headquarters ("Property"), 400 S. Martin Luther King Blvd., Las Vegas, Nevada (APN 139-33-202-009) in accordance with Section 5.01 of the Lease dated December 2, 2008, as amended ("Lease"), between Project Alta, LLC and Project Alta II, LLC, as Landlord, and Clark County, as Tenant. Clark County expects to close escrow on the purchase of the Property on July 1, 2014.

Clark County has obtained an appraisal of the Property from Matthew Lubawy, MAI, of Valbridge Property Advisors, containing an opinion of $170,900,000 as the "Fair Market Value" of the Property, as that term is defined in the Lease, as of November 8, 2013, the date of commencement of the Notice Period.

Lease Section 5.01 requires the Landlord and the Tenant to "meet to attempt to agree upon the Fair Market Value" of the Property within 30 days of the commencement of the Notice Period. I understand that Mark L. Fine & Associates ("Fine") has been retained by HQ Metro, LLC, pursuant to a Management Agreement dated September 1, 2009, to perform certain services, including the determination of the purchase price. I expect to hear from Fine within seven days of receipt of this letter to schedule a meeting to discuss agreement on the Fair Market Value of the Property.

Please contact Monique Arroyo, Executive Assistant, at (702) 455-0042 to schedule a meeting to discuss this matter. If you have any questions, please contact me at (702) 455-6462.

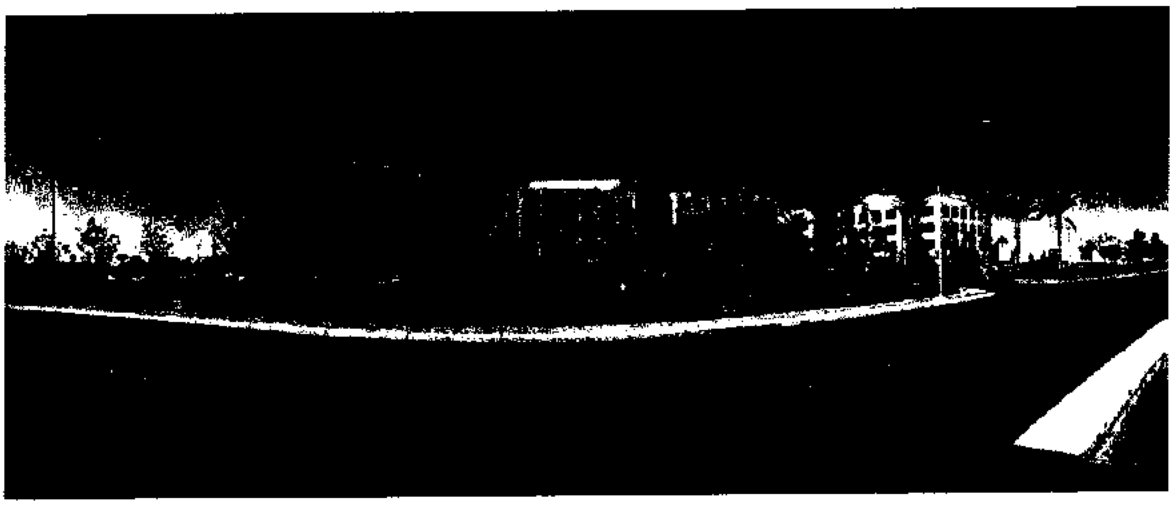
Sincerely,

Jerome A. Stueve, P.E.
Director

cc: Sheriff Douglas C. Gillespie
Randall J. Tarr, Assistant County Manager
Lisa Kremer, Assistant Director
Krynn Williams, Property Acquisition Administrator
Leslie A. Nielsen, Deputy District Attorney

EXHIBIT A-4

APPRAISAL OF REAL PROPERTY



Metro Headquarters

Located at
400 S. Martin L. King Boulevard
Las Vegas, Clark County, Nevada 89106

PREPARED FOR:
Joe Cain, Esq.
650 S. Main Street
Las Vegas, Nevada 89101

EFFECTIVE DATE OF THE APPRAISAL:
November 15, 2013

REPORT FORMAT:
Summary

PREPARED BY:
Tio S. DiFederico, MAI
The DiFederico Group
3030 South Durango Drive
Las Vegas, NV 89117

THE DIFEDERICO GROUP
File Number: 13-097

December 1, 2013

Joe Cain, Esq.
650 S. Main Street
Las Vegas, Nevada 89101

SUBJECT: Las Vegas Metropolitan Police Department Headquarters located at the northwest corner of Martin L. King Boulevard and Alta Drive. The address is 400 S. Martin L. King Boulevard, Las Vegas, Clark County, NV 89106.

Dear Mr. Cain:

The DiFederico Group is pleased to submit the accompanying appraisal of the referenced property. The purpose of the appraisal is to develop an opinion of the Fair Market Value of the leased fee interest in the property as of the date of inspection, November 15, 2013. The client and intended user for this assignment is Joe Cain, Esq., and the intended use is for negotiations involving the possible sale of the property.

The appraisal is intended to conform to the Uniform Standards of Professional Appraisal Practice (USPAP), and the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute. To report the assignments results, I used the summary report option of Standards Rule 2-2(b) of USPAP. Accordingly, the report contains summary discussions of the data, reasoning, and analyses used in the appraisal process whereas supporting documentation is retained in my file. The depth of discussion contained in this report is specific to the needs of the client and the intended use of the appraisal.

The subject of the attached analysis consists of a 13.76 net acre corner parcel that is improved with three (3) Class A office buildings and a secured parking structure. The property address is 400 S. Martin L. King Boulevard (MLK), which is the northwest corner of MLK and Alta Drive. The property can also be identified as Assessor Parcel Number (APN) 139-33-202-009.

Clark County Building Department records indicate that the improvements were constructed on the site in 2011. According to the supplied plans, the three (3) buildings, which will be identified as Buildings A, B and C in the attached report, contain a total gross building area (GBA) of 388,849 square feet, of which 373,327 square feet is rentable area (RA). In addition, there is a five (5) level secured parking structure on the site that contains 524,918 square feet with 1,680 marked parking spaces and asphalt paved parking areas with another 513 surface parking spaces. The site is also improved with landscaping along it's street frontages, around the buildings and in pockets of the parking areas. Off-site improvements include concrete curbs, gutters, and sidewalks, as well as drives (3) providing ingress and egress along both streets.

As of the effective date of value, the property was 100% leased on a triple net (NNN) basis to Clark County, Nevada and was being operated as the Las Vegas Metropolitan Police Department's Headquarters (Metro HQ). This is a 30-year lease that commenced on July 1, 2011 and terminates on July 31, 2041. However, there are two (2) options periods of ten (10) years each that could extend the lease another 20 years.

The lease rate began at an annual rate of $33.00 per square foot on July 1, 2011 with increases scheduled for the Rent Adjustment Commencement Date, which began with August 1, 2012. For the first six (6) Rent Adjustment Commencement Dates the Base Rent Adjustment is set at two percent (2%). The adjustments after that period are tied to a Consumer Price Index (CPI). The CPI used in this lease is the most current Consumer Index-All Items (1982 – 84 = 100), U.S. City Average, published by the United States Department of Labor, Bureau of Labor Statistics.

According to the supplied lease, Section 5.01 on page 14, Fair Market Value is defined as: "Fair Market Value" for purposes of Section 5.01 is the purchase price a willing buyer would pay and a willing seller would accept for a comparable transaction as of the commencement of the Notice Period, neither being under any compulsion to buy or sell and both having reasonable knowledge of the relevant facts, considering the highest and most profitable use if offered for sale in the open market with a reasonable period of time in which to consummate a transaction. Fair Market Value shall take into consideration the fact that the Leased Property remains subject to the Lease.

Based on the analyses and conclusions in the accompanying report, and subject to the definitions, assumptions, and limiting conditions expressed in this report, it is my opinion that the Fair Market Value of the leased fee interest in the subject property, as of November 15, 2013, is:

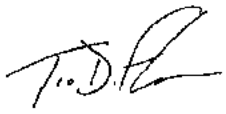
TWO HUNDRED TWENTY-FIVE MILLION DOLLARS

($225,000,000)

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

Respectfully submitted,

THE DIFEDERICO GROUP



Tio S. DiFederico, MAI
Certified General Real Estate Appraiser
Nevada Certificate #A.0000150-CG (05/31/15)

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SUMMARY OF SALIENT FACTS AND CONCLUSIONS

Location:	400 Martin L. King Boulevard, Las Vegas, Clark County, NV 89106
Assessor Parcel Numbers (APN):	139-33-202-009
Owner of Record:	HQ Metro, LLC
Effective Date of Value:	November 15, 2013
Date of Property Inspection:	November 15, 2013
Date of Report:	December 1, 2013
Client/Intended User:	Joe Cain, Esq.
Intended Use:	Negotiations involving the possible sale of the property.
Site:	According to the Clark County Assessor's records, the subject of this analysis involves a corner site that contains 13.76 acres or 599,386 square feet.
Improvements:	There are three (3) office buildings that contain a total gross building area (GBA) of 388,849 square feet, of which 373,327 square feet is rentable area (RA). In addition, there is a five (5) level secured parking structure on the site that contains 524,918 square feet with 1,680 marked parking spaces and asphalt paved parking areas with another 513 surface parking spaces. The site is also improved with landscaping along it's street frontages, around the buildings and in pockets of the parking areas. Off-site improvements include concrete curbs, gutters, and sidewalks, as well as drives (3) providing ingress and egress along both streets.
Zoning Designation:	C-1 (Limited Commercial District), under the jurisdiction of the City of Las Vegas.
Property Rights Appraised:	Leased Fee Interest
Highest and Best Use:	
As If Vacant:	Hold for future development.
As Improved:	Continued office use.
Fair Market Value Conclusions	November 15, 2013
Sales Comparison Approach:	$214,660,000 ($574.99/SF of RA)
Income Approach – Direct Capitalization:	$227,420,000 ($609.17/SF of RA)
Income Approach – Discounted Cash Flow:	$223,210,000 ($597.89/SF of RA)
Income Approach – Reconciled Value:	$225,000,000 ($602.69/SF of RA)
Fair Market Value Conclusion:	$225,000,000 ($602.69/SF of RA)

GENERAL INFORMATION

IDENTIFICATION OF SUBJECT

The subject of this analysis is a property that is improved with three Class A office buildings and a parking structure that serve as the Las Vegas Metropolitan Police Department's Headquarters (Metro HQ). The property address is 400 S. Martin L. King Boulevard (MLK), which is at the northwest corner of MLK and Alta Drive. The property can also be identified as Assessor Parcel Number (APN) 139-33-202-009. A complete legal description of the property is located in Addendum C to this report. A brief legal description of the property is as follows:

A PORTION OF THE SOUTHEAST QUARTER (SE ¼) OF THE NORTHWEST QUARTER (NW ¼) OF SECTION 33, TOWNSHIP 20-SOUTH, RANGE 61-EAST, M.D.M., CLARK COUNTY, NEVADA

CURRENT OWNERSHIP AND SALES HISTORY

A guideline of the Appraisal Institute and the Uniform Standards of Professional Appraisal Practice (USPAP) is that any pending or prior sales of the subject property over the three (3) years prior to the effective date of value must be analyzed.

According to public records, the property is currently under the ownership of HQ Metro, LLC. While there have been two (2) property transfers in the last three (3) years, they both involved ownerships related to HQ metro, LLC. It is my understanding that the property has not been involved in an arm's-length transaction since January of 2006, and at that time it was vacant land.

To the best of my knowledge, no arm's-length sale or transfer of ownership had occurred within the three years prior to the effective date of value and the property was not listed for sale on the effective date of value. However, there were options to purchase included in the original thirty (30) year lease that commenced on July 1, 2011. While a complete copy of the lease, including the four (4) amendments is located within my work-file for this assignment, the following was taken from the section addressing the purchase option.

5.01. Tenant shall have an option to purchase the Leased Property at any time during the initial Term following the earlier of (i) the third (3rd) annual anniversary of the Commencement Date of the last Building, or (ii) the first day of the forty-seventh (47th) month after the Commencement Date of the first Building ("Purchase Option"), provided that Tenant shall give Landlord no less than six (6) months prior written notice of the exercise of such option ("Notice Period"); and provide further that at the time of the commencement of the Notice Period and as of the Closing (as defined below), (i) Tenant remains in occupancy of the Leased Property in accordance with the terms of this Lease, and (ii) no uncured event of default exists under this Lease. The price to be paid by Tenant for the purchase of the Leased Property ("Purchase Price") shall be the Fair Market Value (as defined below). If Tenant exercises its purchase option hereunder at any time on or prior to the fifth (5th) annual anniversary of the Commencement Date of the last Building, Tenant shall be responsible for any documented defeasance, yield maintenance or other prepayment fees, costs or penalties actually incurred by Landlord in connection with the payoff or any loans encumbering the Lease Property; provided, however, in no event shall Tenant be responsible for the portion of such defeasance, yield maintenance or

other prepayment fees, costs or penalties that exceed two percent (2%) of Fair Market Value. If Tenant exercises its purchase option hereunder at any time following the fifth (5th) annual anniversary of the Commencement Date of the last Building, Tenant shall not be responsible for any defeasance, yield maintenance or other prepayment fees, costs or penalties incurred in connection with the payoff of any loans encumbering the Leased Property. If Tenant exercises its purchase option hereunder Tenant shall repay the remaining balance of the Base Rent Contingency Obligation, and shall be responsible for Rent due hereunder up to and including the closing date of the purchase, and the payment of such amounts shall be a condition to the Closing. The forgoing Purchase Option shall be assignable by Tenant to any City of Las Vegas or Clark County governmental authority, but to no other party. Any attempted assignment of the Purchase Option to any other party without prior written consent of Landlord shall be of no effect and the Purchase Option shall become forever null and void as of the date of the purported assignment.

PURPOSE, PROPERTY RIGHTS AND EFFECTIVE DATE

The purpose of this appraisal is to develop a supportable opinion of the Fair Market Value of the leased fee interest in the property as of the effective date of value, November 15, 2013.

CLIENT, INTENDED USER AND INTENDED USE

The client and intended user for this assignment is Joe Cain, Esq., and the intended use is for negotiations involving the possible sale of the property.

DEFINITION OF FAIR MARKET VALUE

Fair Market Value is defined as:

"Fair Market Value" for purposes of Section 5.01 is the purchase price a willing buyer would pay and a willing seller would accept for a comparable transaction as of the commencement of the Notice Period, neither being under any compulsion to buy or sell and both having reasonable knowledge of the relevant facts, considering the highest and most profitable use if offered for sale in the open market with a reasonable period of time in which to consummate a transaction. Fair Market Value shall take into consideration the fact that the Leased Property remains subject to the Lease. *(Source: The supplied subject lease dated December 2, 2008)*

DEFINITION OF PROPERTY RIGHTS APPRAISED

Leased fee interest is defined as: "An ownership interest held by a landlord with the rights of use and occupancy conveyed by lease to others. The rights of the lessor (the leased fee owner) and the lessee are specified by contract terms contained within the lease." *(Source: Appraisal Institute, The Dictionary of Real Estate Appraisal, 5th Edition, 2010.)*

APPLICABLE REQUIREMENTS

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

- Uniform Standards of Professional Appraisal Practice (USPAP)
- Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute

SCOPE OF WORK

This assignment involves developing a supportable opinion of the Fair Market Value of the leased fee interest in the property as of the effective date of value, November 15, 2013. Based on the definition of Fair Market Value in the supplied lease, this involves researching the market for "comparable transactions" and must "take into consideration the fact that the Leased Property remains subject to the Lease." Based on these conditions, I took the following steps to complete this assignment.

- Completed an inspection of the subject property and surrounding market area on November 15, 2013. Kenneth D. Thomas, Facilities Manager – LVMPD, was present and assisted with the inspection. The photographs of the property included in this report were taken during that inspection.
- I collected factual information about the subject property and the surrounding market and confirmed that information with various sources.
- Performed a highest and best use analysis of the subject site as though vacant, and of the property as currently improved.
- To estimate the value, I considered the three approaches to estimating the market value of real property; the cost approach; sales comparison approach; and the income capitalization approach. In this analysis, I used the Sales Comparison and Income Capitalization Approaches to estimate the Fair Market Value of the property. The cost approach was deemed as not applicable to the assignment after considering that this approach is not typically used by market participants for existing properties subject to long-term leases like the subject property.
- First, I researched sales of comparable properties. The sales were then compared to the subject on a per square foot of rentable area (RA) basis. After applying market supported adjustments, I reconciled a supportable value indication of the subject property by the Sales Comparison Approach to Value.
- Next, I used the Income Approach to Value. After analyzing the subject's contract rent, the area asking and recently signed rents, investor's perception of "stabilized" vacancy and collection loss for this type of property, and the associated expenses, I capitalized the stabilized net operating income into an indication of the value by the Income Approach to Value. I used both the direct capitalization and discounted cash flow methods that the typical buyer of a single tenant, long-term government net leased property would use in formulating a purchase price for this property.
- At the end of this report, I reconciled the value indications from the Sales and Income Approaches into a conclusion of value of the leased fee interest in this property as of the effective date of the appraisal. The reconciliation takes into consideration the property type and most probable buyer.

REPORT FORMAT

The report has been prepared under the summary report option of Standards Rule 2-2(b) of USPAP. As such, it contains summary discussions of the data, reasoning, and analyses that are used in the appraisal process whereas supporting documentation is retained in my file. The depth of discussion contained in this report is specific to the needs of the client and the intended use of the appraisal.

ECONOMIC ANALYSIS

AREA ANALYSIS

The Greater Las Vegas area is located in Clark County, Nevada. According to the U.S. Census Bureau, the county has a total area of 8,091 square miles. Land covers 7,910 square miles, with water covering the remainder. Las Vegas has been the county seat since the county was created by splitting off a portion of Lincoln County on February 5, 1908. Much of the county was originally part of Pah-Ute County, Arizona Territory before Nevada became the 36th state in 1864.

The county was named for William Andrews Clark, a Montana copper magnate and United States Senator. Clark was largely responsible for the construction of the Los Angeles and Salt Lake Railroad through the area, a factor heavily contributing to the region's early development. Las Vegas was incorporated in 1911 with a population of approximately 3,350. It was not until the Hoover Dam project, which was originally known as Boulder Dam, was started in 1931 and inexpensive power and land began attracting industry that Las Vegas started to grow. In 1931, the Nevada Legislature approved gambling, and the six-week residency status for divorce became law. These two actions provided a growth vehicle causing the population figures to increase.

LAW AND GOVERNMENT

Clark County Government is run by the Clark County Commission which consists of seven members who are elected to serve staggered four year terms in biannual partisan elections; the elections are only formally "non-partisan," as both sitting commissioners, as well as candidates' party affiliations, are routinely identified by Nevada citizens and local media.

After each election, the members elect a chairman who runs the Commission Meetings. Actual day to day operations are handled by the County Manager who is hired by the Commission. Its unincorporated towns also have appointed boards that provide advice to the Clark County Commission. The County operates out of the Clark County Government Center located in the City of Las Vegas.

The City of Las Vegas government operates as a council-manager government. The Mayor sits as a Council member-at-large and presides over all of the City Council meetings. In the event that the Mayor cannot preside over a City Council meeting, the Mayor Pro-Tem is the presiding officer of the meeting until such time as the Mayor returns to his seat. The City Manager is responsible for the administration and the day-to-day operation of all of the municipal services and city departments. The City Manager also maintains intergovernmental relationships with federal, state, county and other local governments. Much of the Las Vegas metropolitan area is split into neighboring incorporated cities or unincorporated communities.

Las Vegas and nearly all of the surrounding metropolitan area share a police department, the Las Vegas Metropolitan Police Department, which was formed after a 1973 merger of the Las Vegas Police Department and the Clark County Sheriff's Department. North Las Vegas, Henderson and Boulder City, as well as some colleges, have their own police departments.

Las Vegas, as the county seat and home to the Lloyd D. George Federal District Courthouse, draws numerous legal service industries providing bail, marriage, divorce, tax, incorporation and other legal services.

Other entities that have their own police forces include University of Nevada, Las Vegas, the Clark County School District, and cities such as Henderson, Mesquite, Boulder City and North Las Vegas. The Clark County Park Police is responsible for all of the parks operated by the county and some selected special venues, such as the Clark County Amphitheater, Clark County Archery Range and the Desert Rose Golf Course.

The Regional Justice Center replaced the Clark County Courthouse in 2005, and is located about 3 blocks from downtown Fremont Street, at 200 Lewis Avenue.

RECREATION/LIFESTYLE

In 2012, Southern Nevada had an overall mean temperature of 71.2 degrees, which is above the 30-year norm of 68.1 degrees reported by the National Weather Service. The coldest months are from November through February, with average high temperatures near 60 degrees, and lows of around 40 degrees. The hottest months are June through September, with average daytime temperatures of 97-105 degrees, and the nighttime lows in the 72-80 degree range. The typical humidity is less than 30%. And, in 2012 the annual precipitation in Las Vegas was around 5.3 inches which is above the 30-year norm of 4.5 inches reported by the National Weather Service.

Las Vegas, often referred to as the "Entertainment Capital of the World," offers tremendous opportunities for outdoor recreation. Within a 40-mile radius surrounding the Las Vegas area, recreational facilities include such sites as Lake Mead, Hoover Dam, and the Colorado River recreation area. Mt. Charleston and Lee Canyon ski areas are in the Toiyabe National Forest, and panoramic views and hiking are available in the Red Rock Canyon Conservation Area.

The Las Vegas Valley is well-located for weekend getaways to such sites as the Valley of Fire State Park, Grand Canyon, Bryce Canyon, Zion National Park, Death Valley, Lake Havasu, Big Bear Lake, Lake Arrowhead, and the Southern California beaches.

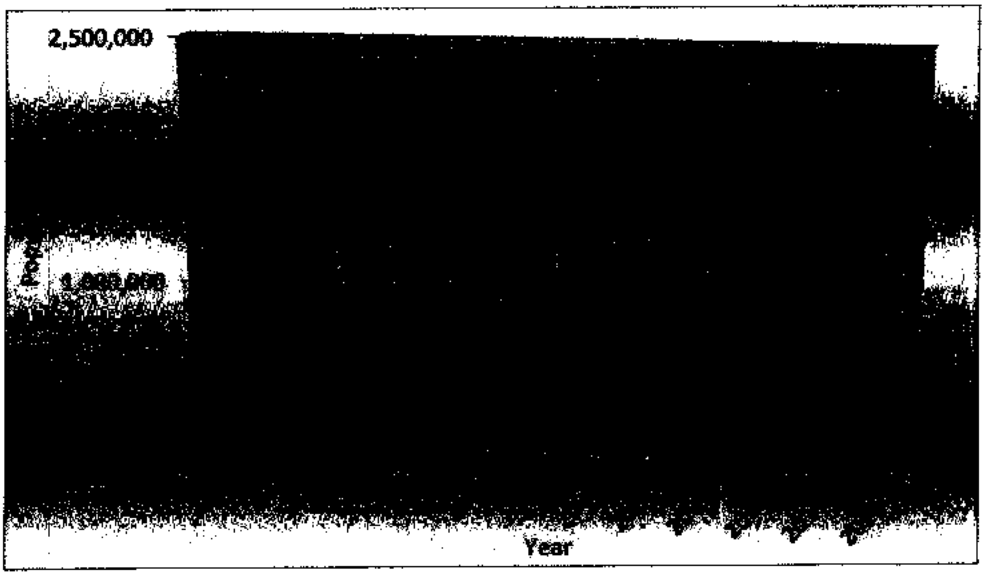
Hoover Dam attracts over one million tourists a year and features a state-of-the art visitor center and garage parking. This is the largest dam in the Western Hemisphere, being 726 feet tall, 1,244 feet long, 45 feet deep in thickness from the top, and 660 feet in thickness at the bottom. The Mike O'Callaghan – Pat Tillman Memorial Bridge, also known as the Hoover Dam Bypass, was the first concrete-steel composite arch bridge built in the United States, and incorporates the longest concrete arch in the Western Hemisphere. Opened on October 19, 2010, the bridge provides a crossing of the Colorado River for US Route 93, linking Nevada and Arizona.

POPULATION/DEMOGRAPHICS

Clark County had a population of 1,375,765 at the 2000 census and a 2007 estimated population of 1,941,467, making it the most populous county in Nevada. And, while the 2008 population showed a slight decline to 1,933,277, the population increased to 1,952,835 in 2009. In 2010, it was reported at 1,981,836, but dropped again in 2011 to 1,966,630.

According to the 2013 Las Vegas Perspective, which sources Clark County Comprehensive Planning for July 2012 figures, it has since increased to 2,008,654. The 2013 Las Vegas Perspective reported that there were 736,782 occupied households in Clark County, which is up from 2011.

After several years of leading the nation in population growth, population estimates made by Clark County Comprehensive Planning show that the population in Clark County declined 0.5% in 2008, grew 1.0% in 2009 and 1.5% in 2012, dropped 3.4% in 2011 and increased 2.1% in 2012. However, the contraction noted in 2011 is related to a classification changes made in the 2010 census, which indicate that prior growth rates may not have been as strong as previously reported. These changes may also be impacting the 2012 figure. The population is up by 40.6% since the turn of the century; however, only 0.6% since 2007. The following is reflects that population growth in Clark County since 2000.



Source: Las Vegas Perspective; compiled by the DiFederico Group

In 2012 in Clark County, the population of adults between the age of 18 and 24 was 9.2%, with 29.3% from 25 to 44, 24.8% from 45 to 64, and 12.1% who were 65 years of age or older. The median age was 36.2 years and the average age was 37.0 years.

Retirees and empty nesters have become increasingly important. One of the fastest growing age groups in the Las Vegas sector is over 65, which is about 12.1% of the area adult population. The state's population grew 35% from 2000 to 2010, ranking it No. 1 in the nation. But that number was dwarfed by the rising tide of residents older than 62, which ballooned by 54% during that period. And the growth in our oldest residents, those 85 and older, substantially outpaced that at 785% over that period.

The average household size for the metropolitan Las Vegas area showed a slight increase from 2000 to 2012 (from 2.65 up to 2.72 persons). However, this increase has not been significant enough to draw any conclusions related to changing household characteristics.

In 2007, approximately 19,670 new homes were sold in Las Vegas, in addition to the 24,838 resales. In 2008, it was reported that new home sales had decreased approximately 47% to 10,504; however, resales increased approximately 23% to 30,491. In 2009 they reported that new home sales decreased another 50% to 5,275; while resales increased approximately 47% to 44,885. It appears both new home and existing sales stabilized in 2011 with 5,380 new home sales and 42,700 resales. And while new homes sales dropped 28% to 3,890 in 2011, resales were up 14% to 48,800. The following is a summary of new and existing home sales over the last 16 years.

	# EXISTING			# NEW HOME	
YEAR	HOME SALES	% Change	YEAR	SALES	% Change
1996	18,253		1996	19,799	
1997	19,348	6.00%	1997	19,839	0.20%
1998	22,960	18.67%	1998	20,229	1.97%
1999	26,493	15.39%	1999	21,216	4.88%
2000	27,023	2.00%	2000	20,520	-3.28%
2001	34,427	27.40%	2001	22,940	11.79%
2002	38,621	12.18%	2002	22,502	-1.91%
2003	49,792	28.92%	2003	25,230	12.12%
2004	64,168	28.87%	2004	29,248	15.93%
2005	58,522	-8.80%	2005	38,517	31.69%
2006	41,892	-28.42%	2006	36,051	-6.40%
2007	24,838	-40.71%	2007	19,670	-45.44%
2008	30,491	22.76%	2008	10,504	-46.60%
2009	44,885	47.21%	2009	5,275	-49.78%
2010	42,673	-4.93%	2010	5,379	1.97%
2011	48,822	14.41%	2011	3,890	-27.68%
2012	52,522	7.58%	2012	5,389	38.53%

Notes: Source Las Vegas Perspective – Homebuilders Research, Inc., through 2011 then SalesTraq. Years 2008 through 2011 included high/mid-rise units; 1,470 in 2008, 179 in 2009, 571 in 2010 and 135 in 2011. Source: Las Vegas Perspective; compiled by The DiFederico Group

TRANSPORTATION

Clark County is the only municipality in the country building an urban beltway with local tax dollars. At $1.7 billion, the ultimate Las Vegas Beltway facility is considered the most expensive road project in Southern Nevada. The Las Vegas Beltway forms a three-quarter loop around the valley and is 53 miles in length.

Citizen's Area Transit (CAT) bus system, which began operation in December 1992, continues to expand. Ridership had increased at a rate of more than double the national average for transit-ridership growth serving more than 66.8 million passengers with 386 vehicles in 2008. However, ridership fell almost 17% in 2009 to 55,738,930, which is close to that reported in 2005. While it dropped to 54,867,081 in 2010, it has increased each of the last two years with 2012 reflecting ridership of 59,699,832.

There are four major highways serving to link Las Vegas with major western cities. These highways include I-15 that runs in a southeast/northwest direction, US 95 that runs in a north/south direction, I-515 (US 93) that runs to the south and I-215 which forms a ¾ loop around the valley.

Interstate-15, often called the "economic lifeline" for Las Vegas, handles more than 250,000 vehicles per day in the city and over 40,000 at the California border. It brings hundreds of thousands of Southern California visitors to Las Vegas each month.

The Las Vegas Monorail is a driverless, state-of-the-art urban public-transportation system. The monorail provides Las Vegas visitors and convention attendees with a quick, convenient, cost-effective and unique transportation alternative. Future plans for the monorail include a route to McCarran International Airport and the west side of the Las Vegas Strip. However, the monorail continues to struggle as it has struggles to obtain the ridership to be profitable.

McCarran is one of the busiest airports in the country. According to the FFA, McCarran is one of the fastest growing facilities in the United States. In 2007, it handled over 47.7 million passengers. Passenger activity at McCarran increased 76% during the 1990s. Based on a projected growth rate, McCarran was forecast to reach its capacity of 55 million passengers by 2012. However, passenger activity decreased three straight years after peaking in 2007. The drop over this period was 16.7% and 2010 reflected the lowest passenger count since 2003. Since, 2010, the trend has been up with the 2012 count up almost 5% from that in 2010.

Enplaned/Deplaned Passenger Statistics

Year	Scheduled Passengers	% Avg. Change
1999	33,669,185	11.39%
2000	36,865,866	9.49%
2001	35,179,960	-4.57%
2002	35,009,011	-0.49%
2003	32,265,932	-7.84%
2004	41,441,531	28.44%
2005	44,267,000	6.82%
2006	46,193,329	4.35%
2007	47,729,527	3.33%
2008	44,074,707	-7.66%
2009	40,469,012	-8.18%
2010	39,757,359	-1.76%
2011	41,481,204	4.34%
2012	41,667,596	0.45%

Source: McCarran International Airport, compiled by the DiFederico Group

The County Aviation Department was developing a plan for a second international airport on 6,500 acres of land owned by the Bureau of Land Management in the Ivanpah Valley, south of Las Vegas. They were anticipating a 2019 opening. However, due to the current economic situation, this may be pushed back until the demand returns. In addition to McCarran, there are the Boulder City, Henderson, and North Las Vegas Airports. The North Las Vegas Airport, which is the general aviation reliever airport for McCarran, recently extended and resurfaced the runways.

The Union Pacific Railroad services the Las Vegas area with direct service to 20 states and connecting service to more than 30 states. The lines run northeast/southwest through Clark County providing access to several industrial sites.

UTILITIES

Water is supplied to the Las Vegas metropolitan area from several sources. Underground aquifers contribute approximately 12% of the water to Southern Nevada, and the other 88% is from the Colorado River. Nevada is one of seven states that use Colorado River water, which is regulated by the federal government. The Southern Nevada Water Authority (SNWA) was formed in 1991 to plan and provide for the present -- as well as the future -- water needs of all area residents.

The members of the Authority are the cities of Boulder City, Henderson, Las Vegas, North Las Vegas, the Big Bend Water District, Clark County Sanitation District, and the Las Vegas Valley Water District. SNWA is governed by a seven-member board on which sits representatives from the member agencies.

The passage of a turf-limiting ordinance in the City of Las Vegas illustrates the areas serious attitude toward water conservation. Further efforts to increase the water supply for Southern Nevada from interstate and intrastate sources are being made by the Colorado River Commission and the Southern Nevada Water Authority.

Sierra Pacific Resources was created in 1984 in the reorganization of Sierra Pacific Power Company (formed 1928). In 1999, it merged with Las Vegas based Nevada Power Company. On September 22, 2008, Nevada Power and Sierra Pacific Power began doing business as NV Energy. NV Energy provides electric power in southern Nevada and services approximately 4,000 square miles. NV Energy is also researching renewable energy, which is electricity generated by sun, wind, geothermal, hydro or biomass sources.

Southwest Gas Corporation provides natural gas to the majority of the Las Vegas metropolitan area. This company is principally engaged in the business of purchasing, transporting and distributing natural gas to residential, commercial and industrial customers in the southwestern United States. This is an investor-owned utility, with shares traded on the New York Stock Exchange and the Pacific Stock Exchange.

Century Link, (previously known as Sprint Central Telephone and Embarq) is one of the major providers of telephone service in the valley.

EDUCATION

The Clark County School District is ranked as one of the largest school districts in the United States. More than one half of the district's elementary and middle schools operate on a year-round calendar. In addition to a comprehensive education program for grades K through 12, the district offers magnet programs at every grade level as well as other innovative instructional and special programs.

The University of Nevada Las Vegas (UNLV) is located on 337 acres and has 3,100 faculty members and staff, and over 27,000 students. In the fall of 1998, the William S. Boyd School of Law opened its first class at UNLV with 140 students. In 2003, the William S. Boyd School of Law was granted full accreditation by the American Bar Association (ABA). Both the UNLV School of Dental Medicine and the UNLV's Cancer Institute opened in late 2004 and are located on the new Shadow Lane Campus near downtown Las Vegas.

UNLV is known internationally as the leader in hotel administration education and is respected for its physics, business, engineering, computer science, biological science, environmental studies and performing arts programs. The campus also features a $51 million, state-of-the-art Lied Library, a five-story, 30,000 square-foot facility that houses 1.8 million books.

The Community College of Southern Nevada (CCSN) is America's fourth largest two-year college, and Nevada's largest institution for higher education. Student enrollment and teaching faculty has doubled in the last five years. Construction was completed in 2003 on a $20 million Science Building at the Charleston Campus.

COMMUNITY SERVICES

There are 17 full service hospitals consisting of 4,287 patient beds, a staff of over 17,500 and about 15,700 physicians servicing the Las Vegas area. Additional facilities include 40 special-service hospitals specializing in rehabilitation, acute care, psychiatric/chemical dependency and mental health.

Sunrise Children's Hospital was created over 16 years ago. In November of 2005, the first phase of the children's hospital expansion was opened. Construction was recently completed for the new Nevada Veterans Administration medical complex. The 114-bed facility, located in North Las Vegas, includes a $650 million hospital, outpatient clinic and long-term care facility. This 374,000 square foot medical center is expected to serve a southern Nevada area with more than 50,000 enrolled VA patients and more than 200,000 veterans.

Two ambulance companies serve southern Nevada, American Medical Response and Southwest Ambulance; and Mercy Air Service, which relocated from Boulder City to Mesquite in 2010, provides helicopter service. Other specialized health services include: Angel Plane/Miracle Flights for Kids founded in 1985, which is a nonprofit organization supported by community donations; Children's Hospital built for special needs for children; Children's Medical Network Treatment Center; Flight for Life; and the Traumatic Brain Injury Rehabilitation Center.

TAXES

Nevada residents enjoy light tax burdens compared to many other western states because the majority of tax revenues are derived from tourist's gaming expenditures. There is no personal income tax. Property tax is limited by Nevada's Constitution. The limit is $5.00 per $100 of assessed valuation, while the statutory limit is $3.64 per $100. Assessed value is currently fixed at 35% of total value in Clark County. In the metro areas, the rate varies depending upon the location of the assessed property.

Personal property taxes are exempt on household goods owned by a single family, and there is no sales tax on food items used for home consumption. In Clark County, sales and use taxes are at 8.10% and gasoline tax is assessed by the state at $0.23 per gallon, and up to another $0.10 per gallon for Clark County, while diesel fuel is taxed at $0.27 cents per gallon. Other taxes are also levied on tobacco products and alcohol.

TOURISM AND CONVENTIONS

Las Vegas' primary industry is tourism. Las Vegas has a well-known reputation as one of the top resort and convention destinations in the world. The number of visitors to Southern Nevada in 2009 was 36.4 million, which was a 3.0% decrease from the 2008 figure of 37.5 million, which was a 4.4% decrease from the peak 2007 figure of 39.2 million. However, visitor volume was 37.3 million in 2010, an increase of 2.7%, 38.9 million in 2011, a 4.3% increase and 39.7 million in 2012, a 2.1% increase.

Hotel/motel room-occupancy rate was 84.4% in July of 2012, up 0.7% from 2011's 83.8%. And, the market's room inventory is up to 150,481, up 0.2% from 2011. Even with this addition, the market's year-to-date occupancy rate is well above the U.S. average of about 63.4%. In addition, the average daily room rate (ADR) in 2012 was $108.08, up 2.8% from 2011's $105.11.

Las Vegas is considered to be one of the world's premier meeting and convention destinations, with more meeting space than any other city in the world. It has earned the distinction as one of the world's top meeting destinations by providing some of the most complete, flexible and extensive meeting and convention facilities and services in the world. Convention attendance was 4,944,014 in 2012, up 1.6% from a year earlier; and the 2011 figure was an 8.8% increase over that in 2012. Based on feedback from resort operators, advance convention bookings indicate "strong" attendance numbers going forward.

The Las Vegas Convention Center (LVCC) is one of the most modern and functional facilities in the world located near the Las Vegas Strip. The LVCC encompasses approximately 3.2 million square feet with exhibit space of 2 million square feet and meeting space of nearly 250,000 square feet. The facility is operated by the Las Vegas Convention and Visitors Authority (LVCVA). In addition to the exhibit and convention space, there are 144 meeting rooms that handle seating capacities ranging from 20 to 2,500. A grand lobby and registration area (more than 225,000 square feet) link existing exhibit halls with new exhibit and meeting rooms, and allow simultaneous set-up, break-down and exhibiting of multiple events. In 2012, the LVCC received AIPC Gold Certification from the International Association of Convention Centers. The AIPC reviewed the organization's management practices, policies, procedures and customer service. In addition, they rated facility performance measures, financial accountability, economic impacts, security, emergency response, financial integrity; employee, supplier and community relations, communications and environmental responsibility.

In February of 2013, the LVCVA revealed plans for the Las Vegas Global Business District, a plan for updating the LVCC and the surrounding area. The preliminary cost for the project is $2.5 billion and will be completed in phases. It will create an international business destination by incorporating major renovations of the Las Vegas Convention Center, leveraging the World Trade Center designation and developing transportation connectivity through a centralized hub. This will be the first major expansion of the 54-year-old Las Vegas Convention Center in more than a decade. The LVCVA plans to issue up to $150 million of commercial paper to fund phase one elements.

The Sands Expo Center and Venetian Congress facility, located at The Venetian, houses 1.8 million square feet of combined meeting and event space. The Sands Expo Center is the site of numerous events throughout the year, including portions of the Consumer Electronics Show (CES) and the World Shoe Association show.

Mandalay Bay Resort & Casino's has nearly 1.7 million square feet of meeting space, and the Mandalay Bay Events Center features 38,000 square feet of exhibit space and 26,000 square feet of meeting and function space. It seats 12,000 in a full arena setting.

The Cashman Center is a multi-use facility encompassing 483,000 square feet on a 55-acre site near downtown Las Vegas. The facility includes 98,100 square feet of exhibit space, 12 meeting rooms, a 1,922 seat state-of-the-art theatre, over 2,500 spaces for parking, and a 10,000 seat baseball stadium which is the home of the Las Vegas 51s, the AAA affiliate of the New York Mets. Each segment of the facility is capable of functioning independently or in any combination for conventions and trade shows, business/group meetings, theatrical presentations and sporting events.

CONSTRUCTION

In 2005, Clark County was one of the strongest housing markets in the country, surpassing records for the sale of both new and resale units. However, these figures dropped dramatically over the next several years. While there were almost 30,000 single-family permits pulled in 2005, there were less than 4,000 pulled in 2009 and 2011. The housing market will be discussed further towards the end of this section of the report. Multi-family and miscellaneous permits have also dropped substantially since 2005. There were 1,633 multi-family permits pulled for 9,671 units in 200. This dropped to less than 100 permits in 2010 and 2011 and was only 114 in 2012. As for commercial permits, they have basically been non-existent over the last four years. In fact, there were no permits pulled in 2010 and 2011 and only three (3) pulled in 2009 and 2013 years. The following data was obtained from the 2013 Las Vegas Perspective. The following tables show the history of residential and commercial construction.

RESIDENTIAL PERMITS

New Only	Single Family		Multifamily			Other	
Totals	Permits	Valuation ($000)	Units	Permits	Valuation ($000)	Permits	Valuation ($000)
2000	20,826	$ 2,224,415	6,195	1,216	$ 346,127	28,730	$ 281,137
2001	21,532	$ 2,250,057	8,513	1,323	$ 454,649	28,756	$ 319,294
2002	21,323	$ 2,504,913	8,507	1,603	$ 575,736	23,702	$ 313,507
2003	26,609	$ 3,160,552	10,549	1,852	$ 571,276	25,038	$ 306,616
2004	31,031	$ 3,639,866	5,843	1,654	$ 403,230	29,057	$ 474,702
2005	29,408	$ 3,550,169	9,671	1,633	$ 1,176,225	26,894	$ 465,338
2006	20,727	$ 2,482,006	13,138	1,149	$ 1,793,179	20,690	$ 389,250
2007	13,020	$ 1,578,497	11,418	809	$ 2,323,445	16,121	$ 283,688
2008	5,740	$ 698,319	7,413	501	$ 635,108	13,646	$ 208,378
2009	3,813	$ 435,844	1,981	221	$ 126,447	11,188	$ 190,055
2010	4,509	$ 512,593	1,262	98	$ 60,472	10,648	$ 137,681
2011	3,872	$ 486,836	1,847	86	$ 73,069	10,487	$ 97,231
2012	6,111	$ 717,385	1,268	114	$ 145,041	11,338	$ 100,063

Source: Las Vegas Perspective; compiled by The DiFederico Group

COMMERCIAL PERMITS

New Only	Hotel/Motel		Commercial Buildings		Public Buildings	
Totals	Permits	Valuation ($000)	Permits	Valuation ($000)	Permits	Valuation ($000)
2000	47	$ 281,912	770	$ 625,401	32	$ 179,758
2001	27	$ 144,349	928	$ 820,405	50	$ 84,322
2002	41	$ 771,014	713	$ 704,405	21	$ 71,036
2003	33	$ 485,476	836	$ 827,047	44	$ 167,605
2004	71	$ 905,156	981	$ 963,546	26	$ 67,650
2005	24	$ 594,290	1,186	$ 1,307,764	37	$ 51,039
2006	36	$ 614,354	1,108	$ 1,775,363	11	$ 7,053
2007	69	$ 2,286,411	1,054	$ 2,345,686	20	$ 141,047
2008	41	$ 2,090,020	521	$ 963,063	37	$ 775,740
2009	3	$ 25,797	160	$ 689,734	10	$ 100,961
2010	0	$ -	106	$ 134,724	16	$ 48,603
2011	0	$ -	137	$ 204,214	17	$ 10,769
2012	3	$ 98,830	124	$ 408,738	10	$ 346

Source: Las Vegas Perspective; compiled by The DiFederico Group

ECONOMIC ANALYSIS

Las Vegas-Paradise MSA

Includes Clark County
(Estimates in Thousands)

ESTABLISHMENT BASED INDUSTRIAL EMPLOYMENT	AUG 2013	AUG 2012	CHANGE	% CHANGE	JUL 2013
Total All Industries	**843.2**	**821.0**	**22.2**	**2.7%**	**833.2**
Goods Producing	*57.8*	*59.4*	*-1.6*	*-2.7%*	*57.6*
Natural Resources & Mining	0.3	0.3	0.0	0.0%	0.3
Construction	37.3	38.6	-1.3	-3.4%	37.1
Construction of Buildings	6.5	6.3	0.2	3.2%	6.5
Specialty Trade Contractors	26.5	27.8	-1.3	-4.7%	26.3
Building Foundation & Exterior Contractors	6.3	6.4	-0.1	-1.6%	6.2
Building Finishing Contractors	6.7	6.9	-0.2	-2.9%	6.6
Manufacturing	20.2	20.5	-0.3	-1.5%	20.2
Durable Goods	11.9	12.0	-0.1	-0.8%	11.8
Other Miscellaneous Manufacturing	4.6	4.5	0.1	2.2%	4.6
Non-durable Goods	8.3	8.5	-0.2	-2.4%	8.4
Services Producing	*785.4*	*761.6*	*23.8*	*3.1%*	*775.6*
Private Service Providing	**695.0**	**673.5**	**21.5**	**3.2%**	**684.6**
Trade, Transportion & Utilities	157.7	153.4	4.3	2.8%	155.9
Wholesale	20.6	20.2	0.4	2.0%	20.5
Retail	101.4	96.8	4.6	4.8%	100.0
General Merchandise & Clothing	38.1	36.4	1.7	4.7%	37.8
Food & Beverage Stores	14.7	14.5	0.2	1.4%	14.7
Health and Personal Care Stores	6.5	6.1	0.4	6.6%	6.4
Trans, Warehousing & Utilities	35.7	36.4	-0.7	-1.9%	35.4
Utilities	2.6	2.7	-0.1	-3.7%	2.6
Transportation & Warehousing	33.1	33.7	-0.6	-1.8%	32.8
Air	5.8	5.7	0.1	1.8%	5.7
Transit and Ground Passenger	12.7	13.3	-0.6	-4.5%	12.7
Taxi and Limousine Service	10.6	10.3	0.3	2.9%	10.5
Information	9.1	9.5	-0.4	-4.2%	9.1
Telecommunications	3.0	3.1	-0.1	-3.2%	3.1
Financial Activities	41.7	41.8	-0.1	-0.2%	41.5
Finance and Insurance	22.9	23.5	-0.6	-2.6%	23.0
Credit Intermediation & Related	13.3	13.7	-0.4	-2.9%	13.4
Real Estate and Rental and Leasing	18.8	18.3	0.5	2.7%	18.5
Professional & Business Services	114.6	106.8	7.8	7.3%	108.0
Professional, Scientific and Technical	33.1	32.8	0.3	0.9%	33.2
Management of Companies	15.7	15.4	0.3	1.9%	15.6
Administrative & Support and Waste Mgt.	65.8	58.6	7.2	12.3%	60.2
Administative and Support Services	61.9	56.4	5.5	9.8%	56.5
Employment Services	11.7	12.5	-0.8	-6.4%	11.1
Other Support Services	8.0	7.5	0.5	6.7%	6.5
Education and Health Services	77.3	75.2	2.1	2.8%	75.2
Health Care and Social Assistance	68.5	68.4	0.1	0.1%	67.2
Ambulatory Health Care Services	32.8	32.0	0.8	2.5%	32.5
Hospitals	17.1	16.3	0.8	4.9%	17.0
Leisure and Hospitality	269.9	262.4	7.5	2.9%	269.5
Arts, Entertainment and Recreation	17.6	17.9	-0.3	-1.7%	17.5
Accommodation and Food Service	252.3	244.5	7.8	3.2%	252.0
Accommodation	164.9	164.6	0.3	0.2%	165.2
Casino Hotels and Gaming	158.1	157.5	0.6	0.4%	158.4
Casino Hotels	153.1	152.3	0.8	0.5%	153.4
Gaming Industries	5.0	5.2	-0.2	-3.8%	5.0
Food Services and Drinking Places	87.4	79.9	7.5	9.4%	86.8
Full-Service Restaurants	41.8	40.5	1.3	3.2%	41.7
Limited-Service Restaurants	29.4	28.5	0.9	3.2%	29.2
Other Services	24.7	24.4	0.3	1.2%	24.4
Government	90.4	88.1	2.3	2.6%	91.0
Federal	12.8	12.4	0.2	1.6%	12.7
State	17.4	14.9	2.5	16.8%	17.2
Local	60.4	60.8	-0.4	-0.7%	61.1

UNEMPLOYMENT RATES BASED ON UNROUNDED DATA

1/ Adjusted by census relationships to reflect number of persons by place of residence.

2/ Data may not add due to rounding. Employment by place of work. Does not coincide with labor force concept. Includes multiple job holders.

Source: Nevada Department of Employment, Training and Rehabilitation; employment per sector

Nevada Labor Force and Unemployment

(Estimates in Thousands)

LABOR FORCE SUMMARY	AUG 2013	AUG 2012	CHANGE	% CHANGE	JUL 2013
NEVADA STATEWIDE Seasonally Adjusted					
TOTAL LABOR FORCE	1366.5	1376.3	-9.8	-0.7%	1372.8
UNEMPLOYMENT	129.8	150.8	-21.0	-13.9%	131.0
UNEMPLOYMENT RATE	*9.5%*	*11.0%*	-----	-----	*9.5%*
TOTAL EMPLOYMENT 1/	1236.6	1225.4	11.2	0.9%	1241.7
NEVADA STATEWIDE					
TOTAL LABOR FORCE	1364.3	1376.8	-12.5	-0.9%	1374.3
UNEMPLOYMENT	128.0	152.7	-24.7	-16.2%	130.6
UNEMPLOYMENT RATE	*9.5%*	*11.1%*	-----	-----	*9.5%*
TOTAL EMPLOYMENT 1/	1236.3	1224.1	12.2	1.0%	1243.7
Las Vegas-Paradise MSA Includes Clark County					
TOTAL LABOR FORCE	986.6	989.6	-3.0	-0.3%	991.8
UNEMPLOYMENT	94.3	112.6	-18.3	-16.3%	95.9
UNEMPLOYMENT RATE	*9.6%*	*11.4%*	-----	-----	*9.7%*
TOTAL EMPLOYMENT 1/	892.3	877.0	15.3	1.7%	895.9
Reno-Sparks MSA Includes Washoe and Storey Counties					
TOTAL LABOR FORCE	218.4	225.0	-6.6	-2.9%	219.7
UNEMPLOYMENT	19.8	23.9	-4.1	-17.2%	20.4
UNEMPLOYMENT RATE	*9.1%*	*10.6%*	-----	-----	*9.3%*
TOTAL EMPLOYMENT 1/	198.6	201.1	-2.5	-1.2%	199.3
Carson City MSA					
TOTAL LABOR FORCE	27.0	28.1	-1.1	-3.9%	27.6
UNEMPLOYMENT	2.5	3.0	-0.5	-16.7%	2.6
UNEMPLOYMENT RATE	*9.4%*	*10.6%*	-----	-----	*9.5%*
TOTAL EMPLOYMENT 1/	24.5	25.1	-0.6	-2.4%	25.0
Elko Micropolitan Area Includes Elko and Eureka Counties					
TOTAL LABOR FORCE	32.0	32.2	-0.2	-0.6%	32.5
UNEMPLOYMENT	1.8	1.9	-0.1	-5.3%	1.8
UNEMPLOYMENT RATE	*5.5%*	*5.8%*	-----	-----	*5.7%*
TOTAL EMPLOYMENT 1/	30.2	30.3	-0.1	-0.3%	30.7

UNEMPLOYMENT RATES BASED ON UNROUNDED DATA

1/ Adjusted by census relationships to reflect number of persons by place of residence.

Information compiled by DETR's Research & Analysis Bureau

Source: Nevada Department of Employment, Training and Rehabilitation.

ECONOMIC BASE

The economic base of the Las Vegas area consists of the tourist industry, service industry, military-base, the Nevada Test Site, governmental and municipal agencies, and mining and manufacturing. Nevada Development Authority is one of the area's premier economic development agencies.

According to the Nevada Department of Employment, Training & Rehabilitation, unemployment in Nevada remained at 9.5% in August 2013, and added 11,200 jobs, which was the largest monthly gain in eight years. Therefore, initial claims for unemployment insurance and the unemployment rate should go down. And while it looks like the State will add 20,000 jobs this year, which is in addition to the 30,000 jobs added in 2011 and 2012, the high unemployment rate suggest that there is still room for improvement. From June through August, jobs levels have increased by 7,900, which is the best summer Nevada has experienced since 2005. One month's movement does not signal a new trend, but rather highlights the month-to-month volatility. After considering a number of different methods and data sources, a good gauge of the true yearly increase is around 20,000 to 25,000 jobs.

While the monthly estimates experience ups and downs, a broader view of recent trends offers a picture of consistent growth in Nevada's job market. In August of this year we have 25,200 more jobs than in August of 2012. Further, a different perspective, using year-to-date job growth relative to last year, yields an addition of 22,300 during the first eight months of this year.

The Statewide unemployment rate held steady at 9.5% over-the-month, firmly maintaining the single digit range for all of 2013. Job growth in Las Vegas totaled 9,600 with the unemployment rate at 9.6%. For the northern metro areas, Reno/Sparks added 2,200 jobs and Carson City shed 200 with unemployment rates of 9.1% and 9.4%, respectively.

Over-the-year, the jobless rate in Las Vegas is down by 1.8% from a year ago, Reno is down by 1.5%, and Carson City's rate is down 1.2%. Typically, August non-agricultural employment rises by about 1,600 jobs over July. However, this year 12,800 jobs were added over that period. In fact, all of Nevada's major sectors added employment over-the-month except financial activities, which lost about 100 jobs. The private sector increased by 10,000 jobs, while government employment rose by 1,200 jobs over-the-month.

Improvement in the statewide economy has spread into the housing market. Sales prices of homes in Nevada increased by 22.8% in the second quarter of 2013, the highest gain of any state, according to the Federal Housing Finance Administration (FHFA). Since bottoming out in the final months of 2011, home prices are up by approximately one-third. Nationwide, prices bottomed out in mid-2011 and have increased nearly 11%. And despite a relatively weak July, housing starts in the State are up 32% from a year ago through the first seven months of 2013. Statewide housing permit activity is up 30% this year. So, all things considered, housing activity appears to be on the mend.

Construction employment has also benefitted from the rise in residential activity, albeit off of historical lows. The count of jobs obtained from wage records submitted by employers covered by the unemployment insurance system, and reported under the Quarterly Census of Employment and Wages (QCEW) Program shows that the construction sector added 4,700 jobs in 2013 first quarter compared to a year ago, which is the most of any super-sector. Elsewhere, job gains were widespread with 10 out of 11 super-sectors adding jobs. Other notable gains are found in professional and business services (4,700 jobs) and leisure and hospitality (3,900 jobs). Even with an anticipated slowdown in mining as gold prices have dropped, hundreds of new jobs were added to the payrolls in the first quarter of 2013.

As Nevada's recovery progresses, we considered what the appropriate number of unemployed for the area is. History shows that the State had unusually low levels of unemployed through 2007, where it never broke above 64,000. However, as the recession took hold, the average number of unemployed increased three-fold to about 192,000 (2010). However, as of August 2013, it has fallen to a year-to-date average of 133,000, a drop of 59,000 or over 30% from the peak.

Given that the area's economy has grown over time, it would not be reasonable to expect a return to unemployed levels of 60,000 or below, but the 150,000+ range is not acceptable either. The average unemployment rate since 1976 is 6.7%. At the current labor force level, this rate would reflect 92,000 unemployed Nevadans. From 2011-2012, the number of unemployed dropped by over 30,000. Through the first eight months of this year, the number has dropped an additional 22,300. Therefore, a goal of 90,000-to-100,000 appears attainable in the next 18-months.

Looking forward, experts expect the State's economy and labor markets to continue to show improvement. A year ago, they were expecting just marginal improvement, equating to employment growth of about one percent annually. However, job readings have come in better than expected.

We also considered UNLV's Center for Business & Economic Research (CBER) Southern Nevada Coincident Index. This is put out by the Nevada Department of Employment, Training & Rehabilitation Research and Analysis Bureau and UNLV's Center for Business and Economic Research.

CBER's Southern Nevada Coincident Index represents the current state of the Southern Nevada economy using two series that measure Las Vegas Metropolitan Statistical Area employment. CBER's Southern Nevada Leading Index uses local, regional, and national variables to predict movement in the coincident index four to six months in advance. For the Great Recession, the coincident index peaked in January 2008 and reached its lowest point in September 2010. The leading index peaked in July 2007, six months before the coincident index and reached its bottom in February 2010, seven months before the coincident index started recovery.

CBER's Southern Nevada Coincident Index experienced no gains or losses for July 2013. Year-over-year, the index is up by 2.06%. CBER's Southern Nevada Leading Index increased for the month, benefiting from gains in three of its four components. Year-over-year, the leading index is up by 2.81%.

Changes in CBER's three other indexes for Southern Nevada were as follows:

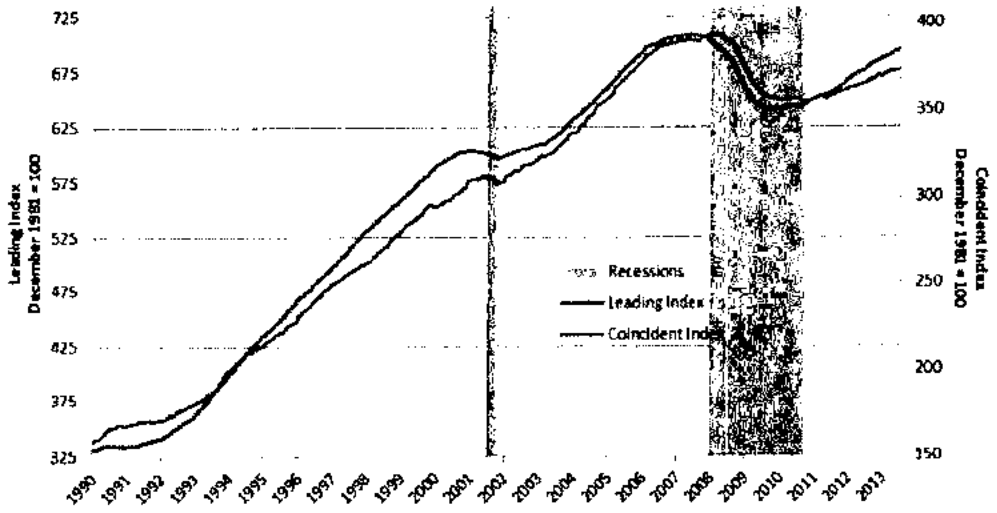
- CBER's Clark County Business Activity Index increased and is faring better than in July 2012.

- CBER's Clark County Tourism Index made small gains for the month, but it is below its level from July last year.

- CBER's Clark County Construction Index continues to be volatile, decreasing for the month, but remains up significantly year-over-year.

The following charts are from CBER. Three components of CBER's Southern Nevada Leading Index—the Philadelphia Fed's Leading Indexes for Arizona and California and the S&P 500 Index—increased for July 2013. All three are up year-over-year; however, the number of total passengers passing through McCarran Airport fell slightly and is below its value for July 2012. The coincident index remained flat, a consequence of conflicting jobs reports. Even with a flat month, the index is up year-over-year by 2.06%.

CBER Southern Nevada Economic Indicators



Leading Index

Series	Date	Latest Period	Change Previous Period	Change Year Ago
Arizona Index	Jul-13	748.49	0.23%	2.34%
California Index	Jul-13	581.91	0.06%	3.39%
S&P 500 Index	Jul-13	1,699.83	3.42%	22.89%
McCarran Total Passengers	Jul-13	3,465,181	-1.59%	-0.15%
Overall Index Change		695.38	0.20%	2.81%

Sources: Philadelphia Federal Reserve, McCarran International Airport, St. Louis Federal Reserve (FRED)

Coincident Index

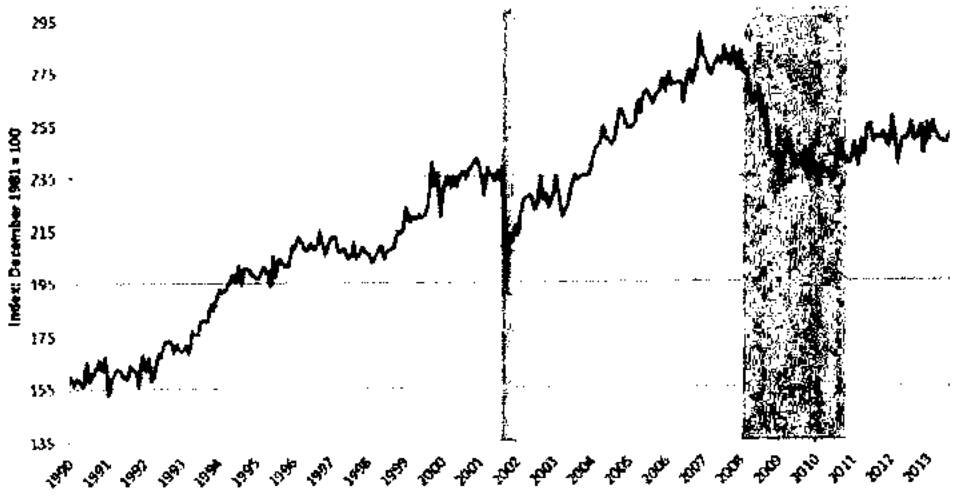
Series	Date	Latest Period	Change Previous Period	Change Year Ago
Las Vegas MSA Nonfarm Employment	Jul-13	839,747	-0.09%	1.98%
Las Vegas MSA Household Employment	Jul-13	898,831	0.10%	2.14%
Overall Index Change		372.57	0.00%	2.06%

Sources: Current Employment Statistics, Local Area Unemployment Statistics

Sources: Local Building Permitting Agencies; Nevada Department of Taxation; McCarran International Airport; Nevada State Gaming Control Board; Las Vegas Convention and Visitors Authority.

As measured by CBER's Clark County Tourism Index, activity in the tourism sector increased for July 2013. The growth can be attributed to seasonally adjusted gaming revenues, which rose by 8.19% for the month. Passengers enplaned and deplaned at McCarran Airport fell by 1.59%. Las Vegas hotel/motel occupancy also decreased, by 0.02%. This report is available on their Web site at http://cber.unlv.edu/cond.html.

CBER Clark County Tourism Index

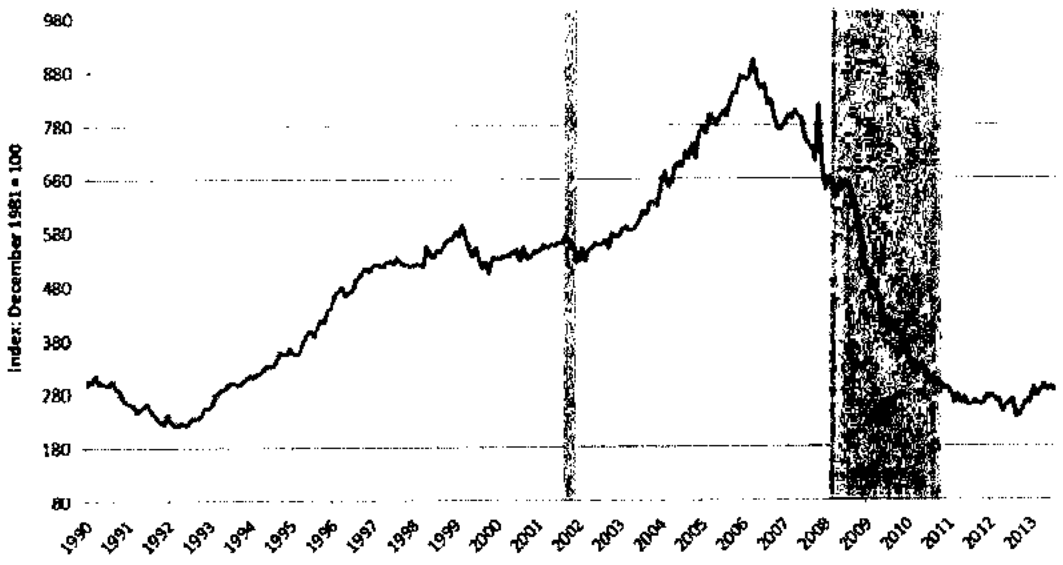


Date	Index	Change Previous Period	Change Year Ago
Jul-12	255.51	2.34%	3.13%
Aug-12	248.62	-2.70%	-0.64%
Sep-12	249.71	0.44%	0.05%
Oct-12	254.20	1.80%	0.95%
Nov-12	243.49	-4.22%	-2.10%
Dec-12	254.94	4.71%	3.73%
Jan-13	248.74	-2.43%	-5.53%
Feb-13	256.03	2.93%	3.10%
Mar-13	250.78	-2.05%	4.89%
Apr-13	249.19	-0.63%	0.14%
May-13	248.20	-0.40%	-0.33%
Jun-13	247.40	-0.32%	-0.91%
Jul-13	250.03	1.06%	-2.14%

Source: The Center for Business and Economic Research - UNLV

CBER's Clark County Construction Index decreased for June but is still up year-over-year. Two of the three components declined for the month. Residential permits fell by 24.82%. Las Vegas construction employment also declined, by 2.06%. Commercial permits once again experienced large gains, but remain at a low and volatile level.

CBER Clark County Construction Index



Date	Index	Change Previous Period	Change Year Ago
Jul-12	268.12	1.98%	3.31%
Aug-12	235.88	-12.03%	-10.81%
Sep-12	236.65	0.33%	-9.57%
Oct-12	254.18	7.41%	-1.99%
Nov-12	265.39	4.41%	-2.71%
Dec-12	262.96	-0.91%	-3.39%
Jan-13	291.85	10.99%	6.80%
Feb-13	272.08	-6.77%	1.66%
Mar-13	283.60	4.23%	6.25%
Apr-13	296.17	4.44%	21.84%
May-13	283.52	-4.27%	10.01%
Jun-13	291.32	2.75%	10.80%
Jul-13	284.86	-2.22%	6.24%

Source: The Center for Business and Economic Research – UNLV

HOUSING

Looking to housing, the data is bullish heading into the second half of 2013. A high demand and a limited supply of sellers willing to put their homes on the market has driven housing prices up nationwide with Las Vegas home price gains at nearly double the U.S. rate. In fact, a new report by Corelogic showed Nevada led the country in home price gain in August. They reported that prices were up 25.9% over last August, which the nation as a overall saw prices rise 12.4% year-over-year. However, Nevada's prices had dropped more than any other state's during the recession. August prices were still down 41.9% from what they were at their peak several years ago. Most experts expect increases to level off nationally as the real estate market enters the off-season, and as mortgage rates have risen from their historic lows.

There is a shortage of homes for sale, with nationwide listings down 12.2% in early June compared with June 2012. However, that is still above January's year-to-year supply drop of 17.5%. In Las Vegas, which has struggled since early 2011 with low housing supply, listings dropped about 55% year over year in early June. This is much higher than January's 33% drop. The market now has about 1.2 months of supply, according to local housing research firm SalesTraq. A normal inventory would be six months of available homes.

Low housing supply has important effects on the economy. Too few homes can push up prices dramatically. SalesTraq reported in June 2013 that the median resale price increased over 34% year-over-year in April, to $143,500, which is good for sellers since they can get more for their home. It also creates a wealth effect that lifts consumer spending since people feel better about their net worth. However, for buyers, rising prices result in lower home-purchasing power and a bigger mortgage payment, which hurts discretionary income. And increased competition for a residence is turning away retirees and others who want to relocate here. This is especially evident in the mid-price homes, where cash investors make up as much as 75% of the buyers. With the rapid increase in prices, the supply trend does not make economic sense.

Unless you consider that much of the market is still under water. Reports show that while households with negative equity has dropped considerably since fourth-quarter 2011, when it was estimated at 70%, almost 55% were still upside down in the first quarter. These home owners can't sell even if they want to, unless they can bring money to their closing. Thus, for a lot of homeowners, selling is not an option. Add the homeowners who want to ride out the market in search of even better times, and the result is an undersupplied market.

This has led some to speculate that this will lead to a new bubble. But this may be premature or even completely wrong. According to Fitch Ratings, the New York-based ratings agency, homes in the Las Vegas metropolitan area are still underpriced; in fact it ranks Las Vegas among the five most undervalued housing markets in the U.S. "In places like Las Vegas, prices fell so far below their historical levels, that the price increases are appropriate and sustainable," says Suzanne Mistretta, senior director of Fitch's U.S. residential mortgage-backed securities group.

Fitch compiled a list for FORBES of the five most overvalued and undervalued housing markets in the country based on its quarterly Sustainable Home Price model, which weighs home price trends against the economic fundamentals of the local market, including income growth, unemployment rates, population growth, mortgage rates, rental prices, buyer demand and inventory levels. If home prices grow faster than the rest of the local economy, then housing is becoming overvalued; if homes are trading for prices lower than the local economy can sustain, then housing is undervalued. Fitch looked at the country's largest metropolitan statistical areas, which are urban regions defined by the U.S. Office of Management and Budget that generally include a core city and its surrounding suburbs.

Las Vegas was one of the most pummeled housing markets in the post-bubble recession. Home prices tumbled more than 60% from their 2006 peak through their 2011 bottom, with a foreclosure rate that topped the nation. Values plunged so dramatically they overcorrected, creating a deluge of housing stock (much of it recently constructed in the boom) that could be had for significantly less than replacement costs. The economic environment made it attractive to investors who saw an opportunity to pick up homes for pennies on the dollar, fix them up and lease them out. As investors, many backed by Wall Street capital, bought up properties, the market stabilized, fueling consumers' confidence that the worst was over.

More buyers jumped into the market and prices have continued their ascent. Yet Fitch's Sustainable Home Price model indicates that the local economy could support higher prices. When adjusted for inflation and compared to the market's pre-bubble 1998 performance, Las Vegas home prices are, despite double-digit percent gains over the past year, still 20% below their pre-bubble healthy market norm.

Not surprisingly, foreclosures have been falling sharply since a 2011 state law slowed the process. One in every 305 homes statewide had a foreclosure-related filing in May 2013, up 1.4%. Nevada's foreclosure rate was the highest in the country in March and April, with Florida coming in second both months. The states switched places in May, but just barely. One in every 302 homes in Florida carried a foreclosure filing in May, up 12% from a year earlier. Nationally, one in every 885 homes had a foreclosure filing last month, down 28% from May 2012. Filings include notices of default, scheduled auctions and bank repossessions.

Default notices, which start the foreclosure process, continue to rise in Nevada. The state had 2,244 foreclosure starts last month, up 81% from a year ago. The number of homes that complete the foreclosure process and get repossessed, however, continues to drop. A total of 419 homes were seized through foreclosure last month, down 64% from a year earlier. Nevada's foreclosure rate led the country for more than five years until March 2012. The state has bounced in and out of the top spot since then.

As a result of the lack of available re-sales, builders are purchasing infill sites for new home developments. While home builders sold off much of their land holdings during the recession, they are now aggressively pursuing land acquisitions. Prices for raw residential land in good locations has more than doubled over the past six months to $400,000 per acre or more. This means that mean new home prices could reach $250,000 by early 2014. However, rising prices have not been deterring buyers as 2,279 new homes closed in the 1st quarter of 2013, which is an 86% increase over the same period last year. With an estimated 60,000 homes vacant, it's hard to forecast what will happen to inventories and prices in the next year. Most experts say that prices will not continue to surge at current levels for much longer. However, continued increases are not only probable, they should also be sustainable through the remainder of 2013.

GAMING & TOURISM

Nevada's gaming revenues for non-restricted licensees peaked in 2007 at over $13 billion. Clark County accounted for about 85% of that total at just over $11 billion. Revenues dropped in 2008 ($11.7 billion) and 2009 ($10.4 billion). The 2009 data appears to have been the bottom, as revenues increased in 2010, 2011 and 2012. And they are up year-to-date in 2013. In January 2012, gaming revenues in the State surpassed $1 billion for the first time since September 2008, which was actually a 5.44% decrease over the same month in 2007. And, Clark County and the Strip reported record increases of 21.58% and 29.16%, respectively in January of 2012. This happened again in July, when gaming revenues were over $1 billion in the State. The July win was up 16.95% over the same month in 2011 in the State, up 21.17% in Clark County and up 27.51% on the Strip. Billion-dollar revenue months were fairly typical in Nevada before the recession. In 2007, 10 of the 12 months had $1 billion or more in gaming revenues.

As we began 2013, that upward trend looked shaky as revenues were down about 12.5%. However, the Chinese New Year had moved to February this year and most experts were not worried with the January numbers. They stated that they needed to see the first two months

for a realistic comparison. Well, they came in and they looked good as revenues exceeded a billion in February. March continued that upward trend with an increase of 7.04% in the State and over 13% on the Strip. Revenues dipped slightly (0.16%) in April, but are still up for the fiscal year. In addition, April of 2012 had a fairly strong increase over April of 2011.

The statewide gaming revenue total in February was the highest monthly amount produced by Nevada casinos since December 2007. This was also the case on the Strip, where gaming revenues hit a record $696.1 million, a 31.17% increase. February had the benefit of a strong Chinese New Year, but the results were still ahead of expectations. The record figures were the result of high-end baccarat play associated with the 10-day Chinese New Year holiday. In 2012, the Chinese New Year was in January and in 2013, the holiday fell into February, as a result, gaming revenues in January declined.

In the most recent report by the Gaming Control Board, they stated that casinos statewide collected almost $955.3 million in gaming revenues during the month of August, an 11.17% increase compared with August 2012. On the Strip, casinos collected $589 million in August, an increase of 19.98% compared with $490.9 million in August 2012. Baccarat revenues accounted for almost 70% of the state's monthly increase. The hold percentage for baccarat, which is the amount of wagers the casinos keeps compared to was what was won by players, was 18.85%. In comparison, the 12-month average hold for baccarat is 12.83%. The amount wagered on baccarat actually fell 1.3% to $1 billion, which was the fifth consecutive monthly decline in baccarat wagering. The historical high baccarat volume takes place in January and February (Chinese New Year) and the September and October period (special events).

The double-digit gaming revenue increases statewide and on the Strip were a rebound from steep declines in July. The Strip also had a strong month from table games. The revenue from games, minus baccarat, increased 21.5%. In addition, casino operators have seen improved numbers in the past few months from food and beverage, which can be attributed to fairly normal tourist traffic. However, gaming revenue has largely been driven by internationally sourced baccarat play.

With August's results known, statewide gaming revenues are up less than 1% for the first eight months of the year. On Strip, gaming revenues have increased 2.1% through August. During August, Clark County as whole did not fare as well. Casinos in North Las Vegas saw gaming revenues decline almost 18.3%, casinos along the Boulder Strip experienced a 12.7% decrease, while downtown casinos saw gaming revenues drop 8.3%. Overall, Clark County gaming revenues increased 12.3%. The decline in certain markets was due to slot machine revenue reporting ending on a weekend in August. As a result, much of the slot machine totals in the locals market will end up in September's figures. The revenues from the balance of Clark County increased 4.47% during August. The reporting area includes revenues from Ultimate Poker, which was the state's only online gaming website operating in August. The results are included with revenues from card games, which showed an increase 43.7% in August, which implied that online poker did roughly $600,000 in gaming revenue during the month. Gaming regulators won't break out online poker revenues into a separate category until three websites are operating.

Nevada collected $514 million in gaming taxes through September 26, 2013, based on gaming revenues reported in August. This is an increase of 3.46% over last year. For the first three months of the fiscal year, gaming tax collections are up less than 1%.

The following data was compiled by the DiFederico Group from the Nevada Gaming Control Board's monthly releases from January of 2006 through September 2013.

NEVADA, CLARK COUNTY & LAS VEGAS STRIP GAMING REVENUES 2006 THROUGH AUGUST 2013 (RELEASED SEPTEMBER 30, 2013)

Nevada Gaming Revenue

Month	2013	% Change	2012	% Change	2011	% Change	2010	% Change	2009	% Change	2008	% Change	2007	% Change	2006
January	$ 906,182,242	-12.44%	$ 1,038,359,335	18.34%	$ 877,412,266	-0.67%	$ 883,355,822	-3.22%	$ 912,733,748	-14.22%	$ 1,064,089,670	-4.75%	$ 1,117,140,888	-2.08%	$ 1,140,819,471
February	$ 1,073,255,958	15.13%	$ 932,175,307	5.72%	$ 881,758,357	-6.85%	$ 946,614,689	13.92%	$ 830,971,219	-18.12%	$ 1,014,823,745	-3.93%	$ 1,056,172,522	2.92%	$ 1,026,406,625
March	$ 914,784,656	7.04%	$ 854,590,337	-10.86%	$ 958,694,504	5.12%	$ 911,980,728	-0.68%	$ 918,248,254	-11.60%	$ 1,038,751,381	-1.52%	$ 1,054,779,360	-0.79%	$ 1,063,165,911
April	$ 854,293,047	-0.16%	$ 855,674,603	6.15%	$ 805,972,327	-0.54%	$ 810,456,284	-5.70%	$ 859,471,344	-14.06%	$ 1,000,112,698	-5.05%	$ 1,053,249,753	6.39%	$ 989,965,466
May	$ 897,232,001	1.37%	$ 885,086,491	-10.05%	$ 984,006,380	16.15%	$ 847,153,488	-4.75%	$ 889,175,777	-8.03%	$ 969,943,776	-15.17%	$ 1,143,449,674	1.90%	$ 1,126,548,839
June	$ 792,496,545	-4.81%	$ 832,534,219	-6.01%	$ 885,745,934	15.98%	$ 763,587,684	-6.67%	$ 818,267,510	-13.80%	$ 949,316,713	-1.11%	$ 959,985,424	5.76%	$ 907,709,000
July	$ 925,729,767	-7.97%	$ 1,005,877,250	16.95%	$ 860,076,138	3.66%	$ 829,682,912	-4.93%	$ 872,687,562	-12.50%	$ 997,344,346	-12.97%	$ 1,145,965,803	10.25%	$ 1,039,448,158
August	$ 955,281,446	11.17%	$ 859,261,683	-3.11%	$ 886,835,276	-5.10%	$ 944,433,186	11.51%	$ 846,957,648	-9.33%	$ 934,120,078	-8.10%	$ 1,016,480,268	-4.41%	$ 1,063,346,600
September	$ -		$ 892,748,756	3.33%	$ 863,971,309	-5.87%	$ 917,861,844	0.73%	$ 911,184,344	-8.98%	$ 1,001,072,500	-5.44%	$ 1,058,687,112	7.48%	$ 984,972,556
October	$ -		$ 978,998,368	1.88%	$ 960,719,191	8.12%	$ 888,569,153	11.02%	$ 800,387,316	-11.56%	$ 904,980,377	-22.33%	$ 1,165,187,189	9.64%	$ 1,062,743,303
November	$ -		$ 782,628,620	-11.08%	$ 880,127,660	7.06%	$ 822,097,967	-5.87%	$ 873,336,531	-10.99%	$ 981,124,226	-13.59%	$ 1,140,744,736	14.12%	$ 999,643,489
December	$ -		$ 943,303,871	10.24%	$ 855,660,242	2.05%	$ 838,499,433	-2.42%	$ 859,285,985	-3.23%	$ 887,997,752	-18.54%	$ 1,090,421,997	3.06%	$ 1,062,941,263
Year to Date	$ 7,322,255,664	3.81%	$ 10,861,046,940	1.46%	$ 10,701,079,686	3.85%	$ 10,404,413,190	0.11%	$ 10,392,702,138	-11.50%	$ 11,743,657,263	-9.72%	$ 13,007,460,486	4.33%	$ 12,467,709,781

Source: Nevada Gaming Control Board, compiled by The DiFederico Group.

Clark County Gaming Revenue

Month	2013	% Change	2012	% Change	2011	% Change	2010	% Change	2009	% Change	2008	% Change	2007	% Change	2006
January	$ 802,503,964	-13.28%	$ 925,439,857	21.57%	$ 761,222,824	-0.41%	$ 764,363,586	-2.21%	$ 781,671,508	-15.83%	$ 928,650,794	-4.05%	$ 967,887,097	-1.97%	$ 987,360,788
February	$ 956,464,368	17.77%	$ 812,138,236	5.55%	$ 769,459,750	-7.05%	$ 827,797,586	16.49%	$ 710,607,915	-17.94%	$ 865,968,262	-3.99%	$ 901,949,045	3.66%	$ 870,299,915
March	$ 787,912,223	7.42%	$ 733,494,157	-12.23%	$ 835,682,725	7.21%	$ 779,491,381	-0.89%	$ 786,462,463	-9.80%	$ 871,896,196	-2.00%	$ 889,687,992	-2.11%	$ 908,890,886
April	$ 736,318,505	-0.98%	$ 743,642,956	8.80%	$ 683,947,680	-1.02%	$ 689,977,541	-6.10%	$ 734,773,154	-13.55%	$ 849,974,386	-4.79%	$ 892,758,268	8.30%	$ 824,364,174
May	$ 772,626,044	0.86%	$ 766,094,024	-10.24%	$ 853,491,149	19.43%	$ 714,657,494	-4.41%	$ 747,624,459	-7.71%	$ 810,059,378	-16.35%	$ 968,432,910	0.60%	$ 962,629,535
June	$ 673,636,992	-4.76%	$ 707,328,411	-7.87%	$ 767,718,004	19.94%	$ 640,081,282	-6.91%	$ 687,582,637	-14.70%	$ 806,097,333	2.08%	$ 789,656,398	6.09%	$ 744,300,458
July	$ 783,179,933	-9.67%	$ 866,984,158	21.17%	$ 715,533,451	3.19%	$ 693,399,791	-5.00%	$ 729,912,252	-10.95%	$ 819,682,985	-15.03%	$ 964,723,623	13.37%	$ 850,942,054
August	$ 816,753,285	12.34%	$ 727,052,083	-3.35%	$ 752,241,866	-6.68%	$ 806,107,179	13.85%	$ 708,252,471	-6.74%	$ 759,258,083	-9.40%	$ 838,063,093	-5.41%	$ 886,010,619
September	$ -		$ 760,554,183	3.65%	$ 733,652,647	-6.63%	$ 785,797,064	1.50%	$ 774,098,125	-9.30%	$ 853,511,010	-2.94%	$ 879,381,026	8.85%	$ 807,851,286
October	$ -		$ 859,878,788	2.79%	$ 836,511,582	10.43%	$ 757,481,565	12.48%	$ 673,444,366	-11.10%	$ 757,509,753	-24.34%	$ 1,001,244,471	12.54%	$ 889,667,012
November	$ -		$ 671,610,274	-12.99%	$ 771,876,435	7.83%	$ 715,831,367	-4.66%	$ 750,839,247	-9.40%	$ 828,725,345	-16.26%	$ 989,644,606	16.88%	$ 846,691,652
December	$ -		$ 825,667,991	11.22%	$ 742,263,872	1.21%	$ 733,487,555	-2.62%	$ 753,154,338	-2.41%	$ 771,776,244	-18.41%	$ 945,956,315	4.20%	$ 908,091,310
Year to Date	$ 6,329,395,254	0.75%	$ 9,399,845,112	1.92%	$ 9,222,701,985	3.53%	$ 8,908,383,393	0.79%	$ 8,838,262,928	-10.93%	$ 9,923,109,749	-10.03%	$ 11,029,384,834	5.17%	$ 10,487,499,439

Source: Nevada Gaming Control Board, compiled by The DiFederico Group.

0.847927606

Las Vegas Strip Gaming Revenue

Month	2013	% Change	2012	% Change	2011	% Change	2010	% Change	2009	% Change	2008	% Change	2007	% Change	2006
January	$ 507,001,515	-18.69%	$ 623,512,323	29.16%	$ 482,732,006	-2.49%	$ 495,037,698	-3.06%	$ 510,552,274	-14.56%	$ 597,305,293	-1.33%	$ 605,386,385	-3.52%	$ 627,505,783
February	$ 696,102,184	31.17%	$ 530,689,745	3.31%	$ 513,707,187	-0.56%	$ 567,977,765	32.88%	$ 427,426,122	-23.21%	$ 556,624,899	-3.14%	$ 574,697,883	4.29%	$ 551,052,837
March	$ 507,602,176	13.13%	$ 448,683,420	-14.91%	$ 527,297,151	12.89%	$ 467,075,237	2.40%	$ 456,128,715	-11.85%	$ 517,473,687	-4.82%	$ 543,675,036	-0.48%	$ 546,313,005
April	$ 448,585,857	-2.34%	$ 459,356,130	7.44%	$ 427,530,165	-2.23%	$ 437,381,352	-0.93%	$ 441,369,568	-15.79%	$ 524,113,822	-1.28%	$ 530,922,275	2.78%	$ 516,579,625
May	$ 508,444,951	6.39%	$ 475,068,431	-16.15%	$ 580,412,681	28.93%	$ 450,177,289	-6.37%	$ 480,814,649	-6.36%	$ 513,456,069	-16.44%	$ 614,485,513	1.78%	$ 603,763,708
June	$ 434,747,965	-10.13%	$ 483,727,953	-4.53%	$ 506,705,925	32.31%	$ 382,959,382	-7.62%	$ 414,542,855	-14.77%	$ 486,395,557	-3.02%	$ 501,565,371	13.64%	$ 441,368,477
July	$ 511,448,358	-14.40%	$ 597,455,491	27.51%	$ 468,540,294	1.56%	$ 461,348,581	0.00%	$ 461,348,781	-11.14%	$ 519,174,538	-14.67%	$ 608,406,233	14.44%	$ 531,651,259
August	$ 569,021,971	19.98%	$ 490,941,203	-1.19%	$ 496,868,291	-8.72%	$ 544,363,026	21.09%	$ 449,560,046	-9.09%	$ 494,056,407	-7.43%	$ 533,674,340	-4.07%	$ 556,288,307
September	$ -		$ 496,822,754	1.20%	$ 490,939,768	-5.69%	$ 520,559,097	2.80%	$ 506,375,051	-3.58%	$ 525,170,491	-5.17%	$ 553,853,885	7.23%	$ 516,349,202
October	$ -		$ 580,738,708	3.60%	$ 560,535,216	13.28%	$ 494,812,139	16.87%	$ 426,289,709	-10.26%	$ 475,005,225	-25.77%	$ 639,882,596	20.33%	$ 532,192,351
November	$ -		$ 431,863,654	-12.80%	$ 495,281,895	9.02%	$ 454,308,141	-4.12%	$ 473,831,072	-8.83%	$ 519,707,061	-19.10%	$ 642,429,626	22.44%	$ 524,681,905
December	$ -		$ 588,345,305	13.43%	$ 518,532,562	3.61%	$ 500,380,117	-0.36%	$ 502,165,463	5.89%	$ 474,227,751	-22.87%	$ 614,860,802	0.80%	$ 609,975,560
Year to Date	$ 4,190,958,977	2.20%	$ 6,207,215,115	2.28%	$ 6,068,584,140	5.97%	$ 5,776,279,821	4.07%	$ 5,550,204,305	-18.52%	$ 6,202,670,800	-10.93%	$ 6,963,787,932	6.10%	$ 6,557,718,107

Source: Nevada Gaming Control Board, compiled by the DiFederico Group.

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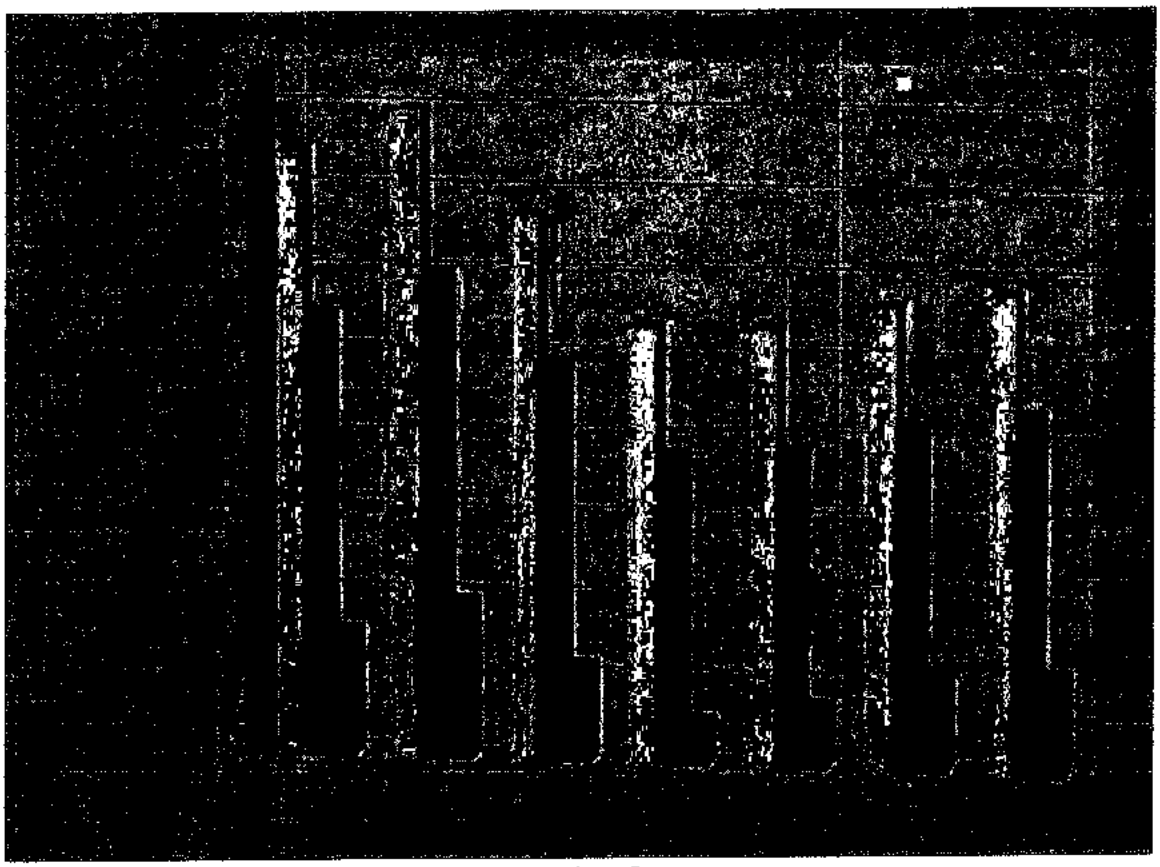
GAMING REVENUES 2006 THROUGH 2012



Source: Nevada Gaming Control Board, compiled by The DiFederico Group

The Las Vegas Las Vegas Convention and Visitors Authority (LVCVA) has been reporting increases in other tourism related categories. In 2011, visitor volume was up 4.3%, the ADR (average daily rate) was up 6.2% and total room nights occupied was up 0.6%. These increases, which were accompanied by a 25.1% increase in conventions and meetings held, suggest that Nevada is on the path to recovery.

With the exception of February of 2011, and April and July of 2012, this trend had continued through 2012 as 37 of the previous 40 months had seen visitor increases. According to the Year-End 2012 report by the LVCVA, 3.04 million visitors came to town in December 2012, up 2.8%. Hotel occupancy was up 0.9% while traffic at McCarran International Airport was down 0.8%.

The data for 2013 has been slightly different with visitation down in January (-0.7%) and February (-1.3%), but up in March (0.1%), April (0.5%) and May (0.1%), down in June (-0.9%) and up in July (0.8%) and August (0.9%). For the first eight months of 2013, the overall rate is flat with 26.7 million visitors. However, the ADR has increased each month over that reported in 2012 and is at $110.72 or 3.1% above the 2012 figure.

During 2011, there were approximately 38.9 million visitors, which approached the 39.2 million visitors record mark set in 2007. The LVCVA was forecasting 40 million visitors for Las Vegas in 2012; however, the actual number fell just short at 39,727,022.

All in, the Strip had its best occupancy and room rates in 2012 since 2008. But, city-wide occupancy, ADR, and total air passengers were still down from their 2007 peaks. The following data was compiled by the DiFederico Group from the LVCVA's releases for visitor statistics for year-end 2007 through 2012.

Visitor Statistics

Year	2007	Δ%	2008	Δ%	2009	Δ%	2010	Δ%	2011	Δ%	2012	Δ%
Visitor Volume	39,196,761	0.72%	37,481,552	-4.4%	36,351,469	-3.0%	37,335,436	2.7%	38,928,708	4.3%	39,727,022	2.1%
Room Inventory	132,947	0.26%	140,529	5.7%	148,941	6.0%	148,935	0.0%	150,161	0.8%	150,481	0.2%
Citywide Occupancy	90.4%	0.78%	86.0%	-4.9%	81.5%	-5.2%	80.4%	-1.3%	83.8%	4.2%	84.4%	0.7%
Average Daily Room Rate	$ 132.09	10.39%	$ 119.19	-9.8%	$ 92.93	-22.0%	$ 94.91	2.1%	$ 105.11	10.7%	$ 108.08	2.8%
Convention Attendance	6,209,253	-1.56%	5,899,725	-5.0%	4,492,275	-23.9%	4,473,134	-0.4%	4,865,272	8.8%	4,944,014	1.6%
Total Air Passengers	47,728,414	3.32%	44,074,707	-7.7%	40,469,012	-8.2%	39,757,359	-1.8%	41,479,814	4.3%	41,667,596	0.5%
Avg. Daily Auto Traffic	86,701	-0.30%	82,093	-5.3%	84,115	2.5%	86,738	3.1%	99,844	15.1%	100,774	0.9%

Source: Las Vegas Convention and Visitors Authority, compiled by The DiFederico Group.

MCCARRAN INTERNATIONAL AIRPORT

McCarran International Airport is one of the most modern airports in the country. According to the Federal Aviation Administration, it is also one of the fastest growing facilities in the United States. McCarran had been ranked the nation's fifth-busiest passenger airport on the Airports Council International-North America's annual traffic ranking of 2006. And it held the 7th position in their 2007 and 2008 reports.

Passenger activity at McCarran increased 76% during the 1990s. Based on a projected growth rate, McCarran was forecast to reach its capacity of 55 million passengers by 2012. However, passenger activity decreased three straight years after peaking in 2007. This was a drop of 16.7% and the lowest figure reported since 2003. Since 2010, the trend has been up with the 2012 count up almost 5% from that in 2010. However, year-to-date, through August, traffic is down 0.1% in 2013.

The County Aviation Department was developing a plan for a second international airport on 6,500 acres of land owned by the Bureau of Land Management in the Ivanpah Valley, south of Las Vegas. They were anticipating a 2019 opening. However, due to the current economic situation, this has been pushed back until the demand returns. In addition to McCarran, there are the Boulder City, Henderson, and North Las Vegas Airports. The North Las Vegas Airport, which is the general aviation reliever airport for McCarran, recently extended and resurfaced the runways.

The following table and chart reflect the historical and most recent traffic count information provided by McCarran, respectively.

ARRIVING & DEPARTING PASSENGERS MONTHLY TOTAL

AUGUST 2013	AUGUST 2012	PERCENT CHANGE
3,614,699	3,643,902	-0.8

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

2013 YTD	2012 YTD	PERCENT CHANGE
28,037,483	28,060,157	-0.1

Source: McCarran International Airport Web site (http://www.mccarran.com/)

SUMMARY AND CONCLUSIONS

The four forces (social, economic, political, and environmental) that influence market values have been discussed. The various governing bodies have sponsored growth with their pro-development attitudes. The administrations also promote funding and infrastructure necessary for growth. While the past leading indicators pointed to positive growth, developments over the last three years have resulted in flat or negative growth. However, after lagging the Intermountain West region for most of the economic recovery, Las Vegas Valley has bested nearby cities and most of the nation in job growth and housing prices, according to a recent report from the public policy nonprofit Brookings Mountain West.

Las Vegas added 0.8% to its jobs base from the first to the second quarter, compared with 0.3% in Phoenix and 0.7% in Salt Lake City. Las Vegas' economic output, or gross metropolitan product, expanded 0.4%, outpacing Denver's 0.2% and Albuquerque, N.M.'s 0.1%. And, Las Vegas led the 10-city Intermountain West region in housing-price gains, with a jump of 6.5% in the second quarter. Phoenix, at 4.6%, was second. Some markets, such as Albuquerque, saw housing prices drop. Though the local economy has picked up pace, it has a long way to go to return to prerecession levels. Some expect it to take another five years for the economy to bounce back completely, barring another national downturn. And when the economy does come back, it could look a little different. Leisure and hospitality will stay the city's most important jobs sector for the foreseeable future, but Brookings' best growers in the second quarter were education, health care and business services.

Contrary to Las Vegas' history, population growth is likely to be moderate and not the driver of economic growth over the next few years. Rather, economic growth will drive population for the next few years. Tourism and gaming remain the driving force behind the region's economic growth. Southern Nevada is expected to see as many visitors as it did just before the Great Recession. But while the visitor count is up, gambling revenue is down significantly from five years ago. The national economy will need to expand further before gambling revenues rebound.

However, there have been several recent announcements, involving major projects planned or under construction, that will help with the area's continued recovery, including:

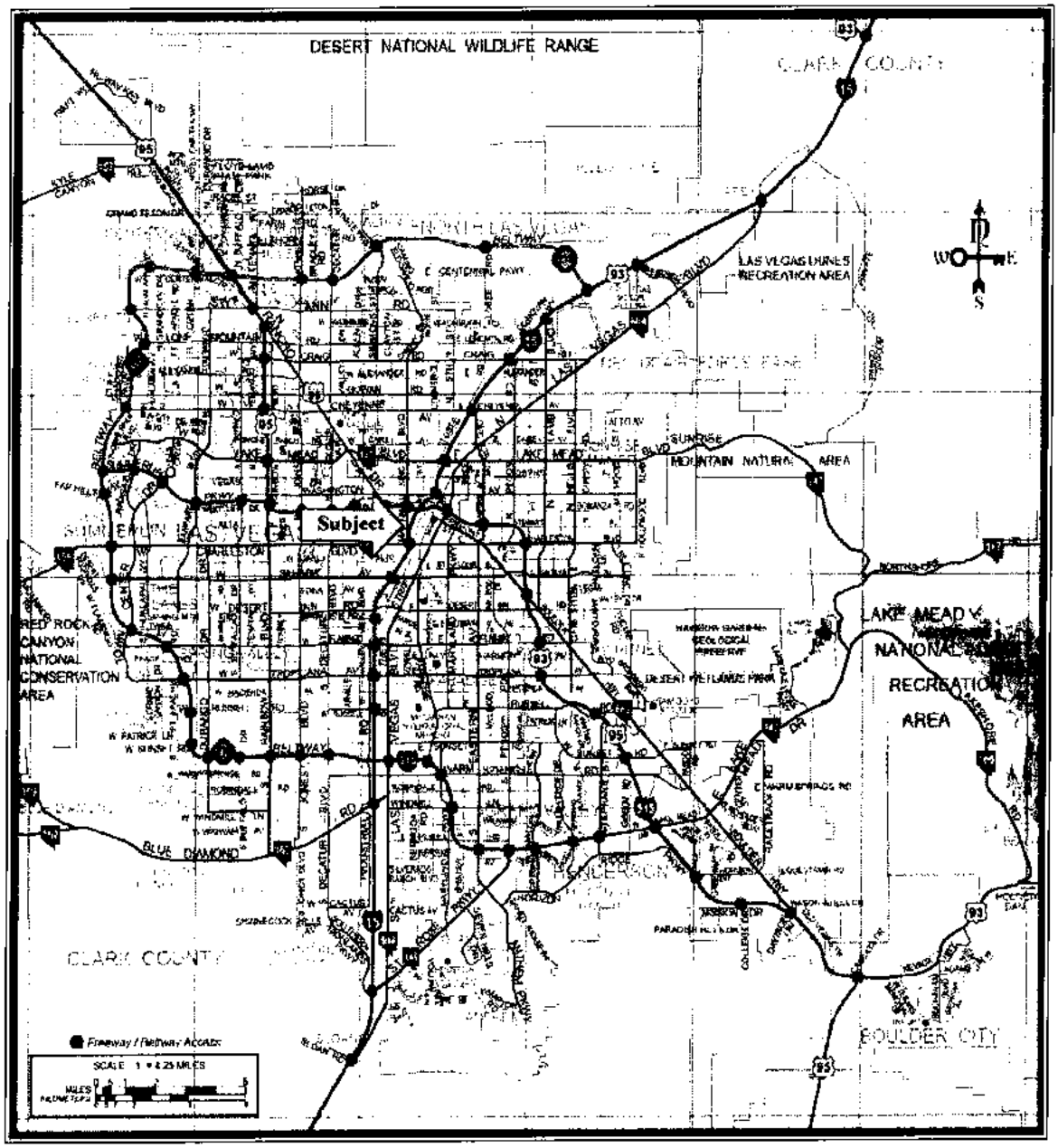
- In February, the Las Vegas Convention and Visitors Authority unveiled plans for the Las Vegas Global Business District, an overarching vision for the Las Vegas Convention Center and the surrounding area. The preliminary cost for the project is $2.5 billion and will be completed in phases. This will be the first major expansion of the 54-year-old Las Vegas Convention Center in more than a decade. The LVCVA plans to issue up to $150 million of commercial paper to fund phase one elements.
- In March of 2013, Malaysia-based Genting Group purchased the Echelon site on the Las Vegas Strip from Boyd Gaming and then announced that a multi-billion dollar Asian-themed resort complex will be constructed on the site. Resorts World Las Vegas will include 3,500 rooms, luxury dining and shopping and a half million square feet of convention space on the 87-acre site. A replica of the Great Wall of China and more than 300,000 feet of pool and water features are also planned. It is expected to open in 2016.

- Los Angeles-based SBE Entertainment Group has broken ground on a $415 million transformation of the former Sahara Hotel on the north end of the Las Vegas Strip into the SLS Las Vegas Hotel & Casino. They intend to open in the fall of 2014 with over 1,600 rooms, a casino, four nightclubs, a 10,000-square foot branch of Los Angeles clothing store Fred Segal and restaurants including branches of The Bazaar by Jose Andres, Katsuya by Starck, The Griddle Café and Umami Burger. The Sahara operated on The Strip for 59 years and was seen as something of an iconic property as one of the last remaining Rat Pack casinos.
- MGM Resorts International and AEG recently announced plans for a 20,000-seat arena to be located west of the Las Vegas Strip between New York-New York and Monte Carlo resorts. The company is also rebranding THEhotel at Mandalay Bay into Delano Las Vegas, which will open in early 2014, and renovating several of its properties, including Mandalay Bay, MGM Grand, The Mirage and Bellagio. MGM Resorts alone will spend more than $300 million in renovating their resorts in 2013. When combined with its partners' investments, the company anticipates the investment to be more than $450 million.
- Caesars Entertainment announced details of Gansevoort Las Vegas, a new boutique resort and casino to be located on the former site of Bill's Gamblin' Hall & Saloon. The $185 million renovation project is a collaboration with New York-based luxury hotel brand Gansevoort Hotel Group and nightlife promoter Victor Drai featuring the 65,000 square-foot indoor/outdoor Drai's Beach Club and Nightclub. The project is scheduled to open in early 2014.
- Caesars is also continuing work on its more than $500 million dining, shopping and entertainment district The LINQ, which will feature the world's largest observation wheel, the 550-foot high Las Vegas High Roller. The company is also undergoing major projects at its other properties, including the recent opening of the Nobu Hotel at Caesars Palace and unveiling renovations at The Quad, formerly the Imperial Palace.
- The Shops at Summerlin, a stalled retail hub that embodies Las Vegas' building bust, is back on track for construction with an anchor tenant and scheduled to open in the fall of 2014. Developer Howard Hughes Corp. has announced that Macy's will be the first anchor at the planned retail district formerly known as the Shops at Summerlin Centre. The retail district near Red Rock Resort will have more than 125 stores and restaurants with open-air pedestrian walkways and outdoor dining. It will be a part of a 106-acre, 1.5 million-square-foot development that will include hotel and retail space and a nine-story office building. The project is expected to provide roughly 1,700 construction jobs and 2,000 permanent jobs when fully open.
- In recent years, other investments have shown the confidence in Las Vegas. The $2.4 billion Terminal 3 at McCarran International Airport, the $470 million The Smith Center for the Performing Arts, the $42 million Mob Museum, and the $3 million renovation and opening of the Neon Museum show that Las Vegas is moving forward.

In summary, the Southern Nevada economy is showing uneven signs of a long-awaited recovery. During the downturn, Southern Nevada lost almost 100,000 jobs in a single year.

It has since added back more than 34,000 jobs and the area's employment rate is now exceeding national averages. Nearly every sector of the state's economy is contributing to this recovery, which is a sign of this area's economic resiliency. We anticipate continued slow improvement in the Southern Nevada's economy based on the idea that gradually improving economic conditions elsewhere in the world will benefit Southern Nevada, which is still one of the premier tourist destinations in the world. Fortunately, the Las Vegas hospitality and leisure industry is steadily improving and adding jobs. A strengthening in national economic activity should continue to help the area's tourism, hospitality and gaming sectors, which will drive the Las Vegas economy through 2013.

AREA MAP


DESERT NATIONAL WILDLIFE RANGE
CLARK COUNTY
LAS VEGAS DUNES RECREATION AREA
MOUNTAIN NATURAL AREA
Subject
RED ROCK CANYON NATIONAL CONSERVATION AREA
LAKE MEAD NATIONAL RECREATION AREA
BLUE DIAMOND
BOULDER CITY
CLARK COUNTY
W
E
S

MARKET AREA ANALYSIS

The subject is located in the Downtown area of Las Vegas. For purposes of this report, the market area boundaries are best described as follows:

North:	Interstate – 515 (I-515)
South:	Sahara Avenue
East:	Maryland Parkway
West:	Interstate-15 (I-15)/Martin Luther King Boulevard

A map highlighting these boundaries follows this section. The market area is predominately the Downtown Central Business District (CBD) of Las Vegas. The area is influenced by the downtown gaming district, Federal, County and City courthouses and the Las Vegas Redevelopment Agency.

TRANSPORTATION AND ACCESS

The major traffic arterials throughout this area are predominantly on an east/west grid pattern. These arterials are Sahara Avenue, Charleston Boulevard, Bonneville Avenue, Fremont Street and Interstate 515 (I-515). Major north/south arterials are Martin L. King Boulevard, Interstate 15 (I-15), Main Street, Casino Center Boulevard, Fourth Street, Las Vegas Boulevard and Maryland Parkway.

Transportation facilities serving the neighborhood include public bus and taxi services. Many of the hotels, both Downtown and on the Strip, which is a few miles south of the subject, provide their own limousine and transportation services. This service is also provided to McCarran International Airport, which is roughly a 10 to 15 minute drive from the subject. The Greyhound Bus and Amtrak depots are within the subject neighborhood. Amtrak provides train service to Los Angeles, California and Salt Lake City, Utah. The Downtown Transportation Center and the Bonneville Transit Center are also located within the area.

The subject neighborhood is served by various intra- and inter-neighborhood access routes through the neighborhood. The majority of streets within the neighborhood and the streets which cross the neighborhood are paved.

UTILITIES

All normal utilities are available to the neighborhood. Currently, the basic utilities are underground with the exception of power and telephone lines that are overhead in some portions of the market area.

LAND UTILIZATION

The area is comprised of mixed land uses, including single-family and multifamily residential uses, commercial uses and industrial uses. The northwestern portion of the neighborhood along I-15 is developed with industrial-type uses, including Ready-Mix Concrete and Haycock Oil.

Most commercial development within the area has occurred along the primary traffic corridors, with the interior streets being predominately developed with single-family and apartment uses.

The north half of the market area is situated within the Downtown Las Vegas Business and Gaming Districts (CBD). This area is characterized by tourist-oriented commercial facilities, professional office buildings and government office and courthouse buildings. The CBD is one of the major employment centers for the market area. Most major hotel and casino complexes are located in this area along Fremont Street, between Main Street & Third Street.

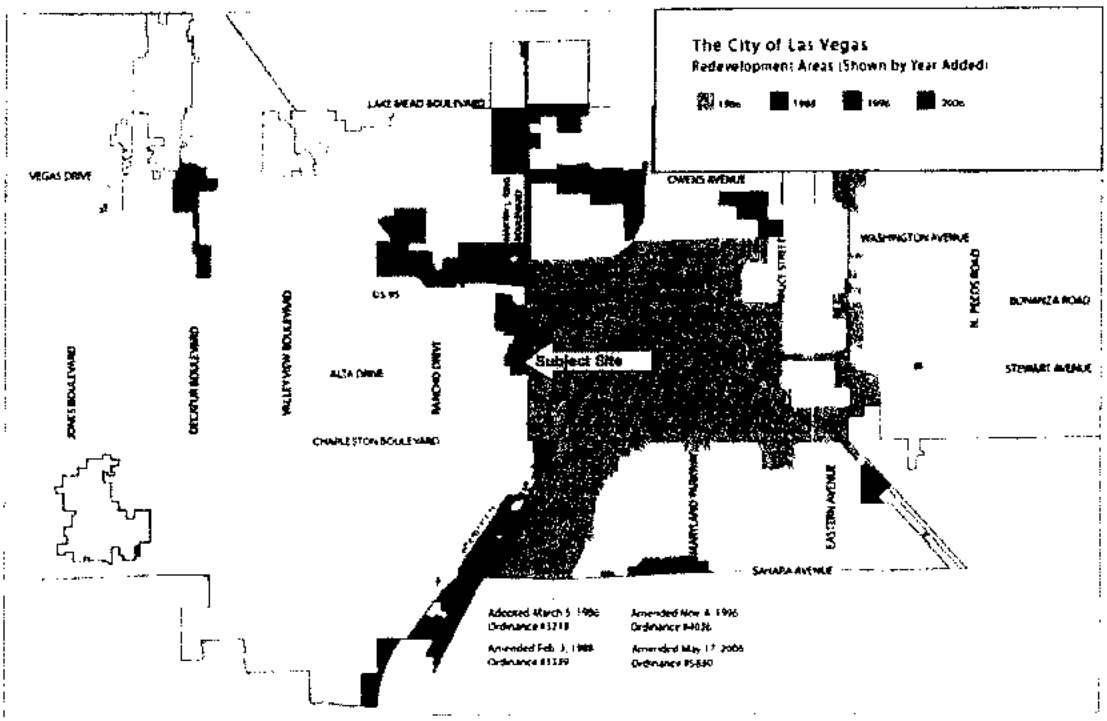
Commercial developments are interspersed along Sahara Avenue, Charleston Boulevard, Bonanza Road, Las Vegas Boulevard, Main Street and Martin L. King Boulevard. The major commercial retail development for the area is the Las Vegas Premium Outlets, which is located just east of the subject. This center is one of the flagships for the Las Vegas Downtown Redevelopment Agency.

Public facilities located within the area include the Las Vegas City Hall, the Clark County Courthouse, the Foley Federal Building, the Lloyd D. George Federal Courthouse and the central fire station facility. Clark County's jail facility is on the corner of Lewis Avenue and Casino Center Boulevard.

Recreationally, the area includes a variety of city-maintained parks and museums. The principal recreational attraction is the Cashman Field and convention facilities, home of the Las Vegas Stars 51's baseball team. The Lied Discovery Children's Museum and the Las Vegas Museum of Natural History are also located within this portion of the market area.

DOWNTOWN REDEVELOPMENT PLAN

The subject is situated in the redevelopment area that was added in 2006. The following map identifies the Downtown Redevelopment Area and indicates the years that each area was added to the plan.



The Downtown Redevelopment Agency was created in 1985. This has basically been a financial partnership that revolved around the casinos contributing millions of dollars and the city putting the money into construction projects, mostly commercial in nature, intending to rejuvenate the area. The record of several of those projects has been lackluster at best. The record of others has been much more favorable.

The panel's first completed project was Neonopolis, a $100 million entertainment and shopping center adjacent to the Fremont Street Experience that was scheduled to open in the fall of 2000. The city contributed $30 million for land acquisition and a parking garage. Proponents described the project as key to the city's redevelopment efforts. A ground breaking ceremony was held in December 2000 and a soft opening with approximately 50% of the space leased and occupied occurred in May 2002. This facility, which was slow to take off and sold for $25,000,000 in March of 2006, is starting to show signs of improvement.

What has been a major success is the City's Symphony Park development. This is a 61-acre mixed-use urban community located on the west side of UPRR tracks and east of I-15, which is just east of the subject property. The master plan for Symphony Park identifies four distinct districts, organized in a series of small urban blocks with pedestrian-friendly accessibility and featuring street-facing retail and restaurants throughout the community. The districts are: the Civic District (includes The Smith Center for the Performing Arts and the park), the Specialty District (plans for hospitality, specialty retail, and a hotel/casino), the Residential District (urban neighborhoods with a mix of high-rise, town homes, live/work condominiums and mid- and low-rise residences), and the Medical Office District (anchored by the Cleveland Clinic Lou Ruvo Center for Brain Health with other office and clinic space).

The first phase of infrastructure improvements was completed in 2009 and two key anchors of this community have finished construction. The Cleveland Clinic Lou Ruvo Center for Brain Health was completed in May 2010 and The Smith Center for the Performing Arts opened on March 10, 2012.

The Frank Gehry-designed building of the Cleveland Clinic Lou Ruvo Center for Brain Health is dedicated to advance the research, early detection and treatment of neurodegenerative diseases, such as Alzheimer's, Huntington's, Parkinson's and ALS. It started seeing patients in July 2009 with the Event Center still under construction. The entire building is now complete.

The city donated the 4.75-acre site for The Smith Center, a planned multi-theatre complex with a main theatre seating 2,050 audience members. The center offers a blend of performances by local arts groups as well as first-run touring attractions. It features music, theatre and dance companies from all over the world and is home to the Las Vegas Philharmonic and Nevada Ballet Theatre. This facility is the first regional performing arts center in the Las Vegas Valley.

On August 11, 2010 officials from the Lied Discovery Children's Museum and The Smith Center for the Performing Arts announced a $56 million gift from the Donald W. Reynolds Foundation to the Las Vegas Performing Arts Foundation that would be used to construct the future home of the Discovery Children's Museum in Symphony Park. This 58,000-square-foot building with interactive exhibits and a parking garage were added to the area in 2012.

Also in the area is World Market Center Las Vegas. This development is located at 495 S. Grand Central Parkway. The first phase of this home furnishings complex, a 1.3 million square foot showroom, was completed in 2005. Phase two added a 16 floor building with 300 showrooms comprising 1.6 million square feet. Phase three opened in July 2008 and consists of 2.1 million square feet housing 400 showrooms on 16 floors. In conjunction with the opening of the third building, a $60-million, seven-story parking garage with 175,000 square feet on each level also opened. The parking garage accommodates 3,600 vehicles and allows for up to 15 levels with future phases.

World Market Center Las Vegas hosts the semiannual Las Vegas Market furniture trade shows, attended by an estimated 100,000 national and international furniture buyers and representatives each year. However, this development was not immune to the recession and a receiver was appointed to take over, which resulted in the investment firms Bain Capital Partners and Oaktree Capital management taking a majority ownership and creating a holding company called International Market Centers. International Market Centers holds 13 buildings in two cities, with 10.6 million square feet of furniture showrooms as they merged the WMCLV with the High Point Market in High Point, N.C.

Zappos.com, another major addition is relocating its corporate headquarters from Henderson to the old city hall in downtown Las Vegas. Construction is being completed and the company has already started to move in. Zappos.com CEO Tony Hsieh plans to spend $350 million to develop and build properties in the downtown area, with $100 million toward land purchases and building acquisition. An additional $100 million will go toward residential development, $50 million toward tech startups, $50 million toward small business and $50 million to education. According to newspaper reports, as of March 2013, $93 million had already been spent with about 90 parcels purchased, which totals about 50 acres. Purchases include apartment buildings, motels, casinos, land and the site of the recently opened Container Park.

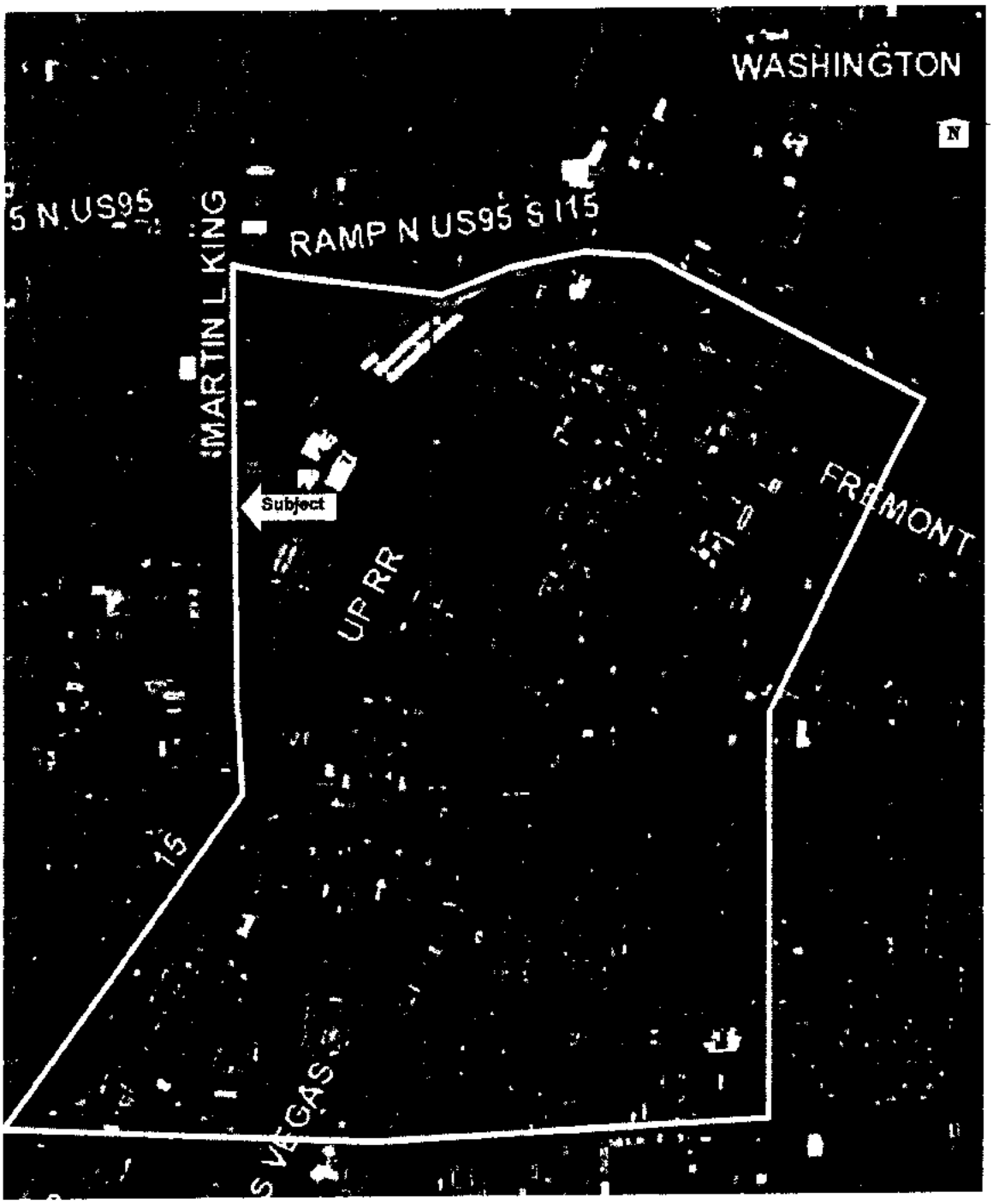
The subject of this report is also a recently completed major development that has been added to the Downtown market area.

CONCLUSION

The Downtown area of Las Vegas has not been immune to the problems with our national economy. The Ogden (previously Streamline Tower), as well as SoHo Lofts, Newport Lofts, Juhl and Allure did not have the sales they originally hoped for. However, these buildings are now filling up and even the first-floor retail spaces in these buildings are being leased. I found that approximately 30 new restaurant, bar and lounge projects are under construction in the Ogden, the Fremont Street East entertainment district and Neonopolis. In addition, several other projects have been completed and/or announced. And most importantly, the Las Vegas hospitality and leisure industry is improving, which, as usual, drives the Las Vegas economy.

Therefore, with an improving economy, Zappos.com commitment and the Downtown Redevelopment Agency continuing to encourage and support growth in this area, the market area should see a strengthening base with new developments being added in the coming years. But we must continue to monitor the national and local economies carefully as this area's recovery has been uneven and still has areas that are struggling.

MARKET AREA MAP



OFFICE MARKET ANALYSIS

Southern Nevada's office market was showing slow and steady improvement. However, while the good news was that there was over 500,000 square feet of positive net absorption, without two build-to-suit projects, net absorption would have been negative 63,505 square feet. While positive net absorption is what this sector needs, this last quarter does not point to a recovering market. Vacancy decreased slightly to 22.3%, which matches the previous low in the first quarter of 2013, new completions totaled 575,231 square feet and asking lease rates decreased to $1.87 per square foot on a full service basis.

The positive net absorption was delivered by two major build-to-suit projects that were completed. The first is the Zappos.com renovation of Las Vegas' old city hall into their new corporate headquarters. The 295,753 square foot Class A building was occupied a quarter earlier than expected, and came at a cost of approximately 74,000 square feet of occupied Class B office space in the Henderson submarket. The other completion was the United Brotherhood of Carpenters new 264,478 square foot Class B office in the Airport submarket.

While the majority of the forward supply in the office market was again in the Downtown submarket (473,953 square feet under construction), new projects are beginning to spread through the Valley: 47,000 square feet planned or under construction in Henderson, 200,000 square feet under construction in the Northwest and 200,000 square feet under construction in the Southwest submarket. About 27% of that space is build-to-suit projects and most of the speculative space (471,000 square feet) that is planned or under construction is slated for completion in 2014.

While office vacancy declined from last quarter, it has been generally flat since the fourth quarter of 2012. This has taken place while the market has absorbed 235,714 square feet of office space, not including completed build-to-suit projects, and lost approximately 1,900 office sector jobs. Over the same period, gross absorption has averaged 1.4 million square feet per quarter. In comparison, vacancy decreased 1.3 points between the 1st and 4th quarters of 2012. This period saw 582,418 square feet of positive net absorption, no build-to-suit projects and 6,300 new office jobs. This suggests that the issue facing the Southern Nevada office market in 2013 is one of retention. The trend of office tenants downsizing and going out of business that appeared to have ended in 2012 may be reemerging in 2013.

The Downtown submarket continually posts the lowest vacancy rate (13.3%). All other submarkets are between 22% and 24.7%. However, despite these high numbers, six of the eight submarkets saw their vacancy rates fall. Two saw their vacancy increase, Henderson and North Las Vegas, due to the Zappos.com move and the loss of occupation in Class C office product as tenants move to the less expensive Class B properties. However, a new call center recently announced that they are moving into the old Zappos.com space in Henderson.

Vacancy in Class A office stood at 27.2% in the third quarter 2013, down from a high of 33.3% in the second quarter of 2011 and down from the 30.4% vacancy recorded in the third quarter of 2012. Class B saw vacancy decrease by 1.7 points to 20.8% while Class C office space increased vacancy by 0.7 points to 21.9%. With the private-public partnership buildings in Downtown near completion, it appears the government's desire for new office product is cooling. The IRS is downsizing Downtown by nearly 40,000 square feet. However, residential development is bringing developers, mortgage and title companies to look for large portions of office space outside their own properties. And, while call center interest is still there, several insurance companies are downsizing. The overall result is what has been prevalent over the past year, stagnation in the office market.

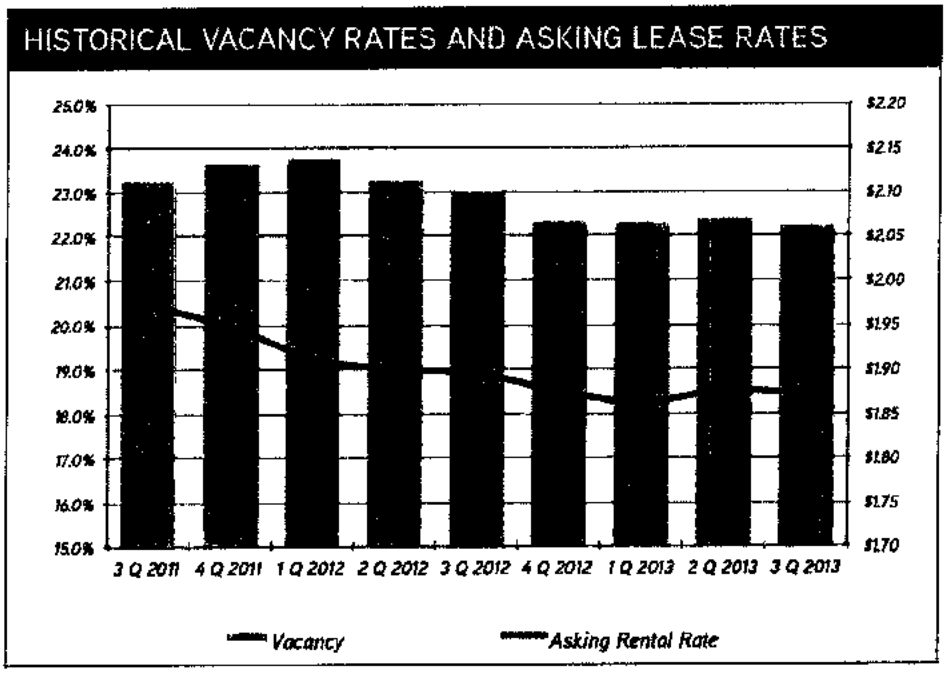
The third quarter of 2013 posted the highest quarterly net absorption in 2013, at 506,726 square feet. However, this was mainly due to the completion of the previously mentioned Downtown and Airport submarket build-to-suit projects. This is not indicative of across the board interest or demand in the office market and doesn't preclude that we are in the midst of an office recovery. There was positive net absorption in six submarkets while two reported negative net absorption. These figures indicate that for the past three years looking at the data, the office market has toed the line between a recovery and stagnation.

Quarterly gross absorption, which had been slipping since the 4th quarter of 2012, reached almost 2 million square feet in the last quarter, the highest level of gross absorption recorded since the beginning of the Great Recession. When it is averaged for each year on a quarterly basis, gross absorption has been increasing each quarter. In 2009, it averaged 920,000 square feet per quarter and in 2013, it has measured 1,440,000 square feet per quarter.

As for office deals in 2013, the most active industries have been health services, real estate services and engineering and management. The recovery of real estate services and financial services companies occurred when those sectors were gaining jobs but July employment figures show a year-over-year loss in financial activities jobs. Local companies took about 65.9% of this space, while national companies took about 20.6% and regional companies 13.6%. This also explains why recovery has been so difficult. While national companies are looking at Southern Nevada to expand or join our market, they have generally declined to pull the trigger on actually leasing or buying space.

The weighted average asking rental rate decreased to $1.87 per square foot on a full service gross basis this quarter over the second quarter of 2013's $1.88 per square foot asking rate. This was a decrease of $0.03 from four quarters ago. The general trend has been one of slow declines. It is predicted that this decrease will continue over the coming quarters due to the extremely high vacancy rates. However, 2013 has seen effective rental rates generally matching asking rates, which suggests that those expected future decreases in asking rates will not be significant.

The pace of investment sales in 2013 is up from 2012. Investment sales have amounted to $475.6 million dollars of sales volume so far in 2013, with 2,551,000 square feet selling at an average sales price of $186.79 per square foot. Most of the sales volume was the result of the 1.35 million square foot Hughes Center campus to Blackstone Group. Properties offered for sale as investments had an average cap rate of 7.8% in 2013, down from 8.2% in 2012. Distressed investment sales represented approximately 9% of total sales volume so far in 2013, with 307,000 square feet of distressed office selling as investments at an average price of $82.06 per square foot. Compare this to last quarter when distressed sales made up a larger portion of all sales (13%) and were sold at an average price of $52.49 per square foot. This indicates that the amount of distressed office product is shrinking in the valley.



Source: Q3 2013 Colliers International Office Report

In the following tables, we have compiled summaries of the last five quarters from Las Vegas Office Quarterly Market Reports prepared by Colliers International. Their report outlines the entire Las Vegas Valley office market and then segments it into eight submarkets. The subject is located in the Downtown submarket. Supply and demand indicators in the entire Las Vegas Valley are presented below.

Office Market	3rd Qtr. 2012 Total Las Vegas Market	4th Qtr. 2012 Total Las Vegas Market	1st Qtr. 2013 Total Las Vegas Market	2nd Qtr. 2013 Total Las Vegas Market	3rd Qtr. 2013 Total Las Vegas Market
Number of Properties	2,010	2,010	2,012	2,013	2,018
Total Rentable Square Feet	40,178,548	40,178,548	40,220,671	40,230,671	40,805,902
Vacant Square Feet Current Quarter	9,262,718	8,984,513	8,973,455	9,015,622	9,084,127
Percent Vacant Current Quarter	23.1%	22.4%	22.3%	22.4%	22.3%
New Inventory (SF) Current Quarter	67,692	-	42,123	10,000	575,231
Net Absorption (SF) Current Quarter	146,239	278,205	53,181	(32,167)	506,726
Under Construction (SF) Current Quarter	546,123	500,323	562,771	753,431	920,953
Planned Construction (SF) Current Quarter	320,820	344,000	244,000	342,818	22,000
Average Lease Rate (FSG)	$ 1.90	$ 1.87	$ 1.86	$ 1.88	$ 1.87

SUBMARKET COMPARISON ANALYSIS

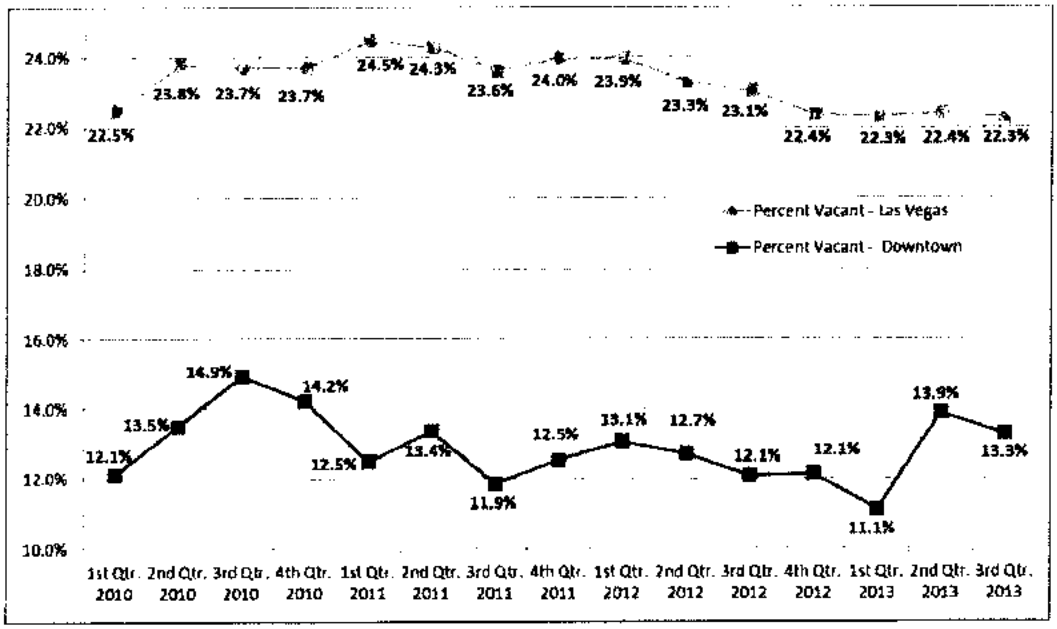
Again, the subject is located in the Downtown submarket. Key supply and demand indicators for all classes of space in this submarket are displayed in the table below.

Office Market	3rd Qtr. 2012 Downtown Submarket	4th Qtr. 2012 Downtown Submarket	1st Qtr. 2013 Downtown Submarket	2nd Qtr. 2013 Downtown Submarket	3rd Qtr. 2013 Downtown Submarket
Number of Properties	117	118	118	120	127
Total Rentable Square Feet	4,192,128	4,192,128	4,193,128	4,203,128	4,596,009
Vacant Square Feet Current Quarter	506,938	509,084	465,812	583,118	610,363
Percent Vacant Current Quarter	12.1%	12.1%	11.1%	13.9%	13.3%
New Inventory (SF) Current Quarter	-	-	-	10,000	295,753
Net Absorption (SF) Current Quarter	23,866	(2,146)	23,003	2,159	268,508
Under Construction (SF) Current Quarter	409,000	458,200	483,953	473,953	473,953
Planned Construction (SF) Current Quarter	49,200	-	-	-	-
Average Lease Rate (FSG)	$ 1.91	$ 1.88	$ 1.89	$ 1.98	$ 1.94

VACANCY RATE TREND ANALYSIS

The data shows that the vacancy rate in the Las Vegas area at the end of the 3rd Quarter 2013 was 22.3%, down 10 basis points from the last quarter, and down 80 basis points from one year ago. In comparison, the vacancy rate in the subject's submarket at the end of the 3rd Quarter 2013 was 13.3%, down 60 basis points from the last quarter; however, up 120 basis points from one year ago.

Going back to the 1st Quarter of 2010 through the 1st Quarter of 2013, the Las Vegas area rate is down 20 basis points from 22.5% to 22.3%, while over the same time period, the subject's submarket has increased 120 basis points from the 1st Quarter 2010's 12.1% to the most recent quarter's 13.3%. The Downtown submarket has historically been below the valley average and in the most recent quarter, the vacancy rate was 900 basis points lower. The following chart shows the rate trends for the Las Vegas area and subject's submarket over the last several years.

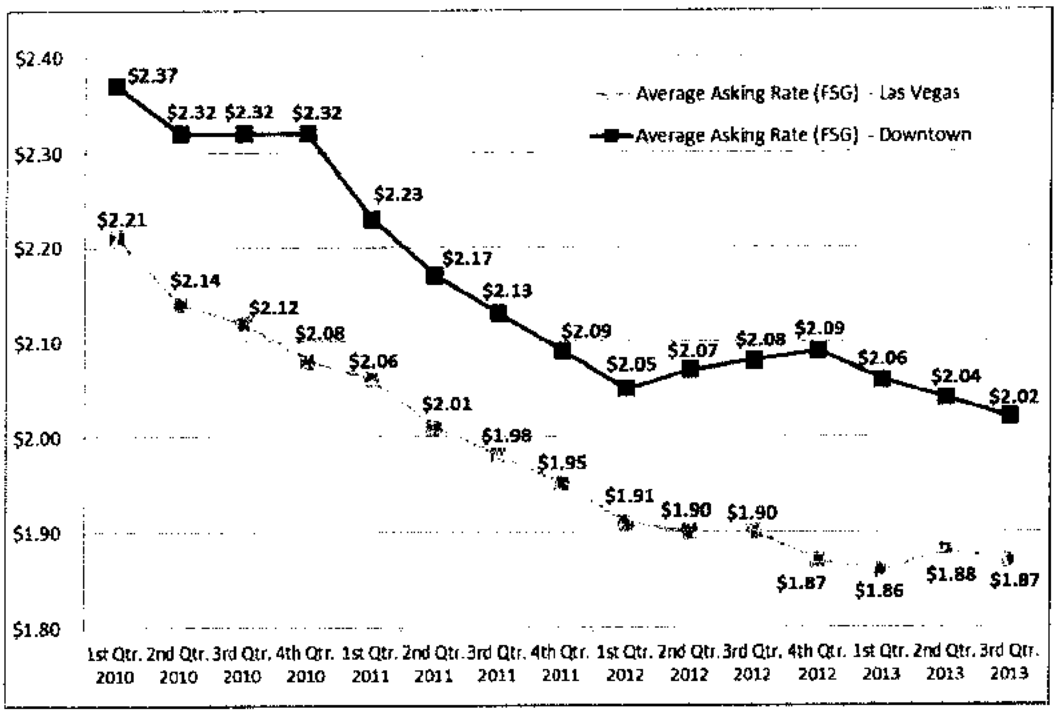


Source: Colliers International Las Vegas Office Quarterly Market Reports, compiled by The DiFederico Group.

RENTAL RATE TREND ANALYSIS

The data shows that the average monthly asking rate, on a full service gross basis, in the Las Vegas area at the end of the 3rd quarter 2013 was $1.87 per square foot, down $0.01 per square foot from the previous quarter and down $0.03 per square foot from one year ago. In comparison, the average monthly asking rate in the subject's submarket at the end of the 3rd quarter 2013 was $2.02 per square foot, which is down $0.02 per square foot from the last quarter, and down $0.06 per square foot from a year ago.

The subject's submarket has historically been above the average Las Vegas rate and is typically one of the two highest submarkets in the valley. At its widest margin, the difference was $0.24 per square foot per month (4th Quarter 2010) while the lowest was a $0.14 per square foot difference (4th Quarter 2011 & 1st Quarter 2012). Since 2010, the rental rate in the Downtown market has averaged $0.18 per square foot above the overall Las Vegas valley. The following chart shows the rate trends for the Las Vegas area and the subject's submarket over the last several years.



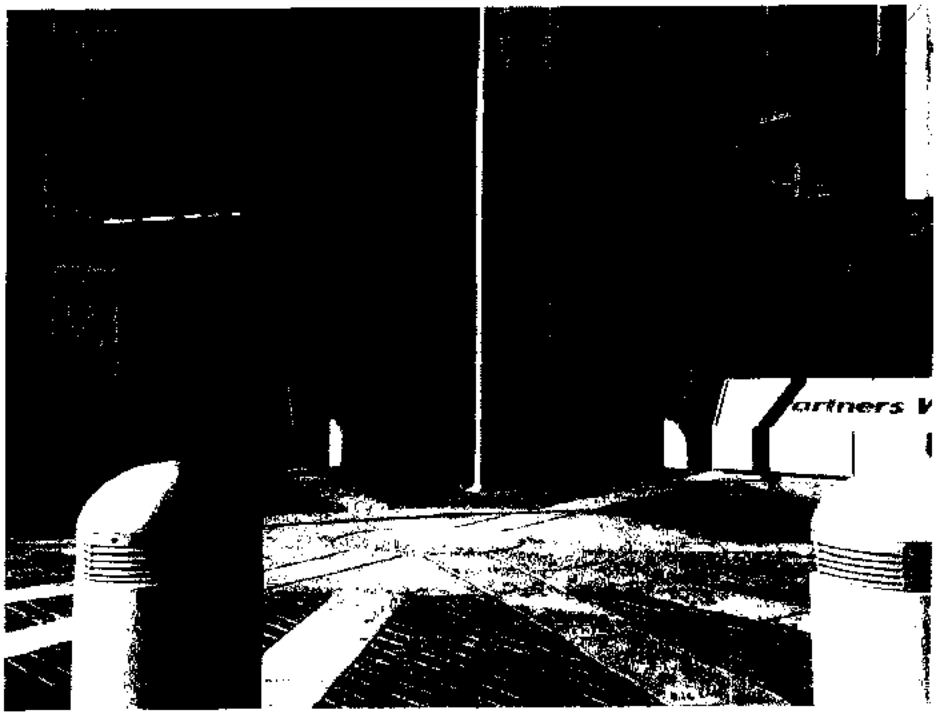
Source: Colliers International Las Vegas Office Quarterly Market Reports, compiled by The DiFederico Group.

OFFICE MARKET CONCLUSION

All signs indicate that the area's office market is still bouncing along the bottom. At some stages, it appears to be entering into a weak and tentative recovery, which can be seen with vacancy rates and asking rental rates appearing to have hit bottom.

A recovering office market should be seeing stronger employment numbers. If businesses aren't hiring, it's not difficult to understand why they aren't leasing up space. And, asking rents are still going down in five of the eight submarkets, including the subject's Downtown submarket. In a strong recovery, asking rents would have bottomed out or be increasing across the board. Net absorption has been positive in four of the past five quarters overall in both the overall market and Downtown submarket. Therefore, the office market and the job growth need to be closely monitored for the next several quarters to understand if we have actually entered the recovery stage.

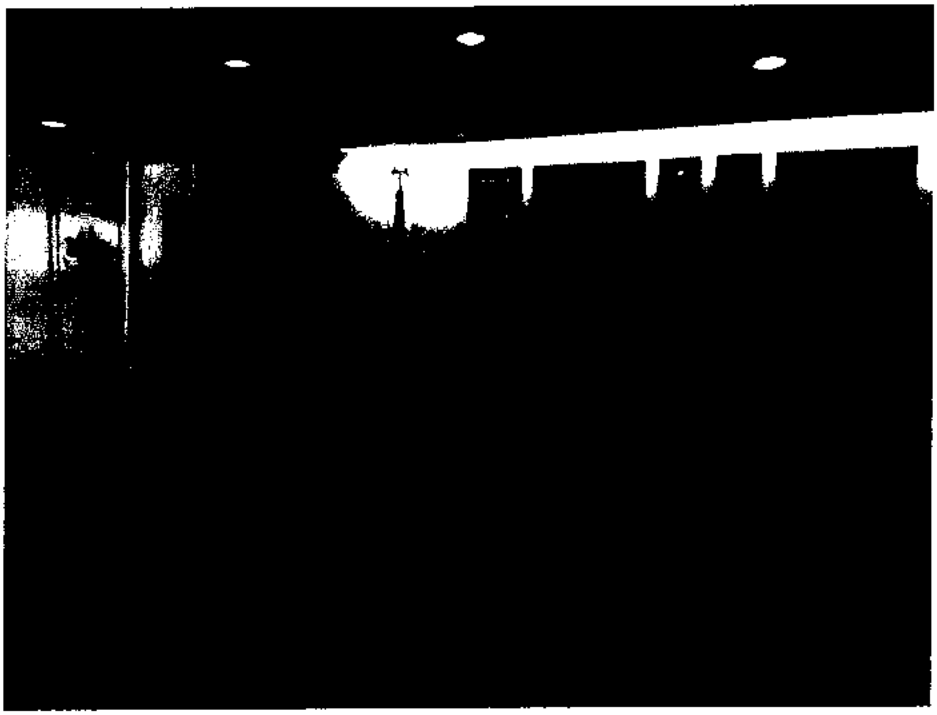
SUBJECT PHOTOGRAPHS



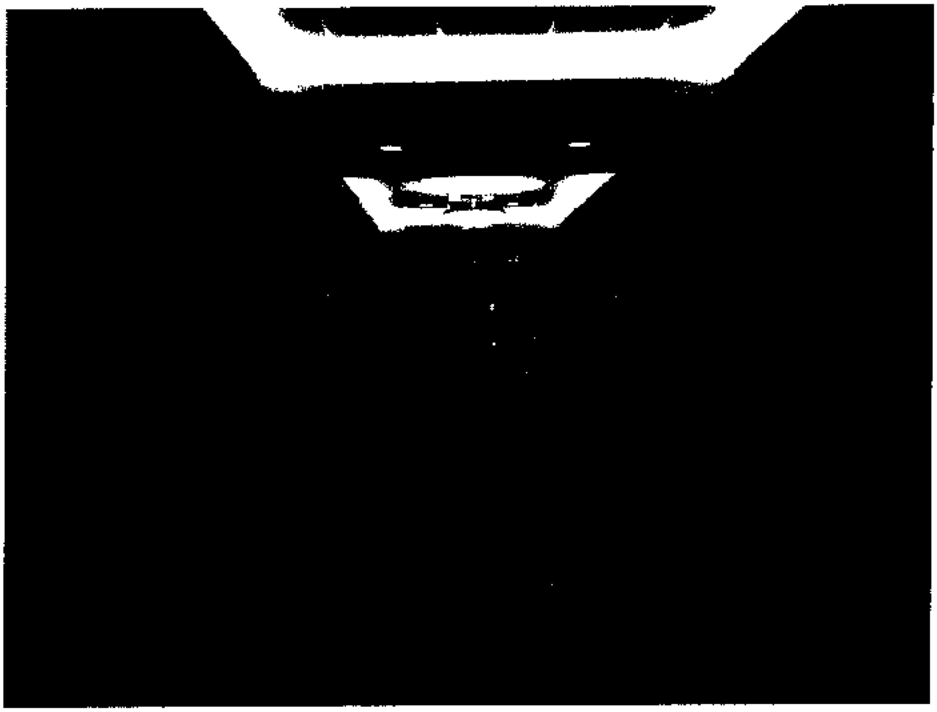
View 1 – Looking west at the main entrance to Building B
(Photo taken on November 15, 2013)

View 2 – Looking from the entrance of Building B towards the public parking area
(Photo taken on November 15, 2013)

SUBJECT PHOTOGRAPHS – CONTINUED

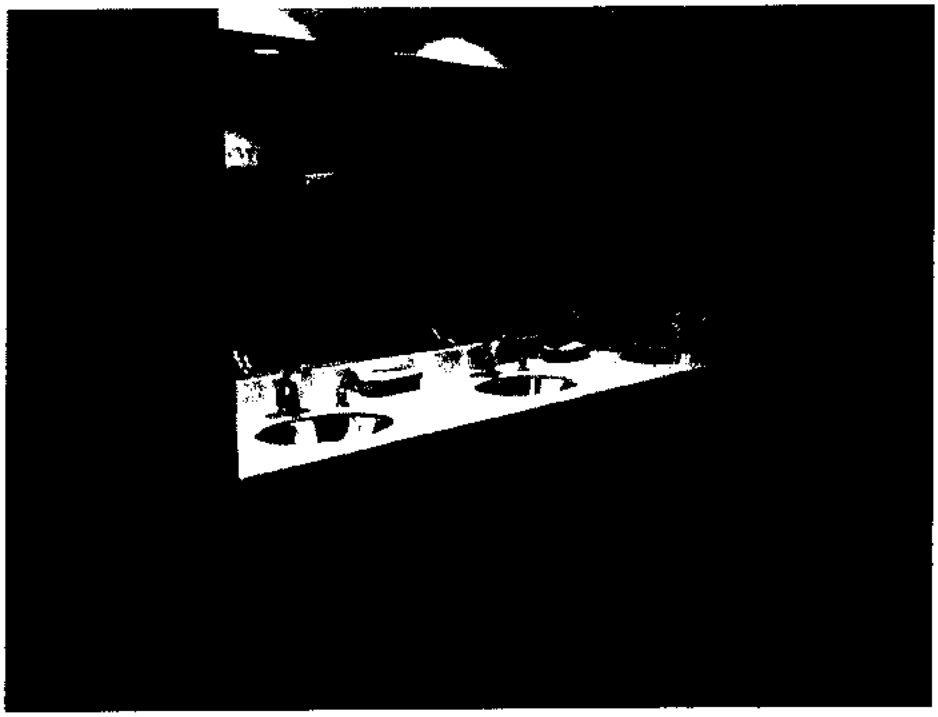


View 3 – Waiting/ Lobby area of Building B
(Photo taken on November 15, 2013)



View 4 – Looking west in a typical hall in the core of Building B
(Photo taken on November 15, 2013)

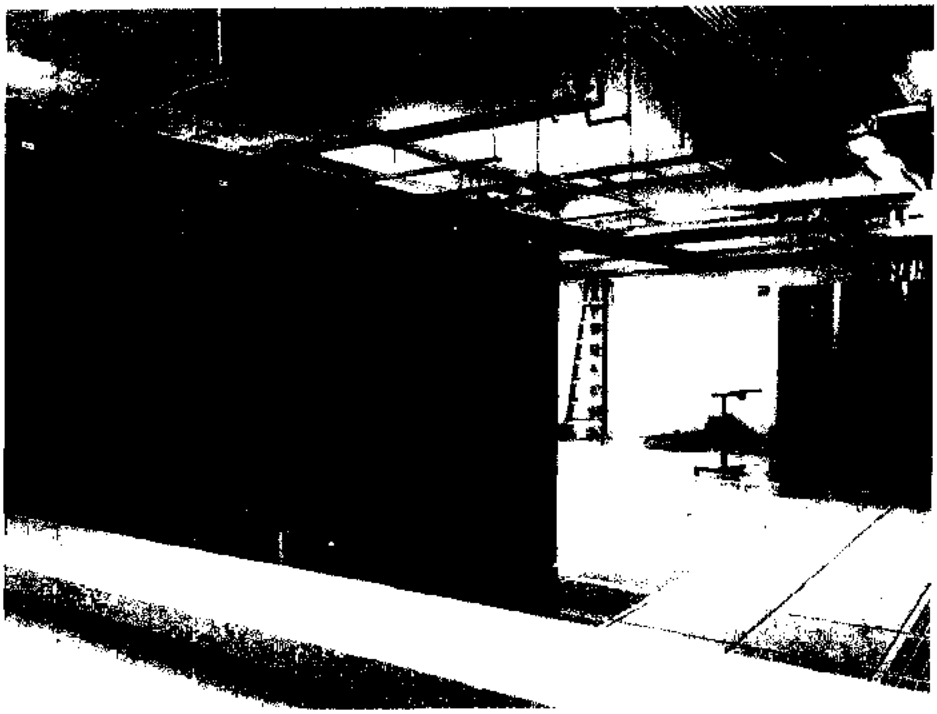
SUBJECT PHOTOGRAPHS – CONTINUED



View 5 – Typical restroom on the first floor in Building B
(Photo taken on November 15, 2013)

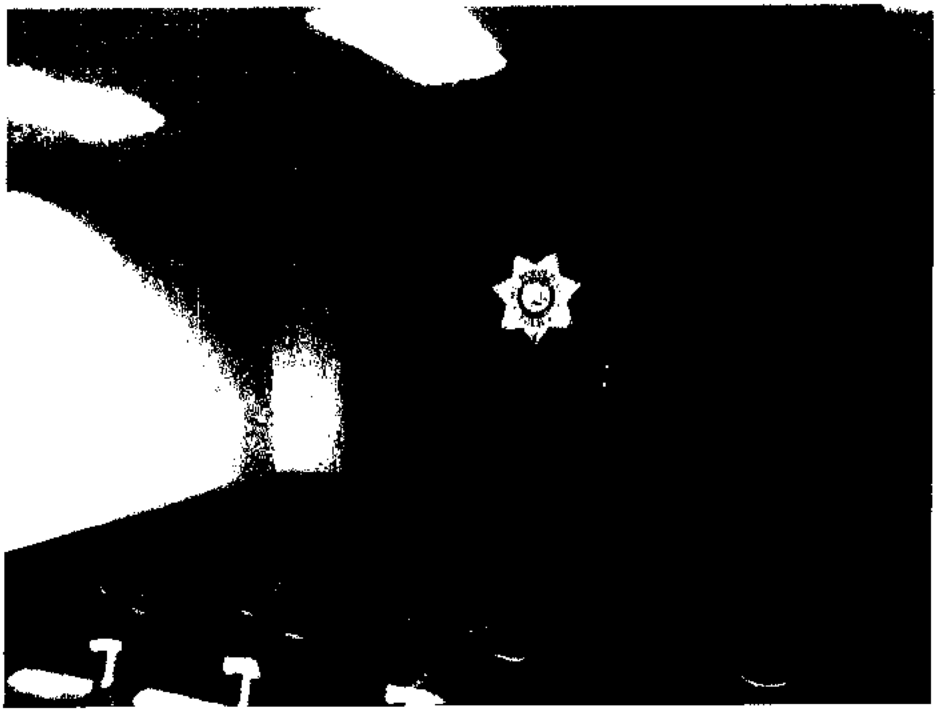
View 6 – Training Room in Building B
(Photo taken on November 15, 2013)

SUBJECT PHOTOGRAPHS – CONTINUED



View 7 – IT Room in Building B

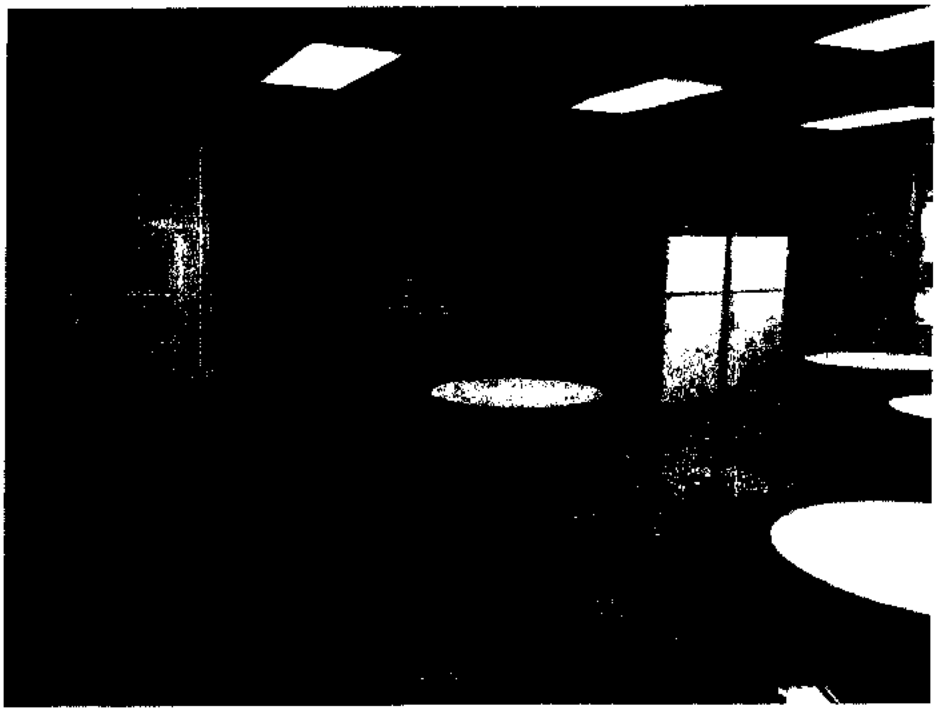
(Photo taken on November 15, 2013)



View 8 – Looking west in the Media Room in Building B
(Photo taken on November 15, 2013)

SUBJECT PHOTOGRAPHS – CONTINUED

View 9 – Typical Locker Room area in Building B
(Photo taken on November 15, 2013)



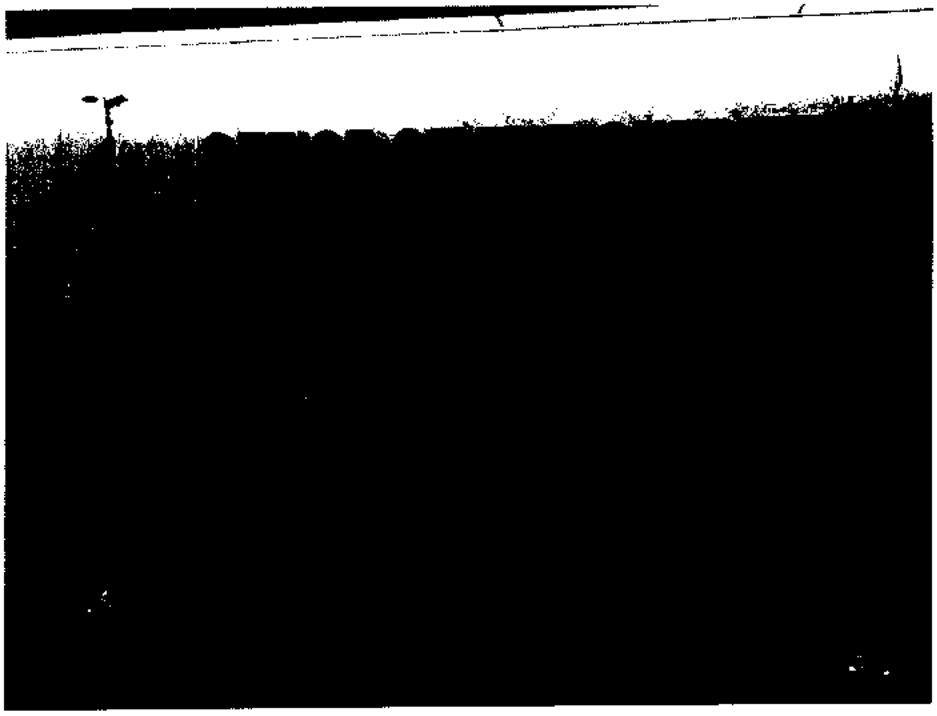
View 10 – Typical Break Area in Building B
(Photo taken on November 15, 2013)

SUBJECT PHOTOGRAPHS – CONTINUED

View 11 – A typical Conference Room Building B
(Photo taken on November 15, 2013)

View 12– Typical Bull Pen Area in Building B
(Photo taken on November 15, 2013)

SUBJECT PHOTOGRAPHS – CONTINUED



View 13 – Entrance to the Sheriff's Office in Building B
(Photo taken on November 15, 2013)

View 14 – Building B's exit to the Courtyard and Parking Structure
(Photo taken on November 15, 2013)

SUBJECT PHOTOGRAPHS – CONTINUED

View 15 – Looking south in the Courtyard between Building B and the Parking Structure (Photo taken on November 15, 2013)

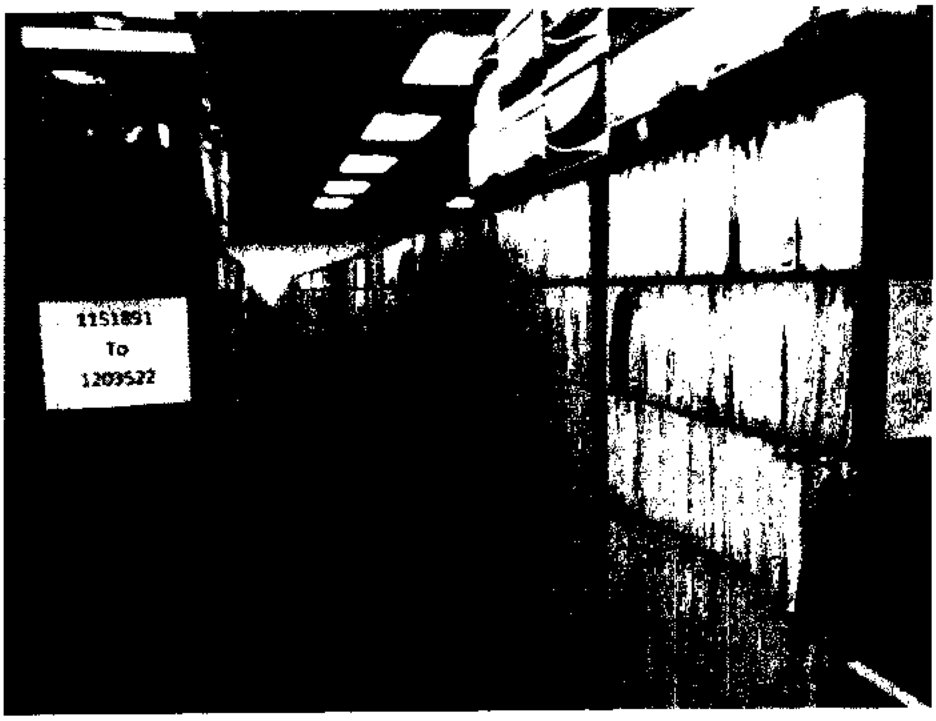
View 16 – Looking northwest a the Parking Structure (Photo taken on November 15, 2013)

SUBJECT PHOTOGRAPHS – CONTINUED

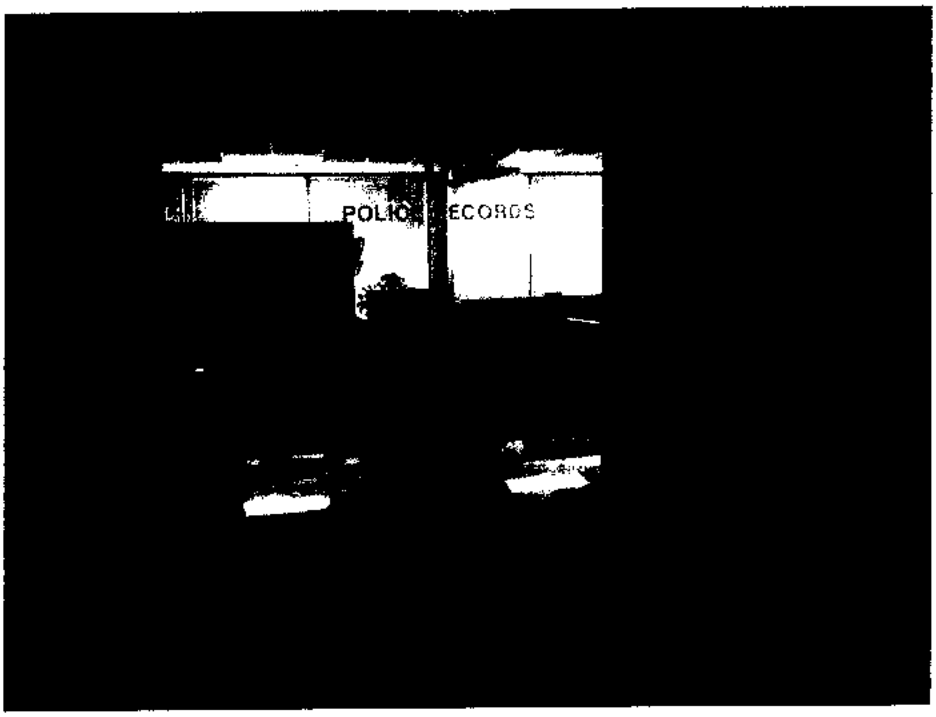
View 17 – Looking northwest at Building B from the parking area
(Photo taken on November 15, 2013)

View 18 – Looking north at Building C from the parking area
(Photo taken on November 15, 2013)

SUBJECT PHOTOGRAPHS – CONTINUED

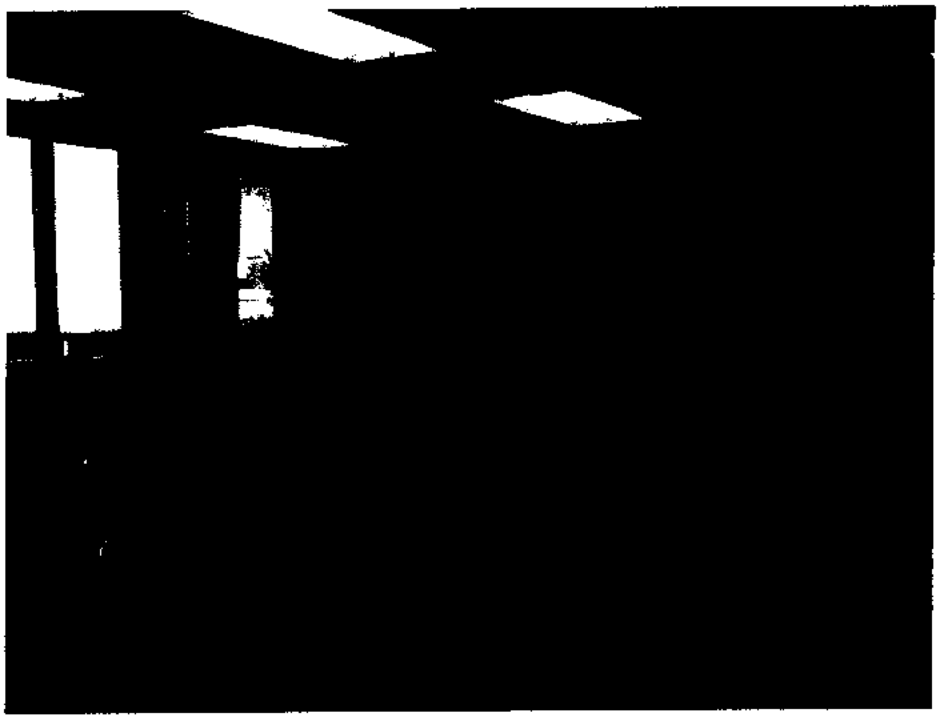


View 19 – Storage area in Building C
(Photo taken on November 15, 2013)



View 20 – Entrance/Lobby area of Building C
(Photo taken on November 15, 2013)

SUBJECT PHOTOGRAPHS – CONTINUED

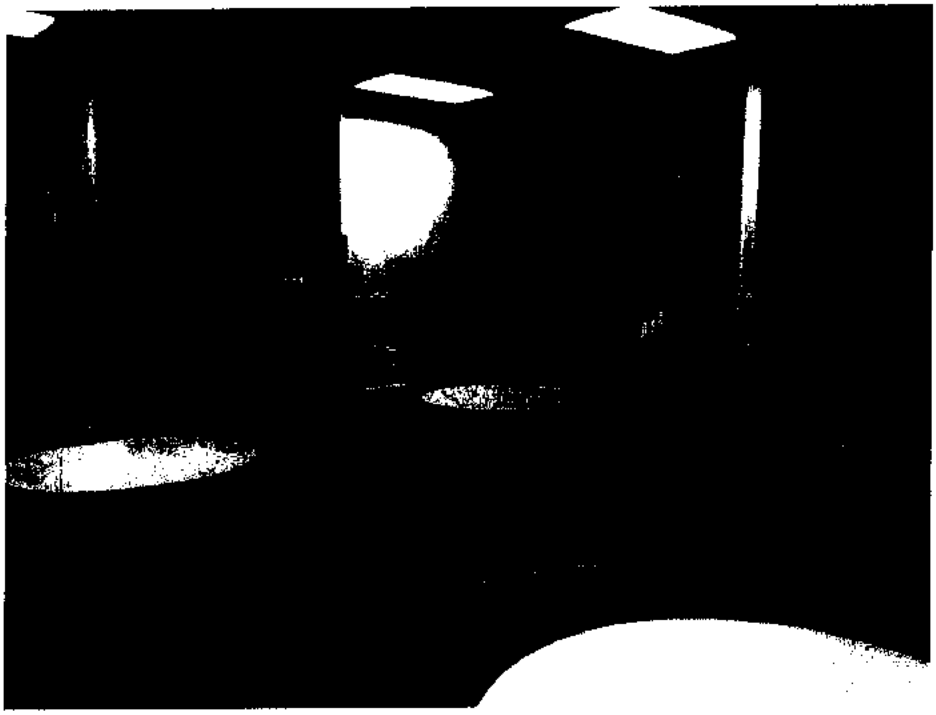


View 21 – Typical Break Room in Building C
(Photo taken on November 15, 2013)

View 22 – Looking southwest at the main entrance to Building A
(Photo taken on November 15, 2013)

SUBJECT PHOTOGRAPHS – CONTINUED

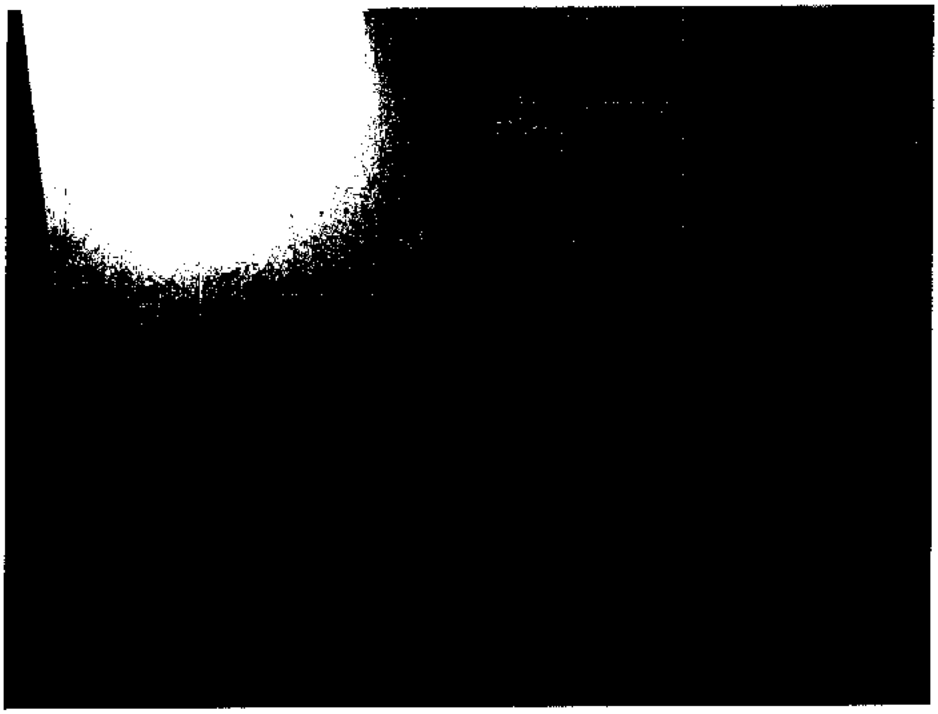
View 23 – Looking west at the area between Buildings A & B
(Photo taken on November 15, 2013)



View 24 – Typical Break Room in Building A
(Photo taken on November 15, 2013)

SUBJECT PHOTOGRAPHS – CONTINUED

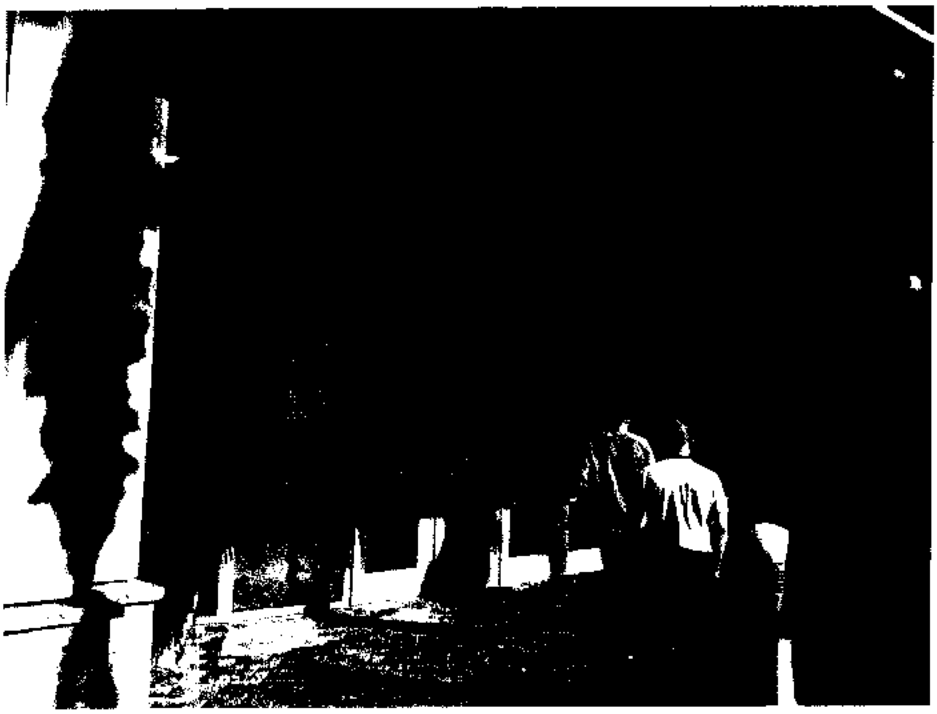
View 25 – Typical Training Room in Building A
(Photo taken on November 15, 2013)



View 26 – Witness Room in Building A
(Photo taken on November 15, 2013)

SUBJECT PHOTOGRAPHS – CONTINUED

View 27 – Suspect Interrogation Room in Building A
(Photo taken on November 15, 2013)



View 28 – Southern entrance to Building A
(Photo taken on November 15, 2013)

SUBJECT PHOTOGRAPHS – CONTINUED

View 29 – Looking north at Building A from Alta (Parking Structure is to the left)
(Photo taken on November 15, 2013)

View 30 – Looking west on Alta (Subject property is to the right)
(Photo taken on November 15, 2013)

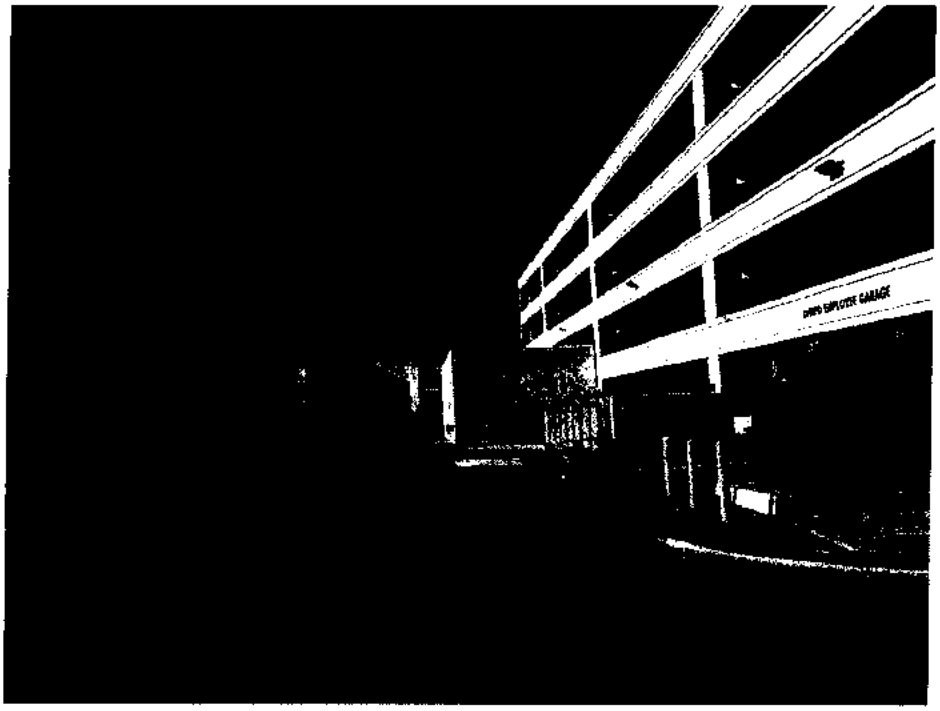
SUBJECT PHOTOGRAPHS – CONTINUED

View 31 – Looking east on Alta towards MLK (Subject property is to the left)
(Photo taken on November 15, 2013)

View 32 – Looking north on MLK (Subject property is to the left)
(Photo taken on November 15, 2013)

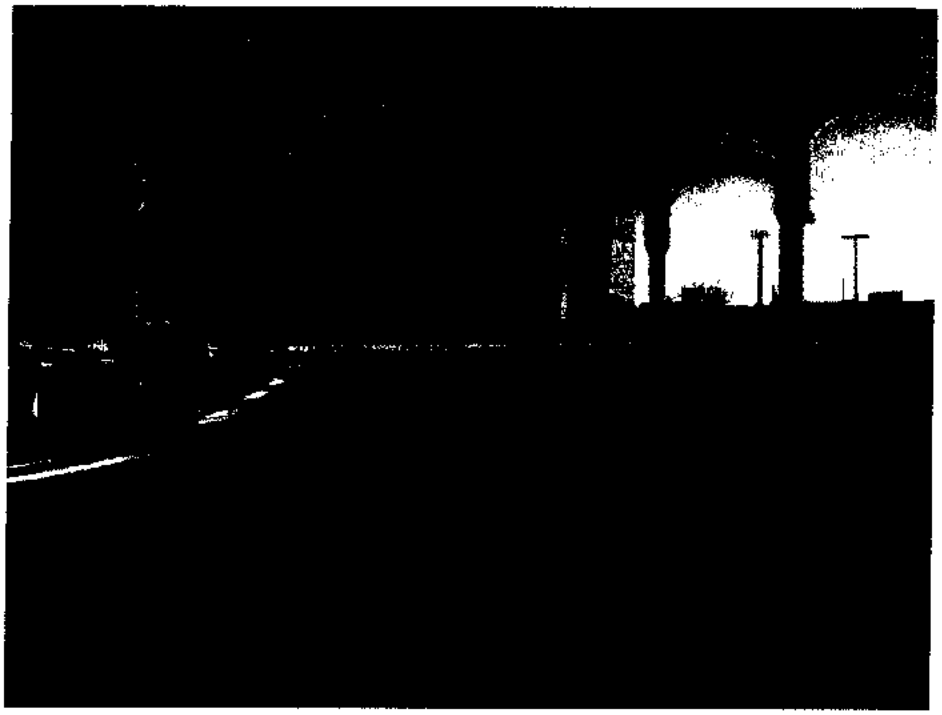
SUBJECT PHOTOGRAPHS – CONTINUED

View 33 – Looking south on MLK (Subject property is to the right)
(Photo taken on November 15, 2013)



View 34 – Secured entrance to the Parking Structure
(Photo taken on November 15, 2013)

SUBJECT PHOTOGRAPHS – CONTINUED



View 35 – Looking east from the site along its main entrance towards MLK (Photo taken on November 15, 2013)

PROPERTY ANALYSIS

PHYSICAL DESCRIPTION AND ANALYSIS OF THE SITE

LOCATION

The property address is 400 S. Martin L. King Boulevard (MLK). The property is located at the northwest corner of MLK and Alta Drive, which is known as Bonneville Avenue to the east of MLK. This is a fully signalized intersection. In addition, there is another signalized intersection at the northeast boundary of the site which was put in to ease access into the property from MLK.

LAND AREA

The subject site consists of one Assessor's Parcel Number, which is summarized in the following table.

	Land Area	
APN	**Acres**	**SF**
139-33-202-009	13.76	599,386
Totals	**13.76**	**599,386**

SHAPE AND DIMENSIONS

The shape of the site is slightly irregular; however, it should not negatively affect its development. The dimensions are approximately 890 feet of frontage along MLK, its eastern boundary and 465 feet along Alta, its southern boundary. The reader is referred to the Assessor's parcel map that follows for a visual illustration of the site's shape.

TOPOGRAPHY

The site appeared generally level and at street grade. The topography does not appear to result in any particular development limitations.

DRAINAGE

No particular drainage problems were observed or disclosed at the time of the field inspection. This appraisal assumes that there were not any unusual drainage issues that would affect the development of this site.

FLOOD PLAIN

The site is located on Community Panel #2170 of 4090, effective November 16, 2011. According to the Clark County Regional Flood Control District's mapping, this site is not located within a 100-year flood zone.

GROUND STABILITY

I did not observe any unusual soils conditions during the inspection of the property. The soils appeared typical for the area. Other sites in the area support various uses with no apparent problems. However, no soils tests were provided to this appraiser, so the soils conditions are assumed by visual observation and are not warranted.

HAZARDOUS CONDITIONS

An environmental assessment report was not provided for review and environmental issues are beyond my scope of expertise. My inspection of the site did not reveal any obvious signs that there are contaminants on or near the property. Therefore, I assume that the subject site was not adversely affected by environmental hazards.

UTILITIES

Utilities in this portion of the metropolitan area are provided by the following agencies.

Utility	Provider
Sewer:	Clark County Water Reclaimation District
Water:	Las Vegas Valley Water District
Solid Waste:	Republic Services
Electricity:	NV Energy
Telephone:	Century Link
Gas:	Southwest Gas Corporation

LEGAL INFORMATION (ZONING)

The site is zoned C-1 (Limited Commercial District), under the jurisdiction of the City of Las Vegas. The following is a summary of the C-1 District in the City Las Vegas.

Designation:	C-1 (Limited Commercial District)
Description:	The C-1 district is intended to provide most retail shopping and personal services, and may be appropriate for mixed use developments. This district should be located on the periphery of residential neighborhoods and should be confined to the intersections of primary and secondary thoroughfares along major retail corridors. The C-1 district is consistent with the Service Commercial and the Neighborhood Center categories of the General Plan.
Zoning Jurisdiction:	City of Las Vegas

EASEMENTS, ENCROACHMENTS AND RESTRICTIONS

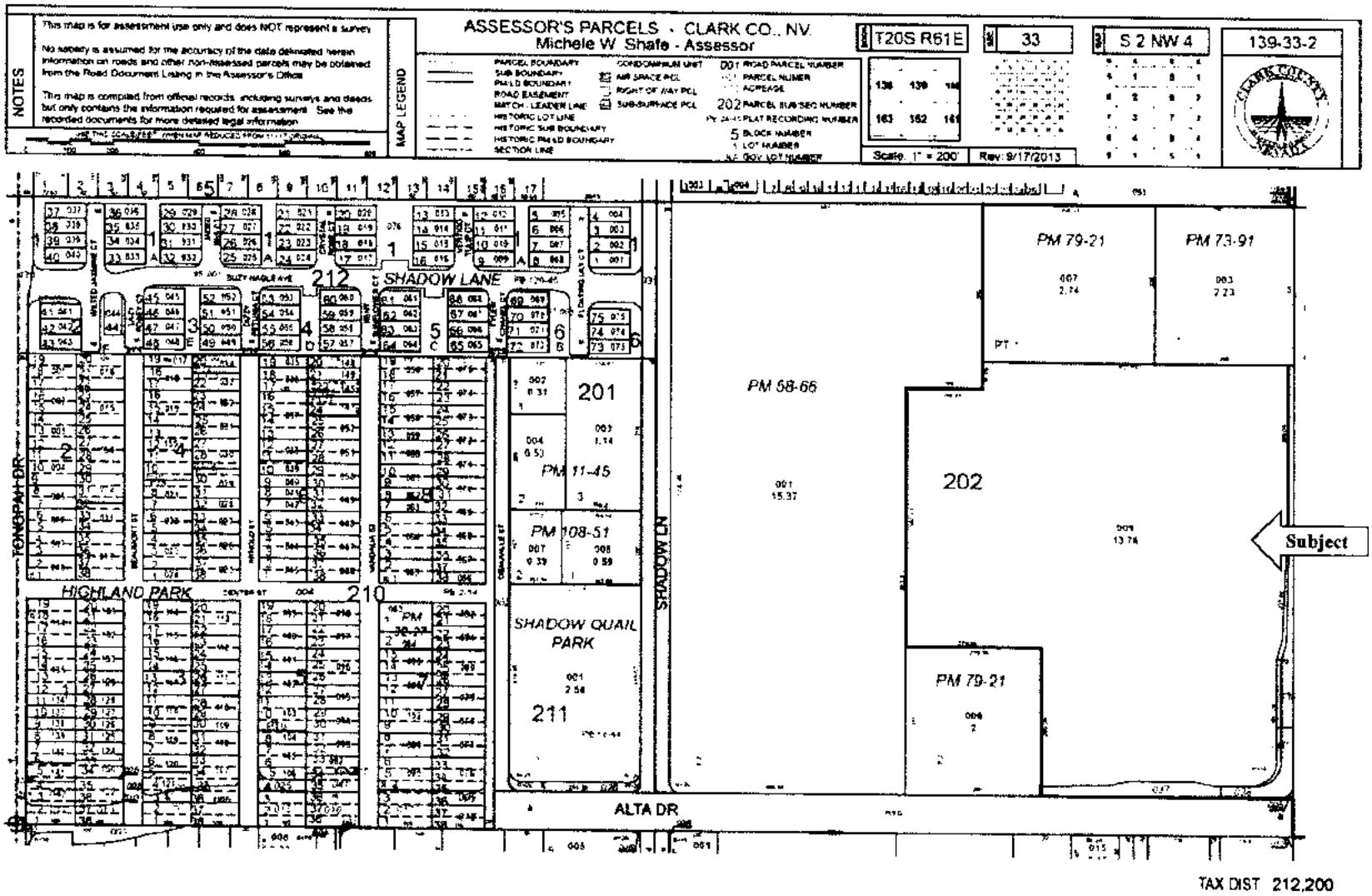
I was not provided a title report to review; however, I am not aware of any easements, encumbrances, or restrictions that would adversely affect the site's value. My valuation assumes no adverse easements, encroachments or restrictions and that the subject property has a clear and marketable title.

CONCLUSION OF SITE ANALYSIS

The subject site is located at the northwest corner of MLK Boulevard and Alta Drive/Bonneville Avenue, in the Downtown area of Las Vegas. The site has very good ingress and egress (access) from three drives, two along MLK and one on Alta and is serviced by all local utilities. Most factors, including its location, size, accessibility, proximity to Downtown and the Las Vegas Strip, are positive attributes.

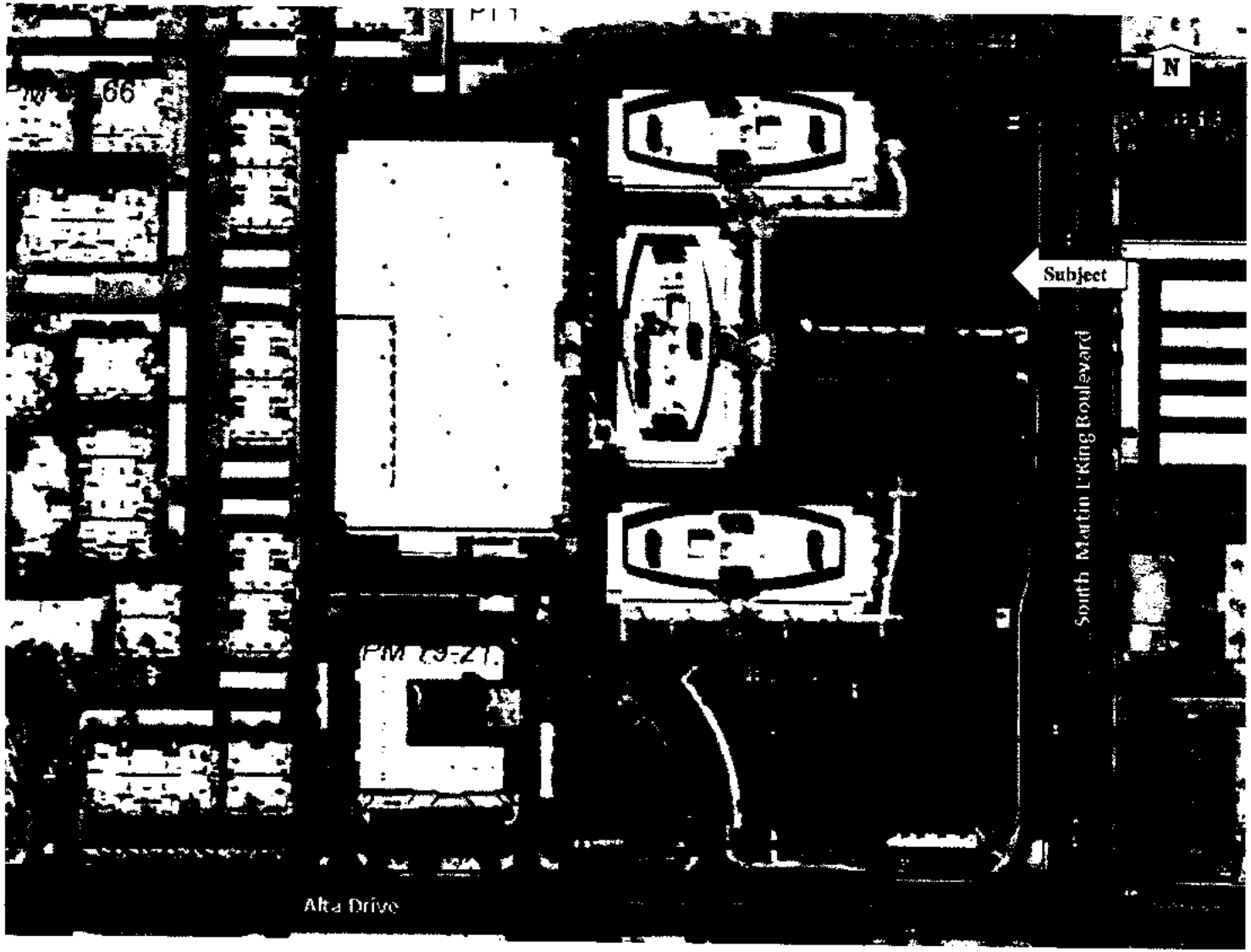
Overall, the physical characteristics of the site are suitable for a number of uses, including a conforming commercial development that is prevalent along this corridor and other major arterials in the area. On the following pages, I have included copies of the Assessor's Parcel Map showing the size and shape of the site and an aerial photograph of the site and the improvements.

ASSESSOR'S PARCEL MAP



0958

CLARK COUNTY ASSESSOR'S AERIAL PHOTOGRAPH (FLIGHT DATE – FEBRUARY 17, 2013)



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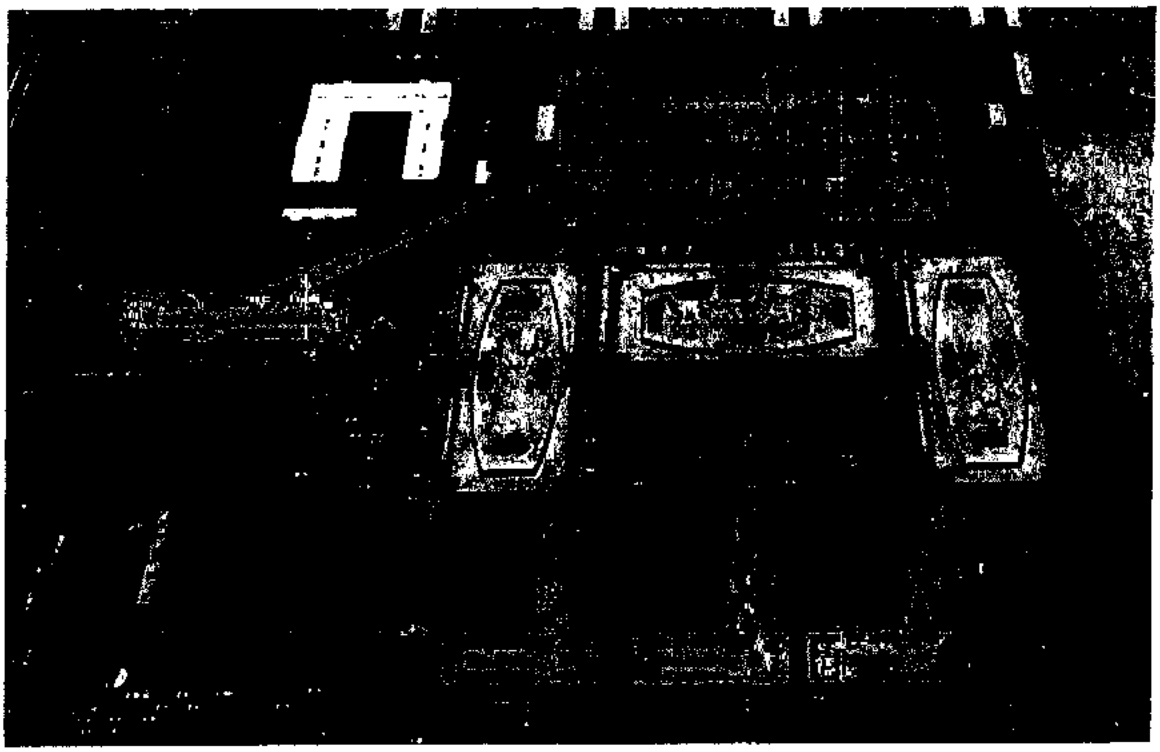
IMPROVEMENTS DESCRIPTION AND ANALYSIS

The subject of this analysis consists of a 13.76 net acre corner parcel that is improved with three (3) Class A office buildings and a secured parking structure. Clark County Building Department records indicate that the improvements were constructed on the site in 2011. The following aerial shows the layout of the site and identifies each structure.



Building A is the southern-most building on the site. This is a four (4) story building that contains a total gross building area (GBA) of 118,678 square feet. Building B, which is the middle building, consists of five (5) stories that contain a total GBA of 151,493 square feet. The northern-most building on the site, Building C, is a sister building to Building A. This is another four-story building that contains a total GBA of 118,678 square feet. The total GBA of these three (3) buildings in 388,849 square feet, of which 373,327 square feet is rentable area (RA).

The parking structure is located behind or to the west of Building B. This is a five (5) level secured structure that contains 524,918 square feet with 1,680 marked parking spaces. There is also surface parking on the site that adds another 513 parking spaces. The site is also improved with landscaping along it's street frontages, around the buildings and in pockets of the parking areas. Off-site improvements include concrete curbs, gutters, and sidewalks, as well as drives (3) providing ingress and egress along both streets.

The following description of the improvements and basic construction features are based on my November 15, 2013 property inspection. A copy of the supplied building site plan follows this discussion. The reader is referred to the previous photos on pages 43 through 60 for a visual illustration of the condition of the improvements on November 15, 2013.

PHYSICAL DESCRIPTION

General Property Type	Three (3) Class A Office Buildings
Size	
Gross Building Area (GBA)	388,849 Square Feet (SF)
Net Rentable Area (RA)	373,327 Square Feet (SF)
Source of SF Information	Supplied Building Plans & Lease
Number of Buildings	Three (3)
Number Stories	Two are Four (4) Story Buildings and One is a Five (5) Story Building
Site Coverage (RA)	62.3%
Land-to-Building Ratio (RA)	1.61:1
Occupancy	100.0%
Number of Tenants	One (1)
Year Built	2011
Actual Age	2 Years
Estimated Effective Age	2 Years
Estimated Physical Life	50 Years
Remaining Economic Life	48 Years
Type/Quality of Construction	Class A, Excellent Quality Office Buildings (Marshall Valuation Service Section 15, Page 17).
Foundation	Reinforced concrete slab on grade
Structural Frames	Steel
Roof	Flat, built-up roofs

INTERIOR DESCRIPTION

Ceiling Cover	Combination of taped, textured and painted sheetrock and suspended acoustical tile in a T-Bar system.
Wall Cover	Combination of taped, textured and painted sheetrock and ceramic tile.
Floor Coverings	Combination of ceramic tile, carpet and vinyl.
Lighting	Suspended, attached, recessed and can fluorescent lighting.
Condition	The improvements are in very good overall condition.

EQUIPMENT AND MECHANICAL SYSTEMS

HVAC	Central Heating and Cooling system that is assumed adequate and to code.
Electrical	Appeared to be in good working order and is assumed to be adequate and to code.
Plumbing	Appeared to be in good working order and is assumed to be adequate and to code.
Fire Protection	The improvements are sprinklered. It is assumed that fire protection measures meet the local fire marshal's requirements for these types of buildings.
Elevator/Stairwells	Each building features two (2) elevators and two (2) stairwells, which appeared to be in good working order and are assumed to be to code.
Condition/Maintenance	The mechanical systems were stated to be in good condition and are assumed adequate and to code.

SITE IMPROVEMENTS

On-Site Parking	
Number of Spaces	Two thousand one hundred ninety-three (2,193) spaces provided.
Type	513 surface spaces (10 of which are accessible) and a 1,680 space, five (5) story secured parking structure (24 of which are accessible).
Adequacy	According to City of Las Vegas Development Code, office uses require 1 space per 300 square feet of building area. Therefore, the subject surpasses the zoning requirement and provides a very desirable level of 5.9 spaces per 1,000 SF.

Landscaping

The property is well landscaped along its street frontages, in pockets of the parking areas and around the buildings. This area is maintained with an automatic irrigation system that was reported to be in good working order.

Drainage and Retention

Assume storm sewer drainage allows water to be collected and drained from the site.

ADA Compliance

I am not an expert in ADA matters and further study would be recommended to assess ADA compliance.

Personal Property

Furniture, fixtures and equipment (FF&E) noted during the inspection have been disregarded in this assignment.

Hazardous Substances

I am not aware of the presence of any hazardous substances at the property; however, I am not qualified to detect such substances. For this assignment, I have assumed that there are no hazardous substances at the property.

Deferred Maintenance

Deferred maintenance refers to needed repairs or replacement of items that should have taken place during the course of normal maintenance. This is measured as the cost of restoring an item to new or reasonably new condition as of the effective date of value, November 15, 2013. I noted that the improvements had been well maintained and appeared to be in very good overall condition; therefore, no deduction for deferred maintenance is warranted.

CONCLUSION OF THE IMPROVEMENTS DESCRIPTION

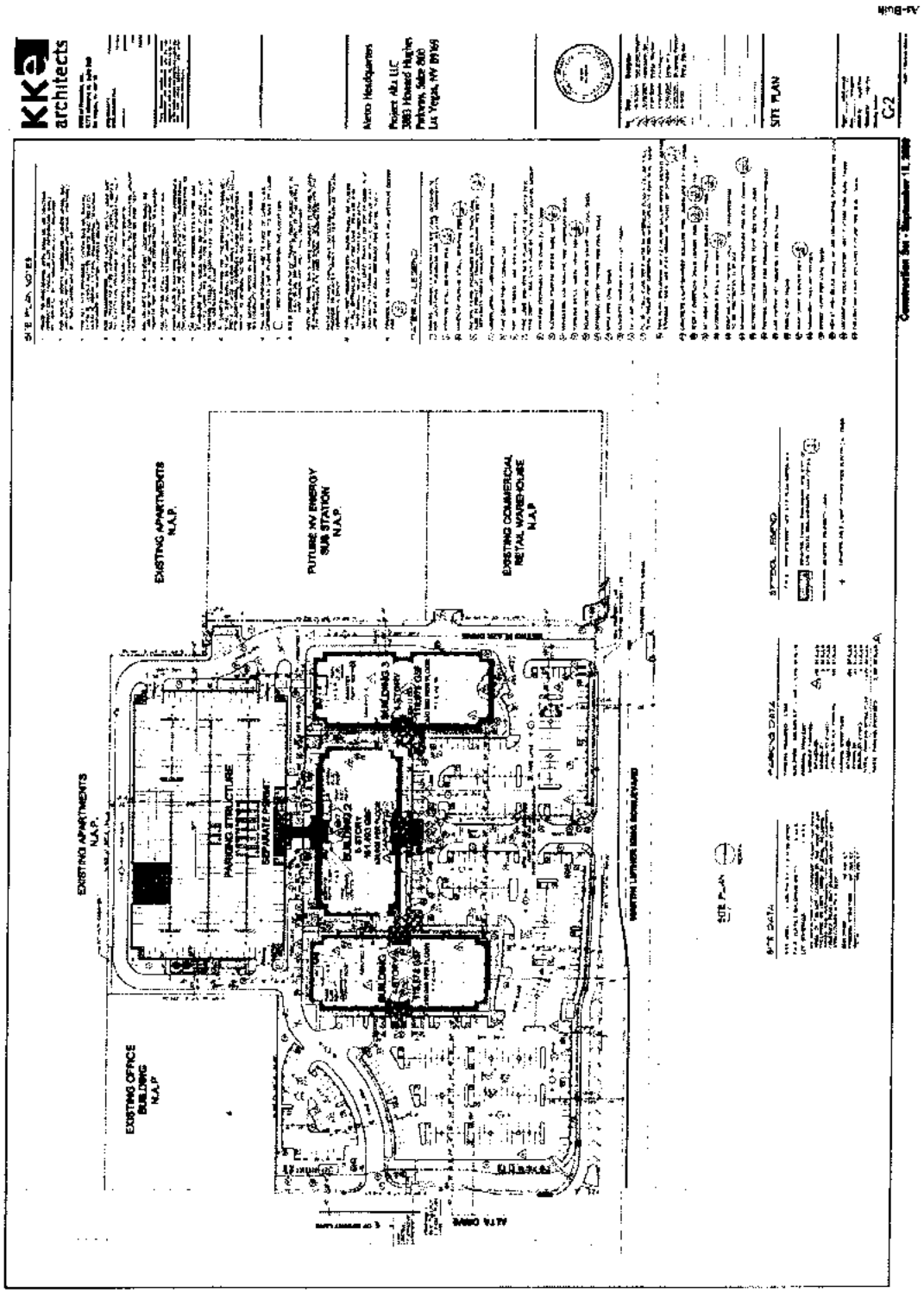
The subject of this analysis consists of three (3) Class A office buildings and a parking structure that were constructed on this 13.76 acre site in 2011. The property is located at a signalized intersection and in close proximity to interchanges with I-15 and US Highway 95. The design of the improvements adequately conforms to the site and contributes to the cohesive design of the property. The quality of materials utilized, the tenant improvement costs alone were reported to be about $75.00 per square foot, are considered to be at the upper-end of the range when compared to other office buildings in the market area.

As of the effective date of value, the property was 100% leased on a triple net (NNN) basis to Clark County, Nevada and was being operated as the Las Vegas Metropolitan Police Department's Headquarters (Metro HQ). This is a 30-year lease that commenced on July 1, 2011 and terminates on July 31, 2041. However, there are two (2) options periods of ten (10) years each that could extend the lease another 20 years.

The lease rate began at an annual rate of $33.00 per square foot on July 1, 2011 with increases scheduled for the Rent Adjustment Commencement Date, which began with August 1, 2012. For the first six (6) Rent Adjustment Commencement Dates the Base Rent Adjustment is set at two percent (2%). The adjustments after that period are tied to a Consumer Price Index (CPI). The CPI used in this lease is the most current Consumer Index-All Items (1982 – 84 = 100), U.S. City Average, published by the United States Department of Labor, Bureau of Labor Statistics.

The reader is referred back to the photographs taken during the inspection on pages 43 through 60 for visual illustration of the exterior and interior of these buildings and to the following page for a copy of the supplied site plan prepared by KKE of Nevada, Inc., on September 15, 2009.

SITE PLAN


KKa architects
EXISTING APARTMENTS N.A.P.
FUTURE NV ENERGY SUB STATION N.A.P.
EXISTING COMMERCIAL RETAIL WAREHOUSE N.A.P.
EXISTING APARTMENTS N.A.P.
PARKING STRUCTURE
EXISTING OFFICE BUILDING N.A.P.
SITE PLAN
SITE PLAN
G2

REAL ESTATE TAXES

Real estate tax assessments are administered by Clark County and are estimated by jurisdiction on a county basis for the subject. In Nevada, the appropriate method under current law is that of using the replacement cost. Using this method, the Assessor must calculate the amount and cost of materials and labor it would take to replace the subject improvements. A depreciation factor of 1½% per year is applied to the effective age of the property, up to a maximum of 50 years. Land values are derived from market sales and are added to improvement values. The Assessor updates the property value each year.

Real estate taxes in this state and this jurisdiction represent ad valorem taxes, meaning a tax applied in proportion to value. The real estate taxes for an individual property may be determined by dividing the assessed value for a property by 100, then multiplying the estimate by the composite rate. The composite rate is based on a consistent state tax rate throughout this state, in addition to one or more local taxing district rates. The assessed values are based upon the current conversion assessment rate of 35.00% of Assessor's market value.

Tax bills are prepared and mailed out by August 1st each year. While property taxes are due on the third Monday in August, property owners may elect to pay in four installments if the taxes on a parcel exceed $100.00. And, if you purchase property during the tax year, you are responsible for any taxes not paid as of the close of escrow.

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

AD VALOREM TAX INFORMATION			
Assessor's Market Value 2013-2014			
APN	Land Value	Improvements	Total
139-33-202-009	$ 1,798,157	$ 75,719,431	$77,517,589
Subtotal			$77,517,589
Assessed Value @			35%
			$27,131,156
Tax Rate/$100 AV			3.2782
			$ 889,414
Less Cap Reduction			$ -
2013-2014 Real Estate Taxes			$ 889,414
Source: Clark County Treasurer's Office			

The assessor estimated a taxable value of $77,517,589 for the current cycle, which began on July 1, 2013. Based on the concluded market value of the subject, the current assessed value is substantially lower than the Fair Market Value of this property.

Historically, the assessor's office had been on the conservative side of value; therefore, a low taxable value is typical and would not be expected to affect the value of this property.

HIGHEST AND BEST USE ANALYSIS

HIGHEST AND BEST USE AS VACANT

Legally Permissible

The site is zoned C-1 (Limited Commercial District), under the jurisdiction of the City of Las Vegas. This district was intended to provide most retail shopping and personal services, and may be appropriate for mixed use developments. The C-1 district should be located on the periphery of residential neighborhoods and should be confined to the intersections of primary and secondary thoroughfares along major retail corridors. The C-1 district is consistent with the Service Commercial and the Neighborhood Center categories of the General Plan.

In addition, the subject property is within the City of Las Vegas Downtown Redevelopment District and the Future Land Use Map identifies the site as being Mixed Use. A copy of the City of Las Vegas Redevelopment Map is located within the Addendum to this report.

The majority properties located along the western side of MLK between Alta Drive and the Oran Gragson Freeway have a similar C-1 zoning designation, while the majority properties located along the eastern side of MLK have M (Industrial District) zoning. As for the development trend, both sides have been developed with retail, office and light industrial uses. The light industrial uses are basically a couple of self-storage facilities and the warehouse buildings that are attached to the furniture stores located in the area. The following zoning map identifies the zoning of the surround area.

I have not been provided with a current title report or land survey that could reveal any other codes, covenants, or restrictions that could affect the legal permissibility of any use at the subject site. Only typical utility easements would be expected and they generally do not impact the use of a site.

After considering the zoning and predominate uses along this corridor, only conforming commercial development will be given further consideration in determining highest and best use of the site, as though vacant and available for development.

Physically Possible

What uses are physically possible? In the previous section of this report, I discussed the physical characteristics of the subject site. Physically, the site consists of 13.76 acres or 599,386 square foot corner site that enjoys approximately 890 feet of frontage along MLK, and 465 feet of frontage along Alta Drive/Bonneville Avenue.

The site is basically level and at grade with surrounding land and both streets, and according to the Federal Emergency Management Agency Map, the property is not located within a flood hazard area. There are no environmental hazards known to be within the boundaries of the subject property and all necessary utilities are available.

The physical characteristics of the site should reasonably accommodate any use that is not restricted by its size. The location of the property along a corridor that is predominately developed with commercial type uses provides support for a conforming commercial development. Therefore, the legally permissible and physically possible attributes of the site suggest the most likely use of the property would be a commercial development.

Financially Feasible

The feasible uses of this site are related to the zoning and the development trend in this area. As for economically feasible uses, I looked at the overall health of the commercial markets in this area as this type of use has emerged as a legally permissible and physically possible use of this site. This would include both retail and office uses. Therefore, I researched the overall health of these markets.

The Collier's International Q3 2013 Retail Market Report reflected that the vacancy rate in the subject's Downtown submarket at the end of the 3rd quarter of 2013 was 9.5%, which is close to the 9.6% reported in the same quarter of 2012. However, this is nowhere near the 2.5% reflected back in 2005. As for rental rates, while up $0.3 per square foot this last quarter to $1.09 per square foot, the average asking rate in this area is still down $0.14 per square foot from the 3rd quarter of 2010. However, the most recent data suggests that this market is starting to recover.

Next, I looked at the office market. According to most recent office market data, the Las Vegas office market vacancy rate at the end of the 3rd Quarter 2013 was 22.3%, and has been stagnant for the past four quarters. In comparison, the vacancy rate in the subject's Downtown submarket, which has the lowest vacancy rates in the valley, was at 13.3% at the end of the 3rd quarter 2013. However, overall, the office market is still losing employees and with that, this sector is stuck between recovery and stagnation. Without a strong 4th quarter, 2013 may turn out to be one of the worst for the office sector.

Maximally Productive

Based on the reasonably probable development scenarios and the potential values that could be created, I have concluded that the use that is maximally productive as of the effective date of value would be to hold the property until the local economy recovers, job growth is sustained and the commercial markets return to balanced situation. At that time it should support a commercial development, which is the legally permissible and physically possible use of this site.

CONCLUSION

The previous information suggests that holding the property for future development is the use that best meets the four tests of highest and best use "as if vacant" as of the effective date of value, November 15, 2013. Based on the development occurring and proposed in the surrounding Downtown area, a three-year holding period should be considered. At that point, the market would need to be re-analyzed. Therefore, holding the property for future development is concluded to be the highest and best use of this property as if vacant and available for development.

AS IMPROVED

It is important to recognize the possibility that the highest and best use of the land could differ from the highest and best use of the property "as proposed." The "demolition rule" as stated by the Appraisal Institute in its Advanced Income Capitalization Course states: "If the value of the property "as improved" is equal to or greater than the value of the land "as if vacant" less cost of demolition, then the current improvements should not be demolished. This does not mean that the current use is necessarily the highest and best use, because conversion or renovation must be considered."

First, I considered the possibility of demolition of the subject improvements. However, based on my research the land value less demolition costs and the lease-up costs is substantially less than the "As Improved" value of this property. This eliminates the possibility of demolition from further discussion.

I then considered that the legal permissibility of the subject. This property is zoned C-1, and office uses are a legally permissible use for sites with this zoning. As for physically possible, it is obvious that the improvements are physically possible since they fit on the site and provide for adequate access and parking.

I then considered the modifying the improvements. I qualitatively looked at the possibility of providing renovations or remodeling. However, the improvements were only completed about two years ago and appeared to have been well maintained and in very good overall condition. There is no information from the marketplace that would indicate the potential for renovations or remodeling to provide any incremental benefit over the costs involved for undertaking such a project. As a result, I discounted the likelihood of renovating or remodeling the property in a manner that is financially feasible at this time. The property appeared to conform to the market norm for Class A office space, and as such, should not require any modifications.

I also considered the feasibility of any addition to the subject property. However, based on my research there is little demand for additional office space at this time. My analysis suggests that the existing use approximates the maximally productive use.

CONCLUSION

In conclusion, there does not appear to be an alternative use that could reasonably be expected to provide a higher present value than the current use. Therefore, continued office use is concluded to be the highest and best use of the subject property as improved.

MOST PROBABLE BUYER

As of the effective date of value, the property was 100% leased on a triple net (NNN) basis to Clark County, Nevada and was being operated as the Las Vegas Metropolitan Police Department's Headquarters (Metro HQ). This is a 30-year lease that commenced on July 1, 2011 and terminates on July 31, 2041. However, there are two (2) options periods of ten (10) years each that could extend the lease another 20 years. The lease rate began at an annual rate of $33.00 per square foot on July 1, 2011 with increases scheduled for the Rent Adjustment Commencement Date, which began with August 1, 2012. For the first six (6) Rent Adjustment Commencement Dates the Base Rent Adjustment is set at two percent (2%). The adjustments after that period are tied to a Consumer Price Index (CPI).

Based on the characteristics of this property, the most likely buyer is a national or international investor that would strictly be looking at the return on investment for a government backed income stream over a typical holding period.

VALUATION ANALYSIS

VALUATION METHODOLOGY

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

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

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

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

In this analysis, I will use the Sales Comparison Approach and Income Capitalization Approach to estimate the value of the property. First, I will research recent comparable transactions. These sales will then be compared to the subject on a per square foot of RA basis. After applying market supported adjustments, I will conclude a supportable value indication by the Sales Comparison Approach to Value.

I will then use the Income Approach to Value. First, I will research the area for recently signed rental rates and asking rental rates that can be used to estimate the subject's current market rental rate. I will also research the typical investor's perception of "stabilized" vacancy and collection loss for this type of property, as well as the associated expenses. After subtracting the expenses for the effective gross income (EGI), I will capitalize the net operating income (NOI) into an indication of the value by the Income Approach to Value. I will use both the direct capitalization and DCF methods that the typical buyer of these properties would use in formulating a purchase price for this type of property.

The reconciliation at the end of this report discusses the relative strengths and weaknesses of each approach.

SALES COMPARISON APPROACH

The sales comparison approach is a set of procedures in which a value indication is developed by comparing the subject to similar properties that have recently sold or are listed for sale. The steps taken to apply the sales comparison approach are:

- Research recent sales of comparable properties.
- Select sales most similar to the subject and assemble pertinent data.
- Compare the sales to the subject under various elements of comparison and adjust the sale prices to compensate for differences that affect value.
- Reconcile the adjusted prices of the sales into a value indication for the subject.

In performing the sales comparison approach, I considered that the subject of this analysis is a fairly new Class A office complex that is 100% leased on a triple net basis to Clark County, Nevada. This is a 30-year lease that commenced on July 1, 2011 and terminates on July 31, 2041. As the Fair Market Value for this analysis is to be based on comparable transactions, I surveyed sales activity for newer, Class A office developments in the area that were leased by a single government tenant. However, I was not able to confirm any local transactions that met these requirements.

The only recent sales of any size in the local market were the Hughes Center sale on September 20, 2013 and a sale of 32 office and flex buildings in the Summerlin area on October 2, 2012. The Hughes Center sale involved the transfer of 10 multi-tenant office buildings comprising approximately 1,376,836 square feet of office space, several restaurants and vacant land. This project was purchased for $347 million or about $252 per square foot, which generates a capitalization rate of 7.7%.

The Summerlin sale included 32 office and flex buildings and vacant land. This property sold for $120,000,000 or about $109 per square foot. These properties totaled 1,113,773 square feet of office and flex space, as well as two parcels totaling 19 acres. These properties were spread out over 13 campuses in Summerlin. Operating expenses were not available due to the varying leases, some being triple net, some gross, but the capitalization rate was stated to be about 5%.

These properties are 3 or more times larger than the subject, have several 100 tenants (with typical leases in the three (3) to five (5) year range), and neither was at stabilized occupancy. The Summerlin sale was close to 40% vacant at the time of sale. After considering these differences and the fact that neither of these sales involved a government lease or a single-tenant situation, I concluded that these are not "comparable transactions" and don't offer any meaningful direction for this analysis. Therefore, I expanded my search to other locations, which is reasonable as the typical buyer for the subject would be looking nationally for this type of investment.

Relying upon sales that occurred recently as the best indication of current investor attitudes and market behavior, I have selected seven (7) improved sales as most comparable and as best indicators of value for the subject. Of these sales, six (6) involved buildings with government leased space and four (4) were single tenant buildings.

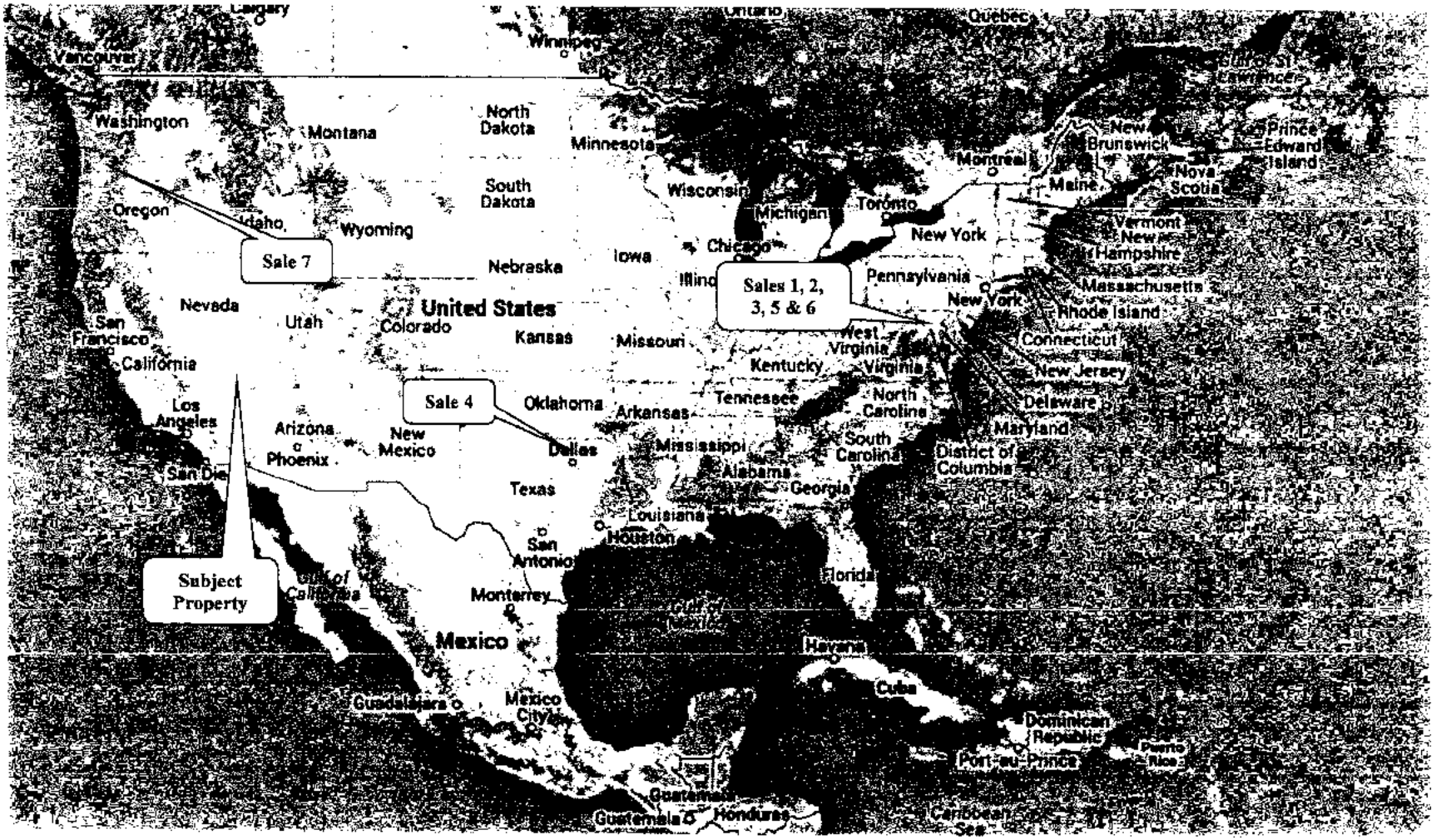
In analyzing the sales data, I have selected the price per rentable building area (RA) as the unit of comparison. This is the unit of comparison most commonly quoted by brokers, sellers, and purchasers when discussing sales transactions and is considered the most relevant for this analysis.

The selected sales are summarized in the table below; the sale prices identified in the table have been adjusted for cash equivalency, when appropriate. On the next page is a location map that indicates the location of the sales in relationship to the subject property. Abstracts with additional details and a photograph of each sale follow the location map.

COMPARABLE TRANSACTIONS

#	TYPE/ ADDRESS	SALE DATE	SALE PRICE	BUILT RENOVATED	RA	PRICE/ RA	CAP RATE	% LEASED
1	**Office Building** 1301 New York Avenue NW, Washington, DC	08/26/13	$121,734,400	1983 1998	201,281	$ 604.80	5.30%	100%
2	**Office Building** 2106 M St., Washington, DC	05/21/13	$133,500,000	1969 2003	293,991	$ 454.10	4.50%	80%
3	**Office Building** 1400 New York NW, Washington, DC	03/22/13	$109,000,000	1901 1986	171,920	$ 634.02	5.10%	99%
4	**Office Building** 5851 Legacy Cir., Plano, TX	11/27/12	$120,000,000	2012	318,600	$ 376.65	6.50%	100%
5	**Office Building** 801 9th St. NW, Washington, DC	02/29/12	$147,500,000	1999	236,054	$ 624.86	4.64%	100%
6	**Office Building** 1100 &1101 4th St. SW, Washington, DC	05/11/11	$356,000,000	2010	639,546	$ 556.64	5.60%	99%
7	**Office Building** 100 SW Main St., Portland, OR	03/11/11	$129,434,224	2010	364,779	$ 354.83	6.60%	96%
	SUBJECT PROPERTY **400 Martin L. King Boulevard**	**N/A**	**N/A**	**2011**	**373,327**	**N/A**	**N/A**	**100%**

COMPARABLE SALES MAP



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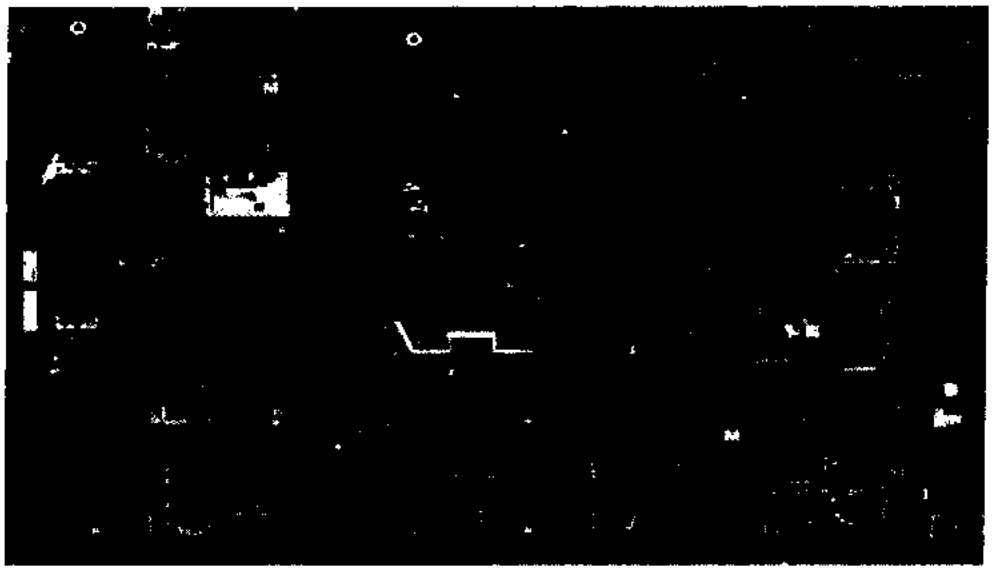
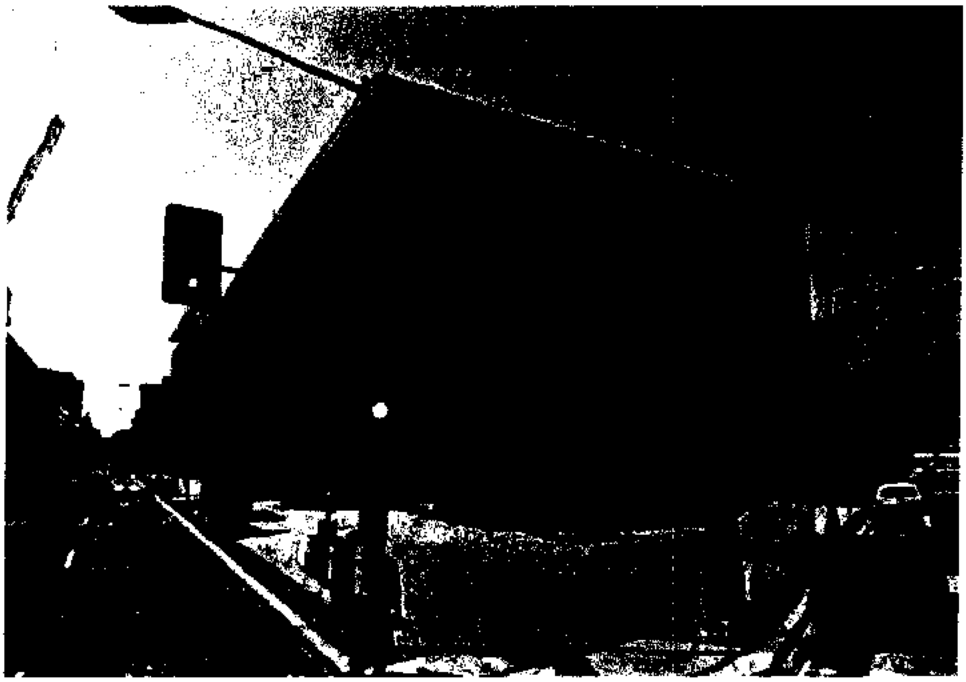
COMPARABLE SALE 1

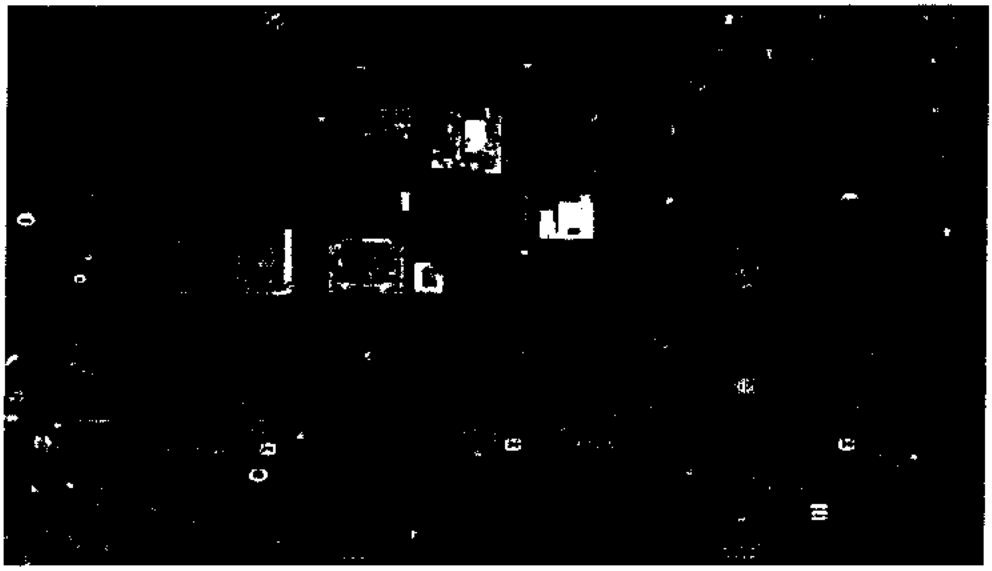
Type	Office Building	**Close Date**	8/26/2013
Location	1301 New York Avenue NW, Washington, DC	**Sale Price**	$ 121,734,400
Grantor	Big Apple Associates, LP	**Cash Equqlancy**	$ 121,734,400
Grantee	1301 New York Owner, LLC	**Building SF**	201,281
Confirmed	Publications/Co-Star/County Records	**Price/SF**	$ 604.80
Zoning	C4, Washington	**OAR**	5.30%
Doc. No.	2013099801	**Occupacy**	100.0%



COMPARABLE SALE 2

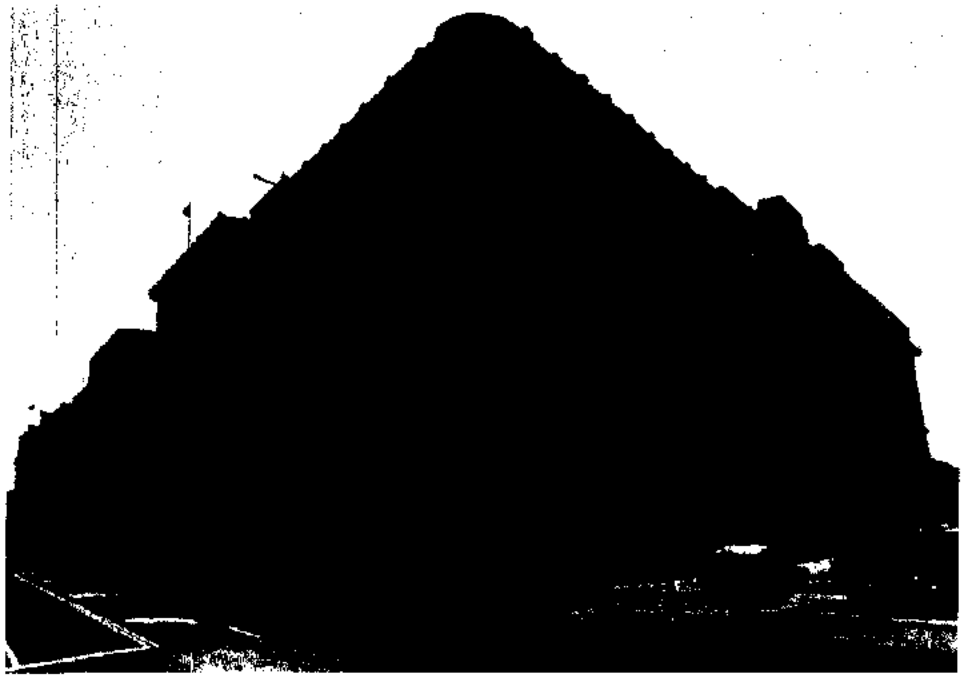
Type	Office Building	**Close Date**	5/21/2013
Location	2106 M St., Washington, DC	**Sale Price**	$ 133,500,000
Grantor	Hines Interests, LP	**Cash Equqlancy**	$ 133,500,000
Grantee	Liberty 2100 M Street LP	**Building SF**	293,991
Confirmed	Publications/Co-Star/County Records	**Price/SF**	$ 454.10
Zoning	C-3-C, Washington	**OAR**	4.50%
Doc. No.	2013059135	**Occupacy**	77.0%

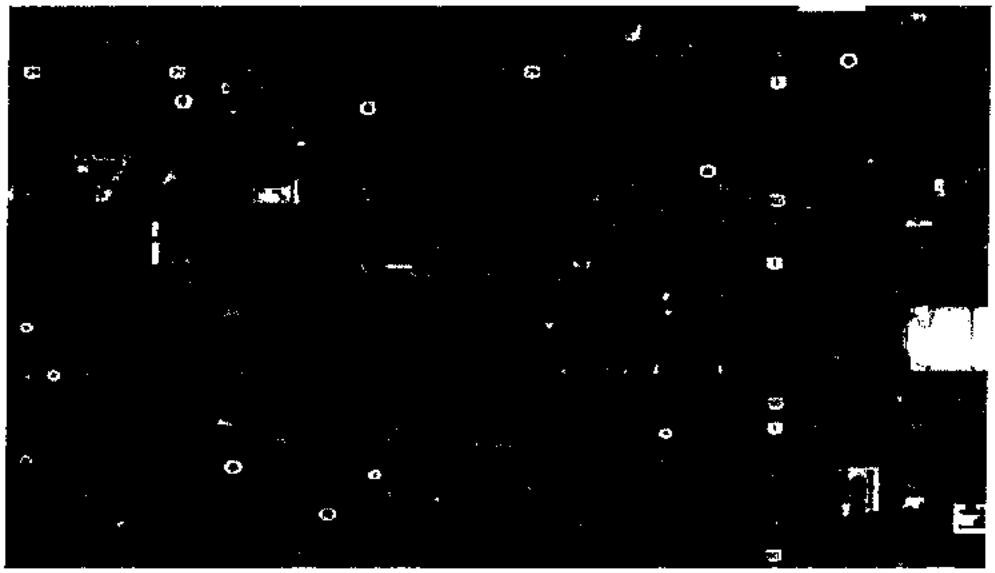




COMPARABLE SALE 3

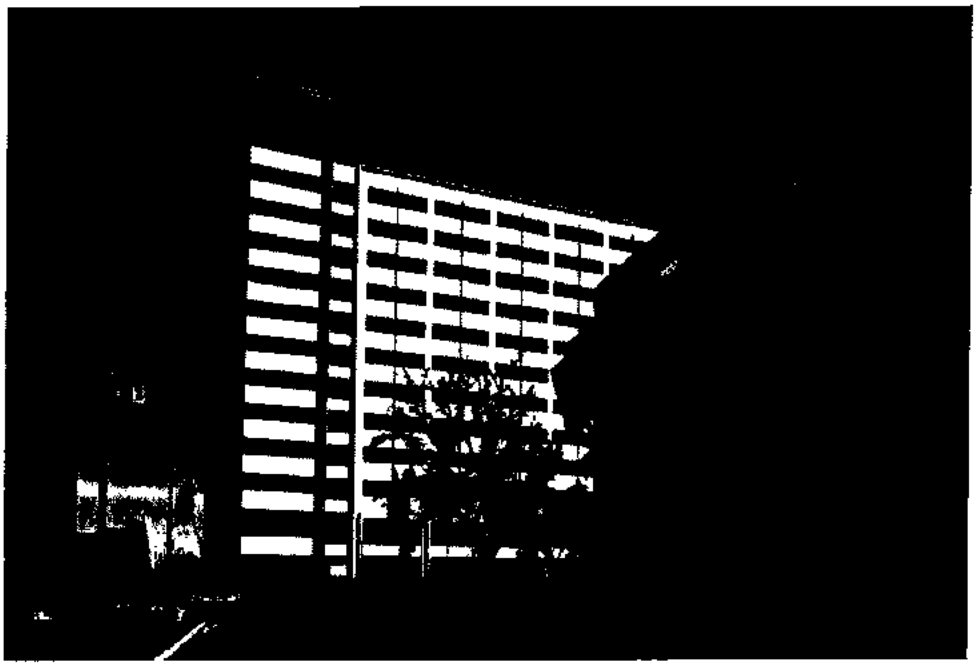
Type	Office Building	**Close Date**	3/22/2013
Location	1400 New York NW, Washington, DC	**Sale Price**	$ 109,000,000
Grantor	Bond Building LP	**Cash Equqlancy**	$ 109,000,000
Grantee	Bond Washington, LLC	**Building SF**	171,920
Confirmed	Publications/Co-Star/County Records	**Price/SF**	$ 634.02
Zoning	C4, Washington	**OAR**	5.10%
Doc. No.	2013034524	**Occupacy**	99.0%

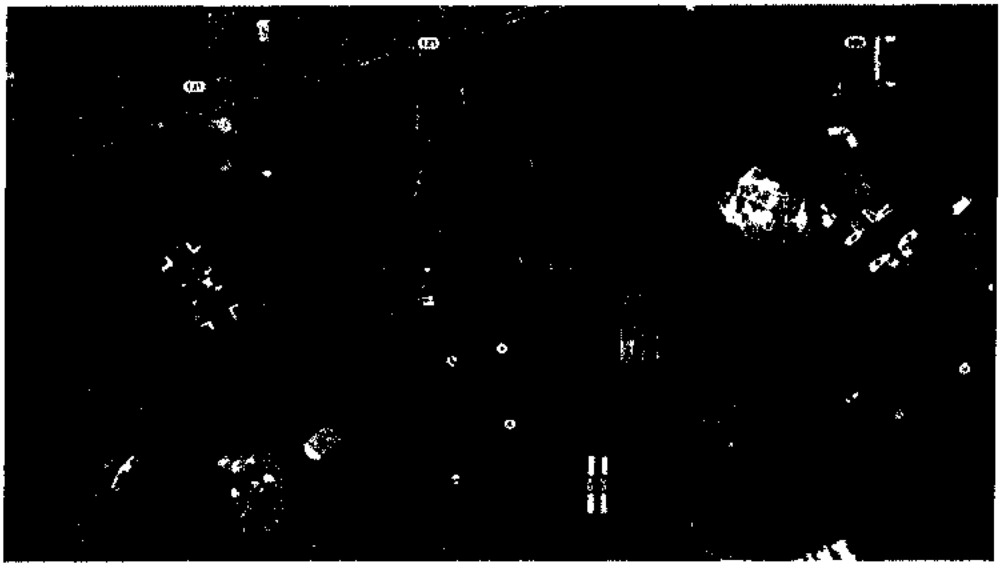




COMPARABLE SALE 4

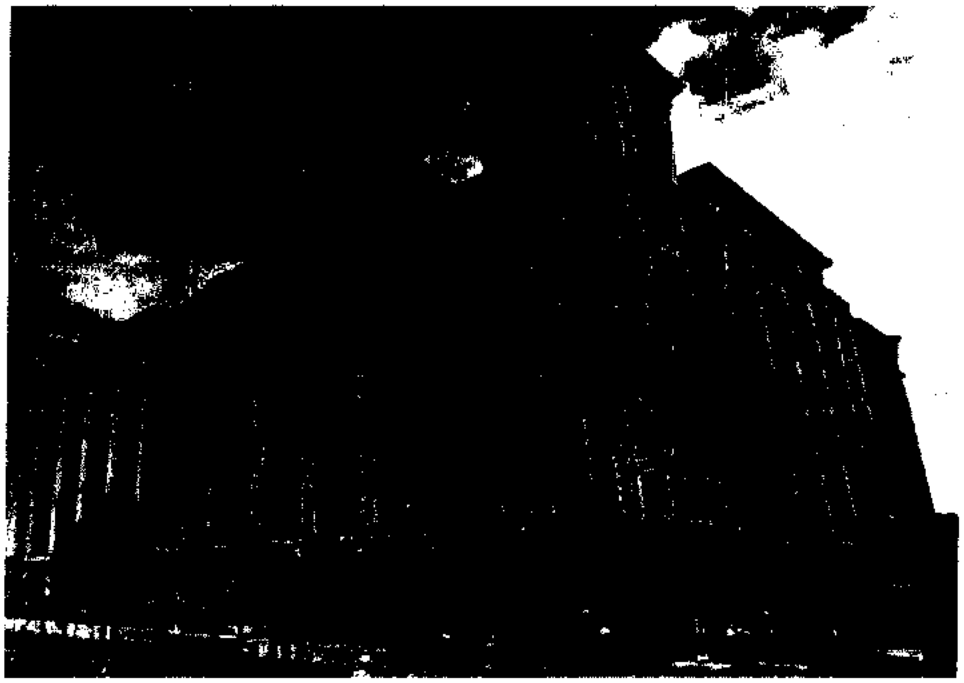
Type	Office Building	**Close Date**	11/27/2012
Location	5851 Legacy Cir., Plano, TX	**Sale Price**	$ 120,000,000
Grantor	KDC Legacy North Investments I, LP	**Cash Equqlancy**	$ 120,000,000
Grantee	Cole of Plano Legacy TX, LLC	**Building SF**	318,600
Confirmed	Publications/Co-Star/County Records	**Price/SF**	$ 376.65
Zoning	CO, Collins County	**OAR**	6.50%
Doc. No.	1509870	**Occupacy**	100.0%

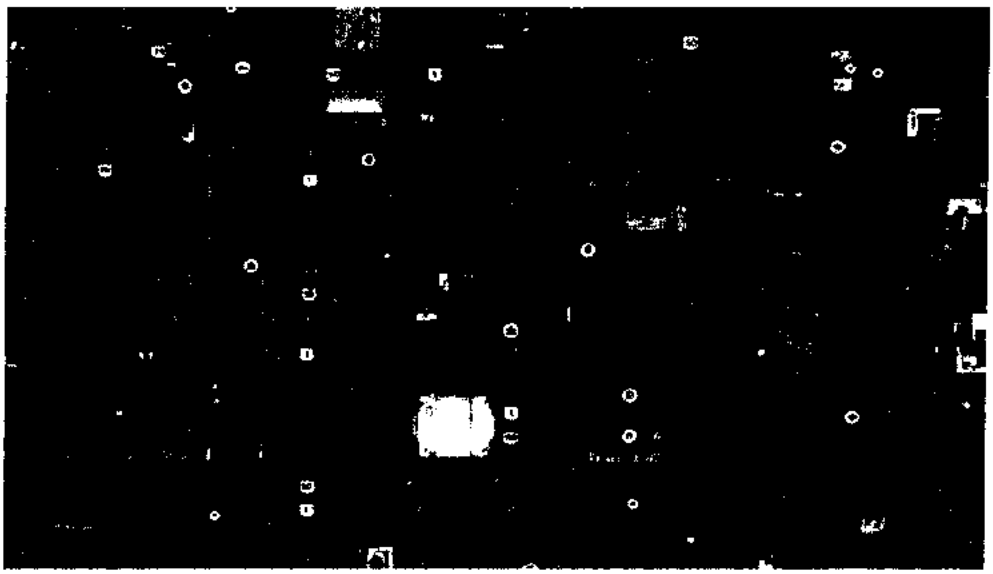




COMPARABLE SALE 5

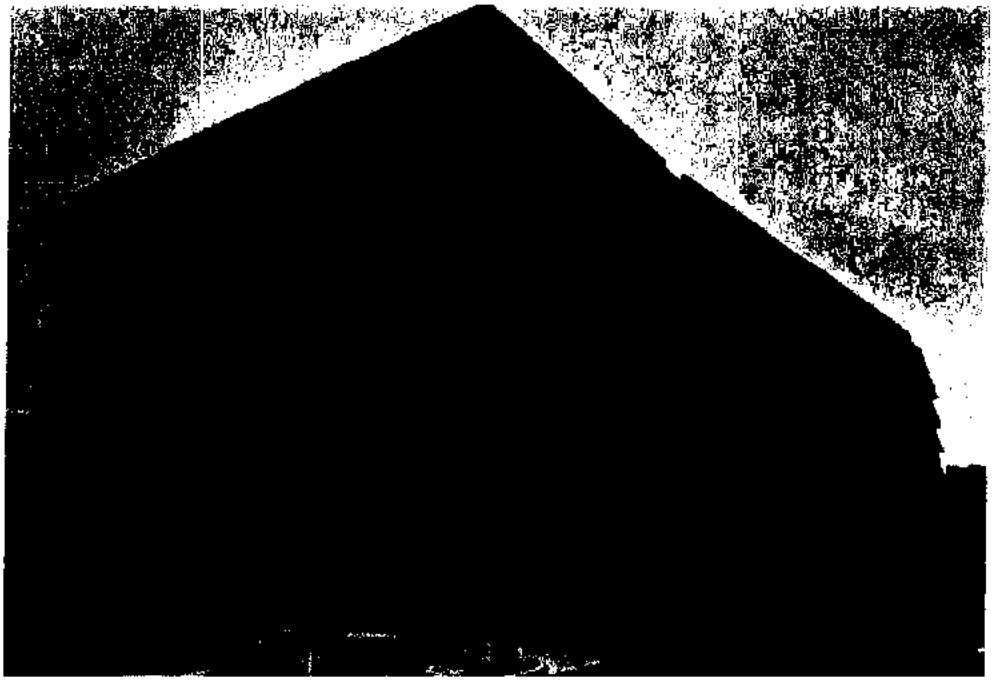
Type	Office Building	**Close Date**	2/29/2012
Location	801 9th St. NW, Washington, DC	**Sale Price**	$ 147,500,000
Grantor	Wereldhave USA-DC, LLC	**Cash Equqlancy**	$ 147,500,000
Grantee	NSP Ventures, Corp.	**Building SF**	236,054
Confirmed	Publications/Co-Star/County Records	**Price/SF**	$ 624.86
Zoning	DDC-3-C, Washington	**OAR**	4.64%
Doc. No.	2013020589	**Occupacy**	100.0%

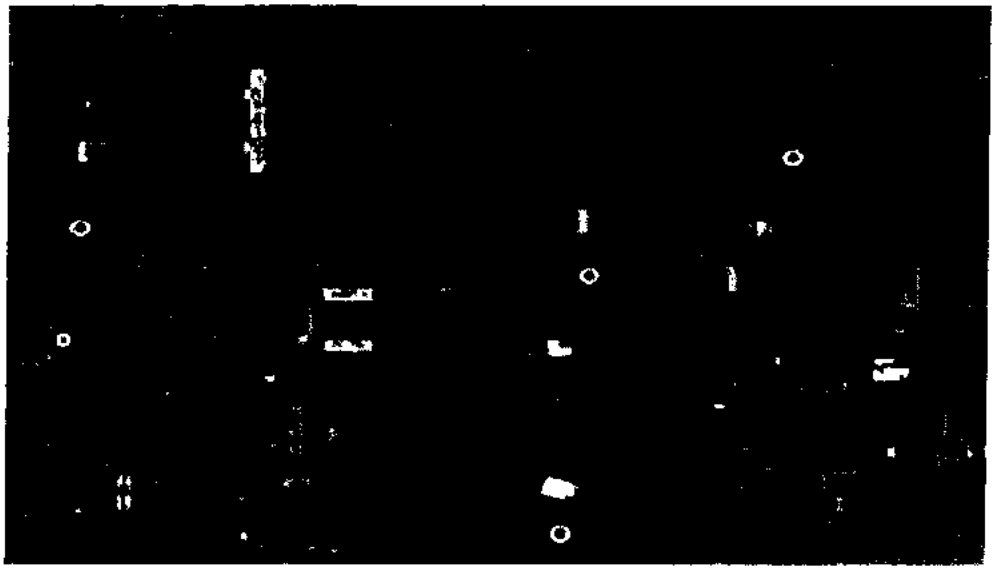




COMPARABLE SALE 6

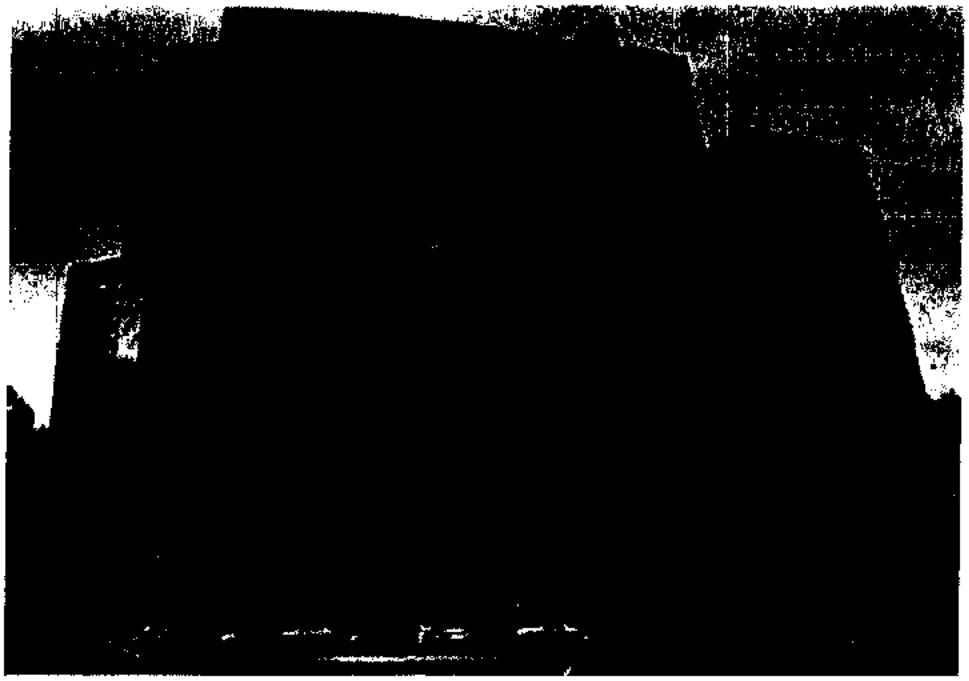
Type	Office Building	**Close Date**	5/11/2011
Location	1100 &1101 4th St. SW, Washington, DC	**Sale Price**	$ 356,000,000
Grantor	Waterfront Associates, LLC	**Cash Equqlancy**	$ 356,000,000
Grantee	USAA Real Estate Company	**Building SF**	639,546
Confirmed	Publications/Co-Star/County Records	**Price/SF**	$ 556.64
Zoning	C-3-C, Washington	**OAR**	5.60%
Doc. No.	2013052918	**Occupacy**	99.0%

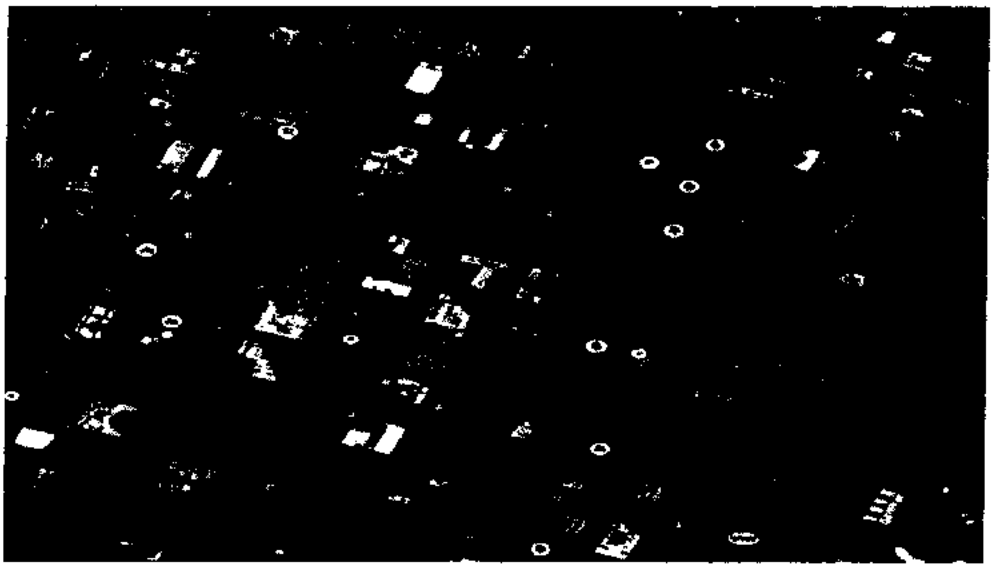




COMPARABLE SALE 7

Type	Office Building	**Close Date**	3/11/2011
Location	100 SW Main St., Portland, OR	**Sale Price**	$ 129,434,224
Grantor	Two Main Development, LLC	**Cash Equqlancy**	$ 129,434,224
Grantee	AAT Oregon Office 1, LLC	**Building SF**	364,779
Confirmed	Publications/Co-Star/County Records	**Price/SF**	$ 354.83
Zoning	C1Z	**OAR**	6.60%
Doc. No.	11031855	**Occupacy**	96.0%





ANALYSIS AND ADJUSTMENT OF SALES

The adjustment process is typically applied through either quantitative or qualitative analysis. Quantitative adjustments are often developed as dollar or percentage amounts, while qualitative adjustments are simply expressed through relative comparison (i.e. significantly inferior).

Quantitative adjustments are most applicable when the quality and quantity of data allows paired sales or statistical analysis. Oftentimes, the paired-sale information is widely divergent. Due to the difficulty involved in adequately supporting adjustments for these differences and the widely divergent market data that exists, we have applied qualitative adjustments for the attributes that are clearly inferior or superior to the subject. Based on my experience and investigations of the marketplace, this approach reflects local market reality.

Market participants can often identify superior or inferior characteristics when comparing properties. However, few buyers or sellers apply specific percentage or dollar-amount adjustments for particular differences. In contrast, they view a property overall and form an opinion as to whether one is worth more or less than another. A similar method of practical adjustment was discussed in an article in The Appraisal Journal, published by the Appraisal Institute.

COMPARABLE SALES DISCUSSION

The subject has similar attributes to these comparables. Sales typically reflect a range in unit prices due to a variety of factors such as market conditions, location, orientation, age and condition, building size and economic characteristics, parking and land-to-building ratios.

The following is a discussion of each sale and my comparison of its attributes to those of the subject property. An adjustment grid at the end of this discussion summarizes my analysis and reconciles the Fair Market Value of the subject property indicated by the comparable sales.

UNIT PRICE COMPARISON ANALYSIS

Sale 1 consists of a twelve (12) story building with 201,281 square foot of RA and 177 covered parking spaces. This office building sold August 26, 2013 for $121,734,400 or $604.80 per square foot. The property is located at 1301 New York Avenue NW, in Washington DC. The building was constructed on this 0.41 acre corner site in 1983 and renovated in 1998. This is a single tenant building that is 100% leased and occupied by the Department of Justice. Prior to the sale, the lease was renewed for an additional 15 years. The renewal starts in March 2014. This sale generated an overall capitalization rate (Ro) of 5.30%.

In comparing this sale to the subject, I noted differences in location, age/condition, building size, the lack of a parking structure and land-to-building ratios. First, I applied a substantial downward adjustment for this property's superior location in Washington, DC. Based on my research and comparison analysis, sales located in this area commanded a premium over those located in other areas. Next, I considered the age and condition differences. This building was constructed in 1983 and renovated in 1998. In comparison, the subject building was completed in July of 2011. I also noted that a price adjustment was made prior to closing for additional tenant improvements

that were needed. Therefore, I applied an upward adjustment for this buildings older age and inferior overall condition. Next, I noted the smaller size of this building as compared to that of the subject. Typically, with all other variables similar, smaller office buildings will command higher unit prices than larger ones due to supply and demand. There are more buyers that can afford a smaller building than a larger one. This property is significantly smaller than the subject, warranting a downward adjustment. I then considered that this property has 177 covered parking spaces and the subject has a five (5) level parking structure on the site with 1,680 parking spaces. This comparables lack of this desirable amenity warrants another upward adjustment. I then considered the differences in land-to-building ratios. This building is located on a 0.41 acre site, which is basically the building footprint. In comparison, the subject is located on a 13.76 acre site that includes another 513 surface parking spaces. Therefore, while this property reflects a parking ratio of 0.9:1,000 square feet of RA, the subject reflects a highly desirable ratio of 5.9:1,000 square feet of RA. This warrants another upward adjustment. I also considered that the government lease in this building involves the Federal Government, which is superior to the subject's lease with Clark County. However, this is offset by its much shorter term of 15 years compared to the subject's 28 years. In this comparison, the predominance of the adjustments is downward. This indicates that the unit price of $604.80 per square foot is above what the subject could command.

Sale 2 is the sale of a 293,991 square foot office building located at 2100 M Street NW in Washington, DC. This property, which was built in 1969, sold on May 21, 2013 for $133,500,000 or $454.10 per square foot. This building is located on a 0.95 acre corner site, reflecting a land-to-building ratio of 0.14:1. About 43% of this multi-tenant building is leased to the Urban Institute. Other tenants include the Social Security Administration and George Washington University; however, the occupancy was 77% at the time of sale. This sale generated an Ro of 4.50%.

In comparing this sale to the subject, I noted differences in location, age/condition, economic characteristics, the lack of a parking structure and land-to-building ratios. First, I applied a substantial downward adjustment for this property's superior location in Washington, DC. I then considered the age and condition difference. This building was constructed in 1983 and the exterior and first floor were renovated in 2003. This is inferior to the subject and warrants an upward adjustment. Next, I noted that while there were government leases in place, this building was only 77% leased. The buyer of this property will have the additional cost of leasing up the vacant space, which warrants another upward adjustment. I then considered that this property has 206 parking spaces and a land-to-building ratio of 0.14:1. Therefore, I applied additional upward adjustments for its inferior parking and inferior land-to-building ratio. The predominance of the adjustments in this comparison is upward, indicating that the unit price of $454.10 per square foot is below what the subject could command.

Sale 3 consists of a seven (7) story building with 171,920 square foot of RA and 77 covered parking spaces. This office building sold March 22, 2013 for $109,000,000 or $634.02 per square foot. The property is located at 1400 New York Avenue NW, in Washington DC. The building was constructed on this 0.41 acre corner site in 1901 and renovated in 1986. This is a single tenant building that is 100% leased and occupied the by Justice Department. Prior to the sale, the lease was renewed for an additional 15 years. This sale generated an Ro of 5.10%.

In comparing this sale to the subject, I noted differences in location, age/condition, building size, the lack of a parking structure and land-to-building ratios. First, I applied a substantial downward adjustment for this property's superior location in Washington, DC. I then applied an upward adjustment for its age, it is 112 years old. And while another downward adjustment is warranted for the size difference, the parking and land-to-building differences require additional upward adjustments. Similar to the comparison of Sale 1 to the subject, the adjustments are predominately downward. This indicates that the unit price of $634.02 per square foot is also above what the subject could command.

Sale 4 the sale of a 318,600 square foot office building located at 5851 Legacy Circle, Plano, TX. The building is connected to a seven (7) level parking structure with 1,050 parking spaces. This property, which was built in 2012, sold on November 27, 2012 for $120,000,000 or $376.65 per square foot. The building is located on a 3.83 acre interior site, reflecting a land-to-building ratio of 0.52:1. This twelve (12) story office building is 100% leased on a triple net basis (NNN) to Encana Oil & Gas, a Canada-based energy firm. The broker reported that Encana will continue to occupy the building on a long-term lease. This sale generated an Ro of 6.50%.

In comparing this sale to the subject, I noted differences in orientation, economic characteristics and land-to-building ratios. First, I considered that this is an interior site and the subject has corner orientation at a signalized intersection. Typically, sites with corner orientation command a premium for the superior access and visibility they provide. Therefore, I applied an upward adjustment for this property's inferior orientation. Next, I considered that this property is 100% leased to a Encana Oil and Gas. This is inferior to a government leased property due to the risk of default. Therefore, I applied another upward adjustment for this property's inferior economic characteristics. I then considered that this property has a land-to-building ratio of 0.52:1 and resulting parking ratio of 3.3 spaces per 1,000 square feet of RA. This is inferior to that of the subject and warrants another upward adjustment. In this comparison, all of the adjustments are upward. This indicates that the unit price of $376.65 per square foot is substantially below what the subject could command.

Sale 5 is the sale of a 236,054 square foot eight (8) story office building located at 801 9th Street NW, Washington, DC. It appears that the government leased office market is drawing interest from overseas investors as a Japanese investment firm purchased this property on February 29, 2012 for $147,500,000 or $624.86 per square foot. This property is fully leased on a triple net basis to the United States Mint through September 2019. The property features Level III security and a two-level, 190-space underground parking garage. It was constructed in 1999 on a 0.78 acre site, reflecting a land-to-building ratio of 0.14:1. This property previously sold in 2006 for $131,500,000. This was originally a build-to-suit for this government agency. This sale generated an Ro of 4.64%.

In comparing this sale to the subject, I noted differences in location, age/condition, building size, parking structure and land-to-building ratios. First, I applied a substantial downward adjustment for this property's superior location in Washington, DC. I then applied an upward adjustment for its age. Another downward adjustment is warranted for the size difference. I then considered that this property has a two level underground parking structure with 190 parking spaces and a land-to-building ratio of 0.14:1. Therefore, I applied additional upward adjustments for its inferior parking and

inferior land-to-building ratio. In this comparison, the predominance of the adjustments is again downward. This indicates that the unit price of $624.86 per square foot is above what the subject could command.

Sale 6 is the sale of a two office buildings containing 639,546 square feet located at 1100 and 1101 4th Street SW, Washington, DC. These buildings, which were built in 2010, sold May 11, 2011 for $356,000,000 or $556.64 per square foot. These buildings are located on a 4.63 acre interior site, reflecting a land-to-building ratio of 0.32:1. Over 80% of these multi-tenant buildings are leased to the government. Occupancy in these buildings was about 99% at the time of sale. This sale generated an Ro of 5.60%.

In comparing this sale to the subject, I noted differences in location, orientation, economic characteristics, the lack of a parking structure and land-to-building ratios. First, I applied a substantial downward adjustment for this property's superior location in Washington, DC. I then applied an upward adjustment for its inferior orientation. Next, I considered that while there were government leases in place, this was a multi-tenant building. This adds additional risk and warrants another upward adjustment. I then considered that this property has 425 parking spaces and a land-to-building ratio of 0.32:1. Therefore, I applied additional upward adjustments for its inferior parking and inferior land-to-building ratio. In this comparison, the predominance of the adjustments is upward. This indicates that the unit price of $556.64 per square foot is below what the subject could command.

Sale 7 is located at 100 SW Main Street, in Portland, OR. This office building sold on March 11, 2011 for $129,434,224 or $354.83 per square foot. It was constructed in 2010 on a 1.00 acre site, reflecting a land-to-building ratio of 0.12:1. Almost 90% of this multi-tenant building is leased to the government. Occupancy in the building was about 96% at the time of sale. This sale generated an Ro of 6.60%.

In comparing this sale to the subject, I noted differences in economic characteristics, the lack of a parking structure and land-to-building ratios. First, I considered that while the majority of the property is leased to the government, this was a multi-tenant building that included other tenants. This adds additional risk and warrants a slight upward adjustment. I then considered that this property has 300 parking spaces and a land-to-building ratio of 0.12:1. Therefore, I also applied upward adjustments for its inferior parking and inferior land-to-building ratio. Again, all of the adjustments are upward. This indicates that the unit price of $354.83 per square foot is substantially below what the subject could command.

IMPROVED SALES ADJUSTMENT GRID

On the next page I present my Improved Sales Adjustment Grid. This grid summarizes my previous adjustments and my overall comparison of each sale to the subject. The last column, described as "Net Adjustment," indicates the overall relation of each comparable sale to the subject. In other words, an overall plus adjustment means the unit price commanded by that comparable would be below that which the subject could command. An overall minus adjustment means the unit price commanded by that comparable is above that which the subject could command. And, a conclusion of similar implies that the unit price commanded by that comparable is similar to what the subject could command. Please note that I only included those items requiring an adjustment in the following grid.

IMPROVED SALES ADJUSTMENT GRID							
Sale No.	**1**	**2**	**3**	**4**	**5**	**6**	**7**
Date of sale	**08/26/13**	**05/21/13**	**03/22/13**	**11/27/12**	**02/29/12**	**05/11/11**	**03/11/11**
# of Sq. Ft.	**201,281**	**293,991**	**171,920**	**318,600**	**236,054**	**639,546**	**364,779**
Price/SF	**$604.80**	**$454.10**	**$634.02**	**$376.65**	**$624.86**	**$556.64**	**$354.83**
Location	- - -	- - -	- - -	0	- - -	- - -	0
Orientation (Corner)	0	0	0	+	0	+	0
Age/Condition	+	+	+	0	+	0	0
Building Size	-	0	-	0	-	0	0
Economic Characteristics	0	+	0	+	0	+	+
Parking Structure	+	+	+	0	+	+	+
Land-to-Building Ratio	+	+	+	+	+	+	+
Plus	3	4	3	3	3	5	3
Minus	4	3	4	0	4	3	0
Net Adjustment	**Minus**	**Plus**	**Minus**	**Plus**	**Minus**	**Plus**	**Plus**
CONCLUDED UNIT VALUE OF THE SUBJECT			**$575.00**	**/SF**			

VALUE INDICATION - SALES COMPARISON APPROACH

The preceding comparable sales commanded unit prices ranging from $354.83 to $634.02 per square foot. Again, six (6) involved buildings with government leased space and four (4) were single tenant buildings. Based on my comparison analysis, the unit prices commanded by Sales 1, 3 and 5 are above what the subject could command and the unit prices commanded by Sales 2, 4, 6 & 7 are below what the subject could command. This suggests the Fair Market Value is between $556.64 and $604.80 per square foot.

After considering the unit prices commanded by the comparable transactions, I have concluded that the Fair Market Value of the subject property is $575 per square foot. Therefore, the Fair Market Value of the leased fee interest in the subject property by the Sales Comparison Approach, as of November 15, 2013, is estimated as follows:

Sales Comparison Approach to Value	
Estimated Unit Value	$ 575.00
Subject's Rentable Square Feet	373,327
Indicated Fair Market Value	$214,663,025
Rounded to:	$214,660,000

INCOME CAPITALIZATION APPROACH

The Income Capitalization Approach to Value consists of methods, techniques, and mathematical procedures used to analyze a property's capacity to generate benefits and convert these benefits into an indication of present value. This approach is predicated upon the assumption that a relationship exists between the income that a property can produce and the value of the property. The steps taken to apply the income capitalization approach are:

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

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

In this analysis, I will use both direct capitalization analysis and Argus for a discounted cash flow (DCF) because investors in this property type typically give the most consideration to the value suggested by the Income Capitalization method in formulating a purchase price.

LEASED STATUS OF THE PROPERTY

As of the effective date of value, the subject was 100.0% leased by Clark County, Nevada, and 100% occupied by the Las Vegas Metropolitan Police Department. The lease rate began at an annual rate of $33.00 per square foot on July 1, 2011.

The lease rate was based on triple net terms with separate rates based on the building and the parking structure. The rate for the building began at $2.32 psf per month or $27.84 psf. The rate for the parking structure per month was $0.43 psf per month or $5.16 psf per year. This reflects the total monthly rate for the parking structure was $160,530.61 (373,327 SF x $0.43 PSF = $160,530.61). With 1,680 spaces in the parking structure, this reflects a rate of $95.55 per space per month.

There are increases scheduled for the Rent Adjustment Commencement Date, which began with August 1, 2012. For the first six (6) Rent Adjustment Commencement Dates, the Base Rent Adjustment was set at two percent (2%) per year. The adjustments after that are tied to a Consumer Price Index (CPI). The CPI used in this lease is the most current Consumer Index-All Items (1982 – 84 = 100), U.S. City Average, published by the United States Department of Labor, Bureau of Labor Statistics.

MARKET RENT ANALYSIS

In the following portion of this report, I will estimate the market rent for the subject property as of November 15, 2013. Contract rents typically establish income for leased space, while market rents are the basis for estimating income for current vacant space and future speculative re-leasing of space due to expired leases. I analyzed comparable rentals that are summarized in the table on the next page. The table is followed by a map showing the location of each comparable in relation to the subject property. A discussion of these properties, along with a photograph of each property, follows the location map.

COMPARABLE RENTALS

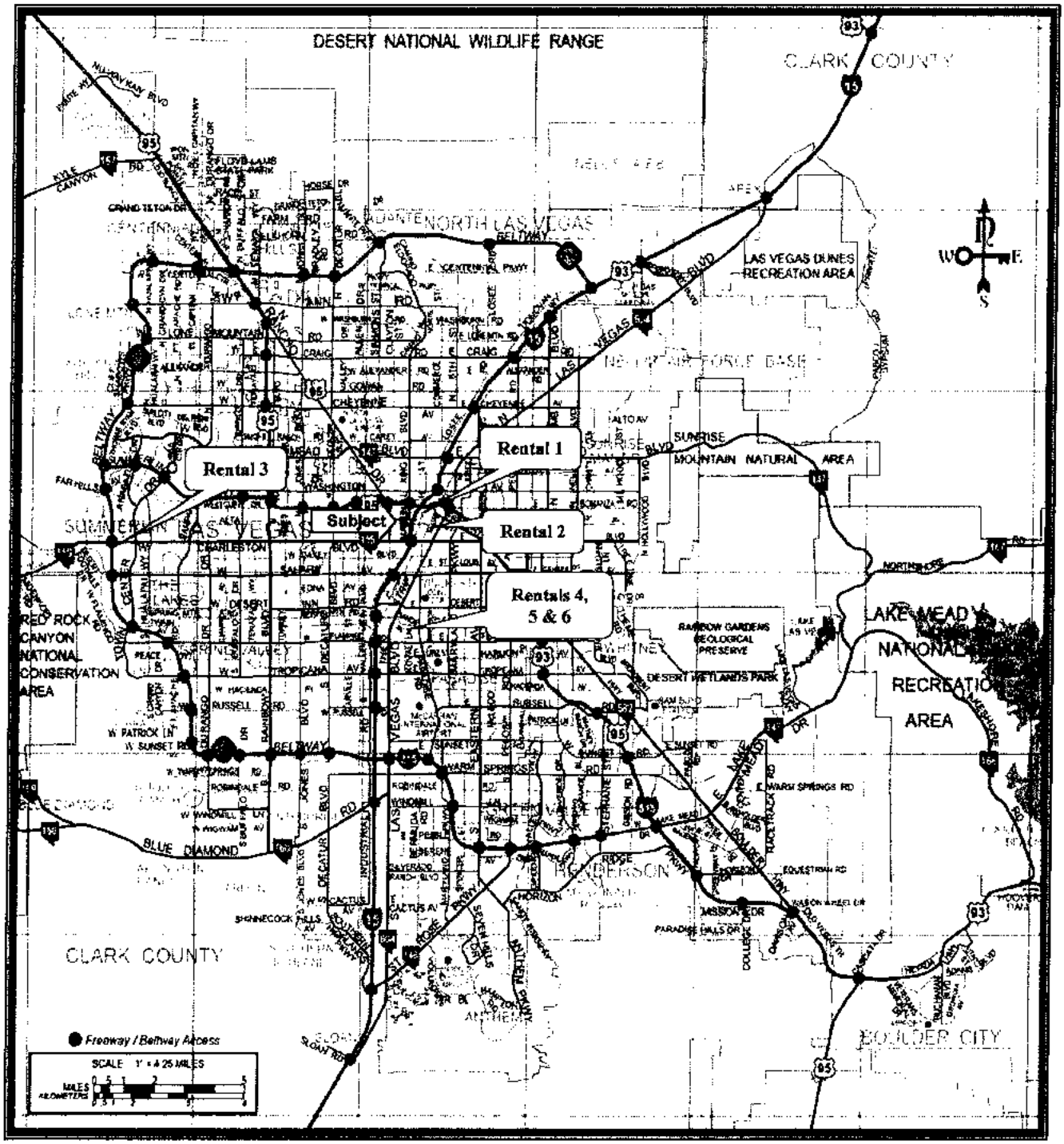
RECENT LEASES IN THE AREA

#	Property Information	Year Built	GLA % Leased	Monthly Rent/SF	Annual Rent/SF	Lease Type
1	**Office Building**	2006	285,179	$3.40	$40.80	FS
	110 City Parkway		92.5%			
2	**Office Building**	1983	89,143	$2.25-$2.75	$27.00-$33.00	MG
	530 Las Vegas Boulevard South	1991	55.3%			
3	**Office Building**	2007	140,602	$2.75	$33.00	MG
	10801 W. Charleston Boulevard		92.7%			
4	**Office Building**	1987	278,964	$2.95-$3.15	$35.40-$37.80	FS
	3800 Howard Hughes Parkway		80.2%			
5	**Office Building**	2007	161,542	$3.15	$37.80	FS
	3960 Howard Hughes Parkway		84.9%			
6	**Office Building**	1999	170,868	$2.90	$34.80	FS
	3993 Howard Hughes Parkway		73.6%			

SUBJECT PROPERTY

Property Information	Year Built	GLA % Leased	Monthly Rent/SF	Annual Rent/SF	Lease Type
Subject Property	2011	373,327	$2.86	$34.32	NNN
400 Martin L. King Boulevard		100.0%			

COMPARABLE RENTALS MAP



LEASE TYPE

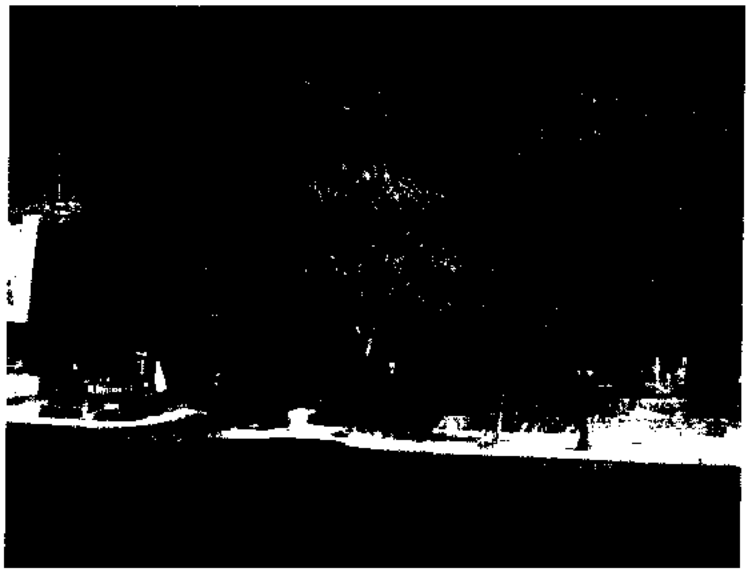
A general relationship between the lease types exists. Modified gross leases rent for more per square foot than equivalent space on a triple net lease. While the rate for a gross or full-service lease is typically higher than a modified gross lease. The comparables in the chart reflect both modified gross and full service gross leases. The subject is 100% leased on a triple net basis.

MARKET RENT ANALYSIS

I have selected six (6) properties renting space that are representative of office space. Two are located in the Downtown submarket near the subject, one is a fairly new Class A building in the Summerlin area and the other three are located in the Hughes Center. In comparing these spaces to the subject, I considered the respective lease type, location/visibility, orientation, age and condition and the respective parking situation for each to estimate the subject's current market rental rate.

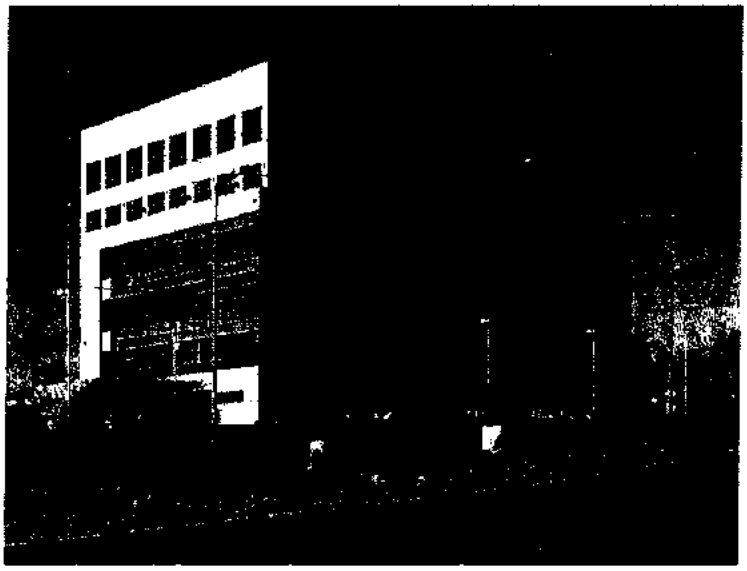
Rental 1 is the Molasky Center. The Molasky Corporate Center is a Class A 17-story office building located a few blocks northeast of the subject in the Downtown submarket. This building, which constructed in 2006, contains approximately 285,179 square feet of RA. The property is a "LEED" certified office building, the first to the Las Vegas office market. The properties' 17-stories contain 10 levels of office space (Floors 1-5, 12, 14, 15, 16 and 17), 6.5 levels of parking space which comprise of approximately 1,350 spaces (Ground Floor and Floors 1-5) and the remaining 0.5 level space on the ground floor is commercial retail. The parking ratio is 4.74 spaces per 1,000 square feet of RA. It is my understanding the rate for reserved parking structure spaces is $150 per month.

There have been no recently reported leases in this building, which is 92.5% occupied. The current asking rate is $40.80 psf on a full service basis. The downward adjustments for this being an asking rate on a full service lease outweigh the upward adjustments for the older age and inferior parking at this building. This suggests a rate below $40.80 per square foot for the subject.



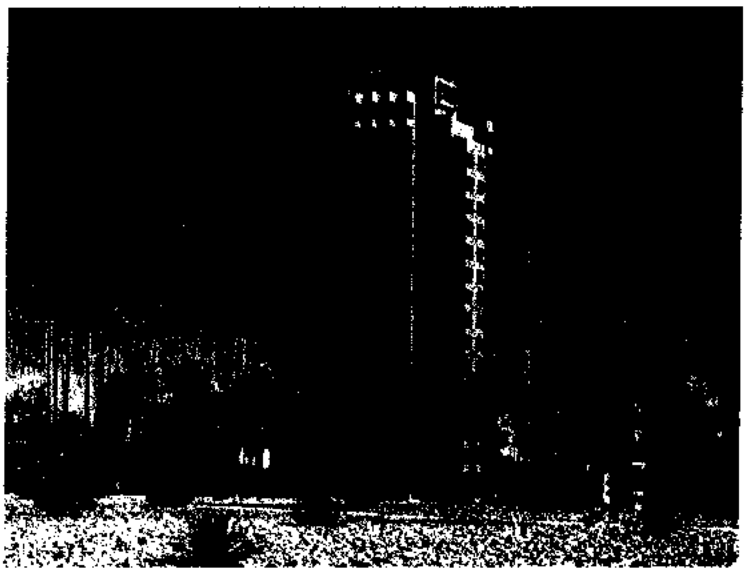
Rental 2 is known as Bonneville Square. Bonneville Square is actual a combination of two buildings. The building located at the northeast corner of Bonneville Avenue and South 4th Street was built in 1983, with the second building, located at the northwest corner of Bonneville and Las Vegas Boulevard South, being completed in 1991. These buildings were then connected over a public alley that separates the sites. The total square footage of rentable area is 89,143 square feet. In addition, there is an attached parking structure with 146 spaces, which reflects a parking ratio of less than 2 per 1,000 square feet of RA.

There have been two leases signed in this building recently, one for 6,451 square feet and another for 3,451 square feet. Both were reported to at an annual rate of $30.00 psf and both based on modified gross lease terms. The current asking rates range from $27.00 to $33.00 psf, also on modified gross terms. While the modified gross lease structure requires a downward adjustment, the age, condition, quality of the space and inferior parking all require upward adjustments. This suggests that the subject's market rate is above $30.00 per square foot.



Rental 3 is located on a 285,826 square foot site within the Summerlin master-planned community at the southeast corner of Charleston Boulevard and Pavilion Center Drive. The property is improved with a six-story, Class A office building. This building contains 152,468 square feet of gross building area (GBA), of which 140,602 square feet is net rentable area (NRA). Construction was in July 1, 2007. There 608 parking spaces, 376 surface and 232 in a two-level parking structure. This reflects a parking ratio of 4.32 per 1,000 square feet of RA.

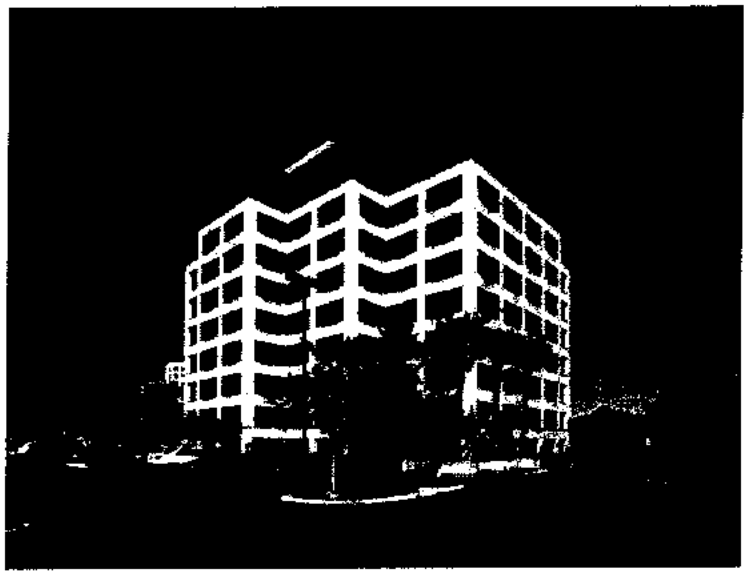
The last lease in this building was signed in September of 2013. This involved a 5,207 square foot space at an annual rate of $33.00 psf on modified gross lease terms. While the modified gross lease structure requires a downward adjustment, the location and inferior parking require upward adjustments. This suggests that the subject's market rate is above $33.00 per square foot.



Rentals 4, 5 and 6 are located within the Hughes Center at the northwest corner of Paradise Road and Flamingo Road. **Rental 3** is known as the Wells Fargo Tower. This building, which is located at 3800 Howard Hughes Parkway, was constructed in 1987. The total square footage of rentable area is reported to be 278,964 square feet, of which 80.2% is currently occupied. There are 247 surface spaces available and 845 covered spaces. In addition, there are 108 open surface spaces on a site to the north of the building. This reflects a parking ratio of 4.30 per 1,000 square feet or RA.

There have been two leases signed in this building recently, one for 2,680 square feet and another for 1,691 square feet. The broker reported both were at an annual rate of $35.40 psf and both based on full service lease terms. Reserved parking is charged separately at a rate of $110 per square in the parking structure and $60 to $75 for open space. The asking rates range from $35.40 to $37.80 psf, also on full service terms.

In this comparison, this is an older structure with inferior parking that is being leased on full service terms. Overall, the substantial downward adjustment required for the full service lease structure would be offset by its older age and inferior parking. This suggests that the subject's market rate is similar to $35.40 per square foot.



Rental 5 is located at 3960 Howard Hughes Parkway. This is a newer building that was constructed in 2007. The total square footage of rentable area is reported to be 161,542 square feet, of which 84.9% is occupied. There are 71 surface spaces available and 450 covered spaces. In addition, there are 58 open surface spaces. This reflects a parking ratio of 3.58 per 1,000 square feet or RA.

There have been two leases signed in this building recently, one for 1,678 square feet and another for 9,941 square feet. The broker reported both were at an annual rate of $34.80 psf and both based on full service lease terms. Reserved parking is charged separately at a rate of $110 per square in the parking structure and $60 to $75 for open space. The asking rate is $37.80 psf, also on full service terms.

In this comparison, this is a slightly older structure with inferior parking that is being leased on full service terms. Again the adjustments are basically offsetting. This suggests that the subject's market rate is similar to $34.80 per square foot.

Rental 6 is located at 3993 Howard Hughes Parkway. This is an older building that was constructed in 1999. The total square footage of rentable area is reported to be 170,868 square feet, of which 73.6% is occupied. There are 62 surface spaces available and 560 covered spaces. In addition, there are 82 open surface spaces. This reflects a parking ratio of 4.12 per 1,000 square feet or RA.

There have been three leases signed in this building recently, one for 2,536 square feet, one for 2,083 square feet and another for 3,341 square feet. The broker reported all were at an annual rate of $34.80 psf and all were on full service lease terms. Reserved parking is charged separately at a rate of $110 per square in the parking structure and $60 to $75 for open space. In this comparison, this is another older structure with inferior parking that is being leased on full service terms. Again the adjustments are basically offsetting. This suggests that the subject's market rate is similar to $34.80 per square foot.

MARKET RENT CONCLUSION

Based on my research, the subject's market rent with parking is in the $34.80 to $35.40 psf range, which supports the current contract rate of $34.32 psf. Another way to look at the subject's lease rate is to separate out the building and parking structure rates. The rate for the building began at $2.32 psf per month or $27.84 psf and the rate for the parking structure per month was $0.43 psf per month or $5.16 psf per year. After applying the 2% annual adjustments on August 1, of 2012 and 2013, the building rate is $2.41 psf per or $28.96 psf per year. Based on the rates being commanded in the area, this is a reasonable rate for the building with the 513 surface parking spaces. Adjusting the parking structure rent, reflects the total monthly rate is now $0.45 psf per month. This reflects the total rent for the parking structure is $167,016.05. With 1,680 spaces in the parking structure, this reflects a rate of $99.41 per space per month, which is well below that being commanded for this type of parking at the Hughes Center and the Molasky Center. Another parking structure in the area, attached to the Bank of America Building, also charges north of $100 per space per month. After considering all of this this information, I have concluded that the contract rental rate at the subject is similar to the current market rental rate of this property.

ESTIMATE OF GROSS INCOME

Potential gross rent

Since the subject is 100% leased, I will use the contract rent for the first forecast year to develop a stabilized income for the property. The first forecast year is the 12-month period following the effective date of the appraisal, starting November 15, 2013 and ending November 14, 2014. There is a 2% increase scheduled during this period; therefore, I will use the current rate for the first 8.5 months and apply the 2% adjustment to the last 3.5 months of the forecast period. The resulting potential gross rent (PGR) is $12,892,279. These calculations are summarized in the table on below.

Potential Gross Rent - Forecast Year:	
Contract Rent ($2.86 x 373,327 x 8.5):	**$ 9,079,070**
Contract Rent ($2.92 x 373,327 x 3.5):	**$ 3,813,209**
Potential Gross Rent	**$12,892,279**

**Note: Numbers may not add exactly due to rounding.*

ESTIMATE OF STABILIZED INCOME AND EXPENSES

Vacancy and Collection Loss

This category represents both the rent loss caused by physical vacancy and credit loss projected for the subject. According to the previously discussed Colliers International office market report, office vacancies in this submarket were the lowest in the Valley at 13.3% in the 3rd quarter 2013. I also researched the vacancy rates for single-tenant office space through the Las Vegas Valley, and then in the Downtown submarket. For the 12,963,677 square feet of single-tenant space throughout Las Vegas, the current vacancy rate is 2.5%, with the five (5) year average at 5.7%. When the area was narrowed to the 3,244,788 square feet of single-tenant space in the Downtown submarket, the current rate dropped to 1.0%, with the five (5) year average at 3.5%.

I discussed the subject with brokers active in this area to ascertain what investors in this property type with a single credit government tenant on a thirty (30) year lease would consider "stabilized" occupancy. Based on all of this this information, I have estimated the stabilized vacancy and credit loss at 2.0%.

Total Effective Gross Income (EGI)

Based on my previous analysis, I forecast the potential gross income at $12,892,279. To this I applied the stabilized vacancy and collection loss at 2.0%, which generates the projected effective gross income (EGI) of $12,634,434.

OPERATING EXPENSE ANALYSIS BY CATEGORY

In the following portion of this analysis, I will estimate the associated expenses for the subject over the following twelve months. The expense estimate is based on the terms of the lease, which in this assignment are triple net. In the supplied lease, the tenants assume responsibility for all of the expenses for property, including the real estate taxes, insurance, maintenance and repairs, and all other costs associated with operating the property. This suggests that the expenses to the property owner are zero.

However, there is a slight risk of vacancy and collection loss. During that period, the owner would be responsible for the operating expenses. It has been my experience that similar type properties have generally experienced miscellaneous expenses ranging from 1% to 2% over the holding period. Based on this lease type, I am estimating the "stabilized" operating expenses at 1.0% of the EGI. A summary of my forecast income and expenses is in the following table.

INCOME & EXPENSE PROJECTIONS

	SF	Rent/SF/Yr.		Annual	Per/SF
Rental Income	373,327	$ 34.53		$ 12,892,279	$ 34.53
POTENTIAL GROSS INCOME (PGI)				**$ 12,892,279**	**$ 34.53**
Less Vacancy & Credit Loss			2.0%	$ (257,846)	$ (0.69)
EFFECTIVE GROSS INCOME (EGI)				**$ 12,634,434**	**$ 33.84**
EXPENSES					
Miscellaneous Expenses			1.0%	$ 126,344	$ 0.34
TOTAL EXPENSES @			**1.0%**	**$ 126,344**	**$ 0.34**
NET OPERATING INCOME (NOI)				**$ 12,508,089**	**$ 33.50**

(Note: Numbers may not add exactly due to rounding.)

NET OPERATING INCOME (NOI)

The net operating income (NOI) for the subject, calculated by deducting the projected operating expenses from the projected effective gross income, is $12,508,089.

CAPITALIZATION RATE SELECTION

A capitalization rate is used to convert net income into an indication of value. Selection of an appropriate capitalization rate considers the future income pattern of the property and investment risk associated with ownership. I used the following methods to derive a capitalization rate for the subject: an analysis of comparable transactions, a review of national investor surveys and discussions with market participants.

Analysis of Comparable Sales

Capitalization rates (Ro's) derived from the "comparable transactions" discussed in the Sales Comparison Approach are as follows:

CAPITALIZATION RATES FROM COMPARABLE TRANSACTIONS

#	TYPE/ ADDRESS	SALE DATE	RA	PRICE/ RA	CAP RATE	% LEASED	Government Leases	Tenancy
1	**Office Building** 1301 New York Avenue NW, Washington, DC	08/26/13	201,281	$ 604.80	5.30%	100%	Yes	Single
2	**Office Building** 2106 M St., Washington, DC	05/21/13	293,991	$ 454.10	4.50%	80%	Yes	Multi
3	**Office Building** 1400 New York NW, Washington, DC	03/22/13	171,920	$ 634.02	5.10%	99%	Yes	Single
4	**Office Building** 5851 Legacy Cir., Plano, TX	11/27/12	318,600	$ 376.65	6.50%	100%	No	Single
5	**Office Building** 801 9th St. NW, Washington, DC	02/29/12	236,054	$ 624.86	4.64%	100%	Yes	Single
6	**Office Building** 1100 &1101 4th St. SW, Washington, DC	05/11/11	639,546	$ 556.64	5.60%	99%	Yes	Multi
7	**Office Building** 100 SW Main St., Portland, OR	03/11/11	364,779	$ 354.83	6.60%	96%	Yes	Multi
	SUBJECT PROPERTY **400 Martin L. King Boulevard**	**N/A**	**373,327**	**N/A**	**N/A**	**100%**	Yes	Single

These properties reflect a range of Ro's from 4.50% to 6.60%, with an average of 5.46%. In addition, to those sales, I had researched other large office building sales through the United States that closed in 2012 and 2013. These properties, which did not include government leased space, reflected a range of Ro's from 4.7% to 7.7%, with an average of 6.0%. These sales are in the table on the following page.

OVERALL CAPITALIZATION RATES

#	TYPE/ ADDRESS	SALE DATE	RA	PRICE/ RA	CAP RATE
1	**Office Building**	09/20/13	1,376,836	$252.03	7.7%
2	**Office Building**	08/13/13	798,782	$264.47	5.7%
3	**Office Building**	07/09/13	952,609	$317.02	5.3%
4	**Office Building**	07/01/13	621,007	$254.26	6.7%
5	**Office Building**	06/20/13	427,799	$257.13	5.3%
6	**Office Building**	05/22/13	635,737	$287.85	7.1%
7	**Office Building**	05/22/13	394,151	$248.64	6.6%
8	**Office Building**	04/30/13	424,965	$230.61	5.8%
9	**Office Building**	04/26/13	560,000	$839.29	3.7%
10	**Office Building**	04/18/13	253,096	$406.57	4.7%
11	**Office Building**	04/17/13	766,668	$229.56	6.8%
12	**Office Building**	04/15/13	345,359	$312.72	5.5%
13	**Office Building**	03/28/13	610,686	$391.36	7.0%
14	**Office Building**	03/04/13	333,948	$525.83	5.6%
15	**Office Building**	11/02/12	583,179	$642.43	5.8%
16	**Office Building**	04/19/12	111,653	$915.34	6.7%

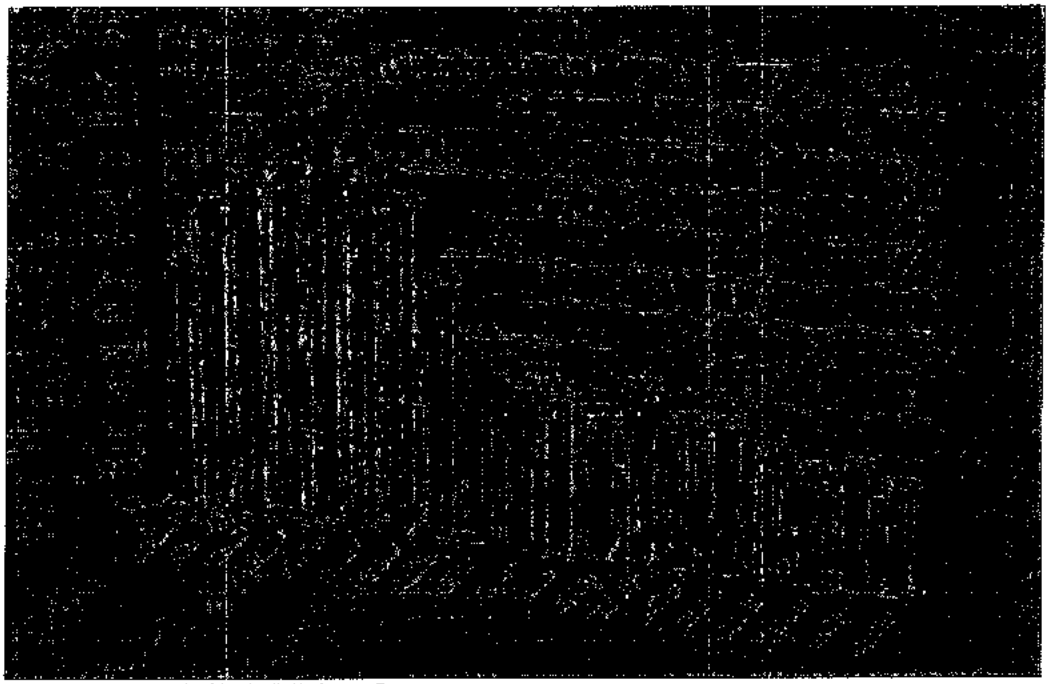
In researching sales for this analysis, I noted that capitalization rates have been trending down since 2010, both nationally and locally. I found that the rates generated for sales of government-leased properties are also trending downward and that there is typically a gap in rates generated by general professional office building sales and office building sales that involve government leases.

National data reflects that investment in government leased properties has returned and in fact, there are a number of funds that are solely focused the government-sector and several others in formation as there is an increasing focus on the government property sector. Low-cost debt and a falling supply of long-term-leased properties is compressing cap rates for these long-term leased properties.

National Investor Surveys

For national data, I looked at the most recent PwC Real Estate Investor Survey. The PwC Investor surveys indicate a range of 3rd Quarter 2013 capitalization rates for the CBD Office Market of 4.00% to 10.00%, with an average of 6.59%. In the 2nd Quarter 2013 capitalization rates averaged of 6.63%. In comparison, a year ago they averaged 6.85% and three years ago averaged 8.01%. This downward trend began in the 2nd quarter of 2010.

The chart on the following page is a summary of the average CBD Office rates reported by PwC from the 1st Quarter of 2009 through the 3rd Quarter of 2013.



Source: PwC; compiled by the DiFederico Group.

I also spoke with several brokers, investors and appraisers, both locally and nationally for this assignment about net leased properties. I learned that due to limited supply and high demand, net lease market participants expect to the market to remain bullish through 2014. The net lease business is up about 50% this year with the biggest complaint being that there are not enough quality properties available. The consensus was that the impact of a government tenant on a long-term net lease will have the effect of lower overall capitalization rate and a lower discount rate, given the reduction in risk as reflected by the lessee's credit strength.

CONCLUSION TO DIRECT CAPITALIZATION

In selecting the appropriate rate, I must consider all of the previous data, as well as the fact that this is a fairly new property in a good location that is leased to a credit quality government tenant on a triple net basis until July 31, 2041. Based on this, I selected an overall capitalization rate of 5.50%, which is close to the 5.46% average reflected by the recent "comparable transactions." Therefore, the value of the leased fee estate in the subject property by the direct capitalization method, as of November 15, 2013, is as follows:

Direct Capitalization Approach to Value	
Effective Gross Income	$ 12,634,434
Less: Expenses	$ 126,344
Net Operating Income	$ 12,508,089
Divided by the Ro	5.50%
Indicated "As Stabilized" Value:	$ 227,419,808
Rounded to:	$ 227,420,000

DISCOUNTED CASH FLOW ANALYSIS

I also used Argus software to develop a projection of periodic cash flows from the property over an anticipated investment holding period based on the lease in place and anticipated changes in rent and operating expenses. This analysis considers current market conditions and my interpretation of the attitudes of informed investors concerning future trends. The table below sets forth the basic assumptions and projections utilized in this analysis. Items requiring further elaboration are addressed in the discussion following the table.

Cash Flow Software	
Program	Argus
Version	14.0.2
Period of Analysis	
Analysis Start Date	November 2013
Holding Period	10 Years
Discount Rate and Reversion Cap Rate	
Discount Rate	6.75%
Reversion Cap Rate	6.00%
Turnover Vacancy - Holding Period	
General Vacancy Rate	1.00%
Collection Loss	1.00%
Indicated Values	
Indicated Value	$ 223,214,488
Rounded to:	$ 223,210,000

Issues requiring additional discussion are addressed in the following paragraphs.

Holding Period

The lease of the subject expires in 2041, or just less than 28 years. However, the typical investor holding period is 10 years. Therefore, I used a ten-year holding period in this analysis.

Market Rent Growth and Expense Growth Rates

On August 1, 2014, and each of the next three years on that date, the rent is scheduled to increase 2%. After that period, the annual adjustments are tied to a Consumer Price Index (CPI). The CPI used in this lease is the most current Consumer Index-All Items (1982 - 84 = 100), U.S. City Average, published by the United States Department of Labor, Bureau of Labor Statistics.

Over the last 10 and even 20 year periods, this CPI has averaged a 2.5% annual increase. However, it was 1.6% in 2010, 3.2% in 2011, 2.1% in 2012 and 1.5% in the first half of 2013. Based on the historical increases in this index, and after considering the first adjustment tied to this index is not until 2018, I will apply a 2% annual adjustment starting in 2018 through the remainder of the holding period.

DISCOUNT RATE AND REVERSION CAPITALIZATION RATE SELECTION

Discount Rate

To select the appropriate discount rate, I reviewed current investor surveys and alternative investment yields. The 3rd Quarter 2013 PwC survey shows discount rates for CBD office buildings ranged from 4.75% to 11.00%, with an average of 8.09%. Rates dropped seven (7) basis points from an average of 8.16% in the 2nd quarter in this survey. Similar to overall capitalization rates, discount rates for CBD office properties have been dropping since 2010. The following is a summary of the average CBD Office discount rates reported by PwC from the 1st Quarter of 2009 through the 3rd Quarter of 2013.

Source: PwC; complied by the DiFederico Group.

For this assignment, I also must consider that the subject property is 100% leased by a single credit tenant, Clark County, Nevada, at a rate that is supported as the current market rent for this quality of space in this area. Based on my research, this results in less risk and warrants a lower than average rate. Again, the current range is 4.75% to 11.00%, and the current average of 8.09%. After considering the previous information and the subject's situation, I estimated the appropriate discount rate at 6.75% for this property.

This reflects a 125 basis point difference between the "going-in" overall capitalization rate of 5.50% and the discount rate of 6.75%. I compared that to the actual spread that has been reported for the CBD office market in PwC surveys since the 1st quarter of 2009. The PwC survey has reflected the difference has ranged from 1.09% to 1.71%, and averaged a spread of 1.42% over that period. Therefore, my estimate is well supported by the historical difference in basis points for overall capitalization rates and discounts rates in the CBD office market.

Reversion Capitalization Rate

Investors typically base their reversion capitalization rate estimate on a stabilized property. Typically, most investment firms that purchase properties like the subject utilize a higher capitalization rate to calculate a property's reversion value due to the uncertainty involved with the state of the market at the time of reversion. My perception of risk is similar. Ten years from now I do not know if the real estate market will be at the bottom of a cycle or at the top of a cycle. However, the fact that the property will be 10 years older at the end of the holding period suggests the risk of the income stream will be higher at the end of the holding period. This scenario contains implicit risk.

In reviewing the previous surveys, I noted that they reflected a differential in the average "going-in" cap rate and the average residual cap rate of 48 basis points in the last quarter. In the prior quarter it was 60 basis points. A year ago it was reflected at 63 basis points, three years ago it was only 3 basis points and five years ago it was 47 basis points.

Given the previous information, and considering the fairly new age of the subject, location, lease situation, which will still have over 17 years remaining at the end of the holding period, and the overall quality of this property, I employed a terminal capitalization rate that is 50 basis points above the going-in rate or a reversion rate of 6.00%. Applying a 6.00% reversion rate to the net operating income in the residual year (Year 11) will result in the reversion value estimate. The reversion value is then discounted to present worth and added to the discounted cash flow to derive a present value estimate. This is summarized on the following pages.

ARGUS SCHEDULE OF PROSPECTIVE CASH FLOW

ARGUS™ SOFTWARE

Metro HQ
400 S. Martin L. King Blvd.
Las Vegas, Nevada 89106

Software: ARGUS Ver. 14.0.2
File: 13-097 Metro HQ with 10 Year run
Property Type: Office

Schedule Of Prospective Cash Flow
In Inflated Dollars for the Fiscal Year Beginning 12/1/2012

For the Years Ending	1 Month Year 1 Nov-2013	Year 2 Nov-2014	Year 3 Nov-2015	Year 4 Nov-2016	Year 5 Nov-2017	Year 6 Nov-2018	Year 7 Nov-2019	Year 8 Nov-2020	Year 9 Nov-2021	Year 10 Nov-2022	Year 11 Nov-2023	Year 12 Nov-2024
Potential Gross Revenue												
Base Rental Revenue	$ 1,068,126	$ 12,802,961	$ 13,181,629	$ 13,424,240	$ 13,682,725	$ 13,888,580	$ 14,245,911	$ 14,536,829	$ 14,821,446	$ 15,117,875	$ 15,420,232	$ 15,728,637
Scheduled Base Rental Revenue	$ 1,068,126	$ 12,802,961	$ 13,181,629	$ 13,424,240	$ 13,682,725	$ 13,888,580	$ 14,245,911	$ 14,536,829	$ 14,821,446	$ 15,117,875	$ 15,420,232	$ 15,728,637
CPI & Other Adjustment Revenue	$ 3	$ 34	$ 34	$ 34	$ 34	$ 34	$ 34	$ 34	$ 34	$ 34	$ 34	$ 34
Total Potential Gross Revenue	$ 1,068,129	$ 12,802,995	$ 13,181,664	$ 13,424,274	$ 13,682,759	$ 13,888,614	$ 14,245,945	$ 14,536,863	$ 14,821,480	$ 15,117,909	$ 15,420,266	$ 15,728,671
General Vacancy	$ (10,681)	$ (128,030)	$ (131,811)	$ (134,243)	$ (136,828)	$ (138,886)	$ (142,459)	$ (145,369)	$ (148,215)	$ (151,179)	$ (154,203)	$ (157,287)
Collection Loss	$ (10,681)	$ (128,030)	$ (131,811)	$ (134,243)	$ (136,828)	$ (138,886)	$ (142,459)	$ (145,369)	$ (148,215)	$ (151,179)	$ (154,203)	$ (157,287)
Effective Gross Revenue	$ 1,046,767	$ 12,544,935	$ 12,897,832	$ 13,155,788	$ 13,418,903	$ 13,687,282	$ 13,961,027	$ 14,246,245	$ 14,525,050	$ 14,815,551	$ 15,111,860	$ 15,414,097
Operating Expenses												
Miscellaneous Expenses	$ 10,468	$ 125,449	$ 128,978	$ 131,558	$ 134,189	$ 136,873	$ 139,610	$ 142,402	$ 145,251	$ 148,156	$ 151,119	$ 154,141
Total Operating Expenses	$ 10,468	$ 125,449	$ 128,978	$ 131,558	$ 134,189	$ 136,873	$ 139,610	$ 142,402	$ 145,251	$ 148,156	$ 151,119	$ 154,141
Net Operating Income	$ 1,036,299	$ 12,419,486	$ 12,768,854	$ 13,024,230	$ 13,284,714	$ 13,550,409	$ 13,821,417	$ 14,097,843	$ 14,379,798	$ 14,667,395	$ 14,960,741	$ 15,259,956
Cash Flow Before Debt Service & Taxes	$ 1,036,299	$ 12,419,486	$ 12,768,854	$ 13,024,230	$ 13,284,714	$ 13,550,409	$ 13,821,417	$ 14,097,843	$ 14,379,798	$ 14,667,395	$ 14,960,741	$ 15,259,956

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ARGUS PRESENT VALUE SCHEDULE

ARGUS™ SOFTWARE

Metro HQ
400 S. Martin L. King Blvd.
Las Vegas, Nevada 89106

Software: ARGUS Ver. 14.0.2
File: 13-097 Metro HQ with 10 Year run
Property Type: Office

Prospective Present Value
Cash Flow Before Debt Service plus Property Resale
Discounted Annually (Endpoint on Cash Flow & Resale) over a 11-Year Period

Analysis Period	For the Year Ending	Annual Cash Flow	P.V. of Cash Flow @ 6.25%	P.V. of Cash Flow @ 6.50%	P.V. of Cash Flow @ 6.75%	P.V. of Cash Flow @ 7.00%	P.V. of Cash Flow @ 7.25%
1 Mos	Nov-2013	$ 1,036,299	$ 1,031,077	$ 1,030,875	$ 1,030,673	$ 1,030,473	$ 1,030,272
Year 2	Nov-2014	$ 12,518,486	$ 11,722,731	$ 11,692,922	$ 11,663,260	$ 11,633,740	$ 11,604,366
Year 3	Nov-2015	$ 12,768,854	$ 11,253,820	$ 11,198,854	$ 11,144,284	$ 11,090,107	$ 11,036,318
Year 4	Nov-2016	$ 13,024,230	$ 10,803,666	$ 10,725,052	$ 10,648,401	$ 10,571,678	$ 10,496,578
Year 5	Nov-2017	$ 13,284,714	$ 10,371,519	$ 10,272,464	$ 10,174,585	$ 10,077,883	$ 9,982,283
Year 6	Nov-2018	$ 13,550,409	$ 9,958,658	$ 9,838,417	$ 9,721,851	$ 9,608,936	$ 9,493,641
Year 7	Nov-2019	$ 13,821,417	$ 9,568,393	$ 9,422,709	$ 9,280,284	$ 9,158,013	$ 9,028,917
Year 8	Nov-2020	$ 14,097,843	$ 9,176,055	$ 9,024,566	$ 8,875,922	$ 8,730,087	$ 8,586,940
Year 9	Nov-2021	$ 14,379,799	$ 8,809,012	$ 8,643,244	$ 8,480,975	$ 8,322,119	$ 8,166,601
Year 10	Nov-2022	$ 14,667,395	$ 8,456,852	$ 8,278,038	$ 8,103,800	$ 7,933,235	$ 7,766,836
Year 11	Nov-2023	$ 14,960,741	$ 8,116,365	$ 7,926,280	$ 7,743,019	$ 7,562,523	$ 7,386,641
Total Cash Flow		$ 139,110,187	$ 99,257,969	$ 98,056,011	$ 96,875,834	$ 95,718,952	$ 94,576,893
Property Resale @ 6% Cap Rate		$ 244,106,347	$ 132,463,311	$ 129,361,148	$ 126,338,654	$ 123,393,603	$ 120,523,838
Total Property Present Value			$ 231,721,280	$ 227,417,159	$ 223,214,488	$ 219,110,555	$ 215,102,731
Rounded to			$ 231,720,000	$ 227,420,000	$ 223,210,000	$ 219,110,000	$ 215,100,000
Per SqFt			$ 820.69	$ 809.17	$ 797.89	$ 786.91	$ 776.17
Percentage Value Distribution							
Assured Income			43.71%	44.00%	44.29%	44.58%	44.87%
Prospective Income			-0.87%	-0.88%	-0.89%	-0.90%	-0.90%
Prospective Property Resale			57.16%	56.88%	56.60%	56.32%	56.03%
			100.00%	100.00%	100.00%	100.00%	100.00%

VALUE INDICATION - INCOME CAPITALIZATION APPROACH

The income capitalization approach results in the following value indications.

Income Approach to Value			
Direct Capitalization	$ 227,419,808	Discounted Cash Flow	$ 223,214,488
Rounded to:	$ 227,420,000	Rounded to:	$ 223,210,000
Reconciled Value	**$225,000,000**		

The amounts indicated by direct capitalization and the discounted cash flow analysis differ slightly because direct capitalization is a "snapshot" of the property at a point in time, whereas discounted cash flow reflects anticipated cash flow over a longer holding period.

Based on the preceding analysis, I have estimated the value of the leased fee interest in the subject property by the Income Approach, as of November 15, 2013, as follows:

TWO HUNDRED TWENTY-FIVE MILLION DOLLARS

($225,000,000)

RECONCILIATION AND CONCLUSION

The values indicated by my analyses, as of November 15, 2013, are as follows:

Sales Comparison Approach	**$214,660,000**	**($574.99/SF)**
Income Capitalization Approach	**$225,000,000**	**($602.69/SF)**

SALES COMPARISON APPROACH

The sales comparison approach is most reliable in an active market when an adequate quantity and quality of comparable sales data are available. In addition, it is typically the most relevant method for owner-user properties, because it directly considers the prices of alternative properties with similar utility for which potential buyers would be competing. In this analysis, the sales comparison approach is used primarily as support for the income approach since the subject is 100% leased by a single credit tenant, Clark County, Nevada and the typical investor would weight the value indicated by the income approach in formulating a purchase price.

INCOME CAPITALIZATION APPROACH

The income capitalization approach is usually given greatest weight when evaluating investment properties. The value indication from the income capitalization approach is supported by market data regarding income, expenses and required rates of return. An investor is the most likely purchaser of the appraised property and a typical investor would place greatest reliance on the income capitalization approach. For these reasons, the income capitalization approach is given greatest weight in the conclusion of value for this analysis.

CONCLUSION

It is my opinion, subject to the assumptions and limiting conditions set forth in this report and taking into consideration our analyses and conclusions, that the market value of the leased fee interest of the subject property, as of November 15, 2013, is:

TWO HUNDRED TWENTY-FIVE MILLION DOLLARS

($225,000,000)

EXPOSURE AND MARKETING TIMES

Exposure time is the estimated length of time the subject property 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. Exposure time is always presumed to precede the effective date of the appraisal. *Marketing time* is an estimate of the amount of time it might take to sell a property at the estimated market value immediately following the effective date of value.

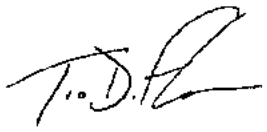
Based on my review of recent sales transactions for similar properties and my analysis of supply and demand in the local market, it is my opinion that the probable exposure time for the property was 12 months. And, due to the current market conditions, a reasonable marketing period is likely to be similar to the estimated exposure time. Accordingly, I estimate the subject's marketing period at 12 months.

CERTIFICATION

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I 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.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My 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.
- I have not performed services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- 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 & Standards of Professional Appraisal Practice of the Appraisal Institute.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- Tio S. DiFederico, MAI, made a personal inspection of the property that is the subject of this report on November 15, 2013.
- No one provided significant real property appraisal assistance to the person signing this certification.

– As of the date of this report, Tio S. DiFederico, MAI, has completed the continuing education program of the Appraisal Institute.



Tio S. DiFederico, MAI
Certified General Real Estate Appraiser
Nevada Certificate # A.0000150-CG

ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal is based on the following assumptions, except as otherwise noted in the report.

1. The title is marketable and free and clear of all liens, encumbrances, encroachments, easements and restrictions. The property is under responsible ownership and competent management and is available for its highest and best use.
2. There are no existing judgments or pending or threatened litigation that could affect the value of the property.
3. There are no hidden or undisclosed conditions of the land that would render the property more or less valuable.
4. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.

This appraisal is subject to the following limiting conditions, except as otherwise noted in the report.

1. An appraisal is inherently subjective and represents our opinion as to the value of the property appraised.
2. The conclusions stated in our appraisal apply only as of the effective date of the appraisal, and no representation is made as to the effect of subsequent events.
3. No changes in any federal, state or local laws, regulations or codes (including, without limitation, the Internal Revenue Code) are anticipated.
4. No environmental impact studies were either requested or made in conjunction with this appraisal, and we reserve the right to revise or rescind any of the value opinions based upon any subsequent environmental impact studies. If any environmental impact statement is required by law, the appraisal assumes that such statement will be favorable and will be approved by the appropriate regulatory bodies.
5. Unless otherwise agreed to in writing, we are not required to give testimony, respond to any subpoena or attend any court, governmental or other hearing with reference to the property without compensation relative to such additional employment.
6. We have made no survey of the property and assume no responsibility in connection with such matters. Any sketch or survey of the property included in this report is for illustrative purposes only and should not be considered to be scaled accurately for size. The appraisal covers the property as described in this report, and the areas and dimensions set forth are assumed to be correct.
7. We accept no responsibility for considerations requiring expertise in other fields; including, but are not limited to, legal descriptions and other legal matters such as legal title, geologic considerations such as soils and seismic stability, and civil, mechanical, electrical, structural and other engineering and environmental matters.
8. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraisers, or any reference to the Appraisal Institute) shall be disseminated through advertising media, public relations media, news media or

any other means of communication (including without limitation prospectuses, private offering memoranda and other offering material provided to prospective investors) without the prior written consent of the person signing the report.

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

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

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

12. The analyses contained in the report necessarily incorporate numerous estimates and assumptions regarding property performance, general and local business and economic conditions, the absence of material changes in the competitive environment and other matters. Some estimates or assumptions, however, inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by our analysis will vary from our estimates, and the variations may be material.

13. The *Americans with Disabilities Act (ADA)* became effective January 26, 1992. We have not made a specific survey or analysis of any property to determine whether the physical aspects of the improvements meet the *ADA* accessibility guidelines. Given that compliance can change with each owner's financial ability to cure non-accessibility, the value of the subject does not consider possible non-compliance. A specific study of both the owner's financial ability and the cost to cure any deficiencies would be needed for the Department of Justice to determine compliance.

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

15. No studies have been provided to us indicating the presence or absence of hazardous materials on the subject property, and our valuation is predicated upon the assumption that the subject property is free and clear of any environment hazards. No representations or warranties are made regarding the environmental condition of the subject property and the person signing the report shall not be responsible for any such environmental conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because we are not experts in the field of environmental conditions, the appraisal report cannot be considered as an environmental assessment of the subject property.

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

17. It is expressly acknowledged that in any action which may be brought against The DiFederico Group, The DiFederico Group, Inc. or their respective officers, owners, managers, directors, agents, subcontractors or employees, arising out of, relating to, or in any way pertaining to this engagement, the appraisal reports, or any estimates or information contained therein, the DiFederico Group Parties shall not be responsible or liable for an incidental or consequential damages or losses, unless the appraisal was fraudulent or prepared with gross negligence. It is further acknowledged that the collective liability of the DiFederico Group Parties in any such action shall not exceed the fees paid for the preparation of the appraisal report unless the appraisal was fraudulent or prepared with gross negligence. Finally, it is acknowledged that the fees charged herein are in reliance upon the foregoing limitations of liability.

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

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

ADDENDUM A

APPRAISER QUALIFICATIONS

PROFESSIONAL QUALIFICATIONS OF TIO S. DIFEDERICO, MAI

EXPERIENCE:

I am a life-long resident of Las Vegas. I graduated from the University of Nevada, Las Vegas (UNLV) with a Bachelor of Science in Business Administration as a Finance Major. I obtained a real estate license in the 1984 and began appraising real estate in 1986 with Shelli L. Lowe & Associates. In 1999 Shelli Lowe & Associates joined several other premier appraisal firms across the country to form a network of appraisal expertise to serve national and international clients; Integra Realty Resources (IRR). This national exposure provided me an opportunity to appraise a full range of properties and to interact with leaders in the appraisal and business community. I was typically entrusted with the most complex assignments and became qualified by the courts to testify in litigation as an expert in the appraisal of real estate. In 2009 I formed The DiFederico Group.

I obtained a Certified General Appraiser License in the State of Nevada (A.0000150-CG) and earned the MAI designation from the Appraisal Institute (MAI No. 12567). I am an appointed member of the Clark County Board of Equalization (BOE) and previously served as the President and Vice President for the Las Vegas Chapter of the Appraisal Institute.

I have extensive litigation experience involving fee and partial takings, as well as permanent and temporary construction easements. I have also completed numerous assignments involving air rights takings and ground leases. I completed these assignments for both property-owners and government agencies. In addition, I have completed assignments involving partnership disputes, bankruptcies, estate valuations and partial interests.

I have appraised office buildings, business parks, apartment complexes, shopping malls, taverns, restaurants, night clubs, master-planned communities, and special use properties. These include the Desert Passage Shopping Mall, the Summerlin, Kyle Canyon and Tuscany Master-Planned Communities, Las Vegas Motor Speedway, Henderson Executive Airport and the site of the proposed Ivanpah Airport. My appraisal experience also includes The Horseshoe, Lady Luck, Dukes, Golden Phoenix, Texas Hotel Casino, Eastside Cannery, Buffalo Bills, Primm Valley and Whiskey Pete's in Nevada; the Isle of Capri in Louisiana, the Aztar Casino in Missouri and the Twin River in Rhode Island, as well as proposed casinos in Macau and Puerto Rico. And, while serving on the BOE, I have analyzed and valued hundreds of hotel casinos.

I have been hired by both Clark County and lenders to analyze leasehold and sandwich leasehold positions involving Clark County's ground leases in the area referred to as the Co-operative Management Area (CMA). And in 2013, I was selected by Clark County to help them analyze the value of modifying the CMA restrictions.

PROFESSIONAL/COMMUNITY AFFILIATIONS:

Professional Designation:	MAI- Member of the Appraisal Institute (MAI No. 12567)
Licensed Appraiser:	A.0000150-CG (Certified General License in Nevada)
Appointed Member:	Clark County Board of Equalization (BOE) (1998-2013)
Elected Member:	President - Las Vegas Chapter - Appraisal Institute 2012
Elected Member:	Vice President - Las Vegas Chapter - Appraisal Institute – 2011
Elected Member:	2nd Vice President - Las Vegas Chapter - Appraisal Institute – 2010
Director:	Las Vegas Chapter of the Appraisal Institute - 2013
Member:	Appraisal Institute - Region VII Nominating Committee – 2013
Member:	Appraisal Institute Nominating Committee – 1999
Member:	Appraisal Institute Education Committee - 1991
Member:	Bishop Gorman High School – Alumni Representative
Board of Directors:	Lance Burton Foundation for Crippled and Burned Children (Past Chair)
Elected Member:	Summerlin's Willow Creek HOA 2004-2006
Elected Member:	Summerlin's Willow Creek Design & Review Committee – 2004

EDUCATION:

Tio S. DiFederico received a Bachelor of Science in Business Administration from the University of Nevada, Las Vegas, and completed the following appraisal courses sponsored by the Appraisal Institute:

- 550 Advanced Applications
- 540 Report Writing and Valuation Analysis
- 530 Advanced Sales Comparison and Cost Approaches
- 520 Highest & Best Use and Market Analysis
- 510 Advanced Income Capitalization
- 420 Business Practices and Ethics
- 310 Basic Income Capitalization
- Standard of Professional Practice, Part A
- Standard of Professional Practice, Part B
- Standard of Professional Practice, Part C
- Condemnation Appraising: Principles & Applications
- Litigation Appraisal & Expert Testimony
- Eminent Domain and Condemnation
- Litigation Appraising: Specialized Topics and Applications
- Appraising the Appraisal: Appraisal Review - General
- General Comprehensive Exam
- Forecasting Revenue
- Analyzing Operating Expenses
- Nevada Law
- Nevada Statues
- Appraising Apartments
- Market Analysis
- Accrued Depreciation
- Residential Valuation
- Supervising Appraisal Trainees
- Ethics - USPAP Statements
- 1A-2 Basic Valuation Procedures
- 1A-1 Basic Appraisal Principles
- The Appraiser as an Expert Witness

In addition to the above, I have successfully completed numerous other real estate related Clinics, Conferences, Courses, and Seminars sponsored by the Appraisal Institute over the last 27 years.

QUALIFIED BEFORE COURTS AND ADMINISTRATIVE BODIES:

United States Federal Court
United States Bankruptcy Court – District of Nevada
Clark County District Court
Clark County Board of Equalization
Various Arbitration Courts

PROFESSIONAL DEVELOPMENT PROGRAMS:

Tio S. DiFederico, MAI, has completed the Appraisal Institute's Litigation Professional Development Program curriculum; passed the exams and is listed on the Appraisal Institute's Litigation Professional Registry.

PUBLICATIONS:

Tio S. DiFederico co-authored the Gaming Overview articles in the IRR-Viewpoint, published by Integra Realty Resources (IRR), from 2003 through 2009.

APPRAISER CERTIFICATE

STATE OF NEVADA DEPARTMENT OF BUSINESS AND INDUSTRY

NOT TRANSFERABLE **REAL ESTATE DIVISION** **NOT TRANSFERABLE**

This is to Certify That : TIO S DIFEDERICO **Certificate Number:** A.0000150-CG

Is duly authorized to act as a CERTIFIED GENERAL APPRAISER **from the issue date to the expiration date at the business address stated here in, unless the certificate is sooner revoked, cancelled, withdrawn, or invalidated.**

Issue Date: May 22, 2013 **Expire Date:** May 31, 2015

In witness whereof, THE DEPARTMENT OF BUSINESS AND INDUSTRY, REAL ESTATE DIVISION, by virtue of the authority vested in Chapter 645C of the Nevada Revised Statues, has caused this Certificate to be issued with its Seal printed thereon. This certificate must be conspicuously displayed in place of business.

FOR: TIO S DIFEDERICO REAL ESTATE APPRAISAL INC
3030 S DURANGO DR
LAS VEGAS, NV 89117

REAL ESTATE DIVISION

GAIL J ANDERSON
Administrator

ADDENDUM B

DEFINITIONS

ADDITIONAL DEFINITIONS

Unless otherwise noted, the following definitions are taken from *The Dictionary of Real Estate Appraisal,* 5th ed. (Chicago: Appraisal Institute), 2010.

Adjustment Grid

A table used to display comparable data and facilitate adjustment of differences in elements of comparison.

Appraisal

1. The act or process of developing an opinion of value.
2. An opinion of value. (USPAP, 2010-2011 ed.)

Client

The party or parties who engage an appraiser (by employment or contract) in a specific assignment. (USPAP, 2010-2011 ed.)

Comparable

A shortened term for similar property sales, rentals, or operating expenses used for comparison in the valuation process. In best usage, the thing being compared should be specified, e.g., comparable sales, comparable properties, comparable rents.

Effective Date

1. The date on which the analyses, opinions, and advice in an appraisal, review, or consulting service apply.
2. In a lease document, the date upon which the lease goes into effect.

Exposure Time

1. The time a property remains on the market.
2. 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 estimate based on an analysis of past events assuming a competitive and open market.

Fee Simple Estate

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

Highest and Best Use

The reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity. Alternatively, the probable use of land or improved property—specific with respect to the user and timing of the use—that is adequately supported and results in the highest present value.

Intended Use

The manner in which the intended users expect to employ the information contained in a report.

Intended User

1. The client and any other party as identified, by name or type, as users of the appraisal, appraisal review, or appraisal consulting report by the appraiser on the basis of communication with the client at the time of the assignment. (USPAP, 2010-2011 ed.)
2. A party who the appraiser intends will employ the information contained in a report.

Scope of Work

The type and extent of research and analyses in an assignment. (USPAP, 2010-2011 ed.)

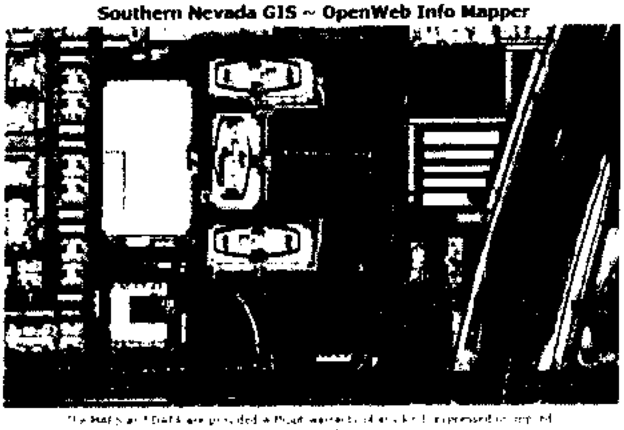
Subject Property

The property that is appraised in an assignment.

ADDENDUM C

PROPERTY INFORMATION

Southern Nevada GIS ~ OpenWeb Info Mapper



Date Created: 11/21/2013

Property Information			
Parcel:	139-13-202-009		
Owner Name(s):	HQ METRO L L C		
Site Address:	400 S MARTIN L KING BLVD		
Jurisdiction:	Las Vegas - 89106		
Zoning Classification:	Limited Commercial District (C-1)		
Misc Information			
Subdivision Name:	PT SE4 NW4 SEC 33 20 61		
Lot Block:	Lot: Block:	Construction Year:	Construction Year: 2011
Sale Date:	00/0000	T-R-S:	20-61-33
Sale Price:	$0	Census Tract:	203
Recorded Doc Number:	20090902018 63	Estimated Lot Size:	Estimated Lot Size: 13.76
Flight Date:	Aerial Flight Date: 2-17-2013		
Elected Officials			
Commission District:	D - LAWRENCE WEEKLY	City Ward:	5 - RICKI Y BARLOW
US Senate:	DEAN HELLER, HARRY REID	US Congress:	01-DINA TITUS
State Senate:	03-"TICK" SEGERBLOM	State Assembly:	10-JOSEPH HOGAN
School District:	C-LINDA E. YOUNG	University Regent:	02-ROBERT BLAKELY
Board of Education:	1-ALEXIS GONZALES-BLACK	Minor Civil Division:	Las Vegas Township

GENERAL INFORMATION	
PARCEL NO.	139-33-302-009
OWNER AND MAILING ADDRESS	H Q METRO L L C %G MOLENDA %COMMUNITY FINANCE CORP 335 N WILMOT #420 TUCSON AZ 85711-2635
LOCATION ADDRESS CITY/UNINCORPORATED TOWN	400 S MARTIN L KING BLVD LAS VEGAS
ASSESSOR DESCRIPTION	PT SE4 NW4 SEC 33 20 61 SEC 33 TWP 20 RNG 61
RECORDED DOCUMENT NO.	* 20090902:01863
RECORDED DATE	09/02/2009
VESTING	NO STATUS

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

ASSESSMENT INFORMATION AND SUPPLEMENTAL VALUE	
TAX DISTRICT	211
APPRAISAL YEAR	2013
FISCAL YEAR	13-14
SUPPLEMENTAL IMPROVEMENT VALUE	0
SUPPLEMENTAL IMPROVEMENT ACCOUNT NUMBER	N/A

REAL PROPERTY ASSESSED VALUE		
FISCAL YEAR	2012-13	2013-14
LAND	839140	629355
IMPROVEMENTS	22998680	26501801
PERSONAL PROPERTY	0	0
EXEMPT	0	0
GROSS ASSESSED (SUBTOTAL)	23837820	27131156
TAXABLE LAND+IMP (SUBTOTAL)	06670436	27517588
COMMON ELEMENT ALLOCATION ASSD	0	0
TOTAL ASSESSED VALUE	23837820	27131156
TOTAL TAXABLE VALUE	06670436	27517588

ESTIMATED LOT SIZE AND APPRAISAL INFORMATION	
ESTIMATED SIZE	13.76 Acres
ORIGINAL CONST. YEAR	2011
LAST SALE PRICE MONTH/YEAR	0
LAND USE	3-35 COMMERCIAL PROFESSIONAL SERVICES
DWELLING UNITS	0

Michele W. Shafe, Assessor

PARCEL OWNERSHIP HISTORY

Assessor Map | Assist Value | Comment Codes | Current Ownership | New Search

ASSESSOR DESCRIPTION
PT SE4 NW4 SEC 33 20 61
SEC 33 TWP 20 RNG 61

CURRENT PARCEL NO.	CURRENT OWNER	RECORDED DOCUMENT NO.	RECORDED DATE	VESTING	TAX DISTRICT	ESTIMATED SIZE
139-33-202-009	P Q METRO L L C	20090902:01882	09/02/2009	NO STATUS	212	13.76 AC

PARCEL NO.	PRIOR OWNER(S)	RECORDED DOCUMENT NO.	RECORDED DATE	VESTING	TAX DISTRICT	ESTIMATED SIZE
139-33-202-009	P A METRO L L C	20090902:01882	09/02/2009	NO STATUS	212	13.76 AC
139-33-202-009	PROJECT ALTA L L C	20060117:02911	01/17/2006	NO STATUS	212	13.76 AC
139-33-202-009	PROJECT ALTA L L C	20060117:02911	01/17/2006	NO STATUS	212	13.76 AC

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

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

Ascend Web Inquiry Summary Page http://trweb.co.clark.nv.us/prinf_wep2.asp?Parcel=139-33-202-009&Dat...

Property Account Inquiry - Summary Screen

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

Parcel ID	139-33-202-009	Tax Year	2014	District	212	Rate	3.2782
Situs Address:	400 S MARTIN L KING BLVD LAS VEGAS						
Legal Description:	ASSESSOR DESCRIPTION: PT SE4 NW4 SEC 33 20 61 GEOID: PT S2 NW4 SEC 33 20 61						

Status:	Property Characteristics		Property Values		Property Documents	
Active	Tax Cap Increase Pct.	4.2	Land	628355	20090902018B3	9/2/2009
Taxable	Tax Cap Limit Amount	1155860.82	Improvements	26501801		
	Tax Cap Reduction	0.00	Total Assessed Value	27131156		
	Land Use	3-35: PROFESSIONAL AND BUSINESS SERVICES	Net Assessed Value	27131156		
	Cap Type	Other	Exemption Value New Construction	0		
	Acreage	13.76	New Construction - Supp Value	0		
	Supplemental Tax	0.00				

Role	Name	Address	Since	To
Owner	H Q METRO L L C	%G MOLENDA %COMMUNITY FINANCE CORP 335 N WILMOT #420 , TUCSON, AZ 85711-2835 UNITED STATES	8/26/2009	Current

Summary

Item	Amount
Taxes as Assessed	$889,413.56
Less Cap Reduction	$0.00
Net Taxes	$889,413.56

PAST AND CURRENT CHARGES DUE TODAY

Tax Year	Charge Category	Amount Due Today
THERE IS NO PAST OR CURRENT AMOUNT DUE as of 11/21/2013		$0.00

NEXT INSTALLMENT AMOUNTS

Tax Year	Charge Category	Installment Amount Due
2014	Property Tax Principal	$222,353.39
NEXT INSTALLMENT DUE AMOUNT due on 1/6/2014		$222,353.39

TOTAL AMOUNTS DUE FOR ENTIRE TAX YEAR

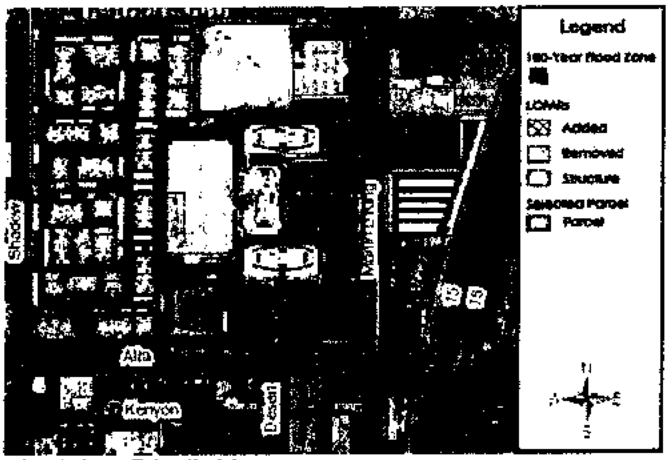
Tax Year	Charge Category	Remaining Balance Due
2014	Property Tax Principal	$444,706.78
2014	Las Vegas Artesian Basin	$0.00
TAX YEAR TOTAL AMOUNTS DUE as of 11/21/2013		$444,706.78

PAYMENT HISTORY

Last Payment Amount	$222,353.39
Last Payment Date	10/14/2013
Fiscal Tax Year Payments	$445,235.57
Prior Calendar Year Payments	$1,100,471.01
Current Calendar Year Payments	$999,871.29

Regional Flood Control District
Clark County, NV

(quick lookup)



View Printer-Friendly Map

The District makes no warranties concerning the accuracy of this data. View Disclaimer

This parcel IS NOT in a 100-year flood zone.

Parcel	13933202009
Owner	H Q METRO L L C
Address	400 MARTIN L KING
Entity	Las Vegas
Contact	702-229-6541
Flood Zone	This parcel IS NOT in a 100-year flood zone.
FIRM Panel	View FIRM Panel (2170)
LOMR	This parcel is not affected by a LOMR

Enter a different address or parcel number

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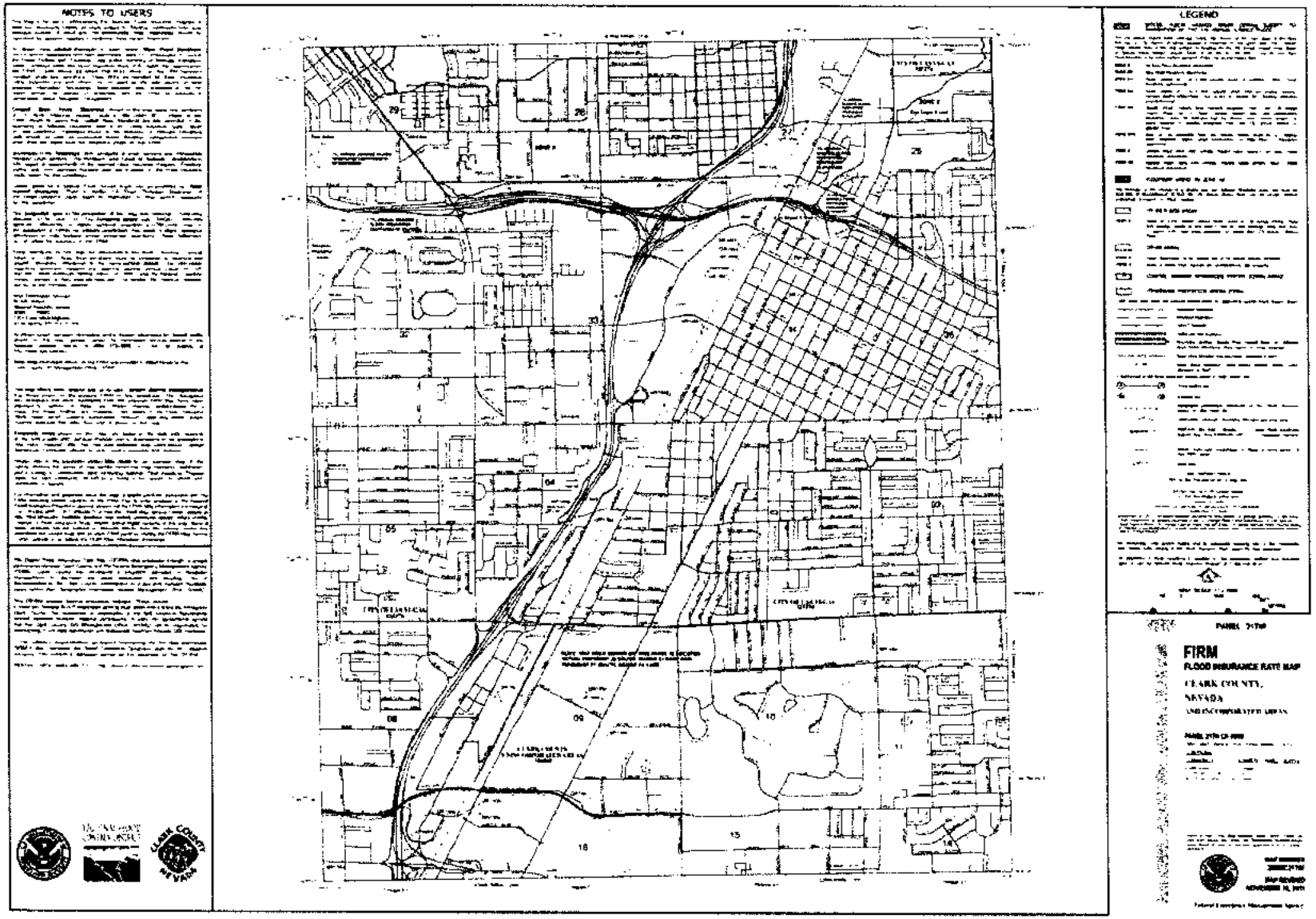

NOTES TO USERS
LEGEND
FIRM
FLOOD INSURANCE RATE MAP
CLARK COUNTY,
NEVADA

CONFIRMATION OF COMMENCEMENT DATE

July 1st, 2011

Clark County
Department of Real Property Management
500 S. Grand Central Parkway, 4th Floor
Box 551825
Las Vegas, NV 89155-1825
Attention: Director

Re: Lease Agreement (the "Lease") dated as of December 2nd, 2008, by and between Clark County, as Tenant, an HQ Metro, LLC, as successor in interest to Project Alta, LLC and Project Alta II, LLC, as Landlord (as amended, the "Lease"), for the LVMPD Headquarters at 400 South Martin Luther King Boulevard, Las Vegas, Nevada. Capitalized terms used herein but not defined shall be given the meanings assigned to them in the Lease.

Ladies and Gentlemen:

Landlord and Tenant agree as follows:

1. **Condition of Leased Property**. Tenant has accepted possession of the Leased Property pursuant to the Lease. Any improvements required by the terms of the Lease to be made by Landlord have been completed to the full and complete satisfaction of Tenant in all respects except for the punchlist items described on Exhibit A hereto (the "Punchlist Items"), and except for such Punchlist Items and Landlord's warranty work required by the Lease, Landlord has fulfilled all of its duties under the Lease with respect to such initial tenant improvements. Furthermore, Tenant acknowledges that the Leased Property is suitable for the Specific Permitted Use.

2. **Rentable Area**. The Rentable Area of the Buildings is 373,327 square feet.

3. **Commencement Date**. The Commencement Date is July 1st, 2011.

4. **Expiration Date**. The Term is scheduled to expire on the last day of the calendar month in which the thirtieth annual anniversary of the Commencement Date, which date is July 31st, 2041.

5. **Contact Person**. Tenant's contact person in the Leased Property is:

Kenneth D. Thomas
Facilities Manager – LVMPD
400 Martin L. King Blvd.
Las Vegas, NV 89106

Phone: 702-756-5797
Facsimile: 702-828-1527

6. **Ratification**. Tenant hereby ratifies and confirms its obligations under the Lease, and represents and warrants to Landlord that it has no defenses thereto. Additionally, Tenant further confirms and ratifies that, as of the date hereof, (a) the Lease is and remains in good standing and in full force and effect, and (b) Tenant has no claims, counterclaims, set-offs or defenses against Landlord arising out of the Lease or in any way relating thereto or arising out of any other transaction between Landlord and Tenant.

7. **Binding Effect**; Governing Law. Except as modified hereby, the Lease shall remain in full effect and this letter shall be binding upon Landlord and Tenant and their respective successors and assigns. If any inconsistency exists or arises between the terms of this letter and the terms of the Lease, the terms of this letter shall prevail. This letter shall be governed by the laws of the state of Nevada.

Please indicate your agreement to the above matters by signing this letter in the space indicated below and returning an executed original to us.

Sincerely,
HQ Metro, LLC
an Arizona limited liability company

By: Mark L. Fine & Associates, a Nevada corporation
Attorney in Fact
Name: Jeffrey Kline
Title: Vice President

Agreed and accepted by Tenant:

Clark County
By:
Name: Chris Carter
Title: Director - Real Property Mgmt.

Agreed and accepted by Sub-Tenant:

Las Vegas Metropolitan Police Dept.
By: 7/20/11
Name: Greg McCurdy
Title: Deputy Chief

AO325447446.pdf 200909020001863 Page: 9 End of Document http://dsnet.co.clark.nv.us/pdf/AO325447446.pdf

STATE OF NEVADA
DECLARATION OF VALUE FORM

1. Assessor Parcel Number(s)
   a. 139-33-202-008
   b. 139-33-202-004
   c. _____
   d. _____
2. Type of Property:
   a. ☑ Vacant Land b. ☐ Single Fam. Res. FOR RECORDER'S OPTIONAL USE ONLY
   c. ☐ Condo/Twnhse d. ☐ 2-4 Plex Book: _____ Page: _____
   e. ☐ Apt. Bldg f. ☐ Comm'l/Ind'l Date of Recording: _____
   g. ☐ Agricultural h. ☐ Mobile Home Notes:
   ☐ Other _____
3. a. Total Value/Sales Price of Property $ _____
   b. Deed in Lieu of Foreclosure Only (value of property) (_____)
   c. Transfer Tax Value: $ _____
   d. Real Property Transfer Tax Due $ _____
4. If Exemption Claimed:
   a. Transfer Tax Exemption per NRS 375.090, Section 1
   b. Explain Reason for Exemption: Grantor is wholly owned subsidiary of Grantee
5. Partial Interest: Percentage being transferred: _____ %

The undersigned declares and acknowledges, under penalty of perjury, pursuant to NRS 375.060 and NRS 375.110, that the information provided is correct to the best of their information and belief, and can be supported by documentation if called upon to substantiate the information provided herein. Furthermore, the parties agree that disallowance of any claimed exemption, or other determination of additional tax due, may result in a penalty of 10% of the tax due plus interest at 1% per month. Pursuant to NRS 375.030, the Buyer and Seller shall be jointly and severally liable for any additional amount owed.

Signature _____ Capacity Grantor

Signature _____ Capacity Grantee

SELLER (GRANTOR) INFORMATION (REQUIRED)	BUYER (GRANTEE) INFORMATION (REQUIRED)
Print Name: PA Metro, LLC	Print Name: HC Metro, LLC
Address: 3883 Howard Hughes Pkwy., 8th Floor	Address: 335 North Wilmot, Suite 420
City: Las Vegas	City: Tucson
State: Nevada Zip: 89169	State: Arizona Zip: 85711

COMPANY/PERSON REQUESTING RECORDING (required if not seller or buyer)
Print Name: _____ Escrow #: _____
Address: _____
City: _____ State: _____ Zip _____

AS A PUBLIC RECORD THIS FORM MAY BE RECORDED/MICROFILMED

DCOR_DV_Form.pdf - 01/02/09

AO3251539.pdf 200909020001862 Page: 9 End of Document http://dsnet.co.clark.nv.us/pdf/AO3251539.pdf

STATE OF NEVADA
DECLARATION OF VALUE FORM

1. Assessor Parcel Number(s)
   a. 139-33-202-008
   b. 139-33-202-004
   c.
   d.
2. Type of Property:
   a. ☑ Vacant Land b. ☐ Single Fam. Res. FOR RECORDER'S OPTIONAL USE ONLY
   c. ☐ Condo/Twnhse d. ☐ 2-4 Plex Book: Page:
   e. ☐ Apt. Bldg f. ☐ Comm'l/Ind'l Date of Recording:
   g. ☐ Agricultural h. ☐ Mobile Home Notes:
   i. ☐ Other
3. a. Total Value/Sales Price of Property $
   b. Deed in Lieu of Foreclosure Only (value of property) ( )
   c. Transfer Tax Value: $
   d. Real Property Transfer Tax Due $
4. If Exemption Claimed:
   a. Transfer Tax Exemption per NRS 375.090, Section B
   b. Explain Reason for Exemption: Grantor owns 100% of Grantee
5. Partial Interest: Percentage being transferred: %

The undersigned declares and acknowledges, under penalty of perjury, pursuant to NRS 375.060 and NRS 375.110, that the information provided is correct to the best of their information and belief, and can be supported by documentation if called upon to substantiate the information provided herein. Furthermore, the parties agree that disallowance of any claimed exemption, or other determination of additional tax due, may result in a penalty of 10% of the tax due plus interest at 1% per month. Pursuant to NRS 375.030, the Buyer and Seller shall be jointly and severally liable for any additional amount owed.

Signature: Capacity Grantor

Signature: Capacity Grantee

SELLER (GRANTOR) INFORMATION (REQUIRED)	BUYER (GRANTEE) INFORMATION (REQUIRED)
Print Name: Project Able LLC	Print Name: PA Metro, LLC
Address: 3883 Howard Hughes Pkwy., 8th Floor	Address: 3883 Howard Hughes Pkwy., 8th Fl.
City: Las Vegas	City: Las Vegas
State: Nevada Zip: 89169	State: Nevada Zip: 89169

COMPANY/PERSON REQUESTING RECORDING (required if not seller or buyer)

Print Name: Nevada Title Co. Escrow #:
Address: 2500 N. Buffalo
City: Las Vegas State: NV Zip: 89128

AS A PUBLIC RECORD THIS FORM MAY BE RECORDED/MICROFILMED

CCOR_DV_Form.pdf - 01/12/09

WALLACE ▪ MORRIS SURVEYING, INC.
Land Survey Consulting

EXHIBIT "A"

DESCRIPTION

A PARCEL OF LAND LYING WITHIN THE SOUTHEAST QUARTER (SE 1/4) OF THE NORTHWEST QUARTER (NW 1/4) OF SECTION 33, TOWNSHIP 20 SOUTH, RANGE 61 EAST, M.D.M., CITY OF LAS VEGAS, CLARK COUNTY, NEVADA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF THE SOUTHEAST QUARTER (SE 1/4) OF THE NORTHWEST QUARTER (NW 1/4) OF SAID SECTION 33;

THENCE ALONG THE EAST LINE OF SAID SOUTHEAST QUARTER (SE 1/4), SAME BEING THE WESTERLY RIGHT OF WAY OF MARTIN LUTHER KING BOULEVARD, SOUTH 00°16'51" WEST, 339.80 FEET TO THE SOUTHEASTERLY CORNER OF LOT 1 AS SHOWN BY MAP THEREOF ON FILE IN FILE 73, PAGE 91 OF PARCEL MAPS IN THE CLARK COUNTY RECORDER'S OFFICE, NEVADA;

THENCE ALONG THE SOUTH LINE OF SAID LOT 1, NORTH 89°57'23" WEST, 14.50 FEET TO THE **POINT OF BEGINNING**;

THENCE ALONG THE WESTERLY RIGHT OF WAY OF SAID MARTIN LUTHER KING BOULEVARD THE FOLLOWING FIVE (5) COURSES:

1. SOUTH 00°15'51" WEST, 359.04 FEET;
2. THENCE SOUTH 02°40'21" WEST, 207.86 FEET;
3. THENCE CURVING TO THE RIGHT ALONG AN ARC HAVING A RADIUS OF 93.00 FEET, CONCAVE WESTERLY, THROUGH A CENTRAL ANGLE OF 16°58'34", AN ARC LENGTH OF 27.56 FEET TO A POINT OF REVERSE CURVATURE;
4. THENCE CURVING TO THE LEFT ALONG AN ARC HAVING A RADIUS OF 107.00 FEET, CONCAVE EASTERLY, THROUGH A CENTRAL ANGLE OF 19°34'04", AN ARC LENGTH OF 36.23 FEET;
5. THENCE SOUTH 00°16'51" WEST, 201.26 FEET;

THENCE CURVING TO THE RIGHT ALONG AN ARC, TRANSITIONING FROM SAID WESTERLY RIGHT OF WAY TO THE NORTHERLY RIGHT OF WAY OF ALTA DRIVE, HAVING A RADIUS OF 54.00 FEET, CONCAVE NORTHWESTERLY, THROUGH A CENTRAL ANGLE OF 88°50'12", AN ARC LENGTH OF 84.87 FEET;

S:\SNG\2008_LEGAL\080878-SITE-B-090827.doc
5740 S. Arville Street, Suite 205 ▪ Las Vegas, Nevada 89118 ▪ Ph: 702.212.3987 ▪ Fx: 702.212.3983

THENCE ALONG THE NORTHERLY RIGHT OF WAY OF SAID ALTA DRIVE THE FOLLOWING EIGHT (8) COURSES

1) NORTH 89°53'57" WEST 70.41 FEET

2) THENCE CURVING TO THE RIGHT ALONG AN ARC HAVING A RADIUS OF 20.00 FEET CONCAVE NORTHERLY, THROUGH A CENTRAL ANGLE OF 09°27'51" AN ARC LENGTH OF 3.30 FEET,

3) THENCE NORTH 80°26'06" WEST, 44.51 FEET

4) THENCE CURVING TO THE LEFT ALONG AN ARC HAVING A RADIUS OF 30.00 FEET CONCAVE SOUTHERLY THROUGH A CENTRAL ANGLE OF 09°27'51" AN ARC LENGTH OF 4.96 FEET

5) THENCE NORTH 89°53'57" WEST 125.84 FEET

6) THENCE CURVING TO THE LEFT ALONG AN ARC HAVING A RADIUS OF 30.00 FEET CONCAVE SOUTHERLY THROUGH A CENTRAL ANGLE OF 12°01'41" AN ARC LENGTH OF 6.30 FEET,

7) THENCE SOUTH 78°04'22" WEST 29.09 FEET

8) THENCE SOUTH 88°48'44" WEST, 140.67 FEET TO THE EAST BOUNDARY OF LOT 2 AS SHOWN BY MAP THEREOF ON FILE IN FILE 79, PAGE 21 OF PARCEL MAPS IN THE CLARK COUNTY RECORDER'S OFFICE, NEVADA

THENCE DEPARTING SAID RIGHT OF WAY ALONG THE EAST BOUNDARY OF SAID LOT 2 NORTH 09°05'03" EAST, 290.06 FEET

THENCE DEPARTING SAID EAST BOUNDARY ALONG THE NORTH BOUNDARY OF SAID LOT 2 NORTH 89°53'57" WEST, 279.08 FEET TO THE EAST BOUNDARY OF LOT 2 AS SHOWN BY MAP THEREOF ON FILE IN FILE 58, PAGE 60 OF PARCEL MAPS IN THE CLARK COUNTY RECORDER'S OFFICE NEVADA

THENCE ALONG THE BOUNDARIES OF SAID LOT 2 THE FOLLOWING THREE (3) COURSES

1) NORTH 09°16'25" EAST, 542.41 FEET,

2) THENCE SOUTH 89°53'57" EAST 155.93 FEET

3) THENCE NORTH 09°16'25" EAST, 66.05 FEET TO THE SOUTHWEST CORNER OF THAT CERTAIN ORDER OF CONDEMNATION RECORDED MARCH 24, 2008 IN BOOK 20080324 OF OFFICIAL RECORDS AS INSTRUMENT NO 01666 IN THE CLARK COUNTY RECORDER'S OFFICE NEVADA,

THENCE ALONG THE SOUTH BOUNDARY OF SAID ORDER OF CONDEMNATION AND THE AFFORMENTIONED LOT 1, SOUTH 89°57'33" EAST 832.09 FEET TO THE **POINT OF BEGINNING**

CONTAINING 13.78 ACRES, MORE OR LESS

Page 2 of 5

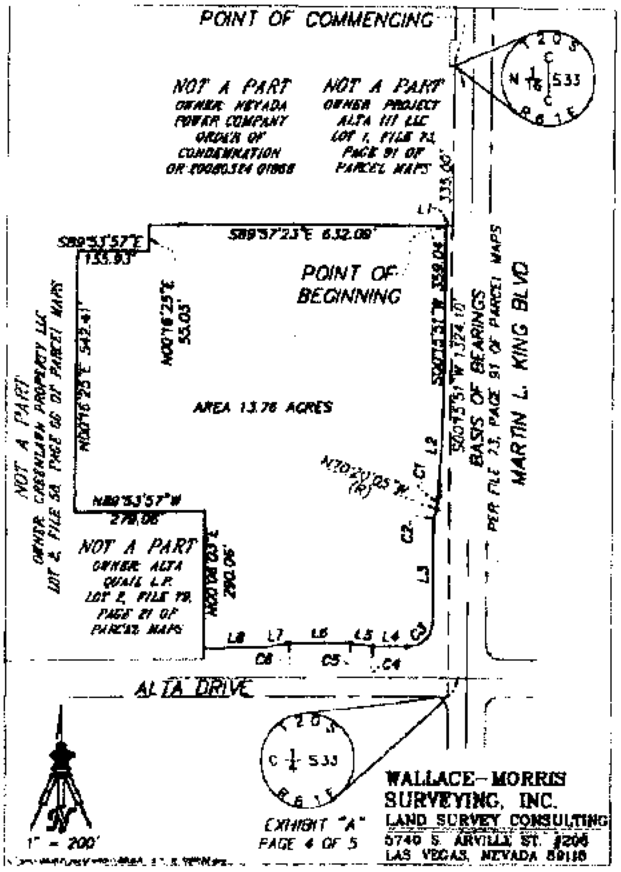
BASIS OF BEARING
SOUTH 00°15'51" WEST BEING THE BEARING OF THE EAST LINE OF THE SOUTHEAST QUARTER (SE 1/4) OF THE NORTHWEST QUARTER (NW 1/4) OF SECTION 33 TOWNSHIP 20 SOUTH, RANGE 61 EAST M.D.M. CLARK COUNTY NEVADA, AS SHOWN BY MAP THEREOF ON FILE IN FILE 73 PAGE 91 OF PARCEL MAPS IN THE CLARK COUNTY RECORDER'S OFFICE NEVADA

THIS DESCRIPTION IS PROVIDED AS A CONVENIENCE AND IS NOT INTENDED TO BE USED TO TRANSFER TITLE UNTIL FULL COMPLIANCE WITH THE PROVISIONS OF N.R.S. CHAPTER 278

KEVIN W. WALLACE P.L.S.
NEVADA LICENSE NO. 15977
EXPIRES JUNE 30 2010

6/23/09

Page 3 of 5


POINT OF COMMENCING
NOT A PART
OWNER: NEVADA POWER COMPANY
ORDER OF CONDEMNATION
OR 20080514 01868
NOT A PART
OWNER: PROJECT ALTA III LLC
LOT 1, FILE 73, PAGE 91 OF PARCEL MAPS
S89°53'57"E 135.93'
S89°57'23"E 632.08'
POINT OF BEGINNING
AREA 13.76 ACRES
N00°16'25"E 55.03'
N00°16'25"E 542.41'
NOT A PART
OWNER: GREENLAWN PROPERTY LLC
LOT 2, FILE 58, PAGE 66 OF PARCEL MAPS
N89°53'57"W 278.06'
NOT A PART
OWNER: ALTA QUAIL L.P.
LOT 2, FILE 79, PAGE 21 OF PARCEL MAPS
N00°06'03"E 290.06'
S00°17'31"W 1,324.10'
BASIS OF BEARINGS
PER FILE 73, PAGE 91 OF PARCEL MAPS
MARTIN L. KING BLVD
N70°20'05"W (R)
ALTA DRIVE
1" = 200'
EXHIBIT "A"
PAGE 4 OF 5
WALLACE-MORRIS SURVEYING, INC.
LAND SURVEY CONSULTING
5740 S. ARVILLE ST. #206
LAS VEGAS, NEVADA 89118

Illustrations & Graphics

M
19.08.100

FIGURE 3 - BUILDING HEIGHT

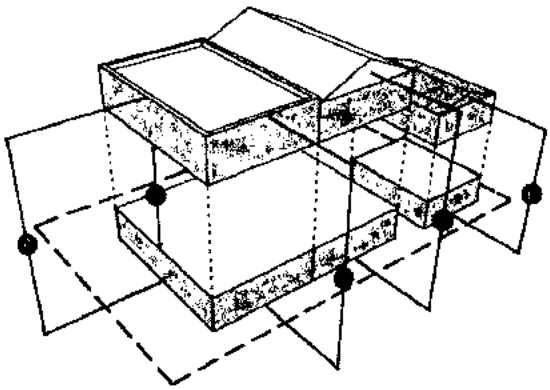
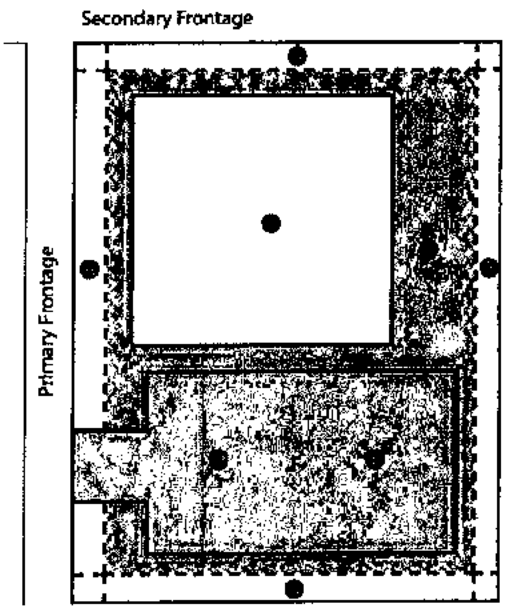


FIGURE 4 - LANDSCAPE BUFFER AND TURF LIMITATIONS



A. Stories	NA
B. Floors	NA
C. Flat Roof - Max. Height	NA
D. Pitched Roof - Max. Height	NA
E. Accessory Bldg. - Stories	Not to exceed the height of the principal structure

Footnotes:

1. *Building heights may be affected by the residential adjacency standards set forth in LVMC 19.08.040(H).*

A. Landscape Buffer - Minimum Zone Depths	15 feet - Adjacent to Right-of-Way 8 feet - Interior Lot Lines [1]
B. Primary Structure	
C. Turf Coverage	25% of landscapable area
D. Impermeable Surfaces	Should be minimized to reduce stormwater quality management impacts

Footnotes:

1. *When building setbacks are less restrictive, the setbacks shall prevail.*

E. Minimum On-site Parking Requirement [2]	Shall be as outlined in LVMC 19.12.160 based on the approved use

Footnotes:

1. *Shall meet the parking area design standards as outlined in LVMC 19.08.110.*
2. *Handicapped parking shall be calculated as provided for in LVMC 19.18.030(E).*

19.12.010
Permitted Use - Table 2

P - Permitted	A - Accessory	C - Conditional
S - Special Use Permit	H - Home Occupation Permit	T - Temporary Commercial Permit

	C	R-E	R-1	R-CL	R-TH	R-2	R-3	R-4	R-MH	P-O	O	C-1	C-2	C-PB	C-M	M	Additional Information
Accessory Structure (Class I)	S	S	S														page 315
Accessory Structure (Class II)	C	C	C	C	C	C	C	C	C								page 315
Adult Day Care Center	S	S	S			S	S	S	S	C	C	P	P	P	P	P	page 315
Airport, Heliport or Landing Field															P	P	page 315
Amphitheater												S	C		C	C	page 316
Ancillary Lounge Bar												S	S	S	S	S	page 316
Animal Hospital, Clinic, or Shelter (with no Outside Pens)											S	S	P	P	P	P	page 317
Animal Hospital, Clinic, or Shelter (with Outside Pens)	S	S										S	P		P	P	page 317
Animal Keeping & Husbandry	C	C															page 317
Animal Keeping, Wild or Exotic	C	C														C	page 317
Animal Production	P	P															page 317
Antique/Collectible Store												P	P		P	P	page 318
Asphalt or Concrete Batch Plant																P	page 318
Assisted Living Apartments						S	P	P				S	S				page 318
Astrologer, Hypnotist, or Psychic Art and Science										S		P	P		P	P	page 318
Auction House													S		S	S	page 318
Auto Broker												C	C		C	C	page 318
Auto Dealer Inventory Storage												S	S	S	S	S	page 319
Auto Paint & Body Repair Shop													S		C	C	page 319
Auto Parts (Accessory Installation)												C	P		P	P	page 319
Auto Parts (New & Rebuilt) (Accessory Sales & Service)												S	C		P	P	page 319
Auto Repair Garage, Major													S		C	C	page 320
Auto Repair Garage, Minor												S	C		C	C	page 320
Auto Sales Showroom												S	P	S	P	P	page 320
Auto Smog Check												C	C		C	C	page 321
Auto Title Loan											S	S	S		C	C	page 321
Automobile Rental												S	S		S	C	page 322
Automobile Repossession Agency												C	C		C	C	page 322
Bailbond Service												S	S		P	P	page 322
Bakery, Retail											A	P	P	S	P	P	page 322
Banquet Facility *(Ord. 6067 11/16/11)*												P	P	A	P	P	page 322
Bed & Breakfast Inn	S	S	S	S	S	S	S	S		S							page 323
Beer/Wine/Cooler Cultural Establishment												S	S		S	S	page 323
Beer/Wine/Cooler Off-Sale Establishment												S	S		S	S	page 323

P - Permitted	A - Accessory	C - Conditional
S - Special Use Permit	H - Home Occupation Permit	T - Temporary Commercial Permit

19.12.010
Permitted Use - Table 2

	U	R-E	R-1	R-CL	R-TH	R-2	R-3	R-4	R-MH	P-O	O	C-1	C-2	C-PB	C-M	M	Additional Information
Beer/Wine/Cooler On- and Off-Sale Establishment												S	S		S	S	page 324
Beer/Wine/Cooler On-Sale Establishment												S	S		S	S	page 325
Billiard Parlor or Pool Hall												S	P		P	P	page 326
Blood Plasma Donor Center													S		S	S	page 326
Boarding or Rooming House							P	P							S		page 326
Boat & Trailer Dealership (New and Used)												S	S		C	C	page 326
Building & Landscape Material/Lumber Yard												S	C		P	P	page 326
Building Maintenance Service and Sales												S	C	S	P	P	page 326
Bus Charter Service & Service Facility															P	P	page 326
Business School											P	P	P	P	P	P	page 327
Car Wash, Full Service or Auto Detailing												S	C		C	C	page 327
Car Wash, Self-Service												S	C		C	C	page 327
Catering Service												P	P	P	P	P	page 327
Cemetery/Mausoleum	C	C											C		C	C	page 327
Check Cashing Service, Limited											C	C	C	C	C	C	page 327
Child Care – Family Home	P	P	P	P	P	P	P	P	P								page 328
Child Care – Group Home	S	S	S	S	S	S	S	S	S								page 328
Child Care Center	S	S					S	S	S	C	C	P	P	P	P	P	page 328
Church/House of Worship	S	S	S	S	S	S	S	S	S	P	P	P	P	P	P	P	page 328
Cleaners, Commercial/Industrial													S	S	P	P	page 329
Clinic												P	P	P	P	P	page 329
Cold Storage Plant													P		P	P	page 329
College, University, or Seminary											S	P	P	P	P	P	page 329
Commercial, Other than Listed												S	P	S	P	P	page 329
Commercial Recreation/Amusement (Indoor)											S	P	P	P	P	P	page 329
Commercial Recreation/Amusement (Outdoor)													P		P	P	page 330
Community Center, Private (Accessory)	C	C	C	C	C	C	A	A	C								page 330
Community Garden *(Ord. 6189 05/02/12)*	C	C	C	C	C	C	C	C	C	P	P	P	P		P	P	page 330
Community Recreational Facility (Public)	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	page 330
Community Residence (including Family Community Residence and Transitional Community Residence)	C	C	C	C	C	C	C	C	C		C	C	C				page 331
Condominium					P	P	P	P		C	C	C	C				page 332
Construction Material Supply Yard															P	P	page 332

19.12.010
Permitted Use - Table 2

P - Permitted	A - Accessory	C - Conditional
S - Special Use Permit	H - Home Occupation Permit	T - Temporary Commercial Permit

	U	R-E	R-1	R-CL	R-TH	R-2	R-3	R-4	R-MH	P-O	O	C-1	C-2	C-PB	C-M	M	Additional Information
Contractor's Plant, Shop & Storage Yard															P	P	page 332
Convalescent Care Facility/Nursing Home	S	S	S	S		S	S	S				S	S	P			page 332
Convenience Store											A	C	C	S	C	C	page 333
Convent or Monastery							P	P									page 333
Copy Center										P	P	P	P	P	P	P	page 333
Country Club, Private	S	S	S	S		S	S	S	S	S	P	P	P		P	P	page 333
Crematory													C		C	C	page 333
Crop Production	P	P															page 333
Custodial Institution															S	S	page 333
Custom & Craft Work												S	C	P	P	P	page 333
Daily Labor Service												S	S		S	S	page 334
Delivery and Service Vehicle Storage													S	S	P	P	page 334
Desktop Publishing										P	P	P	P	P	P	P	page 334
Dry Cleaners											S	P	P	S	P	P	page 334
Electric Generating Plant													S	S	S	S	page 334
Electric Utility Substation	S						S	S			S	P	P	P	P	P	page 334
Electrical, Watch, Clock, Jewelry & Similar Repair											A	P	P	S	P	P	page 334
Emergency Ambulance Services, Ground												S	P	P	P	P	page 335
Employment Agency										P	P	P	P	P	P	P	page 335
Environmentally Hazardous Materials					[1]											P	page 335
Escort Bureau												S	S		P	P	page 335
Facility for Transitional Living for Released Offenders							S	S									page 335
Facility to Provide Testing, Treatment, or Counseling for Drug or Alcohol Abuse												S	S		C	C	page 336
Financial Institution, General (with Drive-Through)											C	C	C	C	C	C	page 336
Financial Institution, General (without Drive-Through)											P	P	P	P	P	P	page 336
Financial Institution, Specified											S	S	S		C	C	page 336
Food Processing													C		P	P	page 337
Fraternity, Sorority House or Private Dorm							S	S									page 338
Gaming Establishment, General Business-Related												S	S	S	S	S	page 338
Gaming Establishment, Non-restricted												S	S		S	S	page 338
Gaming Establishment, Restricted												A	A	A	A	A	page 338
Garden Supply/Plant Nursery												C	C		P	P	page 338

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	U	R-E	R-1	R-CL	R-TH	R-2	R-3	R-4	R-MH	P-O	O	C-1	C-2	C-PB	C-M	M	Additional Information
General Personal Service											A	P	P	S	P	P	page 339
General Retail Store, Other Than Listed (3500 Square Feet or More)												P	P	S	P	P	page 339
General Retail Store, Other Than Listed (Less than 3500 Square Feet)											A	P	P	S	P	P	page 339
Golf Driving Range											S	P	P		P	P	page 339
Government Facility										P	P	P	P	P	P	P	page 339
Grocery Store												P	P	S	P	P	page 339
Gun Club, Skeet or Target Range, or Archery Club (Indoor)													S		P	P	page 339
Gun Club, Skeet or Target Range, or Archery Club (Outdoor)	S														S	P	page 340
Health Club											A	P	P	S	P	P	page 340
Heavy Machinery and Equipment (Rental, Sales & Service)															P	P	page 340
Heavy Machinery and Equipment (Storage)																P	page 340
Helipad											S	S	S	S	P	P	page 340
Home Occupation	H	H	H	H	H	H	H	H	H								page 340
Horse Corral or Stable (Commercial)	S	S										C	C		C	C	page 340
Horse Corral or Stable (Private)	C	C															page 340
Hospice		S					S	S		S	S	P	P		S		page 340
Hospital											S	C	P	P	P	P	page 341
Hotel, Motel or Hotel Suites												S	P	S	P	P	page 341
Hotel, Residence								S				S	S	S	P		page 341
Internet Cafe												C	C		C	C	page 341
Internet/Catalogue Sales Office										C	C	P	P		P	P	page 341
Jewelry Store, Class III												S	S		S	C	page 341
Jewelry Store, New												P	P		P	P	page 342
Keeping of Carrier or Racing Pigeons	S	S	S									S	S		S	S	page 342
Laboratory, Medical or Dental										A	A	P	P	P	P	P	page 342
Landfill																S	page 342
Laundry, Self-Service												P	P		P	P	page 342
Library, Art Gallery or Museum (Public)										P	P	P	P		P	P	page 342
Light Assembly & Fabrication												C	C	P	P	P	page 343
Liquefied Petroleum Gas Installation (288 Gallons or Less)	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	page 343
Liquefied Petroleum Gas Installation (Over 288 Gallons)												S	S	S	S	S	page 343
Liquor Establishment (Tavern)												S	S	S	S	S	page 344

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	U	R-E	R-1	R-CL	R-TH	R-2	R-3	R-4	R-MH	P-O	O	C-1	C-2	C-PB	C-M	M	Additional Information
Livestock Farming (Bovines/Horses)	C	C															page 345
Manufactured Home (Not Qualifying for Treatment as Single Family Detached Dwelling)									P								page 345
Manufactured Home (Qualifying for Treatment as Single Family Detached Dwelling)	C	C	C	C	C	C	C	C									page 345
Manufacturing, Heavy															S	P	page 345
Manufacturing, Light														P	P	P	page 346
Martial Arts Studio												P	P		P	P	page 346
Massage, Accessory										A	A	A	A	A	A	A	page 346
Massage Establishment												S	S	S	S	C	page 346
Mining, Sand & Gravel Excavation	S														S	S	page 346
Mini-Storage Facility												S	C		C	C	page 347
Mixed-Use							S	S		S	S	C	C	S			page 347
Mobile Home									P								page 348
Mobile Home Park									C								page 348
Monorail	S	S	S	S		S	S	S	S	S	S	S	S	S	S	S	page 348
Mortuary or Funeral Chapel												S	P		P	P	page 349
Motor Vehicle Sales (New)													C		C	C	page 349
Motor Vehicle Sales (Used)													S		C	C	page 349
Motorcycle/Motor Scooter Sales												S					page 350
Mounted Antenna of 15 Feet or Less (Ultimate Height)	C	C	C	C	C	C	P	P	P	P	P	P	P	P	P	P	page 350
Mounted Antenna over 15 Feet (Ultimate Height)	S	S	S	S	S	S	S	S	S	S	S	S	P	S	P	P	page 350
Multi-Family Residential							P	P									page 350
Museum, Art Display, or Art Sales (Private)										S	P	P	P	P	P	P	page 350
Night Club												S	P	S	P	P	page 350
Office, Medical or Dental										P	P	P	P	P	P	P	page 350
Office, Other than Listed										P	P	P	P	P	P	P	page 351
Off-Premise Sign												S	S	S	S	S	page 351
Open Air Vending/ Transient Sales Lot												C	C		C	C	page 351
Outcall Entertainment Referral Service												S	S		P	P	page 351
Outdoor Storage, Accessory												C	C	C	C	C	page 351
Package Liquor Off-Sale Establishment												S	S		S	S	page 352
Parking Lot/Sidewalk Sale												T	T	T	T	T	page 352
Parking, Commercial										C	S	P	P	P	P	P	page 352

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Pawn Shop												S	S		S	C	page 352
Pawn, Auto															S	C	page 353
Pet Boarding												C	C		C	C	page 354
Pet Shop												C	C		C	C	page 354
Post Office, Local Service										P	P	P	P	P	P	P	page 354
Post Office, Regional													P	P	P	P	page 354
Printing & Publishing														P	P	P	page 354
Private Club, Lodge or Fraternal Organization											S	P	P		P	P	page 354
Private Sports Arena, Stadium or Track													S		S	P	page 354
Private Street	C	C	C	C	C	C	C	C	C								page 355
Psychology Practice										P	P	P	P	P	P	P	page 355
Public or Private School, Primary	S	S	S	S	S	S	S	S	S	S	S	S	S	S	S	S	page 356
Public or Private School, Secondary	S	S	S	S	S	S	S	S	S	S	S	S	S	S	S	S	page 356
Public Park or Playground	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	page 356
Radio Broadcasting											P	P	P	P	P	P	page 356
Radio, TV or Microwave Communication Tower											S	S	S	S	S	P	page 356
Rail/Transit Yard or Shop																P	page 356
Recording Studio												S	P	S	P	P	page 356
Recreational Vehicle and Boat Storage												S	C		C	C	page 356
Recycling Collection Center															C	C	page 357
Rental Store (with Outside Storage)													S		P	P	page 357
Rental Store (without Outside Storage)												P	P		P	P	page 357
Rescue Mission or Shelter for the Homeless													S		S	S	page 357
Restaurant with Service Bar											S	S	S	S	S	S	page 357
Restaurant, 2000 sq. ft. or more (with Drive-Through)												C	C		C	C	page 358
Restaurant, 2000 sq. ft. or more (without Drive-Through)											A	P	P	P	P	P	page 358
Restaurant, Less than 2000 sq. ft. (with Drive-Through)												C	C		C	C	page 358
Restaurant, Less than 2000 sq. ft. (without Drive-Through)											A	P	P	S	P	P	page 358
Retail Establishment with Accessory Package Liquor Off-Sale												S	S		S	S	page 358
Salvage or Reclamation of Products (Indoor)														S	P	P	page 359

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	O	R-E	R-1	R-CL	R-TH	R-2	R-3	R-4	R-MH	P-O	O	C-1	C-2	C-RB	C-MU	M	Additional Information
Salvage or Reclamation of Products (Outdoor)																C	page 359
Satellite Dish	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	page 360
Seasonal Outdoor Sales										T		T	T	T	T	T	page 360
Secondhand Dealer												S	S		C	C	page 361
Senior Citizen Apartments							C	C				S					page 361
Service Station (with Incidental Automotive Repair)												S	S		C	C	page 361
Service Station (without Automotive Repair)												C	C		C	C	page 362
Sex Offender Counseling Facility												S	S		C	C	page 362
Sexually Oriented Business															C	C	page 363
Shopping Center												P	P		P	P	page 364
Short-Term Residential Rental	C	C	C	C	C	C	C	C	C								page 364
Single Family, Attached				P	P	P	P	P									page 365
Single Family, Detached	P	P	P		P	P	P	P	P								page 365
Single Family, Zero Lot Line				C	C												page 365
Single Room Occupancy Residence													S		P		page 365
Slaughtering and Processing of Live Poultry												S	S		S	P	page 365
Small Wind Energy System		C	C			C	C	C		C	C	C	C	C	C	C	page 366
Social Event with Alcoholic Beverage Sales										S	S	S	S	S	S	S	page 368
Social Service Provider											S	S	S		S	S	page 368
Solar Panel	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	page 368
Sound Stage												S	S		S	S	page 368
Supper Club											S	S	S	S	S	S	page 368
Swap Meet												S	S		C	C	page 369
Tattoo Parlor/Body Piercing Studio													S		P	P	page 369
Tavern-Limited Establishment												S	S	S	S	S	page 369
Taxicab/Limo Yard															P	P	page 369
Teen Dance Center												C	C		C	C	page 370
Temporary Contractor's Construction Yard	T	T	T	T	T	T	T	T	T	T	T	T	T	T	T	T	page 370
Temporary Outdoor Commercial Event	T	T										T	T	T	T	T	page 370
Temporary Real Estate Sales Office	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	page 370
Tennis Courts, Accessory	C	C	C	C	C	C	C	C	C		C	C	C				page 371
Thriftshop												S	S		C	C	page 371
Thriftshop, Nonprofit												S	S		S	C	page 371

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Time-Share Development													C				page 371
Towing & Impound Yard															C	C	page 371
Towing Service (with No Storage)													S		P	P	page 371
Townhouse					P		P	P									page 372
Trade School											C	P	P	P	P	P	page 372
Trailer/RV Camp or Park												S	S		S	P	page 372
Transit Passenger Facility												C	C		P	P	page 372
Truck Rental													S		P	P	page 372
Trucking Company													S		P	P	page 372
Tutoring Center										C	C	C	C		C	C	page 373
TV Broadcasting & Other Communication Service											S	S	S	S	P	P	page 373
Two-Family Dwelling						P	P	P									page 373
Urban Lounge												S	S		S	S	page 373
Utility Installation, Other Than Listed	S	S	S	S	S	S	S	S	S	S	S	S	P	P	P	P	page 373
Utility Transmission Lines	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	page 373
Valet Parking											C	C	C		C	C	page 373
Vehicle Parking, Storage or Repair In Residential Zoning Districts	C	C	C	C	C	C	C	C	C								page 374
Warehouse/Distribution Center														S	P	P	page 376
Wedding Chapel												P	P		P	P	page 376
Welding Repair															P	P	page 376
Wholesale Showroom Facility													P	S	P	P	page 376
Wireless Communication Facility, Non-Stealth Design (Not Qualifying for Conditional Use Approval)	S	S	S	S	S	S	S	S	S	S	S	S	S	S	S	S	page 376
Wireless Communication Facility, Non-Stealth Design (Qualifying for Conditional Use Approval)	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	page 377
Wireless Communication Facility, Stealth Design	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	page 377

6. The forging, casting, melting, refining, extruding, rolling, drawing or alloying of metals.
7. The testing of jet engines or other engines.
8. Refuse disposal services not listed elsewhere in this Title, including but not limited to landfills, incinerators and other locations which receive garbage and refuse generated off-site for storage, treatment or disposal.
9. Boiler works.

On-site Parking Requirement: One space for each 500 square feet of gross floor/yard area.

Facility for Transitional Living for Released Offenders

Description: A dwelling unit of a residential character that provides housing and a living environment for up to six persons who have been released from prison and who require assistance with reintegration into the community, other than such a residence that is operated or maintained by a state or local government or an agency thereof. The term does not include a halfway house for recovering alcohol and drug abusers or a facility for the treatment of abuse of alcohol or drugs. As used in this description, "person who has been released from prison" means:

1. A parolee.
2. A person who is participating in:
   a. A judicial program pursuant to NRS 200.4886 or 213.625; or
   b. A correctional program pursuant to NRS 209.488 or 213.632;
3. A person who is supervised by the Division of Parole and Probation of the Department of Public Safety through residential confinement pursuant to NRS 213.371 to 213.410, inclusive; or
4. A person who, within the past 20 years, has been released from prison by expiration of his term of sentence.

Minimum Special Use Permit Requirements:

1. The facility must comply on an ongoing basis with all governmental licensing requirements.
2. The facility must be located on a parcel with a minimum size of six thousand five hundred square feet.
3. The facility must be located on a parcel that is within one thousand five hundred feet of an existing bus stop served by a regional bus system.
4. Off-street parking shall be provided on the basis of at least one space per five residents, plus an additional space for the administrator.
5. Indoor common area shall be provided on the basis of a minimum of fifteen square feet per resident.
6. The facility shall not be established or modified in a manner that would make it inconsistent with the scale and architectural character of the neighborhood.
7. No signage, graphics, display, or other visual representation that is visible from a public street shall be used to identify the facility as a Facility for Transitional Living for Released Offenders.
8. A facility may not be located closer than one thousand five hundred feet (measured by means of the shortest distance from property line to property line) from another Facility for Transitional Living for Released Offenders, a Community Residence, church, synagogue, school, child care facility licensed for more than twelve children, or City park.
9. The number of occupants within a Facility for Transitional Living for Released Offenders shall not exceed the following occupancy standards:
   a. For the first bedroom (deemed to be the largest bedroom), a maximum of two adults (eighteen years of age or older).
   b. For each bedroom thereafter:
      i. A maximum of one adult, for bedrooms less than one hundred square feet in area; and
      ii. A maximum of two adults, for bedrooms one hundred square feet in area or greater.

On-site Parking Requirement: Off-street parking shall be provided on the basis of at least one space per five residents, plus an additional space for the administrator.

Facility to Provide Testing, Treatment, or Counseling for Drug or Alcohol Abuse

Description: A facility that:

1. Operates under or is subject to the provisions of NRS Title 40 and, by means of certified detoxification technicians or otherwise, provides care or treatment related to the physical and mental effects of the abuse of alcohol or drugs, or the effects of alcohol or drug dependency; or
2. Provides court-ordered or court-sanctioned testing, analysis, treatment or counseling related to the physical and mental effects of the abuse of alcohol or drugs, or the effects of alcohol or drug dependency.

On-site Parking Requirement: One space for each 300 square feet of gross floor area.

Financial Institution, General

Description: Any business or organization which:

1. Holds or receives deposits, savings or share accounts;
2. Issues certificates of deposits;

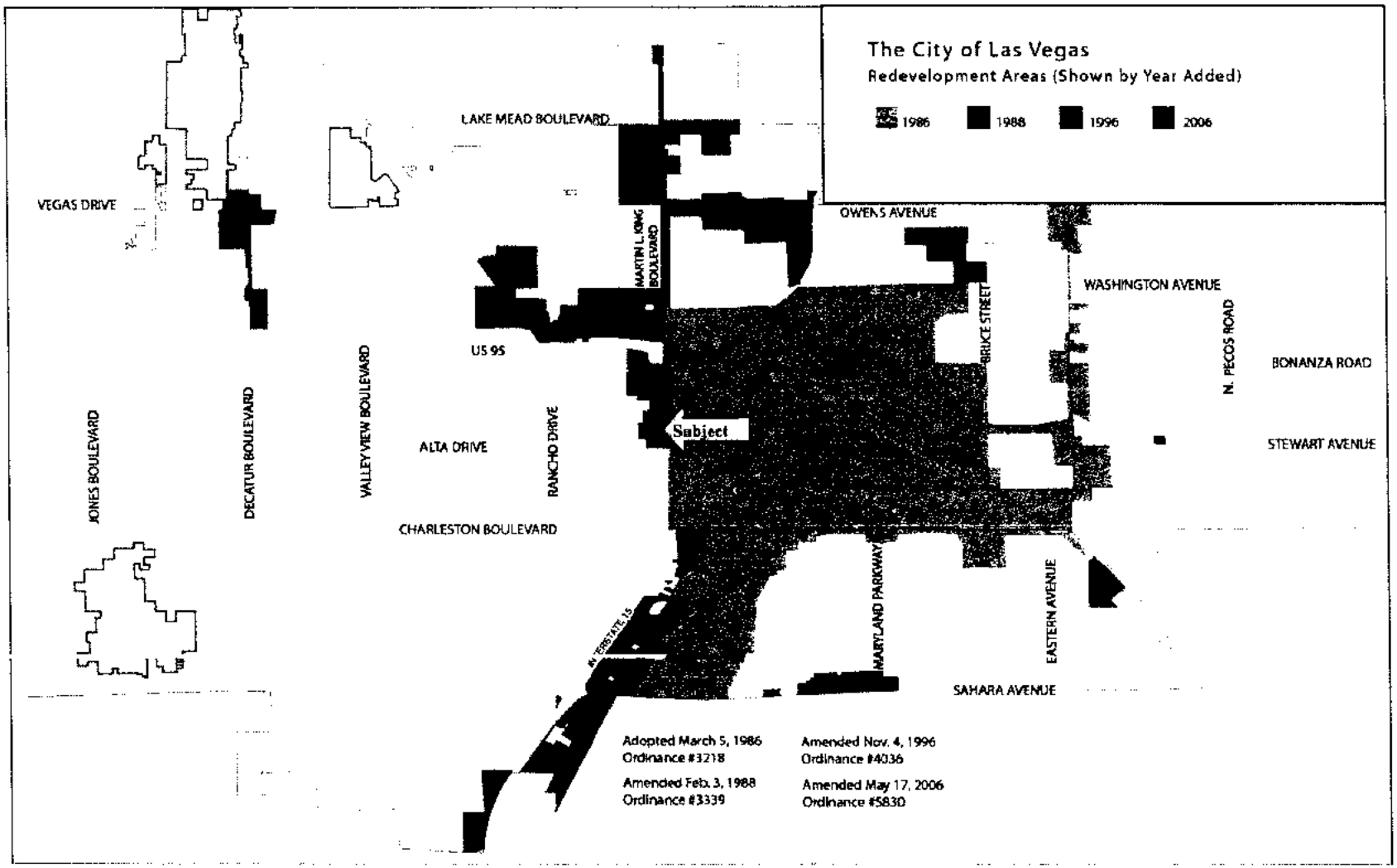
The City of Las Vegas
Redevelopment Areas (Shown by Year Added)
1986
1988
1996
2006
LAKE MEAD BOULEVARD
VEGAS DRIVE
OWENS AVENUE
MARTIN L. KING BOULEVARD
WASHINGTON AVENUE
BRUCE STREET
N. PECOS ROAD
BONANZA ROAD
US 95
JONES BOULEVARD
DECATUR BOULEVARD
VALLEY VIEW BOULEVARD
ALTA DRIVE
RANCHO DRIVE
Subject
STEWART AVENUE
CHARLESTON BOULEVARD
MARYLAND PARKWAY
EASTERN AVENUE
I-15
SAHARA AVENUE
Adopted March 5, 1986
Ordinance #3218
Amended Feb. 3, 1988
Ordinance #3339
Amended Nov. 4, 1996
Ordinance #4036
Amended May 17, 2006
Ordinance #5830

EXHIBIT A-5

PURCHASE AND SALE AGREEMENT
AND JOINT ESCROW INSTRUCTIONS

(400 S. Martin Luther King Boulevard, Las Vegas, Nevada;
Assessor's Parcel Number 139-33-202-009)

Between

CLARK COUNTY,
a Political Subdivision of the State of Nevada

("Buyer")

and

HQ METRO, LLC,
an Arizona limited liability company

("Seller")

Dated as of

September 2, **2014**

Buyer Seller

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3.4 Buyer's Closing Deliveries 4

3.5 Duties of Escrow Agent 4

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Buyer _____ Seller _____

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EXHIBIT LIST

Exhibit A — Legal Description
Exhibit B — Intentionally Omitted
Exhibit C — Grant, Bargain and Sale Deed form
Exhibit D — Title Exceptions
Exhibit E — Bill of Sale form
Exhibit F — Assignment and Assumption Agreement form
Exhibit G —List of Service Contracts
Exhibit H — List of Pending Litigation
Exhibit I — Notice of Termination
Exhibit J — Schedule B, Section II of the Title Commitment

AGREEMENT OF PURCHASE AND SALE AND JOINT ESCROW INSTRUCTIONS

THIS AGREEMENT OF PURCHASE AND SALE AND JOINT ESCROW INSTRUCTIONS (this "Agreement") is made as of September 2, 2014 (the "Effective Date"), by and between HQ Metro, LLC, an Arizona limited liability company ("**Seller**"), and Clark County, a political subdivision of the State of Nevada ("**Buyer**")(collectively, the "**Parties**").

RECITALS

A. Seller is the current owner of certain real property located at 400 S. Martin Luther King Boulevard, Las Vegas, Nevada (APN 139-33-202-009) more particularly described in **Exhibit A**, attached hereto and incorporated herein by reference, consisting of ±13.76 net acres improved with three multi-story office buildings containing ±373,327 square feet and a multi-story parking structure, surface parking and other improvements, commonly known as the "Las Vegas Metropolitan Police Department Headquarters" (the "**Real Property**").

B. Pursuant to the Lease dated as of December 2, 2008, as amended by a First Amendment dated March 3, 2009, a Second Amendment dated July 10, 2009, a Third Amendment dated July 21, 2009, and a Fourth Amendment dated August 4, 2009 (as amended, the "**Lease**"), between Project Alta, LLC and Project Alta II, LLC, as landlord, and Buyer, as tenant, Buyer has exercised an option to purchase the Real Property according to Section 5.01 of the Lease (the "**Lease Purchase Option**"), and the parties desire to consummate the purchase and sale of the Real Property, together with the other property described below, according to the terms of this Agreement.

THEREFORE, in consideration of the above Recitals, the mutual covenants and agreements herein set forth and the benefits to be derived therefrom, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Buyer and Seller agree as follows:

1. PURCHASE AND SALE. Subject to and in accordance with the terms and conditions set forth in this Agreement, Buyer shall purchase from Seller and Seller shall sell to Buyer the Real Property, together with: (i) any and all of Seller's rights, easements, licenses and privileges presently thereon or appertaining thereto; (ii) Seller's right, title and interest in and to the Lease; (iii) all fixtures and equipment (collectively, the "**Personal Property**") owned by Seller, located on the Real Property and used solely in connection therewith; (iv) Seller's right, title and interest in and to all intangible personal property relating to the Real Property and the Improvements (including, without limitation, site plans, surveys, soil and substrata studies, governmental permits, certificates of occupancy, licenses, approvals and entitlements, warranties and guarantees, architectural drawings, plans and specifications, as-built drawings for the Real Property, engineering plans and studies, landscape plans, drainage and traffic studies, and other intangible rights, interests or privileges directly relating to or used directly in connection with the Property) all if and to the extent transferable without third party consent or cost or liability to

Buyer Seller

Seller, with the understanding, however, that with respect to any transfers for which third party notices or consents are required, Seller shall cooperate with Buyer in providing those notices and obtaining those consents at no cost or liability to Seller (the "**Intangible Property**") (items (i) through (iv) above, together with the Real Property, are collectively referred to in this Agreement as the "**Property**"). All of the foregoing expressly excludes all property owned by the subtenant Las Vegas Metropolitan Police Department or other users or occupants of the Property.

1.1 Purchase Price. The total consideration to be paid by Buyer to Seller for the Property shall be equal to $205,000,000 (the "**Purchase Price**"). At least one (1) business day prior to Closing (as defined below in Section 3.1), Buyer shall pay with current, federal funds wire transferred to an escrow account designated by Escrow Agent in writing, an amount equal to the Purchase Price, and plus or minus, as the case may require, the closing costs, prorations and adjustments to be made pursuant to Section 3 below (the "**Closing Funds**").

2. TITLE.

2.1 Conveyance. Seller shall convey the Real Property by grant, bargain and sale deed (the "**Deed**") in the form attached hereto as **Exhibit C**, free of any deeds of trust or mortgages and subject only to:

2.1.1 the Lease;

2.1.2 those title exceptions described in **Exhibit D** attached hereto and incorporated herein by this reference, any title exceptions caused or consented to, in writing, by Buyer (collectively, the "**Permitted Exceptions**");

2.2 Title Insurance. The Parties acknowledge receipt of a 3rd Amendment to a commitment for an ALTA Owner's Title Insurance Policy dated August22, 2014 (the "**Title Commitment**"), in the amount of the Purchase Price, issued by Nevada Title Company, 2500 N. Buffalo Drive, Suite 150, Las Vegas, Nevada 89128 ("**Title Insurer**"). A true and correct copy of Schedule B, Section II of the Title Commitment is attached hereto as **Exhibit J**. At Closing (as defined below), Seller will cause the Title Insurer to deliver to Buyer a CLTA standard coverage owner's policy of title insurance naming Buyer as the insured, with liability in the amount of the Purchase Price, insuring that Buyer owns fee simple title to the Property (the "**Owner's Policy**"), showing title to the Property vested in Buyer subject only to the exceptions shown in Exhibit J. If Buyer desires a higher coverage amount of title insurance and/or ALTA extended coverage and/or any title endorsements or other additions to the Owner's Policy or any updates or modifications of the Survey, Buyer shall be solely responsible for the increase in premium for the higher coverage, at Buyer's sole cost and expense. Except as permitted under this Agreement, no additional encumbrances may be created on the Property by Seller after the effective date (August 12, 2014) of the Title Commitment without the prior consent of Buyer, which consent may not be unreasonably withheld, conditioned, or delayed. Seller shall have no obligation to provide any representations, warranties or indemnities to the Title Insurer or to Buyer (except those representations and warranties which are specifically set forth in Section 5.1 below and those warranties implied by NRS 111.170 in the grant, bargain and sale deed required by Section 2.1 above).

Buyer Seller

3. ESCROW. Within five (5) days after the Effective Date, the Parties shall deposit a signed copy of this Agreement in escrow established with Nevada Title Company, 2500 N. Buffalo Drive, Suite 150, Las Vegas, Nevada 89128 Attention: Troy Lochhead (the "**Escrow**" and "**Escrow Agent**"). This Agreement shall serve as additional instructions to the Escrow Agent for handling the purchase of the Property, and the Escrow Agent is hereby authorized, directed and instructed to comply with the terms of this Agreement. The Parties may execute such additional escrow instructions as either party deems appropriate or as reasonably necessary in effecting the Closing. In the event of conflict between any escrow instructions and this Agreement, this Agreement shall control. The Escrow Agent shall not take any action contrary to the Lease or this Agreement absent the express written direction of the Parties through their counsel or authorized representatives. Closing shall occur as provided in this Section 3.

3.1 Closing. "**Closing**" shall be deemed to have occurred when (i) all necessary documents required by this Agreement have been delivered to, received by, and executed by the appropriate parties, (ii) all conditions and contingencies required under this Agreement have been satisfied or waived, and (iii) all funds required to be paid prior to Closing under this Agreement have been properly delivered to and are available for disbursement by the Escrow Agent to the Seller.

3.2 Closing Date. Closing shall be accomplished on October 28, 2014 or such earlier date as may be designated by Seller by not less than six (6) business days prior written notice to Buyer and Escrow Agent; provided, unless extended by mutual written agreement between the Parties, neither being under any obligation to agree to an extension.

3.3 Seller's Closing Deliveries. At or prior to Closing, Seller shall execute, or cause to be executed, and deliver the following to the Escrow Agent:

3.3.1 the deed in the form attached hereto as **Exhibit C**, subject only to the Permitted Exceptions;

3.3.2 a bill of sale in the form attached hereto as **Exhibit E;**

3.3.3 an Assignment and Assumption Agreement in the form attached hereto as **Exhibit F**;

3.3.4 an affidavit stating, under penalty of perjury, Seller's U.S. taxpayer identification number and that Seller is not a foreign person within the meaning of Section 1445 of the Internal Revenue Code;

3.3.5 approval of the closing statement prepared by Escrow Agent (the "**Closing Statement**"), as required by Section 3.5 below, setting forth the prorations and adjustments to the Purchase Price;

3.3.6 a certificate updating Seller's representations and warranties as if made on the Closing Date;

Buyer Seller

3.3.7 a Declaration of Value;

3.3.8 evidence of termination, effective as of the Closing Date, of the Management Agreement made as of September 1, 2009, between Seller and Mark L. Fine & Associates;

3.3.9 Seller shall ensure the delivery by Wells Fargo Bank, N.A. of the joint Notice of Termination in the form attached as Exhibit "I" and incorporated herein by this reference with regard to the Lease Payment Escrow Agreement dated September 2, 2009 among Buyer, Bank of America, N.A., and Wells Fargo Bank, N.A.; and

3.3.10 such further documents as reasonably required in effecting the Closing and transferring title to the Property to Buyer.

3.4 Buyer's Closing Deliveries. At or prior to Closing, Buyer shall execute and deliver the following to the Escrow Agent:

3.4.1 the Closing Funds required pursuant to Section 1.1 above and Sections 3.5.4 and 3.7 below (which shall be delivered at least one (1) business day prior to Closing pursuant to Section 1.1 above);

3.4.2 approval of the Closing Statement prepared by Escrow Agent (the "**Closing Statement**"), as required by Section 3.5 below, setting forth the prorations and adjustments to the Purchase Price;

3.4.3 counterpart originals of the Assignment and Assumption Agreement referenced in Section 3.3.3 above;

3.4.4 such evidence of Buyer's power and authority as Title Insurer may reasonably require;

3.4.5 a certificate updating Buyer's representations and warranties as if made on the Closing Date;

3.4.6 a Declaration of Value;

3.4.7 the joint Notice of Termination in the form attached as Exhibit B to the Lease Payment Escrow Agreement dated September 2, 2009 among Buyer, Bank of America, N.A., and Wells Fargo Bank, N.A.; and

3.4.8 such further documents as reasonably required in effecting the Closing and transferring title to the Property to Buyer.

3.5 Duties of the Escrow Agent. At or prior to Closing, the Escrow Agent shall:

Buyer Seller

3.5.1 prepare a draft of the Closing Statement of the prorations and adjustments required by this Agreement and submit it to Buyer and Seller at least ten (10) business days prior to the Closing Date. The items set forth below in Sections 3.6 and 3.7 are to be prorated, adjusted or credited, as appropriate, as of the close of business on the Closing Date, it being understood that for purposes of prorations and adjustments, Seller shall be deemed to be the owner of the Property on the Closing Date and Buyer shall be deemed to be the owner of the Property as of the date following the Closing Date;

3.5.2 collect the deliveries required to be made by the Parties as set forth herein;

3.5.3 date, as of the Closing Date, all instruments calling for a date;

3.5.4 determine, collect, and/or pay from the Buyer's Closing Funds or from additional funds to be deposited by Seller, if necessary, all closing costs, including any escrow and recording fees, outstanding loans secured by deeds of trust recorded against the Property, loan prepayment fees, title insurance premiums, taxes and assessments, utility fees, and rents as set forth below in Sections 3.6 and 3.7;

3.5.5 provide the original signed documents and copies to the Parties as required herein;

3.5.6 prepare and deliver a final Closing Statement to the Parties;

3.5.7 record any documents required by the Parties.

3.6 Seller's Closing Costs and Prorations Seller shall pay the following:

3.6.1 the premium for the standard coverage portion of a CLTA Owner's Policy pursuant to Section 2.2 above (the "**Base Premium**");

3.6.2 any loan prepayment penalties in excess of the maximum due from Buyer under Section 3.7.2 below; and

3.6.3 one-half (1/2) of Escrow Agent's standard escrow fees;

3.6.4 one-half (1/2) of the arbitration fees in accordance with Section 5.01(8) of the Lease (as amended by the Fourth Amendment to the Lease); and

3.6.5 any reconveyance fees.

3.7 Buyer's Closing Costs and Prorations Buyer shall pay or receive credit for the following:

3.7.1 title insurance premiums or other title costs in excess of the Base Premium for any extended coverage requested by Buyer;

Buyer Seller

3.7.2 any documented defeasance, yield maintenance or other prepayment fees, costs or penalties actually incurred by Seller in connection with the payoff of any loans encumbering the Property; provided, however, in no event shall Buyer be responsible for any such amounts in excess of $3,348,000;

3.7.3 one-half (1/2) of Escrow Agent's standard escrow fees and all of any recording fees;

3.7.4 Buyer, as tenant under the Lease, shall pay real estate and personal property taxes and assessments (on the basis of the most recent available tax bill if the current bill is not then available), and all other amounts due pursuant to the Lease, through Closing;

3.7.5 Buyer, as tenant under the Lease, shall have paid rent due through and including the full month in which the Closing occurs, to Wells Fargo Bank, N.A., which amount shall be prorated based on the number of days in such month and credited to Buyer for the remainder of the month in which the Closing occurs; and

3.7.6 Buyer, as tenant under the Lease, shall pay water, electric, telephone and all other utility charges through Closing, and any deposits with utility companies shall remain the property of Buyer.

3.7.7 one-half (1/2) of the arbitration fees in accordance with Section 5.01(8) of the Lease (as amended by the Fourth Amendment to the Lease).

3.8 Miscellaneous. Any proration which must be estimated at Closing shall be reprorated and finally adjusted as soon as practicable after the Closing Date; otherwise, all prorations shall be final.

3.9 Possession. Upon Closing, Seller shall deliver to Buyer possession of the Property, subject to such matters as are permitted by or pursuant to this Agreement.

4. DEFAULT AND REMEDIES.

4.1 Pre-Closing Remedies.

4.1.1 Notwithstanding anything to the contrary contained in this Agreement, if either Seller or buyer fails to perform in accordance with the terms of this Agreement at or prior to Closing and the other party is not in default hereunder, then the non-defaulting party may file an action in the State or Federal Courts of Nevada located in Las Vegas, Nevada seeking any legal or equitable remedy. If Buyer defaults hereunder and fails to purchase the Property in accordance with this Agreement, Buyer shall have no right or option to purchase the Property pursuant to the Lease Purchase Option until the fifth annual anniversary of the Option Period Reference Date.

Buyer Seller

4.2 Post-Closing Remedies. From and after the Closing, Seller and Buyer shall, subject to the terms and conditions of this Agreement, have such rights and remedies as are available at law or in equity, except that neither Seller nor Buyer shall be entitled to recover from the other consequential or special damages.

5. REPRESENTATIONS AND WARRANTIES.

5.1 Seller's Representations and Warranties. Seller represents and warrants to Buyer as of the Effective Date as follows:

5.1.1 Seller is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Arizona;

5.1.2 Seller has full power, right and authority to enter into and perform its obligations under this Agreement, and Mark L. & Fine & Associates has the right, power and authority to act on behalf of Seller in all matters described herein, including, without limitation, the right power and authority to execute and deliver all documents, except the deed attached hereto as **Exhibit C,** required from Seller at Closing.

5.1.3 Seller has not entered into any union, maintenance, service, advertising and other like contracts and agreements with respect to the ownership and operation of the Property which would be binding on Buyer after the Closing.

5.1.4 Except as set forth on **Exhibit H** attached hereto, there is no pending litigation initiated against Seller or the Property which would materially affect the Property after Closing and Seller has no knowledge of any such pending litigation.

5.2 Seller's Knowledge. When used in this Agreement, the term "to Seller's knowledge" shall mean and be limited to the actual (and not imputed, implied or constructive) current knowledge, without inquiry, of the officers, directors, and managers of Seller and Mark L. Fine & Associates. Notwithstanding anything to the contrary set forth in this Agreement, none of the foregoing individuals shall have any personal liability or liability whatsoever with respect to any matters set forth in this Agreement or any of Seller's representations and/or warranties herein being or becoming untrue, inaccurate or incomplete.

5.3 Buyer's Representations and Warranties. Buyer represents and warrants to Seller as of the Effective Date as follows:

5.3.1 Buyer has full power, right and authority to enter into and perform its obligations under this Agreement. The execution, delivery and performance of this Agreement by Buyer have been duly and properly authorized by Board of County Commissioners action in accordance with applicable law;

5.3.2 The person executing this Agreement on behalf of Buyer has the authority to do so and execution of this Agreement by such person is binding upon

Buyer Seller

Buyer, and Buyer shall deliver to Seller evidence of such authority which is reasonably satisfactory to Seller concurrently with Buyer's execution and delivery of this Agreement;

5.3.3 Funds have been fully allocated to pay the Purchase Price and such funds are now available for delivery in accordance with the terms of this Agreement.

5.4 Survival of Representations and Warranties. The representations and warranties set forth in Sections 5.1, 5.2 and 5.3 shall be updated by the Parties at Closing. The representations and warranties set forth in Sections 5.1, 5.2 and 5.3 shall survive the Closing and the delivery of the Deed.

6. OPERATION OF THE PROPERTY. From and after the Effective Date until the Closing Date or earlier termination of this Agreement:

6.1 Ordinary Course of Business. Seller has no obligation to operate the Property and does not operate the Property. Seller agrees that it shall not sell, further pledge, or otherwise transfer or dispose of all or any part of any Property (except for such items of Personal Property as become obsolete or are disposed of in the ordinary course).

6.2 Service Contracts. Seller shall not enter into any new written service contract with respect to the Property that will not be cancelable by Buyer without penalty upon no greater than thirty (30) days notice, without the prior written consent of Buyer.

7. MISCELLANEOUS.

7.1 Entire Agreement. All understandings and agreements heretofore had between Seller and Buyer with respect to the purchase and sale of the Property are merged in this Agreement, which alone fully and completely expresses the agreement of the Parties. This Agreement is intended to be the Contract of Sale described in Section 5.01 of the Lease and is intended to reflect the parties' entire agreement with regard to the matters stated herein. In the event of any conflict between the terms of the Lease Purchase Option and the terms of this Agreement, this Agreement, shall be controlling.

7.2 Effective Date. This Agreement shall be effective as of the date on which both Parties have executed this Agreement.

7.3 No Modification. This Agreement shall not be modified or amended except in a written document signed by Seller and Buyer.

7.4 Time of the Essence. Time is of the essence of this Agreement.

7.5 Governing Law. The laws of the State of Nevada shall govern the validity, construction, performance and effect of this Agreement. Any action commenced regarding this Agreement shall be exclusively venued in the State or Federal Courts of Nevada

Buyer Seller

located in Las Vegas, Nevada, and the parties hereby submit to the exclusive jurisdiction of such courts.

7.6 Notices All notices, consents, requests, reports, demands or other communications hereunder (collectively, "**Notices**") shall be in writing and may be given personally, by registered or certified mail, by facsimile or by Federal Express (or other reputable overnight delivery service). If such notice or demand be served by mail, service shall be conclusively deemed made two (2) days after mailing. All notices given by facsimile shall be followed by the delivery of a hard copy of such notice, provided that such notice shall be deemed to have been given when received by facsimile. Any party hereto may change its address for the purpose of receiving notices, payments or demands as herein provided by a written notice given in the manner aforesaid to the other party hereto, which notice of change of address shall not become effective, however, until the actual receipt thereof by the other party. Any notice or demand shall be delivered to the appropriate address set forth below:

If to Seller:

c/o Mark L. Fine & Associates
Attn: Joe Cain
650 S. Main Street
Las Vegas, NV 89101
Facsimile: (702) 933-7146

With copies to:

Rice Reuther Sullivan & Carroll, LLP
Attn: Stephen M. Rice, Esq.
3800 Howard Hughes Parkway, Suite 1200
Las Vegas, NV 89169
Facsimile: (702) 732-7110

If to Buyer:

Department of Real Property Management
Attn: Director
500 S. Grand Central Pky 4th Floor
Box 551825
Las Vegas, NV 89155-1825
Facsimile: (702) 455-4055

7.7 Computation of Time. Wherever under this Agreement there is a day or time period established for performance and such day is or such time period expires on a Saturday, Sunday or "holiday," as defined below, then such time for performance shall be automatically extended to the next business day which is not a holiday. For the purposes of this

Buyer Seller

Section 7.7, holiday shall mean any day, Monday through Friday, on which commercial banks in the State of Nevada are closed for business.

7.8 Rights and Remedies. Except as otherwise expressly provided herein, the various rights, options, elections and remedies of either party contained in this Agreement shall be cumulative and no one of them shall be construed as exclusive of any other, or of any right, priority or remedy allowed or provided for by law and not expressly waived in this Agreement.

7.9 Legal Representation. Each party hereto has been represented by legal counsel in connection with the negotiation of the transactions herein contemplated and the drafting and negotiation of this Agreement. Each party hereto and its counsel has had an opportunity to review and suggest revisions to the language of this Agreement. Accordingly, no provision of this Agreement shall be construed for or against or interpreted to the benefit or disadvantage of any party by reason of any party having or being deemed to have structured or drafted such provision.

7.10 Assignment. This Agreement may be assigned by Buyer only to a City of Las Vegas or Clark County, Nevada governmental authority. Buyer shall not assign this Agreement to any other person or entity without the prior written consent of Seller (which consent may be withheld by Seller in Seller's sole discretion). No assignment shall relieve Buyer of its obligations under this Agreement.

7.11 Offer. Seller's execution and delivery of this Agreement shall be void ab initio and of no force or effect whatsoever unless Buyer executes and delivers this Agreement to Seller on or prior to September 5, 2014, unless extended by mutual agreement between the parties, neither being under any obligation to agree to an extension.

[SIGNATURES APPEAR ON FOLLOWING PAGES]

Buyer Seller

IN WITNESS WHEREOF, Seller and Buyer have executed and delivered this Agreement as of the date first above written.

SELLER:

HQ METRO, LLC, an Arizona limited liability company

By: COMMUNITY FINANCE CORPORATION, An Arizona non-profit corporation, as sole Member

By: _____
Name: Michael S Arnold
Its: Treasurer

BUYER:

CLARK COUNTY, NEVADA

By: _____
Steve Sisolak
Chairman

Buyer Seller

EXHIBIT "A"
LEGAL DESCRIPTION

A PARCEL OF LAND LYING WITHIN THE SOUTHEAST QUARTER (SE ¼) OF THE NORTHWEST QUARTER (NW ¼) OF SECTION 33, TOWNSHIP 20 SOUTH, RANGE 61 EAST, M.D.M., CITY OF LAS VEGAS, CLARK COUNTY, NEVADA. DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF THE SOUTHEAST QUARTER (SE ¼) OF THE NORTHWEST QUARTER (NW ¼) OF SAID SECTION 33;

THENCE ALONG THE EAST LINE OF SAID SOUTHEAST QUARTER (SE ¼), SAME BEING THE WESTERLY RIGHT OF WAY OF MARTIN LUTHER KING BOULEVARD, SOUTH 00°15'51" WEST, 335.00 FEET TO THE SOUTHEASTERLY CORNER OF LOT ONE (1) AS SHOWN BY MAP THEREOF ON FILE IN FILE 73, PAGE 91 OF PARCEL MAPS IN THE CLARK COUNTY RECORDER'S OFFICE, NEVADA;

THENCE ALONG THE SOUTH LINE OF SAID LOT 1, NORTH 89°57'23" WEST, 14.50 FEET TO THE POINT OF BEGINNING;

THENCE ALONG THE WESTERLY RIGHT OF WAY OF SAID MARTIN LUTHER KING BOULEVARD, THE FOLLOWING FIVE (5) COURSES:

1) SOUTH 00°15'51" WEST, 359.04 FEET;

2) THENCE SOUTH 02°40'21" WEST, 207.66 FEET;

3) THENCE CURVING TO THE RIGHT ALONG AN ARC HAVING A RADIUS OF 93.00 FEET, CONCAVE WESTERLY, THROUGH A CENTRAL ANGLE OF 16°59'34", AN ARC LENGTH OF 27.58 FEET TO A POINT OF REVERSE CURVATURE;

4) THENCE CURVING TO THE LEFT ALONG AN ARC HAVING A RADIUS OF 107.00 FEET, CONCAVE EASTERLY, THROUGH A CENTRAL ANGLE OF 19°24'04", AN ARC LENGTH OF 36.23 FEET;

5) THENCE SOUTH 00°15'51" WEST, 201.25 FEET;

THENCE CURVING TO THE RIGHT ALONG AN ARC TRANSITIONING FROM SAID WESTERLY RIGHT OF WAY TO THE NORTHERLY RIGHT OF WAY OF ALTA DRIVE, HAVING A RADIUS OF 54.00 FEET, CONCAVE NORTHWESTERLY, THROUGH A CENTRAL ANGLE OF 89°50'12", AN ARC LENGTH OF 84.67 FEET;

Buyer Seller

THENCE ALONG THE NORTHERLY RIGHT OF WAY OF SAID ALTA DRIVE THE FOLLOWING EIGHT (8) COURSES:

1) NORTH 89°53'57" WEST, 70.41 FEET;

2) THENCE CURVING TO THE RIGHT ALONG AN ARC HAVING A RADIUS OF 20.00 FEET, CONCAVE NORTHERLY, THROUGH A CENTRAL ANGLE OF 09°27'51", AN ARC LENGTH OF 3.30 FEET;

3) THENCE NORTH 80°26'06" WEST, 44.51 FEET;

4) THENCE CURVING TO THE LEFT ALONG AN ARC HAVING A RADIUS OF 30.00 FEET, CONCAVE SOUTHERLY, THROUGH A CENTRAL ANGLE OF 09°27'51", AN ARC LENGTH OF 4.96 FEET;

5) THENCE NORTH 89°53'57" WEST, 125.84 FEET;

6) THENCE CURVING TO THE LEFT ALONG AN ARC HAVING A RADIUS OF 30.00 FEET, CONCAVE SOUTHERLY, THROUGH A CENTRAL ANGLE OF 12°01'41", AN ARC LENGTH OF 6.30 FEET;

7) THENCE SOUTH 78°04'22" WEST, 39.69 FEET;

8) THENCE SOUTH 88°49'44" WEST, 140.97 FEET TO THE EAST BOUNDARY OF LOT TWO (2) AS SHOWN BY MAP THEREOF ON FILE IN FILE 79, PAGE 21 OF PARCEL MAPS IN THE CLARK COUNTY RECORDER'S OFFICE, NEVADA;

THENCE DEPARTING SAID RIGHT OF WAY, ALONG THE EAST BOUNDARY OF SAID LOT 2, NORTH 00°06'03" EAST, 290.06 FEET;

THENCE DEPARTING SAID EAST BOUNDARY, ALONG THE NORTH BOUNDARY OF SAID LOT TWO (2), NORTH 89°53'57" WEST, 279.06 FEET TO THE EAST BOUNDARY OF LOT TWO (2) AS SHOWN BY MAP THEREOF ON FILE IN FILE 58, PAGE 66 OF PARCEL MAPS IN THE CLARK COUNTY RECORDER'S OFFICE, NEVADA;

THENCE ALONG THE BOUNDARIES OF SAID LOT 2, THE FOLLOWING THREE (3) COURSES:

1) NORTH 00°16'25" EAST, 542.41 FEET;

2) THENCE SOUTH 89°53'57" EAST, 155.95 FEET;

3) THENCE NORTH 00°16'25" EAST, 55.05 FEET TO THE SOUTHWEST CORNER OF THAT CERTAIN ORDER OF CONDEMNATION RECORDED MARCH 24, 2008 IN BOOK 20080324 OF OFFICIAL RECORDS AS INSTRUMENT NO. 01868 IN THE CLARK COUNTY RECORDER'S OFFICE, NEVADA;

DGB
Buyer

Seller

THENCE ALONG THE SOUTH BOUNDARY OF SAID ORDER OF CONDEMNATION AND THE AFOREMENTIONED LOT ONE (1), SOUTH 89°57'23" EAST, 632.09 FEET TO THE POINT OF BEGINNING.

Subject property commonly known as: 400 South Martin Luther King, Las Vegas, NV

Buyer

Exhibit B

Intentionally Omitted

Buyer _____ Seller

Exhibit C

APN NO.: 139-33-202-009

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

CLARK COUNTY
Department of Real Property Management
500 S. Grand Central Pky 4th Floor
Box 551825
Las Vegas, NV 89155-1825

(Space above line for Recorder's use)

GRANT, BARGAIN AND SALE DEED

HQ METRO, LLC, an Arizona limited liability company, as "Grantor," does hereby Grant, Bargain, Sell and Convey to CLARK COUNTY, a political subdivision of the State of Nevada, as "Grantee," the real property in the County of Clark, State of Nevada (hereinafter referred to as the "Property"), which is described on Exhibit 1 attached hereto and incorporated herein by this reference.

SUBJECT TO:

1. General taxes for the current fiscal tax year.

2. The Permitted Exceptions attached hereto as Exhibit 2 and incorporated herein by this reference.

[SIGNATURE PAGE FOLLOWS]

Buyer Seller

IN WITNESS WHEREOF, Grantor has caused its name to be affixed hereto and this instrument to be duly executed.

Dated as of _____, 2014.

HQ METRO, LLC, an Arizona limited liability company

By: COMMUNITY FINANCE CORPORATION, An Arizona non-profit corporation, as sole Member

By: _____
Name: _____
Its: _____

STATE OF NEVADA)
)
COUNTY OF CLARK)

This instrument was acknowledged before me on _____, 2014, by _____ as _____ of COMMUNITY FINANCE CORPORATION, an Arizona non-profit corporation.

_____
NOTARY PUBLIC

My commission expires:

_____

Buyer _____ Seller

Exhibit 1

[Description of Real Property]

Buyer

Seller

Exhibit 2

[Permitted Exceptions]

Buyer

Seller

Exhibit D

1. State and County Taxes

2. Any supplemental or recapture taxes under NRS Chapter 361, as amended, which may become a lien on the subject property by reason of increased valuations due to land use, improvements or otherwise.

3. Reservations and Easements in the patent from the State of Nevada, recorded November 30, 1902, in Book F of Miscellaneous Records, Pages 265-266 of Lincoln County Official Records.

4. An easement affecting that portion of said land and for the purposes therein and incidental purposes thereto, in favor of NEVADA POWER COMPANY and CENTRAL TELEPHONE COMPANY, for electrical lines, recorded May 1, 1978, in Book 880 as Document No. 839802 of Official Records.

5. The terms and provisions contained in instrument entitled CITY OF LAS VEGAS REVISED DOWNTOWN DEVELOPMENT AREA recorded March 11, 1986 in Book 860311 as Document No. 00777 of Official Records. Said instrument has been revised by an instrument recorded February 11, 1988 in Book 880211 as Document No. 00382 of Official Records. Said instrument has been amended by an instrument recorded November 22, 1996 in Book 961122 as Document No. 00847 of Official Records. A Notice of Adoption of Amendment To The Redevelopment Plan Recorded November 22, 1996 in Book 961122 as Document No. 00848; re-recorded November 25, 1996 in Book 961125 as Document No. 00566 and as set forth in Record of Survey performed by Rita M. Lumas, filed in File LG of Local Government Plats at Page 78 recorded November 22, 1996 in Book 961122 as Document No. 00849 of Official Records. An Ordinance to Adopt an Amended and Restated Redevelopment Plan recorded June 2, 2006 in Book 20060602 as Document No. 0001395 of Official Records. An Ordinance to Adopt an Amended Redevelopment Plan recorded September 12, 2012 in Book 20120912 as Document No. 0001933 of Official Records.

6. An easement affecting that portion of said land and for the purposes therein and incidental purposes thereto, in favor of CENTRAL TELEPHONE COMPANY, for telephone and/or other communication circuits, recorded April 22, 1992, in Book 920422 as Document No. 01019 of Official Records.

7. Dedications and Easements as shown on the recorded Map referred to herein, in File 79 of Parcel Maps, Page 21, of Official Records. The above Parcel Map has been amended by CERTIFICATE OF AMENDMENT Recorded on July 18, 1994 in Book 940718 as Document No. 00834 of Official Records.

8. An easement affecting that portion of said land and for the purposes therein and incidental purposes thereto, in favor of NEVADA POWER COMPANY, for electrical

Buyer Seller

lines, recorded August 25, 1995, in Book 950825 as Document No. 01377 of Official Records.

9. Terms, covenants, conditions and provisions in an instrument entitled, "Judgment and Final Order of Condemnation", recorded March 24, 2008, in Book 20080324 as Document No. 01868, of Official Records.

10. Dedications and Easements as shown on the recorded Reversionary Parcel Map referred to herein, on file in Book 116 of Parcel Maps, Page 99, of Official Records.

11. An unrecorded Lease executed by and between the parties named herein, for the terms and upon the subject to all of the terms, covenants, and provisions contained therein;
Dated: December 2, 2008
Lessor: Project Alta, LLC, a Nevada limited liability company and Project Alta II, LLC, a Nevada limited liability company
Lessee: Clark County, Nevada
Term: Thirty (30) years
Disclosed by: Memorandum of Lease and Purchase Option
Recorded: September 2, 2009 in Book 20090902 as Document No. 00688

Terms, covenants, conditions and provisions in an instrument entitled, "Assignment of Lease", recorded September 2, 2009, in Book 20090902 as Document No. 01864, of Official Records.

12. An easement affecting that portion of said land and for the purposes therein and incidental purposes thereto, in favor of CITY OF LAS VEGAS, for streetlight purposes, recorded September 25, 2009, in Book 20090925 as Document No. 02933 of Official Records.

13. An easement affecting that portion of said land and for the purposes therein and incidental purposes thereto, in favor of CITY OF LAS VEGAS, for pedestrian walkway purposes, recorded September 25, 2009, in Book 20090925 as Document No. 02934 of Official Records.

14. An easement affecting that portion of said land and for the purposes therein and incidental purposes thereto, in favor of CITY OF LAS VEGAS, for traffic purposes, recorded September 25, 2009, in Book 20090925 as Document No. 02935 of Official Records.

15. An easement affecting that portion of said land and for the purposes therein and incidental purposes thereto, in favor of LAS VEGAS VALLEY WATER DISTRICT, a Quasi Municipal Corporation, for pipelines, recorded October 21, 2009, in Book 20091021 as Document No. 02768 of Official Records.

16. An easement affecting that portion of said land and for the purposes therein and incidental purposes thereto, in favor of LAS VEGAS VALLEY WATER DISTRICT, a

Buyer Seller

Quasi Municipal Corporation, for pipelines, recorded October 21, 2009, in Book 20091021 as Document No. 02769 of Official Records.

17. An easement affecting that portion of said land and for the purposes therein and incidental purposes thereto, in favor of LAS VEGAS VALLEY WATER DISTRICT, a Quasi Municipal Corporation, for pipelines, recorded October 21, 2009, in Book 20091021 as Document No. 02770 of Official Records.

18. An easement affecting that portion of said land and for the purposes therein and incidental purposes thereto, in favor of LAS VEGAS VALLEY WATER DISTRICT, a Quasi Municipal Corporation, for pipelines, recorded October 21, 2009, in Book 20091021 as Document No. 02771 of Official Records.

19. Terms, covenants, conditions, provisions and easements in an instrument entitled, "Encroachment Agreement", recorded October 22, 2009, in Book 20091022 as Document No. 00939, of Official Records.

20. An easement affecting that portion of said land and for the purposes therein and incidental purposes thereto, in favor of NEVADA POWER COMPANY, A NEVADA CORPORATION DBA NV ENERGY, for electrical lines, recorded November 6, 2009, in Book 20091106 as Document No. 00712 of Official Records.

21. An easement affecting that portion of said land and for the purposes therein and incidental purposes thereto, in favor of CENTRAL TELEPHONE COMPANY D/B/A CENTURYLINK, for communication system, recorded January 12, 2010, in Book 20100112 as Document No. 03305 of Official Records.

22. A Grant of Easement affecting that portion of said land and for the purposes therein and incidental purposes thereto, in favor of COX COMMUNICATIONS LAS VEGAS, INC., for cable and information facilities, recorded February 18, 2010, in Book 20100218 as Document No. 01014 of Official Records.

23. Terms, covenants, conditions, provisions and easements in an instrument entitled, "Access Easement Agreement", recorded October 4, 2010 in Book 20101004 as Document No. 03385 of Official Records.

24. Terms, covenants, conditions, provisions and easements in an instrument entitled, "Notice of Lis Pendens", in favor of Nevada Power Company, a Nevada corporation, d/b/a NV Energy, recorded May 21, 2013, in Book 20130521 as Document No. 02712, of Official Records.

Order Granting Immediate Occupancy Pending Entry of Judgment, recorded 20131018 as Document No. 00985 Official Records.

Stipulation and Order for Immediate Occupancy recorded October 18, 2013 in Book 20131018 as Document No. 001011 Official Records.

Buyer

Exhibit E

BILL OF SALE

THIS BILL OF SALE (the "Bill of Sale") is made as of _____, 2014 (the "Closing Date"), by HQ Metro, LLC, an Arizona limited liability company ("Seller"), in favor of Clark County, a political subdivision of the State of Nevada ("Buyer").

Seller and Buyer are parties to a Contract of Sale dated as of _____, 2014 ("Contract "), which provides for the sale of certain real and personal property (collectively, the "Property"), including the fee interest in ±13.76 net acres improved with three multi-story office buildings containing ±373,327 square feet and a multi-story parking structure and surface parking, commonly known as the "Las Vegas Metropolitan Police Department Headquarters" at 400 S. Martin Luther King Boulevard, Las Vegas, Nevada (APN 139-33-202-009) (the "Land") more particularly described in Exhibit 1, attached hereto and incorporated herein by reference.

In connection with the Contract, Seller is required to convey to Buyer certain items of tangible personal property as hereinafter described.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller hereby sells, conveys, transfers and delivers to Buyer, subject to all of the applicable terms and conditions of the Contract, all of Seller's right, title and interest in and to the tangible personal property which is described on Exhibit 2, attached hereto and incorporated herein by reference (collectively, the "Personal Property"). The Personal Property is transferred "As-Is", "Where-Is" and without warranties of any kind, including without limitation, without any express or implied warranties of merchantability or fitness for any particular purpose and without any warranties of title.

[The remainder of this page left blank.]

Buyer _____ Seller _____

IN WITNESS WHEREOF, the undersigned has caused this Bill of Sale to be duly executed and delivered as of the day and year first above written.

SELLER:

HQ METRO, LLC, an Arizona limited liability company

By: COMMUNITY FINANCE CORPORATION, An Arizona non-profit corporation, as sole Member

By: _____
Name: _____
Its: _____

Buyer _____ Seller _____

Exhibit 1 to Bill of Sale

[to be attached]

Buyer _____ Seller _____

Exhibit 2 to Bill of Sale

All fixtures and equipment owned by Seller, located on the Land and used solely in connection therewith

Buyer Seller

Exhibit F

ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (the "Assignment") is made and entered into as of _____, 2014 (the "Closing Date"), by and between by HQ Metro, LLC, an Arizona limited liability company ("Assignor"), in favor of Clark County, a political subdivision of the State of Nevada ("Assignee").

RECITALS:

A. Assignor and Assignee are parties (directly or by assignment) to that Contract of Sale dated as of _____, 2014 (the "Contract"), which provides for the sale of certain real and personal property (collectively, the "Property"), including the fee interest in ±13.76 net acres improved with three multi-story office buildings containing ±373,327 square feet and a multi-story parking structure and surface parking, commonly known as the "Las Vegas Metropolitan Police Department Headquarters" at 400 S. Martin Luther King Boulevard, Las Vegas, Nevada (APN 139-33-202-009) (the "Land") and more particularly described in the Contract.

B. Pursuant to the Contract, Assignor has agreed to assign and Assignee has agreed to assume the Lease dated as of December 2, 2008, as amended by a First Amendment, dated March 3, 2009, a Second Amendment, dated July 10, 2009, a Third Amendment, dated July 21, 2009, and a Fourth Amendment, dated August 4, 2009 (as amended, the "**Lease**"), between Project Alta, LLC and Project Alta II, LLC, as landlord, and Assignee, as tenant, that certain leases and amendments thereto (collectively, the "Leases").

C. Pursuant to the Contract, Assignor is also assigning to Assignee all Intangible Property (as defined in the Contract), including, without limitation, site plans, surveys, soil and substrata studies, governmental permits, certificates of occupancy, licenses, approvals and entitlements, warranties and guarantees, architectural drawings, plans and specifications, as-built drawings for the Real Property, engineering plans and studies, landscape plans, drainage and traffic studies, and other intangible rights, interests or privileges directly relating to or used directly in connection with the Property, all if and to the extent transferable without third party consent or cost or liability to Assignor (collectively, the "Intangible Property").

NOW, THEREFORE, for good and valuable consideration, Assignor and Assignee agree, subject to all of the applicable terms and conditions of the Agreement, as follows:

AGREEMENT:

1. Assignment of Lease. Assignor hereby assigns, sells, transfers, sets over and delivers to Assignee, without representation or warranty, all of Assignor's right, title and interest in and to the Lease effective as of the Closing Date (as defined in the Contract).

Buyer _____ Seller _____

2. Assumption with respect to Lease. Assignee hereby assumes and agrees to perform, fulfill and comply with all covenants and obligations to be performed, fulfilled or complied with by the owner of the Property with respect to the Lease arising from and after the Closing Date.

3. No Release From Prior Obligations Under Lease. Assignor and Assignee shall each remain responsible for all of their respective obligations arising under or with respect to the Lease accruing prior to the Closing Date, and shall not be released therefrom.

4. Assignment of Intangible Property. Assignor hereby assigns, sells, transfers, sets over and delivers to Assignee, without representation or warranty, all of Assignor's right, title and interest in and to the Intangible Property.

5. Assumption with respect to Intangible Property. Assignee hereby assumes and agrees to perform, fulfill and comply with all covenants and obligations to be performed, fulfilled or complied with by the owner of the Property with respect to the Intangible Property arising from and after the Closing Date.

6. Binding Effect. This Assignment shall inure to the benefit of and shall be binding upon the parties hereto and their respective successors and assigns.

7. Defined Terms. Except as otherwise specifically provided in this Assignment, defined terms employed in this Assignment shall have the same meaning as described in the Agreement.

8. Governing Law. This Assignment and the legal relations between the parties hereto shall be governed by and be construed in accordance with the laws of the State of Nevada. Venue for any proceeding brought by Assignor or Assignee under this Assignment shall be in a Federal Court or a Court of the State of Nevada with appropriate jurisdiction sitting in Clark County, Nevada.

9. Survival. The provisions of this Assignment shall survive the Closing as defined in the Agreement.

[SIGNATURES APPEAR ON FOLLOWING PAGE]

Buyer Seller

IN WITNESS WHEREOF, Assignor and Assignee have executed and delivered this Assignment, effective as of the Closing Date first above written.

ASSIGNOR:

HQ METRO, LLC, an Arizona limited liability company

By: COMMUNITY FINANCE CORPORATION, An Arizona non-profit corporation, as sole Member

By: _____
Name: _____
Its: _____

ASSIGNEE:

CLARK COUNTY, NEVADA

By: _____
Name: _____
Title: _____

Buyer _____ Seller _____

Exhibit G

[List of Service Contracts]

Buyer Seller

Exhibit H

[List of Pending Litigation]

As disclosed by Notice of Lis Pendens in favor of Nevada Power Company, a Nevada corporate, d/b/a NV Energy, recorded May 21, 2013, in Book 20130521 as Document No. 02712, of the Official Records of Clark County, Nevada

Buyer Seller

EXHIBIT I

NOTICE OF TERMINATION

This Notice Termination (this "Notice") is made pursuant to that certain Lease Payment Escrow Agreement, dated September 2, 2009 (the "Escrow Agreement"), among Clark County, Nevada ("County"), Bank of America, N.A. (the "Escrow Agent"), and Wells Fargo Bank, N.A. ("Assignee").

The County and the Assignee certify that pursuant to Section 6 of the Escrow Agreement, the Escrow Agreement is terminated and the Escrow Agent is hereby directed to release all funds and investments on deposit with the Escrow Agent in the 2009 Lease Payment Escrow Fund to the County.

Capitalized terms used in this Notice of Termination have the same meanings as they are given in the Escrow Agreement.

Please wire the aforementioned amount to the County as follows:

ABA Number: _____

Account Number: _____.

Reference: _____

Respectfully submitted,

CLARK COUNTY, NEVADA

By: _____
Title: _____

Dated: _____

WELLS FARGO BANK, N.A.

By: _____
Title: _____

Dated: _____

Buyer Seller

EXHIBIT J

[Schedule B, Section II of the Title Commitment]

Buyer Seller

COMMITMENT FOR TITLE INSURANCE

SCHEDULE B – SECTION II

Schedule B of the policy or policies to be issued will contain exceptions to the following matters unless the same are disposed of to the satisfaction of the Company:

1. Defects, liens, encumbrances, adverse claims or other matters, if any, created, first appearing in the public records or attaching subsequent to the Effective Date but prior to the date the proposed Insured acquires for value of record the estate or interest or mortgage thereon covered by this Commitment.

2. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records. Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.

3. Any facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.

4. Easements, liens or encumbrances or claims thereof, which are not shown by the public records.

5. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.

6. .(a) Unpatented mining claims: (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.

Buyer _____ Seller _____

7. State and County Taxes for the fiscal period of 2014 to 2015, a lien now due and payable in the total amount of $889,878.32, and payable in the following installments and becomes delinquent if not paid as set forth below.

   First installment of $222,818.15 has been paid

   Second installment of $222,353.39 unpaid delinquent first Monday in October

   Third installment of $222,353.39 unpaid delinquent first Monday in January

   Fourth installment of $222,353.39 unpaid delinquent first Monday in March

   Parcel No. 139-33-202-009

8. Any supplemental or recapture taxes under NRS Chapter 361, as amended, which may become a lien on the subject property by reason of increased valuations due to land use, improvements or otherwise.

9. Reservations and Easements in the patent from the State of Nevada, recorded November 30, 1902, in Book F of Miscellaneous Records, Pages 265-266 of Lincoln County Official Records.

10. An easement affecting that portion of said land and for the purposes therein and incidental purposes thereto, in favor of NEVADA POWER COMPANY and CENTRAL TELEPHONE COMPANY, for electrical lines, recorded May 1, 1978, in Book 880 as Document No. 839802 of Official Records.

11. The terms and provisions contained in instrument entitled CITY OF LAS VEGAS REVISED DOWNTOWN DEVELOPMENT AREA recorded March 11, 1986 in Book 860311 as Document No. 00777 of Official Records.

    Said instrument contains, among other things, provisions for rehabilitation of the downtown area financed by additional tax assessments.

    Said instrument has been revised by an instrument recorded February 11, 1988 in Book 880211 as Document No. 00382 of Official Records.

    Said instrument has been amended by an instrument recorded November 22, 1996 in Book 961122 as Document No. 00847 of Official Records.

    A Notice of Adoption of Amendment To The Redevelopment Plan Recorded November 22, 1996 in Book 961122 as Document No. 00848; re-recorded November 25, 1996 in Book 961125 as Document No. 00566 and as set forth in Record of Survey performed by Rita M. Lumas, filed in File LG of Local Government Plats at Page 78 recorded November 22, 1996 in Book 961122 as Document No. 00849 of Official Records.

Buyer Seller

An Ordinance to Adopt an Amended and Restated Redevelopment Plan recorded June 2, 2006 in Book 20060602 as Document No. 0001395 of Official Records.

An Ordinance to Adopt an Amended Redevelopment Plan recorded September 12, 2012 in Book 20120912 as Document No. 0001933 of Official Records.

Reference should be made to said instrument for full particulars.

12. An easement affecting that portion of said land and for the purposes therein and incidental purposes thereto, in favor of CENTRAL TELEPHONE COMPANY, for telephone and/or other communication circuits, recorded April 22, 1992, in Book 920422 as Document No. 01019 of Official Records.

13. Dedications and Easements as shown on the recorded Map referred to herein, in File 79 of Parcel Maps, Page 21, of Official Records.

    The above Parcel Map has been amended by CERTIFICATE OF AMENDMENT Recorded on July 18, 1994 in Book 940718 as Document No. 00834 of Official Records.

14. An easement affecting that portion of said land and for the purposes therein and incidental purposes thereto, in favor of NEVADA POWER COMPANY, for electrical lines, recorded August 25, 1995, in Book 950825 as Document No. 01377 of Official Records.

15. Terms, covenants, conditions and provisions in an instrument entitled, "Judgment and Final Order of Condemnation", recorded March 24, 2008, in Book 20080324 as Document No. 01868, of Official Records.

16. Dedications and Easements as shown on the recorded Reversionary Parcel Map referred to herein, on file in Book 116 of Parcel Maps, Page 99, of Official Records.

17. An unrecorded Lease executed by and between the parties named herein, for the terms and upon the subject to all of the terms, covenants, and provisions contained therein;
    Dated: December 2, 2008
    Lessor:Project Alta, LLC, a Nevada limited liability company and Project Alta II, LLC, a Nevada limited liability company
    Lessee:Clark County, Nevada
    Term: Thirty (30) years
    Disclosed by: Memorandum of Lease and Purchase Option
    Recorded: September 2, 2009 in Book 20090902 as Document No. 00688

The present ownership of said leasehold estate and other matters affecting the interest of the lessee are not shown herein.

Buyer Seller

Terms, covenants, conditions and provisions in an instrument entitled, "Assignment of Lease", recorded September 2, 2009, in Book 20090902 as Document No. 01864, of Official Records.

(Subordination Agreements Intentionally Omitted – Deeds of Trust will be released at close of escrow).

18. An easement affecting that portion of said land and for the purposes therein and incidental purposes thereto, in favor of CITY OF LAS VEGAS, for streetlight purposes, recorded September 25, 2009, in Book 20090925 as Document No. 02933 of Official Records.

19. An easement affecting that portion of said land and for the purposes therein and incidental purposes thereto, in favor of CITY OF LAS VEGAS, for pedestrian walkway purposes, recorded September 25, 2009, in Book 20090925 as Document No. 02934 of Official Records.

20. An easement affecting that portion of said land and for the purposes therein and incidental purposes thereto, in favor of CITY OF LAS VEGAS, for traffic purposes, recorded September 25, 2009, in Book 20090925 as Document No. 02935 of Official Records.

21. An easement affecting that portion of said land and for the purposes therein and incidental purposes thereto, in favor of LAS VEGAS VALLEY WATER DISTRICT, a Quasi Municipal Corporation, for pipelines, recorded October 21, 2009, in Book 20091021 as Document No. 02768 of Official Records.

22. An easement affecting that portion of said land and for the purposes therein and incidental purposes thereto, in favor of LAS VEGAS VALLEY WATER DISTRICT, a Quasi Municipal Corporation, for pipelines, recorded October 21, 2009, in Book 20091021 as Document No. 02769 of Official Records.

23. An easement affecting that portion of said land and for the purposes therein and incidental purposes thereto, in favor of LAS VEGAS VALLEY WATER DISTRICT, a Quasi Municipal Corporation, for pipelines, recorded October 21, 2009, in Book 20091021 as Document No. 02770 of Official Records.

24. An easement affecting that portion of said land and for the purposes therein and incidental purposes thereto, in favor of LAS VEGAS VALLEY WATER DISTRICT, a Quasi Municipal Corporation, for pipelines, recorded October 21, 2009, in Book 20091021 as Document No. 02771 of Official Records.

25. Terms, covenants, conditions, provisions and easements in an instrument entitled, "Encroachment Agreement", recorded October 22, 2009, in Book 20091022 as Document No. 00939, of Official Records.

Buyer _____ Seller _____

26. An easement affecting that portion of said land and for the purposes therein and incidental purposes thereto, in favor of NEVADA POWER COMPANY, A NEVADA CORPORATION DBA NV ENERGY, for electrical lines, recorded November 6, 2009, in Book 20091106 as Document No. 00712 of Official Records.

27. An easement affecting that portion of said land and for the purposes therein and incidental purposes thereto, in favor of CENTRAL TELEPHONE COMPANY D/B/A CENTURYLINK, for communication system, recorded January 12, 2010, in Book 20100112 as Document No. 03305 of Official Records.

28. A Grant of Easement affecting that portion of said land and for the purposes therein and incidental purposes thereto, in favor of COX COMMUNICATIONS LAS VEGAS, INC., for cable and information facilities, recorded February 18, 2010, in Book 20100218 as Document No. 01014 of Official Records.

29. Terms, covenants, conditions, provisions and easements in an instrument entitled, "Access Easement Agreement", recorded October 4, 2010, in Book 20101004 as Document No. 03385, of Official Records.

30. Terms, covenants, conditions, provisions and easements in an instrument entitled, "Notice of Lis Pendens", in favor of Nevada Power Company, a Nevada corporation, d/b/a NV Energy, recorded May 21, 2013, in Book 20130521 as Document No. 02712, of Official Records.

    Order Granting Immediate Occupancy Pending Entry of Judgment, recorded 20131018 as Document No. 00985 Official Records.

    Stipulation and Order for Immediate Occupancy recorded October 18, 2013 in Book 20131018 as Document No. 001011 Official Records.

31. Water rights, claims or title to water, whether or not shown by the public records.

32. Subject to the rights of party or parties in possession in accordance with any unrecorded leases affecting portions of said land for the term and upon the terms, covenants, conditions and provisions therein contained.

    NOTE: Should an inspection of the real property disclose any work of improvement in progress, this Company may be unwilling to provide mechanic's lien coverage.

Buyer Seller

33. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.

34. Any Claim of Lien for labor and/or materials that may be filed against said land by reason of work or improvement thereon, as may be disclosed by an inspection of said premises.

SB

Buyer

Seller

EXHIBIT A-6

Inst #: 20141028-0000190
Fees: $25.00 N/C Fee: $25.00
RPTT: $0.00 Ex: #002
10/28/2014 08:28:02 AM
Receipt #: 2201874
Requestor:
NEVADA TITLE COMPANY
Recorded By: ARO Pgs: 11
DEBBIE CONWAY
CLARK COUNTY RECORDER

APN NO.: 139-33-202-009

P C 11, 2

MAIL TAX STATEMENTS TO:

CLARK COUNTY
Department of Real Property Management
500 S. Grand Central Pky 4th Floor
Box 551825
Las Vegas, NV 89155-1825

RECORDING REQUESTED BY AND WHEN RECORDED RETURN TO:

CLARK COUNTY
Department of Real Property Management
500 S. Grand Central Pky 4th Floor
Box 551825
Las Vegas, NV 89155-1825

(Space above line for Recorder's use)

GRANT, BARGAIN AND SALE DEED

HQ METRO, LLC, an Arizona limited liability company, as "Grantor," does hereby Grant, Bargain, Sell and Convey to CLARK COUNTY, a political subdivision of the State of Nevada, as "Grantee," the real property in the County of Clark, State of Nevada (hereinafter referred to as the "Property"), which is described on Exhibit 1 attached hereto and incorporated herein by this reference.

SUBJECT TO:

1. General taxes for the current fiscal tax year.

2. The Permitted Exceptions attached hereto as Exhibit 2 and incorporated herein by this reference.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, Grantor has caused its name to be affixed hereto and this instrument to be duly executed.

Dated as of October 28, 2014.

IIQ METRO, LLC, an Arizona limited liability company

By: COMMUNITY FINANCE CORPORATION, An Arizona non-profit corporation, as sole Member

By: _____
Name: Michael S. Hammond
Its: President

MICHAEL S HAMMOND

State of Arizona)
)
County of Pima)

On this 29 day of September, 2014, before me personally appeared Michael S. Hammond, whose identity was proven to me on the basis of satisfactory evidence to be the person who he or she claims to be, and acknowledged that he or she signed the above/attached document.

(seal)

OFFICIAL SEAL
KAREN J. VALDEZ
NOTARY PUBLIC - STATE OF ARIZONA
PIMA COUNTY
My Comm. Expires March 16, 2016

Karen J. Valdez
Notary Public

Exhibit 1

Legal Description

A PARCEL OF LAND LYING WITHIN THE SOUTHEAST QUARTER (SE ¼) OF THE NORTHWEST QUARTER (NW ¼) OF SECTION 33, TOWNSHIP 20 SOUTH, RANGE 61 EAST, M.D.M., CITY OF LAS VEGAS, CLARK COUNTY, NEVADA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF THE SOUTHEAST QUARTER (SE ¼) OF THE NORTHWEST QUARTER (NW ¼) OF SAID SECTION 33;

THENCE ALONG THE EAST LINE OF SAID SOUTHEAST QUARTER (SE ¼), SAME BEING THE WESTERLY RIGHT OF WAY OF MARTIN LUTHER KING BOULEVARD, SOUTH 00°15'51" WEST, 335.00 FEET TO THE SOUTHEASTERLY CORNER OF LOT ONE (1) AS SHOWN BY MAP THEREOF ON FILE IN FILE 73, PAGE 91 OF PARCEL MAPS IN THE CLARK COUNTY RECORDER'S OFFICE, NEVADA;

THENCE ALONG THE SOUTH LINE OF SAID LOT 1, NORTH 89°57'23" WEST, 14.50 FEET TO THE **POINT OF BEGINNING**;

THENCE ALONG THE WESTERLY RIGHT OF WAY OF SAID MARTIN LUTHER KING BOULEVARD, THE FOLLOWING FIVE (5) COURSES:

1) SOUTH 00°15'51" WEST, 359.04 FEET;

2) THENCE SOUTH 02°40'21" WEST, 207.66 FEET;

3) THENCE CURVING TO THE RIGHT ALONG AN ARC HAVING A RADIUS OF 93.00 FEET, CONCAVE WESTERLY, THROUGH A CENTRAL ANGLE OF 16°59'34", AN ARC LENGTH OF 27.58 FEET TO A POINT OF REVERSE CURVATURE;

4) THENCE CURVING TO THE LEFT ALONG AN ARC HAVING A RADIUS OF 107.00 FEET, CONCAVE EASTERLY, THROUGH A CENTRAL ANGLE OF 19°24'04", AN ARC LENGTH OF 36.23 FEET;

5) THENCE SOUTH 00°15'51" WEST, 201.25 FEET;

THENCE CURVING TO THE RIGHT ALONG AN ARC TRANSITIONING FROM SAID WESTERLY RIGHT OF WAY TO THE NORTHERLY RIGHT OF WAY OF ALTA DRIVE, HAVING A RADIUS OF 54.00 FEET, CONCAVE NORTHWESTERLY, THROUGH A CENTRAL ANGLE OF 89°50'12", AN ARC LENGTH OF 84.67 FEET;

THENCE ALONG THE NORTHERLY RIGHT OF WAY OF SAID ALTA DRIVE THE FOLLOWING EIGHT (8) COURSES:

1) NORTH 89°53'57" WEST, 70.41 FEET;

2) THENCE CURVING TO THE RIGHT ALONG AN ARC HAVING A RADIUS OF 20.00 FEET, CONCAVE NORTHERLY, THROUGH A CENTRAL ANGLE OF 09°27'51", AN ARC LENGTH OF 3.30 FEET;

3) THENCE NORTH 80°26'06" WEST, 44.51 FEET;

4) THENCE CURVING TO THE LEFT ALONG AN ARC HAVING A RADIUS OF 30.00 FEET, CONCAVE SOUTHERLY, THROUGH A CENTRAL ANGLE OF 09°27'51", AN ARC LENGTH OF 4.96 FEET;

5) THENCE NORTH 89°53'57" WEST, 125.84 FEET;

6) THENCE CURVING TO THE LEFT ALONG AN ARC HAVING A RADIUS OF 30.00 FEET, CONCAVE SOUTHERLY, THROUGH A CENTRAL ANGLE OF 12°01'41", AN ARC LENGTH OF 6.30 FEET;

7) THENCE SOUTH 78°04'22" WEST, 39.69 FEET;

8) THENCE SOUTH 88°49'44" WEST, 140.97 FEET TO THE EAST BOUNDARY OF LOT TWO (2) AS SHOWN BY MAP THEREOF ON FILE IN FILE 79, PAGE 21 OF PARCEL MAPS IN THE CLARK COUNTY RECORDER'S OFFICE, NEVADA;

THENCE DEPARTING SAID RIGHT OF WAY, ALONG THE EAST BOUNDARY OF SAID LOT 2, NORTH 00°06'03" EAST, 290.06 FEET;

THENCE DEPARTING SAID EAST BOUNDARY, ALONG THE NORTH BOUNDARY OF SAID LOT TWO (2), NORTH 89°53'57" WEST, 279.06 FEET TO THE EAST BOUNDARY OF LOT TWO (2) AS SHOWN BY MAP THEREOF ON FILE IN FILE 58, PAGE 66 OF PARCEL MAPS IN THE CLARK COUNTY RECORDER'S OFFICE, NEVADA;

THENCE ALONG THE BOUNDARIES OF SAID LOT 2, THE FOLLOWING THREE (3) COURSES:

1) NORTH 00°16'25" EAST, 542.41 FEET;

2) THENCE SOUTH 89°53'57" EAST, 155.93 FEET;

3) THENCE NORTH 00°16'25" EAST, 55.05 FEET TO THE SOUTHWEST CORNER OF THAT CERTAIN ORDER OF CONDEMNATION RECORDED MARCH 24, 2008 IN

BOOK 20080324 OF OFFICIAL RECORDS AS INSTRUMENT NO. 01868 IN THE CLARK COUNTY RECORDER'S OFFICE, NEVADA;

THENCE ALONG THE SOUTH BOUNDARY OF SAID ORDER OF CONDEMNATION AND THE AFOREMENTIONED LOT ONE (1), SOUTH 89°57'23" EAST, 632.09 FEET TO THE **POINT OF BEGINNING**.

Exhibit 2

Permitted Exceptions

1. State and County Taxes

2. Any supplemental or recapture taxes under NRS Chapter 361, as amended, which may become a lien on the subject property by reason of increased valuations due to land use, improvements or otherwise.

3. Reservations and Easements in the patent from the State of Nevada, recorded November 30, 1902, in Book F of Miscellaneous Records, Pages 265-266 of Lincoln County Official Records.

4. An easement affecting that portion of said land and for the purposes therein and incidental purposes thereto, in favor of NEVADA POWER COMPANY and CENTRAL TELEPHONE COMPANY, for electrical lines, recorded May 1, 1978, in Book 880 as Document No. 839802 of Official Records.

5. The terms and provisions contained in instrument entitled CITY OF LAS VEGAS REVISED DOWNTOWN DEVELOPMENT AREA recorded March 11, 1986 in Book 860311 as Document No. 00777 of Official Records. Said instrument has been revised by an instrument recorded February 11, 1988 in Book 880211 as Document No. 00382 of Official Records. Said instrument has been amended by an instrument recorded November 22, 1996 in Book 961122 as Document No. 00847 of Official Records. A Notice of Adoption of Amendment To The Redevelopment Plan Recorded November 22, 1996 in Book 961122 as Document No. 00848; re-recorded November 25, 1996 in Book 961125 as Document No. 00566 and as set forth in Record of Survey performed by Rita M. Lumas, filed in File LG of Local Government Plats at Page 78 recorded November 22, 1996 in Book 961122 as Document No. 00849 of Official Records. An Ordinance to Adopt an Amended and Restated Redevelopment Plan recorded June 2, 2006 in Book 20060602 as Document No. 0001395 of Official Records. An Ordinance to Adopt an Amended Redevelopment Plan recorded September 12, 2012 in Book 20120912 as Document No. 0001933 of Official Records.

6. An easement affecting that portion of said land and for the purposes therein and incidental purposes thereto, in favor of CENTRAL TELEPHONE COMPANY, for telephone and/or other communication circuits, recorded April 22, 1992, in Book 920422 as Document No. 01019 of Official Records.

7. Dedications and Easements as shown on the recorded Map referred to herein, in File 79 of Parcel Maps, Page 21, of Official Records. The above Parcel Map has been amended by CERTIFICATE OF AMENDMENT Recorded on July 18, 1994 in Book 940718 as Document No. 00834 of Official Records.

8. An easement affecting that portion of said land and for the purposes therein and incidental purposes thereto, in favor of NEVADA POWER COMPANY, for electrical lines, recorded August 25, 1995, in Book 950825 as Document No. 01377 of Official Records.

9. Terms, covenants, conditions and provisions in an instrument entitled, "Judgment and Final Order of Condemnation", recorded March 24, 2008, in Book 20080324 as Document No. 01868, of Official Records.

10. Dedications and Easements as shown on the recorded Reversionary Parcel Map referred to herein, on file in Book 116 of Parcel Maps, Page 99, of Official Records.

11. An unrecorded Lease executed by and between the parties named herein, for the terms and upon the subject to all of the terms, covenants, and provisions contained therein;
Dated: December 2, 2008
Lessor: Project Alta, LLC, a Nevada limited liability company and Project Alta II, LLC, a Nevada limited liability company
Lessee: Clark County, Nevada
Term: Thirty (30) years
Disclosed by: Memorandum of Lease and Purchase Option
Recorded: September 2, 2009 in Book 20090902 as Document No. 00688

Terms, covenants, conditions and provisions in an instrument entitled, "Assignment of Lease", recorded September 2, 2009, in Book 20090902 as Document No. 01864, of Official Records.

12. An easement affecting that portion of said land and for the purposes therein and incidental purposes thereto, in favor of CITY OF LAS VEGAS, for streetlight purposes, recorded September 25, 2009, in Book 20090925 as Document No. 02933 of Official Records.

13. An easement affecting that portion of said land and for the purposes therein and incidental purposes thereto, in favor of CITY OF LAS VEGAS, for pedestrian walkway purposes, recorded September 25, 2009, in Book 20090925 as Document No. 02934 of Official Records.

14. An easement affecting that portion of said land and for the purposes therein and incidental purposes thereto, in favor of CITY OF LAS VEGAS, for traffic purposes, recorded September 25, 2009, in Book 20090925 as Document No. 02935 of Official Records.

15. An easement affecting that portion of said land and for the purposes therein and incidental purposes thereto, in favor of LAS VEGAS VALLEY WATER DISTRICT, a Quasi Municipal Corporation, for pipelines, recorded October 21, 2009, in Book 20091021 as Document No. 02768 of Official Records.

16. An easement affecting that portion of said land and for the purposes therein and incidental purposes thereto, in favor of LAS VEGAS VALLEY WATER DISTRICT, a Quasi Municipal Corporation, for pipelines, recorded October 21, 2009, in Book 20091021 as Document No. 02769 of Official Records.

17. An easement affecting that portion of said land and for the purposes therein and incidental purposes thereto, in favor of LAS VEGAS VALLEY WATER DISTRICT, a Quasi Municipal Corporation, for pipelines, recorded October 21, 2009, in Book 20091021 as Document No. 02770 of Official Records.

18. An easement affecting that portion of said land and for the purposes therein and incidental purposes thereto, in favor of LAS VEGAS VALLEY WATER DISTRICT, a Quasi Municipal Corporation, for pipelines, recorded October 21, 2009, in Book 20091021 as Document No. 02771 of Official Records.

19. Terms, covenants, conditions, provisions and easements in an instrument entitled, "Encroachment Agreement", recorded October 22, 2009, in Book 20091022 as Document No. 00939, of Official Records.

20. An easement affecting that portion of said land and for the purposes therein and incidental purposes thereto, in favor of NEVADA POWER COMPANY, A NEVADA CORPORATION DBA NV ENERGY, for electrical lines, recorded November 6, 2009, in Book 20091106 as Document No. 00712 of Official Records.

21. An easement affecting that portion of said land and for the purposes therein and incidental purposes thereto, in favor of CENTRAL TELEPHONE COMPANY D/B/A CENTURYLINK, for communication system, recorded January 12, 2010, in Book 20100112 as Document No. 03305 of Official Records.

22. A Grant of Easement affecting that portion of said land and for the purposes therein and incidental purposes thereto, in favor of COX COMMUNICATIONS LAS VEGAS, INC., for cable and information facilities, recorded February 18, 2010, in Book 20100218 as Document No. 01014 of Official Records.

23. Terms, covenants, conditions, provisions and easements in an instrument entitled, "Access Easement Agreement", recorded October 4, 2010 in Book 20101004 as Document No. 03385 of Official Records.

24. Terms, covenants, conditions, provisions and easements in an instrument entitled, "Notice of Lis Pendens", in favor of Nevada Power Company, a Nevada corporation, d/b/a NV Energy, recorded May 21, 2013, in Book 20130521 as Document No. 02712, of Official Records.

    Order Granting Immediate Occupancy Pending Entry of Judgment, recorded 20131018 as Document No. 00985 Official Records.

Stipulation and Order for Immediate Occupancy recorded October 18, 2013 in Book 20131018 as Document No. 001011 Official Records.

STATE OF NEVADA
DECLARATION OF VALUE

1. Assessor Parcel Number(s)
   a. 139-33-202-009
   b. _____
   c. _____
   d. _____
2. Type of Property:
   a. ☐ Vacant Land b. ☐ Sing Fam. Res.
   c. ☐ Condo/Twnhse d. ☐ 2-4 Plex
   e. ☐ Apt. Bldg f. ☒ Comm'l/Ind'l
   g. ☐ Agriculture h. ☐ Mobile Home
   ☐ Other _____

FOR RECORDERS OPTIONAL USE ONLY
Book: _____ Page: _____
Date of Recording: _____
Notes:

3. a. Total Value/Sales Price of Property $ N/A
   b. Deed in lieu of Foreclosure Only (value of Property) (_____)
   c. Transfer Tax Value: $ N/A
   d. Real Property Transfer Tax Due $ N/A
4. **If Exemption Claimed**:
   a. Transfer Tax Exemption pre NRS 375.090, Section 2
   b. Explain Reason for Exemption: Grantee is a political subdivision of the State of Nevada
5. Partial Interest: Percentage being transferred: 100%

The undersigned declares and acknowledges, under penalty of perjury, pursuant to NRS 375.060 and NRS 375.110, that the information provided is correct to the best of their information and belief, and can be supported by documentation if called upon to substantiate the information provided herein. Furthermore, the parties agree that disallowance of any claimed exemption, or other determination of additional tax due, may result in a penalty of 10% of the tax due plus interest at 1 % per month. Pursuant to NRS 375.030, the Buyer and Seller shall be jointly and severally liable for any additional amount owed.

Signature: _____ Capacity: Grantor/Seller

Signature: _____ Capacity: Grantee/Buyer

SELLER (GRANTOR) INFORMATION (REQUIRED)	**BUYER (GRANTEE) INFORMATION (REQUIRED)**
Print Name: HQ Metro, LLC	Print Name: Clark County
Address: 335 N. Wilmot Road, Ste. 420	Address:500 S. Grand Central Pky, 4th Floor, Box 551825
City: Tucson	City: Las Vegas
State: AZ Zip: 85711	State: NV Zip: 89155-1825

COMPANY/PERSON REQUESTING RECORDING (Required if not seller or buyer)

Print Name: Nevada Title Company	Escrow # 13-10-0565-DTL
Address: 3993 Howard Hughes, Pky, Suite 120	
City: Las Vegas	State: NV Zip: 89169

AS A PUBLIC RECORD THIS FORM MAY BE RECORDED/MICROFILMED

STATE OF NEVADA
DECLARATION OF VALUE

1. Assessor Parcel Number(s)
   a. 139-33-202-009
   b. _____
   c. _____
   d. _____
2. Type of Property:
   a. ☐ Vacant Land b. ☐ Sing Fam. Res.
   c. ☐ Condo/Twnhse d. ☐ 2-4 Plex
   e. ☐ Apt. Bldg f. ☒ Comm'l/Ind'l
   g. ☐ Agriculture h. ☐ Mobile Home
   ☐ Other _____

FOR RECORDERS OPTIONAL USE ONLY
Book: _____ Page: _____
Date of Recording: _____
Notes:

3. a. Total Value/Sales Price of Property $ N/A
   b. Deed in lieu of Foreclosure Only (value of Property) (_____)
   c. Transfer Tax Value: $ N/A
   d. Real Property Transfer Tax Due $ N/A
4. **If Exemption Claimed:**
   a. Transfer Tax Exemption pre NRS 375.090, Section 2
   b. Explain Reason for Exemption: Grantee is a political subdivision of the State of Nevada
5. Partial Interest: Percentage being transferred: 100%

The undersigned declares and acknowledges, under penalty of perjury, pursuant to NRS 375.060 and NRS 375.110, that the information provided is correct to the best of their information and belief, and can be supported by documentation if called upon to substantiate the information provided herein. Furthermore, the parties agree that disallowance of any claimed exemption, or other determination of additional tax due, may result in a penalty of 10% of the tax due plus interest at 1 % per month. Pursuant to NRS 375.030, the Buyer and Seller shall be jointly and severally liable for any additional amount owed.

Signature: _____ Capacity: Grantor/Seller

Signature: _____ Capacity: Grantee/Buyer

SELLER (GRANTOR) INFORMATION (REQUIRED)	**BUYER (GRANTEE) INFORMATION (REQUIRED)**
Print Name: HQ Metro, LLC	Print Name: Clark County
Address: 335 N. Wilmot Road, Ste. 420	Address:500 S. Grand Central Pky, 4th Floor, Box 551825
City: Tucson	City: Las Vegas
State: AZ Zip: 85711	State: NV Zip: 89155-1825

COMPANY/PERSON REQUESTING RECORDING (Required if not seller or buyer)

Print Name: Nevada Title Company	Escrow # 13-10-0565-DTL
Address: 3993 Howard Hughes, Pky, Suite 120	
City: Las Vegas	State: NV Zip: 89169

AS A PUBLIC RECORD THIS FORM MAY BE RECORDED/MICROFILMED

EXHIBIT B

APPRAISAL OF REAL PROPERTY

A Proposed Permanent Easement and Temporary Construction Easement

On the Metropolitan Police Headquarters
Located at 400 S. Martin L. King Boulevard
Las Vegas, Clark County, Nevada 89106

PREPARED FOR:
HQ Metro, LLC
c/o Brian C. Padgett, Esquire
Amy Sugden, Esquire
The Law Offices of Brian C. Padgett, LLC
611 South Sixth Street
Las Vegas, Nevada 89101

EFFECTIVE DATE OF THE APPRAISAL:
Retrospective Value as of May 13, 2013

REPORT FORMAT:
Appraisal Report

PREPARED BY:
Tio S. DiFederico, MAI
The DiFederico Group
3030 South Durango Drive
Las Vegas, NV 89117

THE DIFEDERICO GROUP
File Number: 13-098

November 14, 2014

HQ Metro, LLC
c/o Brian C. Padgett, Esquire
Amy Sugden, Esquire
The Law Offices of Brian C. Padgett, LLC
611 South Sixth Street
Las Vegas, Nevada 89101

SUBJECT: The subject of the attached analysis involves a proposed Permanent Easement (PE) and Temporary Construction Easement (TCE) on the Metropolitan Police Headquarters property located at 400 Martin Luther King Boulevard, Las Vegas, Clark County, Nevada 89106. TDG File No.: 13-098.

Dear Mr. Padgett and Ms. Sugden:

The DiFederico Group is pleased to submit the accompanying appraisal of the referenced property. The purpose of the appraisal is to develop an opinion of the just compensation due to the property owner for a Permanent Easement (PE) and Temporary Construction Easement (TCE) on the Metropolitan Police Headquarters property located at 400 Martin Luther King Boulevard as of May 13, 2013. The client and intended user of the report is HQ Metro, LLC, c/o Brian C. Padgett, Esq., and Amy Sugden, Esq., of The Law Offices of Brian C. Padgett. The intended use of the report is for judicial proceedings involving the acquisitions.

The attached appraisal is intended to conform to the Uniform Standards of Professional Appraisal Practice (USPAP), and the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute. To report the assignments results, I used the appraisal report option of Standards Rule 2-2(a) of USPAP. Accordingly, the report contains discussions of the data, reasoning, and analyses used in the appraisal process. The depth of discussion contained in the report is specific to the needs of the client and the intended use of the appraisal.

The subject of this analysis consists of a PE and a TCE in favor of Nevada Power Company, a Nevada corporation, d/b/a NV ENERGY. According to the Complaint, the PE will encumber 16,861 square feet along the eastern and southern boundaries of a 13.76 net acre larger site. The TCE will encumber 36,863 square feet along the southern boundary of the same larger site for a 22-month period.

It is my understanding that these easements are part of an electrical transmission line relocation project that is related to the Nevada Department of Transportation's (NDOT's) Project Neon. Project Neon is NDOT's name for their plans to widen Interstate 15 (I-15) from just south of Sahara Avenue to the U.S. Highway 95 interchange, (which is also known as the "Spaghetti Bowl").

This project is also to include a High Occupancy Vehicle (HOV) connector between U.S. 95 and I-15, reconstruction of the I-15/Charleston Boulevard interchange, direct HOV access ramps at Wall Street, new lane configurations at Oakey Boulevard and Wyoming Avenue, and improvements to local access streets downtown. This is to be a multi-phase project that is expected to take about 20 years to complete.

The larger site is improved with three (3) Class A office buildings and a secured parking structure. Clark County Building Department records indicate that the improvements on the larger site were constructed in 2011. The three (3) office buildings contain a total gross building area (GBA) of 388,849 square feet, of which 373,327 square feet is rentable area (RA). In addition, there is a five (5) level secured parking structure on the site that contains 524,918 square feet with 1,680 marked parking spaces and asphalt paved parking areas with another 513 surface parking spaces. The site is also improved with landscaping along it's street frontages, around the buildings and in pockets of the parking areas. Off-site improvements include concrete curbs, gutters, and sidewalks, as well as drives (3) providing ingress and egress along both streets.

Based on the supplied Project plans and my inspection of the property, I have concluded that these proposed easements will not impact the existing buildings, parking structure or access to the parking areas. Therefore, in the attached report I have estimated the market value of the fee simple estate in the subject site "as if vacant." I then estimated the value of the part being acquired for the PE, as well as the remainder of the property both before and after the acquisition to ascertain if there are any damages or special benefits accruing to the remainder. I also estimated the value of the TCE before arriving at the just compensation due the property owners for these acquisitions. This is considered the best methodology to estimate the just compensation due to the property owners for this type of acquisition.

Based on the valuation analysis in the accompanying report, and subject to the definitions, assumptions and limiting conditions expressed in the report, my opinion of the just compensation for the PE and TCE, as of May 13, 2013, is as follows:

State Rule and Estimated Just Compensation			
1. Value Before the Take (Land Value)		$	17,981,500
2. Value of the Part Taken (PE)	-	$	455,000
3. Remainder Value Before the Taking	=	$	17,526,500
4. Remainder Value After the Taking	-	$	16,650,000
5. Severance Damages to the Remainder	=	$	876,500
6. Plus Value of the Part Taken (PE)	+	$	455,000
6a. Plus Value of the Temporary Construction Easement (TCE)	+	$	186,000
7. Equals Just Compensation	=	$	1,517,500

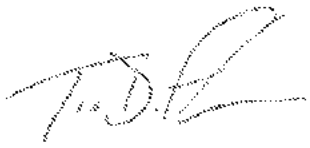
The value conclusions are subject to the following extraordinary assumptions and hypothetical conditions and their use might have affected the assignment results:

1. The previous values are based on the extraordinary assumption that the condition of the site noted during my November 15, 2013 and September 17, 2014 inspections was similar to its condition on the effective date of value, May 13, 2013.
2. The above value before the taking is based on the hypothetical condition that NDOT's Project Neon would not have affected the subject site.

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

Respectfully submitted,

THE DIFEDERICO GROUP



Tio S. DiFederico, MAI
Certified General Real Estate Appraiser
Nevada Certificate #A.0000150-CG (05/31/15)

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IIQ Metro 00589

SUMMARY OF SALIENT FACTS AND CONCLUSIONS

Location of the Subject Property:	400 Martin L. King Boulevard, Las Vegas, Clark County, NV 89106
Assessor Parcel Numbers (APN):	139-33-202-009
Owner of Record:	HQ Metro, LLC
Effective Date of Value:	May 13, 2013 (Retrospective)
Date of Property Inspection:	November 15, 2013 & September 17, 2014
Date of Report:	November 14, 2014
Client/Intended User:	HQ Metro, LLC, c/o Brian C. Padgett, Esq., and Amy Sugden, Esq., of The Law Offices of Brian C. Padgett.
Intended Use:	The intended use is for judicial proceedings involving a Permanent Easement (PE) and a Temporary Construction Easement (TCE) being acquired on the subject property.
Site Size:	According to the Clark County Assessor's records, the larger property that is the subject of this analysis involves a corner site that contains 13.76 acres or 599,386 square feet.
Easements to be Acquired:	The PE is to contain 0.39 acres or 16,861 square feet and the TCE is to contain 0.85 acres or 36,863 square feet
Improvements:	The property has been improved with three (3) office buildings that contain a total gross building area (GBA) of 388,849 square feet, of which 373,327 square feet is rentable area (RA). In addition, there is a five (5) level secured parking structure that contains 524,918 square feet with 1,680 marked parking spaces and asphalt paved parking areas with another 513 surface parking spaces. Site improvements on the property include landscaping along the street frontages, around the buildings and in pockets of the parking areas. Off-site improvements include concrete curbs, gutters, and sidewalks, as well as three (3) drives providing ingress and egress on both streets.
Year Built:	According to the Clark County Assessor's records, these structures were built in 2011.
Zoning Designation:	C-1 (Limited Commercial District), under the jurisdiction of the City of Las Vegas.

SUMMARY OF SALIENT FACTS AND CONCLUSIONS - CONTINUED

State Rule and Estimated Just Compensation			
1. Value Before the Take (Land Value)		$	17,981,500
2. Value of the Part Taken (PE)	-	$	455,000
3. Remainder Value Before the Taking	=	$	17,526,500
4. Remainder Value After the Taking	-	$	16,650,000
5. Severance Damages to the Remainder	=	$	876,500
6. Plus Value of the Part Taken (PE)	+	$	455,000
6a. Plus Value of the Temporary Construction Easement (TCE)	+	$	186,000
7. Equals Just Compensation	=	$	1,517,500

The above value conclusions are subject to the following extraordinary assumptions and hypothetical conditions and their use might have affected the assignment results:

1. The previous values are based on the extraordinary assumption that the condition of the site noted during my November 15, 2013 and September 17, 2014 inspections was similar to its condition on the effective date of value, May 13, 2013.
2. The above value before the taking is based on the hypothetical condition that NDOT's Project Neon would not have affected the subject site.

IN THE SUPREME COURT OF THE STATE OF NEVADA

CLARK COUNTY, A POLITICAL SUBDIVISION OF THE STATE OF NEVADA,
Appellant,
vs.
HQ METRO, LLC, AN ARIZONA LIMITED LIABILITY COMPANY; PROJECT ALTA, LLC, A NEVADA LIMITED LIABILITY COMPANY; PROJECT ALTA II, LLC, A NEVADA LIMITED LIABILITY COMPANY PROJECT ALTA III, LLC, A NEVADA LIMITED LIABILITY COMPANY; AND PROJECT ALTA LIQUIDATING TRUST U/A/D 12/31/09, BY AND THROUGH MARK L. FINE & ASSOCIATES, A NEVADA CORPORATION, INDIVIDUALLY AND AS TRUSTEE,
Respondents.

Supreme Court No. 71877
District Court Case No. A681632

JOINT APPENDIX

Volume 4

Pages 0720-0854

STEVEN B. WOLFSON
District Attorney
CIVIL DIVISION
State Bar No. 001565
By: **LESLIE A. NIELSEN**
Deputy District Attorney
State Bar No. 002764
By: **LAURA C. REHFELDT**
Deputy District Attorney
State Bar No. 005101
500 South Grand Central Pkwy.
P. O. Box 552215
Las Vegas, Nevada 89155-2215
Telephone: (702) 455-4761
Fax: (702) 382-5178
Attorneys for Appellant Clark County

LAW OFFICES OF BRIAN C. PADGETT
BRIAN C. PADGETT, ESQ.
State Bar No. 007474
AMY L. SUGDEN, ESQ.
State Bar No. 009983
611 South Sixth Street
Las Vegas, NV 89101
Telephone: (702) 304-0123
Fax: (702) 368-0123
Attorneys for Respondents

Docket 71877 Document 2017-21769

NEVADA POWER COMPANY V. HQ METRO, LLC, ET AL
Case No: A-13-681632-C
Dept No: 28

Document	Filed	Volume	Bates No.
Answer of Las Vegas Metropolitan Police Department	7/9/2013	3	0664-0667
Central Telephone Company's Answer to Complaint	6/13/2013	3	0650-0655
Certificate of Cash Deposit	10/17/2013	3	0716-0719
City of Las Vegas' Answer to Complaint in Eminent Domain	7/8/2013	3	0656-0658
City of Las Vegas' Answer to First Amended Complaint in Eminent Domain	2/4/2016	7	1445-1447
Defendant Clark County's Answer to Complaint	7/8/2013	3	0659-0663
Defendant Clark County's Answer to First Amended Complaint in Eminent Domain	2/8/2016	7	1448-1452
Defendant Clark County's Notice of Appeal	11/29/2016	8	1719-1720
Defendant Clark County's Opposition to Defendant Landowners' Motion for Summary Judgment and Countermotion for Partial Summary Judgment and Application for Withdrawal of Funds Deposited for the Permanent Easement	1/13/2016	5 6	0855-1104 1105-1296
Defendant Clark County's Opposition to HQ Metro, LLC's Motion for Apportionment of Funds	10/4/2016	8	1698-1703
Defendant HQ Metro LLC's Motion for Apportionment of Funds Pursuant to NRS 37.115 and February 25, 2016 Court Order	9/20/2016	8	1604-1697

Defendant HQ Metro, LLC's Reply to Motion for Apportionment of Funds Pursuant to NRS 37.115 and February 25, 2016 Court Order	10/19/2016	8	1704-1709
Defendant Landowner’s Motion for Summary Judgment	12/30/2015	4	0720-0854
Defendant Landowners' Opposition to Clark County's Countermotion for Partial Summary Judgment & Application for Withdrawal of Funds Deposited for the Permanent Easement	2/1/2016	6	1339-1350
Defendants HQ Metro, LLC, Project Alta, LLC, Project Alta II, LLC, Project Alta III, LLC, Project Alta Liquidating Trust U/A/D 12/31/09 by and Thru Mark L. Fine & Associates, and Wells Fargo Bank, National Association, as Trustee's Answer to Plaintiff's Verified Complaint in Eminent Domain; Defendant HQ Metro, LLC's Counterclaims	7/9/2013	3	0668-0679
Defendants HQ Metro, LLC, Project Alta, LLC, Project Alta II, LLC, Project Alta III, LLC, Project Alta Liquidating Trust U/A/D 12/31/09 by and thru Mark L. Fine & Associates' Answer to Plaintiff's First Amended Verified Complaint in Eminent Domain; Defendant HQ Metro, LLC's Counterclaims	7/11/2016	7	1518-1524
Errata to Defendant Landowners Opposition to Clark County's Countermotion for Partial Summary Judgment and Application for Withdrawal for Funds Deposited for the Permanent Easement	2/4/2016	7	1407-1444
Judgment and Final Order of Condemnation	9/20/2016	8	1570-1603

Las Vegas Metropolitan Police Department's Answer to First Amended Complaint	2/8/2016	7	1453-1457
Notice of Entry of Order RE: Defendant HQ Metro LLC's Motion for Apportionment of Funds Pursuant to NRS 37.115 and February 25, 2016 Court Order	11/9/2016	8	1713-1718
Order 2.25.16	2/25/2016	7	1465-1469
Order Granting Immediate Occupancy Pending Entry of Judgment	10/15/2013	3	0680-0681
Order RE: Defendant HQ Metro LLC's Motion for Apportionment of Funds Pursuant to NRS 37.115 and February 25, 2016 Court Order	11/9/2016	8	1710-1712
Plaintiff Nevada Power Company d/b/a NV Energy's Limited Opposition(s) to: (1) Defendant Las Vegas Metropolitan Police Department's Counter-Motion for Partial Summary Judgment and Application for Distribution of Funds Allocable to Temporary Construction Easement; and (2) Defendant Clark County's Counter-Motion for Partial Summary Judgment and Application for Withdrawal of Funds Deposited for the Permanent Easement	2/2/2016	7	1351-1406
Plaintiff's First Amended Verified Complaint in Eminent Domain	1/15/2016	6	1297-1338
Plaintiff's Motion for Immediate Occupancy	5/20/2013	1 2 3	0030-0250 0251-0500 0501-0625
Plaintiff's Verified Complaint in Eminent Domain	5/10/2013	1	0001-0029

Reply Points and Authorities in Support of Clark County's Countermotion for Partial Summary Judgment and Application for Withdrawal of Funds Deposited for the Permanent Easement	2/11/2016	7	1458-1464
Stipulated Judgment and Order	9/20/2016	7	1525-1569
Stipulation and Order for Immediate Occupancy	10/15/2013	3	0682-0715
Summons – Civil (Clark County)	6/6/2013	3	0644-0646
Summons – Civil (HQ Metro, LLC)	6/6/2013	3	0626-0628
Summons – Civil (Mark L. Fine and Associates)	6/6/2013	3	0638-0640
Summons – Civil (Project Alta II)	6/6/2013	3	0629-0631
Summons – Civil (Project Alta III)	6/6/2013	3	0632-0634
Summons – Civil (Project Alta Liquidating Trust U/A/D 12/31/09)	6/6/2013	3	0635-0637
Summons – Civil (Project Alta, LLC)	6/6/2013	3	0647-0649
Summons – Civil (Wells Fargo Bank, National Association)	6/6/2013	3	0641-0643
Transcript of Proceedings All Pending Motion February 16, 2016	3/21/2016	7	1470-1517

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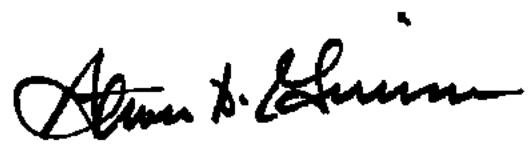

CLERK OF THE COURT

MSJD
LAW OFFICES OF BRIAN C. PADGETT
Brian C. Padgett, Bar No. 7474
Amy L. Sugden, Bar No. 9983
611 South Sixth Street
Las Vegas, Nevada 89101
Telephone: (702) 304-0123
Facsimile: (702) 368-0123

Attorneys for Defendant Landowners

DISTRICT COURT

CLARK COUNTY, NEVADA

NEVADA POWER COMPANY, a Nevada corporation d/b/a NV ENERGY,

Plaintiff

vs.

HQ METRO, LLC, an Arizona limited liability company; LAS VEGAS METROPOLITAN POLICE DEPARTMENT, a metropolitan police department; PROJECT ALTA, LLC, a Nevada limited liability company; PROJECT ALTA II, LLC, a Nevada limited liability company; PROJECT ALTA III, LLC, a Nevada limited liability company; PROJECT ALTA LIQUIDATING TRUST U/A/D 12/31/09, by and through MARK L. FINE & ASSOCIATES, a Nevada corporation, individually and as Trustee; WELLS FARGO BANK, NATIONAL ASSOCIATION, a Delaware corporation; NEVADA TITLE COMPANY, a Nevada corporation; CENTRAL TELEPHONE COMPANY, a Delaware corporation; COX COMMUNICATIONS LAS VEGAS, INC., a Delaware corporation; LAS VEGAS VALLEY WATER DISTRICT, a quasi-municipal corporation; CITY OF LAS VEGAS, a municipal corporation; CLARK COUNTY, a political subdivision of the State of Nevada; all other persons unknown claiming any right, title, estate, lien or interest in the real property described in the Complaint; DOES I through X; and ROE CORPORATIONS XI through XX, inclusive

Defendants.

Case No.: A-13-681632-C

Dept. No.: XXVIII

DEFENDANT LANDOWNERS' MOTION FOR SUMMARY JUDGMENT

DATE OF HEARING:

TIME OF HEARING:

LAW OFFICES OF BRIAN C. PADGETT
611 SOUTH 6TH STREET
LAS VEGAS, NEVADA 89101
PHONE (702) 304-0123
FACSIMILE (702) 368-0123

DEFENDANT LANDOWNERS' MOTION FOR SUMMARY JUDGMENT

Defendants HQ Metro, LLC; Project Alta, LLC; Project Alta II, LLC; Project Alta III, LLC; Project Alta Liquidating Trust U/A/D 12/31/09; and Wells Fargo Bank, N.A., as trustee (collectively, "Landowners") by and through its undersigned counsel, hereby submits their Motion for Summary Judgment ("Motion").

This Motion is made and based upon all of the papers and pleadings on file herein, the attached Memorandum of Points and Authorities, together with any oral argument offered at the time of the hearing on this matter.

DATED this 30th day of December, 2015.

THE LAW OFFICES OF BRIAN C. PADGETT

/s/ Amy L. Sugden
BRIAN C. PADGETT
Nevada Bar No. 7474
AMY L. SUGDEN
Nevada Bar No. 9983
JEREMY B. DUKE
Nevada Bar No. 13110
611 South Sixth St.
Las Vegas, NV 89101

Attorneys for Defendants HQ Metro, LLC Project Alta, LLC, Project Alta II, LLC, Project Alta III, LLC, Project Alta Liquidating Trust U/A/D 12/31/09, Wells Fargo Bank, N.A., as trustee

LAW OFFICES OF BRIAN C. PADGETT
611 SOUTH 6TH STREET
LAS VEGAS, NEVADA 89101
PHONE (702) 304-0123
FACSIMILE (702) 368-0123

NOTICE OF MOTION

Please take notice that the undersigned, LAW OFFICES OF BRIAN C. PADGETT, will bring Defendant Landowner's Motion For Summary Judgment in the above entitled court on the 2nd day of Feb., 2016, at the hour of 9:00am a.m./p.

DATED this 30th day of December, 2015.

LAW OFFICES OF BRIAN C. PADGETT

/s/ Amy L. Sugden

Brian C. Padgett
Nevada Bar No. 7474
Amy L. Sugden
Nevada Bar No. 9983
Jeremy B. Duke
Nevada Bar No. 13110

Attorneys for Defendants HQ Metro, LLC Project Alta, LLC, Project Alta II, LLC, Project Alta III, LLC, Project Alta Liquidating Trust U/A/D 12/31/09, Wells Fargo Bank, N.A., as trustee

LAW OFFICES OF BRIAN C. PADGETT
611 SOUTH 6TH STREET
LAS VEGAS, NEVADA 89101
PHONE (702) 304-0123
FACSIMILE (702) 368-0123

LAW OFFICES OF BRIAN C. PADGETT
611 SOUTH 6TH STREET
LAS VEGAS, NEVADA 89101
PHONE (702) 304-0123
FACSIMILE (702) 368-0123

MEMORANDUM OF POINTS AND AUTHORITIES

I.
INTRODUCTION

This is an eminent domain action brought by NV Energy to condemn a portion of property owned by the Landowners for the installation of 230 kV/138kV/69kV transmission lines and large overhead transmission poles for purposes of Project Neon ("Project"). The property at issue in this case is located at 400 South Martin Luther King Boulevard, Las Vegas, NV, 89106, also known as Assessor's Parcel Number 139-33-202-009 ("Subject Property"). NV Energy seeks to acquire approximately 16,861 square feet of the Subject Property for a permanent easement ("PE") and a temporary construction easement ("TCE") of 36,863 square feet to construct its improvements.

The sole issue at trial will be to determine the amount of just compensation to be awarded as a result of NV Energy's acquisition of the PE and the TCE (collectively the "Acquisition Area"), including the damages to the remainder of the Subject Property.

The Landowners and NV Energy have been attempting to negotiate a settlement for the amount of just compensation due and owing to the Landowners and have made significant progress since the October 20, 2015, settlement conference. Unfortunately, due to the Las Vegas Metropolitan Police Department ("Metro")'s claims that it is entitled to the value of the TCE by virtue of its contractual relationship as a tenant on the Subject Property, the Landowners and NV Energy are unable to effectuate any settlement.

However, any claims to compensation in an eminent domain case reside with the ***landowner*** at the time of the taking. Argier v. Nevada Power Co., 952 P.2d 1390, 114 Nev. 137 (1998). Any deviation from this general rule must otherwise be explicitly contracted away. Id. at 1392; see also Musser v. Bank of America, et al, 964 P.2d 51, 114 Nev. 945, (1998).

Therefore, the Landowners are requesting this Court provide issue its ruling as a matter of law that the terms of the lease between the Landowners and Metro do not provide Metro (or Clark County) any rights to the condemnation proceeds pursuant to NRCP 56. Id.

LAW OFFICES OF BRIAN C. PADGETT
611 SOUTH 6TH STREET
LAS VEGAS, NEVADA 89101
PHONE (702) 304-0123
FACSIMILE (702) 368-0123

II.
LEGAL ARGUMENT

A. Legal Standard.

Summary judgment is a pretrial procedure for adjudication of all, or part, of the legal issues in a case when their resolution does not depend on the determination of factual issues. In the language of NRCP 56(c), the court must enter summary judgment when "there is no genuine issue as to any material fact and . . . the moving party is entitled to a judgment as a matter of law." See Fire Ins. Exch. V. Cornell, 120 Nev. 303, 305, 90 P.3d 978, 979 (2004); Pegasus v. Reno Newspapers, Inc., 118 Nev. 706, 713, 57 P.3d 82, 87, (2002) (quoting Posadas v. City of Reno, 109 Nev. 448, 452, 851 P.2d 438, 441-42 (1993)). When there is no genuine issues of material fact, a trial to determine facts would serve no purpose. Therefore, summary judgment allows the court to avoid a trial where one is factually unnecessary. Moss v. Washoe Med. Ctr., Inc., 2006 U.S. Dist. LEXIS 11781, 1-4 (D. Nev. Mar. 1, 2006).

Beginning in 1986, a trilogy of cases from the United States Supreme Court signaled that the use of summary judgment to resolve litigation should be encouraged. See Matsushita Elec. Indus. Co. v. Zenith Radio Corp., 475 U.S. 574 (1986); Celotex Corp. v. Catrett; 477 U.S. 317 (1986); Anderson v. Liberty Lobby, Inc., 477 U.S. 242, 249-51 (1986). Approximately 20 years later, the Nevada Supreme Court also expressly embraced this trilogy. Wood v. Safeway, Inc., 121 Nev. 724, 730-31; 121 P.3d 1026, 1030 (2005); see also Cuzze v. Univ. & Cmty. Coll. Sys. of Nev., 123 Nev. 598, 602, 172 P.3d 131, 134 (2007). In Wood, the Court emphasized, "Summary judgment is appropriate and 'shall be rendered forthwith' when the pleadings and other evidence on file demonstrate that no 'genuine issue as to any material fact [remains] and that the moving party is entitled to a judgment as a matter of law'". Wood, 121 P.3d at 1029.

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LAW OFFICES OF BRIAN C. PADGETT
611 SOUTH 6TH STREET
LAS VEGAS, NEVADA 89101
PHONE (702) 304-0123
FACSIMILE (702) 368-0123

III.
POINTS AND AUTHORITIES

A. There Is No Genuine Issue of Material Fact That The Landowners Did Not Contract Away Their Just Compensation

The following facts are uncontested:

(1) The Landowner was the owner of the Subject Property at the time NV Energy initiated the current lawsuit to acquire the Acquisition Area. See Complaint and Answer attached hereto as Exhibits "A" – "B".

(2) Prior to the initiation of the lawsuit, the County of Clark ("Clark County") had entered into a lease agreement with the Landowners to rent the premises located at the Subject Property ("Lease"). See Lease attached hereto as Exhibit "C".

(3) Thereafter, Clark County assigned the Lease to Metro. See Sub-Lease Agreement attached hereto as Exhibit "D".

(4) Subsequently, Clark County purchased the Subject Property from the Landowners. See Clark County's Assessor's Record attached hereto as Exhibit "E".

(5) Metro was named as a defendant in this case solely due to its contractual leasehold interest that it has pursuant to the Lease/Sub-Lease Agreement. See Exhibit "A".

(6) The Lease has a specific provision, Section 16, addressing "Eminent Domain":

Section 16: Eminent domain.

> 16.01: In the event a material portion (as reasonably determined by Tenant) of any Building is taken by eminent domain, either party may terminate this Lease with respect to such Building only. In the event any portion of the parking areas are taken by eminent domain, Landlord shall provide substitute reasonably convenient parking areas for Tenant's use (including, without limitation, adding an additional level on the on-site parking structure), to the extent condemnation proceeds are available for such work, and shall devote the proceeds of any condemnation award (to the extent required) to the construction of such substitute parking, and if Landlord is unable to do so, Base Rent shall be proportionately reduced based on the loss of the subject parking spaces.

LAW OFFICES OF BRIAN C. PADGETT
611 SOUTH 6TH STREET
LAS VEGAS, NEVADA 89101
PHONE (702) 304-0123
FACSIMILE (702) 368-0123

> 16.02: In the event of a taking by eminent domain resulting in a termination of this Lease, in whole or in part, Tenant shall be entitled to participate in any award for the taking to the extent that any award includes the loss of the then value of the improvements installed by Tenant and contained in the Leased Property at the time of taking. If this Lease does not terminate by virtue of such taking, all of the provisions of this Lease shall remain in full force and effect with respect to that part of the Leased Property remaining after the taking, except that the minimum rental rate shall be reduced in the proportion that the area of the Building taken or parking spaces taken (that are not replaced pursuant to Section 16.01 above) bears to the total area of the Improvements on the Leased Property.
>
> 16.03: If this Lease is not terminated as set forth in Section 16.01 above, Landlord, at its expense, shall rebuild and replace such part of the Leased Property as remains under this Lease as nearly as may be in their condition before the with all reasonable speed, to the extent condemnation proceeds are available for such work. During the period of repair and rebuilding, Tenant shall receive a similar proportional reduction in rent for the part of the remaining portion of the Building or parking spaces that are unusable during the period of repair and rebuilding.

See Exhibit "C".

(7) **There is no provision in the Lease that provides for the Tenant (Metro) to receive any compensation for a temporary construction easement.** Id.

(8) NV Energy's acquisition in this case does not require any portion of any building on the Subject Property. See NV Energy Diagrams/Mapping attached hereto as Exhibit "F" and description of placement of the improvements by NV Energy's appraiser. Nor does NV Energy's acquisition in this case require any portion of the parking areas to be taken. Id.

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LAW OFFICES OF BRIAN C. PADGETT
611 SOUTH 6TH STREET
LAS VEGAS, NEVADA 89101
PHONE (702) 304-0123
FACSIMILE (702) 368-0123

B. Nevada Law Provides That The Landowners At The Time Of The Initiation of the Lawsuit Are Entitled To The Just Compensation Proceeds In An Eminent Domain Case UNLESS The Landowners Otherwise Negotiated Away Those Rights

The entire purpose of an eminent domain action is to provide the landowner his/her "just compensation". See NRS Chapter 37.

NRS 37.120(3) states this very clearly:

> In all actions in eminent domain, the court shall award just compensation to the **owner** of the property that is being taken. Just compensation is that sum of money necessary to place the **property owner** in the same position monetarily as if the property had never been taken, excluding any governmental offsets except special benefits. Special benefits may only offset severance damages and may not offset the value for the property. Just compensation for the property taken by the exercise of eminent domain must include, without limitation, interest computed pursuant to NRS 37.175 and reasonable costs and expenses, except attorney's fees, incurred by **the owner of the property** that is the subject of the action.

NRS 37.120(3)(emphasis added).

In fact, the word "Owner" is cited forty-four (44) times in NRS Chapter 37, whereas, the word "tenant" is not found one single time.

Not only is the landowner the primary focus in the Nevada Revised Statutes, the Nevada Constitution makes this clear in defining what just compensation is:

> In all eminent domain actions, just compensation shall be defined as that sum of money, necessary to place the **property owner** back in the same position, monetarily, without any governmental offsets, as if the property had never been taken. Just compensation shall include, but is not limited to, compounded interest and all reasonable costs and expenses actually incurred.

See Nev. Const. Art. I, § 22, cl. 4 emphasis added).

Nevada also has case law on point addressing what happens when property is sold subsequent to the initiation of an eminent domain action. The case of Argier v. Nevada Power

Company, 952 P.2d 1390, 114 Nev. 137, (1998), dealt with the issue of "whether the Argiers' conveyance of their land to Clark County extinguished their right to just compensation." Id. at 1391. The Nevada Supreme Court referred to the multiple treaties discussing the subject and concluded "just compensation should be paid to the person who owns the property at the time of the taking." Id. Then specifically it cited to Nichols on Eminent Domain, the premier treatise on eminent domain case law, for the following:

> It is well settled that when there is a taking of property by eminent domain in compliance with law, it is the owner of the property at the time of the taking who is entitled to compensation. Consequently, if the parcel of land from which the taking is made changes hands after the taking has occurred but before the compensation has been paid, the right to receive the compensation does not run with the land, but remains a personal claim of the person who was the owner at the time of the taking, or his representative.

See 3 Julius Sackman, Nichols on Eminent Domain, Section 5.01[d] (1997).

The Nevada Supreme Court examined a number of cases on point that shared this same conclusion and explained that the rationale for this rule is that "[w]hen the government interferes with a person's possession of his/her property, the owners loses an interest in that property. The award of just compensation is a substitute for that lost interest in the property. When the owner sells what remains of her property, she does not also sell the right to compensation. If she did, the original owner would suffer a loss and the purchaser would receive a windfall." Id. at 1392. Only if the parties contract otherwise, will the right to the proceeds then run with the land as opposed to remain a personal claim. Id.

The prerequisite to this unusual occurrence, however, is that there must be some active relinquishment of rights on behalf of the landowner. Musser v. Bank of America, et al, 964 P.2d 51, 114 Nev. 945, (1998). As again, the status quo is that just compensation flows to the **property owner**. Id.

LAW OFFICES OF BRIAN C. PADGETT
611 SOUTH 6TH STREET
LAS VEGAS, NEVADA 89101
PHONE (702) 304-0123
FACSIMILE (702) 368-0123

In the case of Musser, a controversy arose between the owners of two condemned parcels of land and the tenants, as has occurred here. Id. at 51. The tenants of the Musser property argued that under the terms of the long term leases (49 years), they were entitled to a portion of the condemnation award. Id. The owners maintained that the leases provided that they were entitled to the entire condemnation award. Id. The Nevada Supreme Court took the case up on appeal and ultimately concluded that the tenants **were** entitled to apportionment of the condemnation award specifically ***under the terms of the allocation clause of the lease between the tenants and the owners***. Id. at 55. (Emphasis added).

The importance of this case clearly highlights Nevada's position that the contract itself between the lessor and lessee **governs** whether or not there is a right to proceeds of the condemnation award. Specifically, it is helpful to review some excerpts from the Court's opinion, which states as follows:

> "The dispute over whether the Lessees are entitled to a portion of the condemnation award turns primarily on sections and of the parties' leases." Id. at 53.
>
> . . .
>
> "If there exists a prior agreement between a landlord and tenant as to allocation of condemnation proceeds, that agreement governs the disposition of those proceeds." Id. at 54.

Accordingly, under Nevada case law, ***any right*** to the condemnation proceeds claimed by the tenant, Metro, in this case is controlled by the Lease agreement. Thus, we next turn to evaluate the Lease terms between the Landowners and Metro.

The Lease has a specific provision, Section 16, addressing "Eminent Domain". It reads as follows:

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LAW OFFICES OF BRIAN C. PADGETT
611 SOUTH 6TH STREET
LAS VEGAS, NEVADA 89101
PHONE (702) 304-0123
FACSIMILE (702) 368-0123

Section 16: Eminent domain.

16.01: In the event a material portion (as reasonably determined by Tenant) of any Building is taken by eminent domain, either party may terminate this Lease with respect to such Building only. In the event any portion of the parking areas are taken by eminent domain, Landlord shall provide substitute reasonably convenient parking areas for Tenant's use (including, without limitation, adding an additional level on the on-site parking structure), to the extent condemnation proceeds are available for such work, and shall devote the proceeds of any condemnation award (to the extent required) to the construction of such substitute parking, and if Landlord is unable to do so, Base Rent shall be proportionately reduced based on the loss of the subject parking spaces.

16.02: In the event of a taking by eminent domain resulting in a termination of this Lease, in whole or in part, Tenant shall be entitled to participate in any award for the taking to the extent that any award includes the loss of the then value of the improvements installed by Tenant and contained in the Leased Property at the time of taking. If this Lease does not terminate by virtue of such taking, all of the provisions of this Lease shall remain in full force and effect with respect to that part of the Leased Property remaining after the taking, except that the minimum rental rate shall be reduced in the proportion that the area of the Building taken or parking spaces taken (that are not replaced pursuant to Section 16.01 above) bears to the total area of the Improvements on the Leased Property.

16.03: If this Lease is not terminated as set forth in Section 16.01 above, Landlord, at its expense, shall rebuild and replace such part of the Leased Property as remains under this Lease as nearly as may be in their condition before the with all reasonable speed, to the extent condemnation proceeds are available for such work. During the period of repair and rebuilding, Tenant shall receive a similar proportional reduction in rent for the part of the remaining portion of the Building or parking spaces that are unusable during the period of repair and rebuilding.

See Exhibit "C".

Nowhere, under Section 16, Eminent Domain, is a situation contemplated whereby the tenant is entitled to proceeds for a temporary construction easement – as Metro claims in this case. Thus, because it is not specifically contracted for, the standard rule of law applies that the

LAW OFFICES OF BRIAN C. PADGETT
611 SOUTH 6TH STREET
LAS VEGAS, NEVADA 89101
PHONE (702) 304-0123
FACSIMILE (702) 368-0123

Landowners are the one who retain the just compensation for any taking(s).

Again, pursuant to Musser, "If there exists a prior agreement between a landlord and tenant as to allocation of condemnation proceeds, **that agreement** governs the disposition of those proceeds". 964 P.2d at 54 (emphasis added). There *clearly* is a prior agreement between the Landowners and Metro as to the specific allocation of condemnation proceeds – and it does not provide for any allocation condemnation proceeds from the use of a temporary construction easement. Therefore, Metro has no right to claim any portion of the temporary construction easement in this case (or any other compensation as there is no taking of the building improvements and/or parking) and Metro should be prohibited from holding up the Landowners' ability to settle this case with NV Energy.

CONCLUSION

For the reasons set forth herein, Defendants HQ Metro, LLC; Project Alta, LLC; Project Alta II, LLC; Project Alta III, LLC; Project Alta Liquidating Trust U/A/D 12/31/09; and Wells Fargo Bank, N.A., as trustee, the Landowners herein, respectfully request the Defendant Landowners' Motion for Summary Judgment be GRANTED ordering that no on other than the Landowners have the rights to the just compensation in this case.

DATED this 30th day of December, 2015.

LAW OFFICES OF BRIAN C. PADGETT

/s/ Amy L. Sugden

Brian C. Padgett
Nevada Bar No. 7474
Amy L. Sugden
Nevada Bar No. 9983
Attorneys for Defendant Landowners

LAW OFFICES OF BRIAN C. PADGETT
611 SOUTH 6TH STREET
LAS VEGAS, NEVADA 89101
PHONE (702) 304-0123
FACSIMILE (702) 368-0123

CERTIFICATE OF SERVICE

I certify that I am an employee of the Law Offices of Brian C. Padgett, and that I served the foregoing document(s): **DEFENDANT LANDOWNERS' MOTION FOR SUMMARY JUDGMENT** on the parties set forth below by:

[x] Odyssey E-File and Serve System

TO: KIRBY C. GRUCHOW, JR., ESQ.
MICHAEL W. MCKELLEB, ESQ.
8945 West Russell Road, Suite 330
Las Vegas, Nevada 89148
Attorneys for Plaintiff
Nevada Power Company d/b/a NV Energy

MICHAEL D. RAWLINS, ESQ.
BRADLEY S. SLIGHTING, ESQ.
10785 West Twain Avenue, Suite 200
Las Vegas, Nevada 89135
Attorneys for Defendant LVMPD

PHILIP R. BYRNES, ESQ.
495 South Main Street, Sixth Floor
Las Vegas, Nevada 89101
Attorney for Defendant City of Las Vegas

LESLIE A. NIELSEN, ESQ.
LAURA C. REHFELDT, ESQ.
500 South Grand Central Parkway
P.O. Box 552215
Las Vegas, Nevada 89155
Attorney for Defendant Clark County

Executed this 30th day of December, 2015.

/s/ Amy L. Sugden
Law Offices of Brian C. Padgett

LAW OFFICES OF BRIAN C. PADGETT
611 SOUTH 6TH STREET
LAS VEGAS, NEVADA 89101
PHONE (702) 304-0123
FACSIMILE (702) 368-0123

EXHIBIT “A”

EXHIBIT “A”

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CLERK OF THE COURT

COMP
LEACH JOHNSON SONG & GRUCHOW
KIRBY C. GRUCHOW, JR., ESQ.
Nevada Bar No. 6663
MICHAEL W. MCKELLEB, ESQ.
Nevada Bar No. 12040
8945 West Russell Road, Suite 330
Las Vegas, Nevada 89148
Telephone: (702) 538-9074
Facsimile: (702) 538-9113

Attorneys for Plaintiff

DISTRICT COURT

CLARK COUNTY, NEVADA

NEVADA POWER COMPANY, a Nevada corporation, d/b/a NV ENERGY,

Plaintiff,

vs.

HQ METRO, LLC, an Arizona limited liability company; LAS VEGAS METROPOLITAN POLICE DEPARTMENT, a metropolitan police department; PROJECT ALTA, LLC, a Nevada limited liability company; PROJECT ALTA II, LLC, a Nevada limited liability company; PROJECT ALTA III, LLC, a Nevada limited liability company; PROJECT ALTA LIQUIDATING TRUST U/A/D 12/31/09, by and through MARK L. FINE & ASSOCIATES, a Nevada corporation, individually and as Trustee; WELLS FARGO BANK, NATIONAL ASSOCIATION, a Delaware corporation; NEVADA TITLE COMPANY, a Nevada corporation; CENTRAL TELEPHONE COMPANY, a Delaware corporation; COX COMMUNICATIONS LAS VEGAS, INC., a Delaware corporation; LAS VEGAS VALLEY WATER DISTRICT, a quasi-municipal corporation; CITY OF LAS VEGAS, a municipal corporation; CLARK COUNTY, a political subdivision of the State of Nevada; all other persons unknown claiming any right, title, estate, lien or interest in the real property described in the Complaint; DOES I through X; and ROE CORPORATIONS XI through XX, inclusive,

Defendants.

Case No.: A-13-681632-C

Dept. No.: I

PLAINTIFF'S VERIFIED COMPLAINT IN EMINENT DOMAIN

EXEMPT FROM ARBITRATION:

Action Concerning Title to Real Property

LEACH JOHNSON SONG & GRUCHOW
8945 West Russell Road, Suite 330, Las Vegas, Nevada 89148
Telephone: (702) 538-9074 – Facsimile (702) 538-9113

PLAINTIFF'S VERIFIED COMPLAINT IN EMINENT DOMAIN

Plaintiff, NEVADA POWER COMPANY d/b/a NV ENERGY ("**Plaintiff**" or "**NV Energy**"), files this Complaint and for its claims for relief against the above-named Defendants alleges and claims as follows:

1. Plaintiff is, and at all relevant times herein was, a corporation incorporated, organized and existing under and by virtue of the laws of the State of Nevada, having its principal place of business in the County of Clark, State of Nevada, and operating as a public utility under an exclusive franchise granted by the State of Nevada.

2. The purposes for which Plaintiff is incorporated and for which it has franchises are, among other things, the right to engage in the business of generating, manufacturing, transmitting, distributing, selling and otherwise disposing of electricity for power, light, heat and other purposes, to furnish electric power, light and heat to counties, cities, villages, and towns, and the inhabitants thereof, and to acquire by right of eminent domain all necessary rights and easements for lines for telegraph, telephone, electric light and electric power and sites for plants for electric light and power pursuant to the provisions of NRS Chapter 37, including NRS 37.010(1)(g).

3. Plaintiff is authorized to acquire, either in fee or any lesser estate or interest, real property or interests therein for right of way for public utilities and related purposes through the exercise of the power of eminent domain pursuant to the provisions of NRS Chapter 37.

4. Plaintiff has commenced this action to acquire right of way needed for permitting, construction, operation and maintenance of 230kV/138kV/69kV transmission lines, and associated facilities, which will be generally located in the area of Interstate 15 and Charleston Boulevard, in the County of Clark, State of Nevada (the "**Project**"), and other public purposes. The location, general route and termini of the right of way sought in this action is shown on the drawing(s) attached hereto as **Exhibit "1"**.

5. A public need and necessity exists for the Project, and the acquisition of the property described herein is necessary for a public use, namely, the Project.

. . .

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8945 West Russell Road, Suite 330, Las Vegas, Nevada 89148
Telephone: (702) 538-9074 – Facsimile (702) 538-9113

6. Plaintiff seeks to condemn certain easement interests on a portion of the property generally located at 400 South Martin L. King Boulevard, Las Vegas, Nevada 89106, and recognized by the Clark County Recorder's Office as APN 139-33-202-009 (the "**Property**"). Plaintiff requires a permanent easement on the Property (the "**PE Acquisition Area**") as well as a temporary construction easement (the "**TCE Acquisition Area**") (collectively, the "**Acquisition Area**"). The PE Acquisition Area is specifically identified in the documents attached hereto as **Exhibit "2"**, and the TCE Acquisition Area is specifically identified in the documents attached hereto as **Exhibit "3"**, including the easement documentation, drawing(s), and legal description(s).

7. Plaintiff estimates the amount of time the TCE Acquisition Area may be utilized for construction of the Project as set forth in **Exhibit "3"**, but recognizes that the actual amount of time that the TCE Acquisition Area may be utilized for construction of the Project may be less than Plaintiff estimates, and Plaintiff will therefore compensate Defendants for the actual amount of time it utilizes the TCE Acquisition Area for construction of the Project.

8. The names of all owners, occupants and/or claimants of an interest in the property sought to be acquired, insofar as known to Plaintiff at the time of the filing of this Complaint, are as follows:

A. Defendant HQ METRO, LLC, an Arizona limited liability company, is the record owner of the Acquisition Area pursuant to a GRANT BARGAIN AND SALE DEED recorded September 2, 2009, in Book No. 20090902, as Instrument No. 0001863, of the Official Records of the Clark County Recorder;

B. Defendant LAS VEGAS METROPOLITAN POLICE DEPARTMENT, a metropolitan police department, may have an interest in the Acquisition Area as a Tenant at the Property pursuant to an unrecorded LEASE;

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LEACH JOHNSON SONG & GRUCHOW
8945 West Russell Road, Suite 330, Las Vegas, Nevada 89148
Telephone: (702) 538-9074 – Facsimile (702) 538-9113

C. Defendant PROJECT ALTA, LLC, a Nevada limited liability company, may have an interest in the Acquisition Area pursuant to the following:

(1) MEMORANDUM OF LEASE AND PURCHASE OPTION recorded September 2, 2009, in Book No. 20090902, as Instrument No. 0000688, of the Official Records of the Clark County Recorder;

(2) AGREEMENT recorded September 2, 2009, in Book No. 20090902, as Instrument No. 0001861, of the Official Records of the Clark County Recorder; and

(3) ASSIGNMENT OF LEASE recorded September 2, 2009, in Book No. 20090902, as Instrument No. 0001864, of the Official Records of the Clark County Recorder;

D. Defendant PROJECT ALTA II, LLC, a Nevada limited liability company, may have an interest in the Acquisition Area pursuant to the following:

(1) MEMORANDUM OF LEASE AND PURCHASE OPTION recorded September 2, 2009, in Book No. 20090902, as Instrument No. 0000688, of the Official Records of the Clark County Recorder;

(2) AGREEMENT recorded September 2, 2009, in Book No. 20090902, as Instrument No. 0001861, of the Official Records of the Clark County Recorder; and

(3) ASSIGNMENT OF LEASE recorded September 2, 2009, in Book No. 20090902, as Instrument No. 0001864, of the Official Records of the Clark County Recorder;

E. Defendant PROJECT ALTA III, LLC, a Nevada limited liability company, may have an interest in the Acquisition Area pursuant to an ACCESS EASEMENT AGREEMENT recorded October 4, 2010, in Book No. 20101004, as Instrument No. 0003385, of the Official Records of the Clark County Recorder;

. . .

. . .

LEACH JOHNSON SONG & GRUCHOW
8945 West Russell Road, Suite 330, Las Vegas, Nevada 89148
Telephone: (702) 538-9074 – Facsimile (702) 538-9113

F. Defendant PROJECT ALTA LIQUIDATING TRUST U/A/D 12/31/09, by and through MARK L. FINE & ASSOCIATES, a Nevada corporation, individually and as Trustee, may have an interest in the Acquisition Area pursuant to the following:

(1) SUBORDINATE NOTE DEED OF TRUST, ASSIGNMENT OF RENTS AND LEASES, SECURITY AGREEMENT AND FIXTURE FILING (SUB NOTE) recorded September 2, 2009, in Book No. 20090902, as Instrument No. 0001869, of the Official Records of the Clark County Recorder;

(2) SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT recorded September 2, 2009, in Book No. 20090902, as Instrument No. 0001870, of the Official Records of the Clark County Recorder;

(3) UCC-1 FINANCING STATEMENT recorded September 2, 2009, in Book No. 20090902, as Instrument No. 0001873, of the Official Records of the Clark County Recorder;

(4) ASSIGNMENT OF BENEFICIAL INTEREST UNDER SUBORDINATE NOTE DEED OF TRUST, ASSIGNMENT OF RENTS AND LEASES, SECURITY AGREEMENT AND FIXTURE FILING (SUB NOTE), SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT, AND ALL OTHER LOAN DOCUMENTS recorded January 6, 2010, in Book No. 20100106, as Instrument No. 0003873, of the Official Records of the Clark County Recorder; and

(5) UCC-3 FINANCING STATEMENT AMENDMENT recorded February 1, 2010, in Book No. 20100201, as Instrument No. 0003013, of the Official Records of the Clark County Recorder;

G. Defendant WELLS FARGO BANK, NATIONAL ASSOCIATION, a Delaware corporation, may have an interest in the Acquisition Area pursuant to the following:

(1) AGREEMENT recorded September 2, 2009, in Book No. 20090902, as Instrument No. 0001861, of the Official Records of the Clark County Recorder;

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(2) SENIOR DEED OF TRUST, ASSIGNMENT OF RENTS AND LEASES, SECURITY AGREEMENT AND FIXTURE FILING (SERIES A) recorded September 2, 2009, in Book No. 20090902, as Instrument No. 0001865, of the Official Records of the Clark County Recorder;

(3) SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT recorded September 2, 2009, in Book No. 20090902, as Instrument No. 0001866, of the Official Records of the Clark County Recorder;

(4) SUBORDINATE DEED OF TRUST, ASSIGNMENT OF RENTS AND LEASES, SECURITY AGREEMENT AND FIXTURE FILING (SERIES B) recorded September 2, 2009, in Book No. 20090902, as Instrument No. 0001867, of the Official Records of the Clark County Recorder;

(5) SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT recorded September 2, 2009, in Book No. 20090902, as Instrument No. 0001868, of the Official Records of the Clark County Recorder;

(6) ASSIGNMENT AGREEMENT (HQ METRO, LLC) recorded September 2, 2009, in Book No. 20090902, as Instrument No. 0001871, of the Official Records of the Clark County Recorder;

(7) UCC-1 FINANCING STATEMENT recorded September 2, 2009, in Book No. 20090902, as Instrument No. 0001872, of the Official Records of the Clark County Recorder;

(8) AGREEMENT SUBJECTING DEED OF TRUST TO EASEMENT recorded March 3, 2010, in Book No. 20100303, as Instrument No. 0004303, of the Official Records of the Clark County Recorder;

(9) AGREEMENT SUBJECTING DEED OF TRUST TO EASEMENT recorded March 3, 2010, in Book No. 20100303, as Instrument No. 0004304, of the Official Records of the Clark County Recorder; and

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(10) AGREEMENT SUBJECTING DEED OF TRUST TO EASEMENT recorded March 3, 2010, in Book No. 20100303, as Instrument No. 0004305, of the Official Records of the Clark County Recorder;

H. Defendant NEVADA TITLE COMPANY, a Nevada corporation, may have an interest in the Acquisition Area pursuant to a SUBORDINATE NOTE DEED OF TRUST, ASSIGNMENT OF RENTS AND LEASES, SECURITY AGREEMENT AND FIXTURE FILING (SUB NOTE) recorded September 2, 2009, in Book No. 20090902, as Instrument No. 0001869, of the Official Records of the Clark County Recorder;

I. Defendant CENTRAL TELEPHONE COMPANY, a Delaware corporation, may have an interest in the Acquisition Area pursuant to any grant of rights and right of way created by the following:

(1) RIGHT OF WAY GRANT recorded May 1, 1978, in Book No. 880, as Instrument No. 839802, of the Official Records of the Clark County Recorder;

(2) COMMUNICATION SYSTEM EASEMENT recorded January 12, 2010, in Book No. 20100112, as Instrument No. 0003305, of the Official Records of the Clark County Recorder;

(3) AGREEMENT SUBJECTING DEED OF TRUST TO EASEMENT recorded March 3, 2010, in Book No. 20100303, as Instrument No. 0004303, of the Official Records of the Clark County Recorder;

(4) AGREEMENT SUBJECTING DEED OF TRUST TO EASEMENT recorded March 3, 2010, in Book No. 20100303, as Instrument No. 0004304, of the Official Records of the Clark County Recorder; and

(5) AGREEMENT SUBJECTING DEED OF TRUST TO EASEMENT recorded March 3, 2010, in Book No. 20100303, as Instrument No. 0004305, of the Official Records of the Clark County Recorder;

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J. Defendant COX COMMUNICATIONS LAS VEGAS, INC., a Delaware corporation, may have an interest in the Acquisition Area pursuant to any grant of rights and right of way created by a GRANT OF EASEMENT recorded February 18, 2010, in Book No. 20100218, as Instrument No. 0001014, of the Official Records of the Clark County Recorder;

K. Defendant LAS VEGAS VALLEY WATER DISTRICT, a quasi-municipal corporation, may have an interest in the Acquisition Area pursuant to any grant of rights and right of way created by the following:

(1) EASEMENTS AND RIGHTS-OF-WAY recorded October 21, 2009, in Book No. 20091021, as Instrument No. 0002768, of the Official Records of the Clark County Recorder;

(2) EASEMENTS AND RIGHTS-OF-WAY recorded October 21, 2009, in Book No. 20091021, as Instrument No. 0002769, of the Official Records of the Clark County Recorder;

(3) EASEMENTS AND RIGHTS-OF-WAY recorded October 21, 2009, in Book No. 20091021, as Instrument No. 0002770, of the Official Records of the Clark County Recorder; and

(4) EASEMENTS AND RIGHTS-OF-WAY recorded October 21, 2009, in Book No. 20091021, as Instrument No. 0002771, of the Official Records of the Clark County Recorder;

L. Defendant CITY OF LAS VEGAS, a municipal corporation, may have an interest in the Acquisition Area pursuant to any grant of rights and right of way created by the following, and may be a lien holder against the Acquisition Area for, among other things, Special Assessments, taxes and/or rights of way:

(1) PARCEL MAP FOR 70 LIMITED PARTNERSHIP recorded May 10, 1994, in Book No. 940510, as Instrument No. 01493 - File 79 of Parcel Maps, Page 21 - of the Official Records of the Clark County Recorder;

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(2) CITY OF LAS VEGAS NOTICE OF ZONING ACTION recorded April 21, 2009, in Book No. 20090421, as Instrument No. 0001989, of the Official Records of the Clark County Recorder;

(3) CITY OF LAS VEGAS NOTICE OF ZONING ACTION recorded May 14, 2009, in Book No. 20090514, as Instrument No. 0001865, of the Official Records of the Clark County Recorder;

(4) GRANT DEED recorded August 26, 2009, in Book No. 20090826, as Instrument No. 0002169, of the Official Records of the Clark County Recorder;

(5) GRANT DEED recorded August 26, 2009, in Book No. 20090826, as Instrument No. 0002170, of the Official Records of the Clark County Recorder;

(6) GRANT DEED recorded August 26, 2009, in Book No. 20090826, as Instrument No. 0002171, of the Official Records of the Clark County Recorder;

(7) GRANT DEED recorded August 26, 2009, in Book No. 20090826, as Instrument No. 0002172, of the Official Records of the Clark County Recorder;

(8) RIGHT OF WAY GRANT FOR STREETLIGHT PURPOSES recorded September 25, 2009, in Book No. 20090925, as Instrument No. 0002933, of the Official Records of the Clark County Recorder;

(9) RIGHT OF WAY GRANT FOR PEDESTRIAN WALKWAY PURPOSES recorded September 25, 2009, in Book No. 20090925, as Instrument No. 0002934, of the Official Records of the Clark County Recorder;

(10) RIGHT OF WAY GRANT FOR TRAFFIC PURPOSES recorded September 25, 2009, in Book No. 20090925, as Instrument No. 0002935, of the Official Records of the Clark County Recorder; and

(11) ENCROACHMENT AGREEMENT (SHORT-TERM) recorded October 22, 2009, in Book No. 20091022, as Instrument No. 0000939, of the Official Records of the Clark County Recorder;

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M. Defendant CLARK COUNTY, a political subdivision of the State of Nevada, may have an interest in the Acquisition Area pursuant to any grant of rights and right of way created by the following, and may be a lien holder against the Acquisition Area for, among other things, Special Assessments, sanitation assessments, easements and/or for property taxes:

(1) MEMORANDUM OF LEASE AND PURCHASE OPTION recorded September 2, 2009, in Book No. 20090902, as Instrument No. 0000688, of the Official Records of the Clark County Recorder;

(2) SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT recorded September 2, 2009, in Book No. 20090902, as Instrument No. 0001866, of the Official Records of the Clark County Recorder;

(3) SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT recorded September 2, 2009, in Book No. 20090902, as Instrument No. 0001868, of the Official Records of the Clark County Recorder; and

(4) SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT recorded September 2, 2009, in Book No. 20090902, as Instrument No. 0001870, of the Official Records of the Clark County Recorder;

N. Plaintiff has been informed and believes and therefore alleges that there may be other persons, corporations, partnerships, or entities identified herein as DOES I through X and ROE CORPORATIONS XI through XX, who may have, or claim to have, a right, title, estate, lien or interest in the Acquisition Area and whose names are unknown to Plaintiff at this time. Such unknown persons are identified herein pursuant to, among other rules of law, NRS Section 37.070(1)(c). If the true names and identities of such persons are ascertained, Plaintiff reserves the right, in its sole and absolute discretion, to seek leave of Court to amend its Complaint to add the names of any additional interested Defendants.

9. The Acquisition Area sought to be acquired herein is only part of a larger parcel(s) or tract of land that the Defendants own or may claim an interest in, and is more particularly shown on the drawing(s) attached hereto as **Exhibit "1"**, which delineate the Acquisition Area as it relates to the larger parcel.

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Telephone: (702) 538-9074 – Facsimile (702) 538-9113

10. If there are two or more estates or divided interests in the Acquisition Area, then NRS Section 37.115 entitles Plaintiff to have the amount of the award for the Acquisition Area first determined as between Plaintiff and all Defendants claiming any interest therein as if the fee interest is not divided; and provides that the respective rights of such Defendants in and to the award are to be determined subsequently in a later and separate hearing in the same proceeding.

11. In the event contamination is discovered at the Acquisition Area, Plaintiff reserves any and all rights it has or may have to recover in this action, in any subsequent action, or by any administrative means, all costs of remediation and/or cleanup of the contamination at the Acquisition Area necessitated by any conditions that are present at the time Plaintiff acquires the right to occupy the Acquisition Area. Plaintiff further reserves any and all rights it has or may have to pursue any remedies to compel Defendants to remediate and/or cleanup any contamination at the Acquisition Area in accordance with applicable laws and regulations.

Plaintiff reserves any and all rights it has or may have to request or petition the Court to direct the Clerk to set aside and/or reserve any funds deposited by Plaintiff in conjunction with Plaintiff's right to occupy the Acquisition Area in an amount sufficient to remediate and/or cleanup any contamination existing at the Acquisition Area at the time Plaintiff acquires the right to occupy the Acquisition Area.

12. This matter is entitled to a priority trial setting pursuant to NRS 37.055.

13. Plaintiff has taken all preliminary steps required by law to institute this proceeding.

WHEREFORE, Plaintiff prays that this Honorable Court do the following:

1. Enter an order allowing Plaintiff to take immediate possession and occupancy of the Acquisition Area;

2. Ascertain and assess the amount of reasonable and just compensation due the Defendants for the taking of the Acquisition Area assuming the fee interest is not divided, and determine in a separate hearing the respective rights of the Defendants in and to the award herein pursuant to NRS Chapter 37;

. . .

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3. Enter judgment and a final order of condemnation against each and every Defendant condemning title in the Acquisition Area in favor of NV Energy as hereinbefore described; and

4. Enter an order or judgment for such other and further relief as the Court deems just and proper.

DATED this 10th day of May, 2013.

LEACH JOHNSON SONG & GRUCHOW

By: _____

KIRBY C. GRUCHOW, JR., ESQ.
Nevada Bar No. 6663
MICHAEL W. MCKELLEB, ESQ.
Nevada Bar No. 12040
8945 West Russell Road, Suite 330
Las Vegas, Nevada 89148
Phone: (702) 538-9074
Attorneys for Plaintiff Nevada Power Company d/b/a NV Energy

LEACH JOHNSON SONG & GRUCHOW
8945 West Russell Road, Suite 330, Las Vegas, Nevada 89148
Telephone: (702) 538-9074 – Facsimile (702) 538-9113

VERIFICATION

STATE OF NEVADA)
) ss.
COUNTY OF CLARK)

RANDAL CAGLE, being first duly sworn, deposes and says:

That he is the Manager of Property Services for Nevada Power Company d/b/a NV Energy, Plaintiff in the above-entitled action, that he has read the above and foregoing **VERIFIED COMPLAINT IN EMINENT DOMAIN**, knows the contents thereof, and that the same is true of his own knowledge, except as to those matters therein state on information and belief, and as to those matters, he believes them to be true.

DATED this 7th day of May, 2013.

RANDAL CAGLE, Manager of Property Services
for Nevada Power Company d/b/a NV Energy

SUBSCRIBED and SWORN to before me
this 7th day of May, 2013.

NOTARY PUBLIC in and for said
County and State

HEATHER L. KELLEY
Notary Public State of Nevada
No. 02-73274-1
My appt. exp. Dec. 30, 2013

LEACH JOHNSON SONG & GRUCHOW
8945 West Russell Road, Suite 330, Las Vegas, Nevada 89148
Telephone: (702) 538-9074 – Facsimile (702) 538-9113

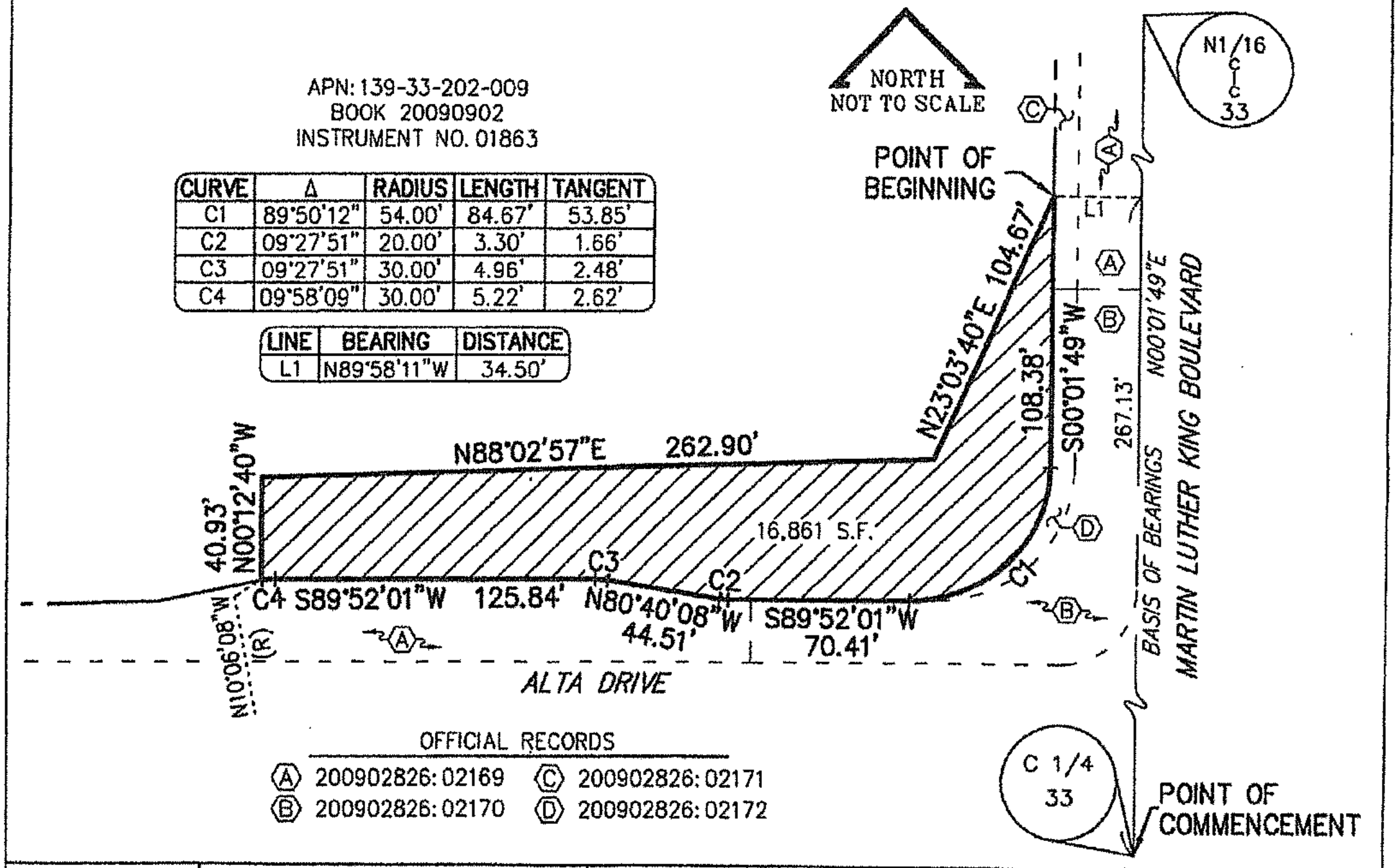
EXHIBIT "1"

EXHIBIT "1"

APN: 139-33-202-009
BOOK 20090902
INSTRUMENT NO. 01863

CURVE	Δ	RADIUS	LENGTH	TANGENT
C1	89°50'12"	54.00'	84.67'	53.85'
C2	09°27'51"	20.00'	3.30'	1.66'
C3	09°27'51"	30.00'	4.96'	2.48'
C4	09°58'09"	30.00'	5.22'	2.62'

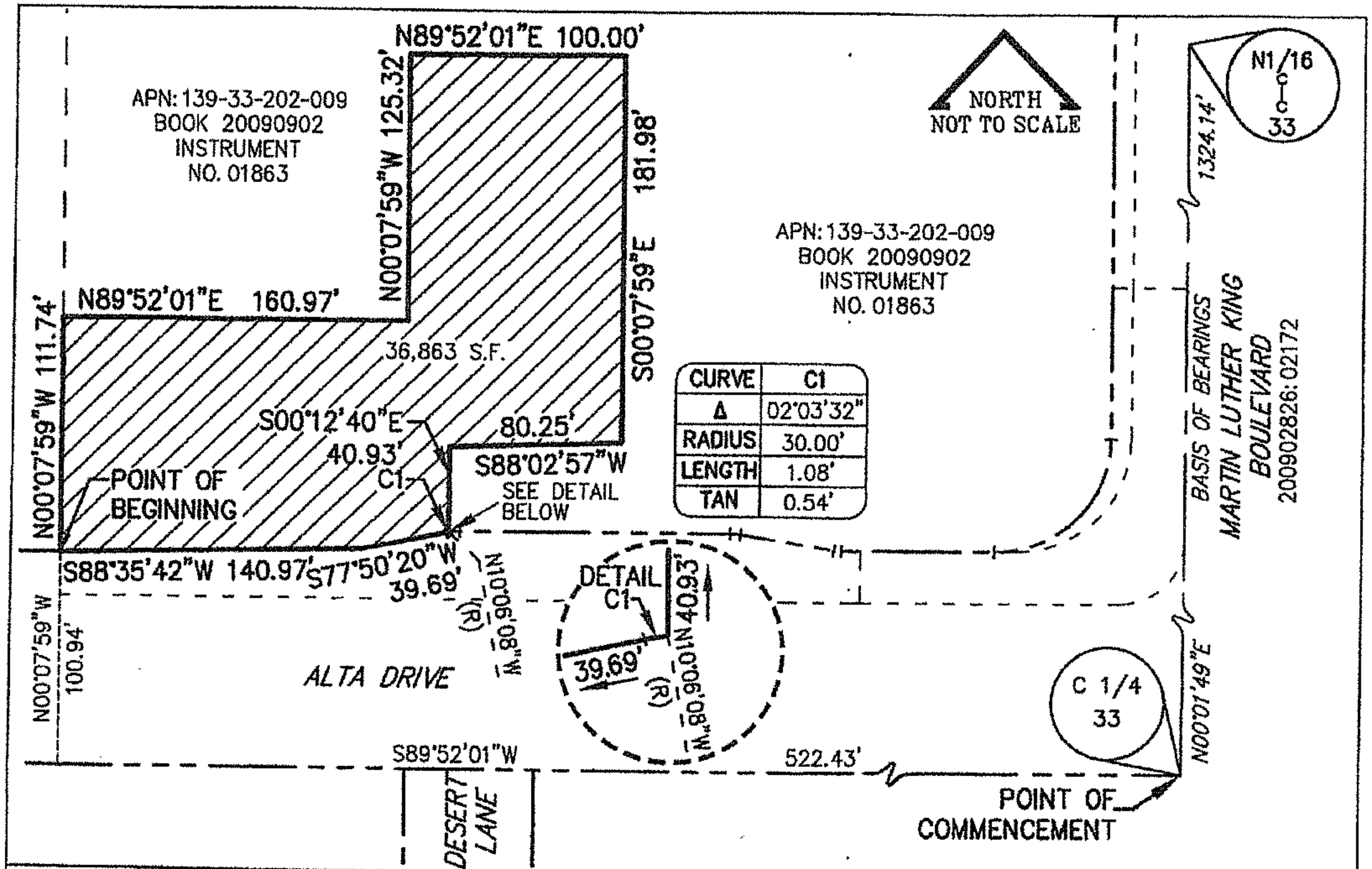
LINE	BEARING	DISTANCE
L1	N89°58'11"W	34.50'



OFFICIAL RECORDS

Ⓐ 200902826:02169 Ⓒ 200902826:02171
Ⓑ 200902826:02170 Ⓓ 200902826:02172

NVEnergy	PROJECT: PROJECT NEON APN: 139-33-202-009 EXHIBIT A	EXHIBIT MAP TO ACCOMPANY LAND DESCRIPTION SEC: 33 T:20 S., R:61 E. DATE: 14 MAY 2012 PAGE: 3 OF 3 SURVEYOR: GE/SB DRAWN BY: CV CHECKED BY: PROJECT ID: LR697NJLR2



CURVE	C1
Δ	02°03'32"
RADIUS	30.00'
LENGTH	1.08'
TAN	0.54'

NVEnergy

PROJECT:
PROJECT NEON
APN: 139-33-202-009-TE

EXHIBIT MAP TO ACCOMPANY LAND DESCRIPTION

SEC: 33 T:20 S., R:61 E. DATE: 15 JAN, 2013 PAGE: 3 OF 3
SURVEYOR: GE/SB
DRAWN BY: CV CHECKED BY: SD PROJECT ID: LR697NJLR2

EXHIBIT "2"

EXHIBIT "2"

APN: 139-33-202-009

PERPETUAL EASEMENT

Nevada Power Company, a Nevada corporation, d/b/a NV Energy and its successors and assigns ("**NV Energy**"), for use by them and their employees and contractors, hereby acquire a perpetual right and easement:

1. to construct, operate, add to, modify, maintain and remove aboveground and/or underground communication facilities and electric line systems for the distribution and transmission of electricity, consisting of poles, other structures, wires, cables, conduit, duct banks, manholes, vaults, transformers, service boxes/meter panels, cabinets, bollards, anchors, guys, and other equipment, fixtures, apparatus, and improvements ("**Utility Facilities**") upon, over, under and through the property described in **Exhibit "A"** hereto (the "**Easement Area**");

2. for the unrestricted passage of vehicles and pedestrians within, on, over and across the Easement Area and the property described in **Exhibit "B"** hereto (the "**Property**");

3. for the ingress of vehicles and pedestrians to and the egress of vehicles and pedestrians from the Easement Area and the Property; and

4. to remove, clear, cut or trim any obstruction or material (including trees, other vegetation and structures) from the surface or subsurface of the Easement Area as NV Energy may deem necessary or advisable for the safe and proper use and maintenance of the Utility Facilities in the Easement Area.

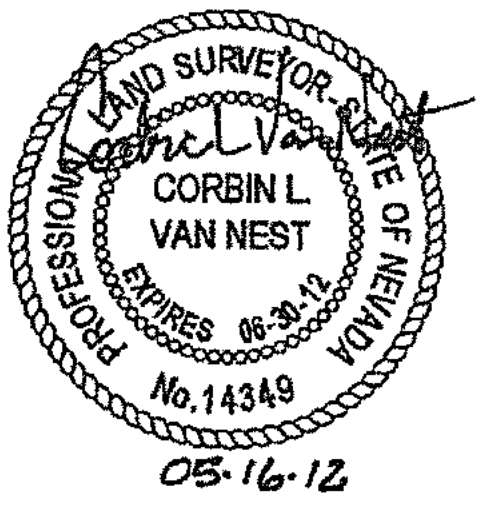
NV Energy will be responsible for any damages, proximately caused by NV Energy negligently constructing, operating, adding to, maintaining, or removing the Utility Facilities, to any tangible, personal property or improvements owned by the property owners and located on the Easement Area after the date that NV Energy obtains occupancy of the Easement Area pursuant to NRS Chapter 37. However, this paragraph does not apply to, and NV Energy is not responsible for, any damages caused when NV Energy exercises its rights under numbered Paragraph 4 above.

The property owner covenants for the benefit of NV Energy, its successors and assigns, that no building, structure or other real property improvements will be constructed or placed on or within the Easement Area without the prior written consent of NV Energy (which NV Energy will not unreasonably withhold), such structures and improvements to include, but not be limited to, drainage, trees, bridges, signage, roads, fencing, storage facilities, parking canopies, and other covered facilities. NV Energy and the property owner must document NV Energy's consent by both NV Energy and the property owner signing NV Energy's standard, recordable use agreement. The property owner retains, for its benefit, the right to maintain, use and otherwise landscape the Easement Area for its own purposes; provided, however, that all such purposes and uses do not interfere with NV Energy's rights herein and are in all respects consistent with NV Energy's rights herein, NV Energy's electrical practices, and the National Electrical Safety Code.

NVEnergy

EXHIBIT A

PROJECT ID: LR697NJLR2
PROJECT NEON
APN: 139-33-202-009
14 MAY, 2012
PREPARED BY: CV
CHECKED BY: SD



LAND DESCRIPTION:

A PORTION OF THE LAND DESCRIBED IN THAT CERTAIN "GRANT BARGAIN AND SALE DEED" RECORDED SEPTEMBER 2, 2009 IN BOOK 20090902 AS INSTRUMENT NO. 01863 OF OFFICIAL RECORDS IN THE COUNTY RECORDER'S OFFICE, CLARK COUNTY, NEVADA, SITUATE IN THE SOUTHEAST QUARTER (SE 1/4) OF THE NORTHWEST QUARTER (NW 1/4) OF SECTION 33, TOWNSHIP 20 SOUTH, RANGE 61 EAST, M.D.M., CITY OF LAS VEGAS, CLARK COUNTY, NEVADA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID SOUTHEAST QUARTER (SE 1/4); THENCE NORTH 00°01'49" EAST, ALONG THE EAST LINE OF SAID SOUTHEAST QUARTER (SE 1/4), A DISTANCE OF 267.13 FEET; THENCE NORTH 89°58'11" WEST, DEPARTING SAID EAST LINE, 34.50 FEET TO THE **POINT OF BEGINNING**, SAME BEING THE WESTERLY RIGHT-OF-WAY OF MARTIN LUTHER KING BOULEVARD (WIDTH VARIES) DESCRIBED IN THAT CERTAIN "GRANT DEED" RECORDED AUGUST 26, 2009 IN BOOK 20090826 AS INSTRUMENT NO. 02171 OF OFFICIAL RECORDS IN THE COUNTY RECORDER'S OFFICE, CLARK COUNTY, NEVADA; THENCE ALONG SAID RIGHT-OF-WAY AND THE UNBROKEN TRANSITION THEREOF ONTO AND ALONG THE NORTHERLY RIGHT-OF-WAY OF ALTA DRIVE, BEING DESCRIBED IN THOSE CERTAIN 'GRANT DEEDS' RECORDED AUGUST 26, 2009 IN BOOK 20090826 AS INSTRUMENT NUMBERS 02169, 02170 AND 02172 OF SAID OFFICIAL RECORDS, THE FOLLOWING EIGHT (8) COURSES: 1) SOUTH 00°01'49" WEST, 108.38 FEET TO THE BEGINNING OF A CURVE, CONCAVE NORTHWESTERLY, HAVING A RADIUS OF 54.00 FEET; 2) SOUTHWESTERLY ALONG SAID CURVE, 84.67 FEET THROUGH A CENTRAL ANGLE OF 89°50'12"; 3) SOUTH 89°52'01" WEST, 70.41 FEET TO THE BEGINNING OF A CURVE, CONCAVE NORTHEASTERLY, HAVING A RADIUS OF 20.00 FEET; 4) NORTHWESTERLY ALONG SAID CURVE, 3.30 FEET THROUGH A CENTRAL

ANGLE OF 09°27'51"; 5) NORTH 80°40'08" WEST, 44.51 FEET TO THE BEGINNING OF A CURVE, CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 30.00 FEET, 6) NORTHWESTERLY ALONG SAID CURVE, 4.96 FEET THROUGH A CENTRAL ANGLE OF 09°27'51"; 7) SOUTH 89°52'01" WEST, 125.84 FEET TO THE BEGINNING OF A CURVE, CONCAVE SOUTHERLY, HAVING A RADIUS OF 30.00 FEET; 8) SOUTHWESTERLY ALONG SAID CURVE, 5.22 FEET THROUGH A CENTRAL ANGLE OF 09°58'09"; THENCE DEPARTING SAID RIGHT-OF-WAY, NORTH 00°12'40" WEST, 40.93 FEET; THENCE NORTH 88°02'57" EAST, 262.90 FEET; THENCE NORTH 23°03'40" EAST, 104.67 FEET TO THE **POINT OF BEGINNING**, AS SHOWN ON THE "EXHIBIT MAP TO ACCOMPANY LAND DESCRIPTION" ATTACHED HERETO AND MADE A PART HEREOF.

CONTAINING 16,861 SQUARE FEET.

BASIS OF BEARINGS:

NORTH 00°01'49" EAST BEING THE BEARING OF THE EAST LINE OF THE SOUTHEAST QUARTER (SE 1/4) OF THE NORTHWEST QUARTER (NW 1/4) OF SECTION 33, TOWNSHIP 20 SOUTH, RANGE 61 EAST, M.D.M., CITY OF LAS VEGAS, CLARK COUNTY, NEVADA, MEASURED IN THE NEVADA EAST ZONE (2701) STATE PLANE COORDINATE SYSTEM, NORTH AMERICAN DATUM 1983 (NAD 83)

END OF LAND DESCRIPTION.

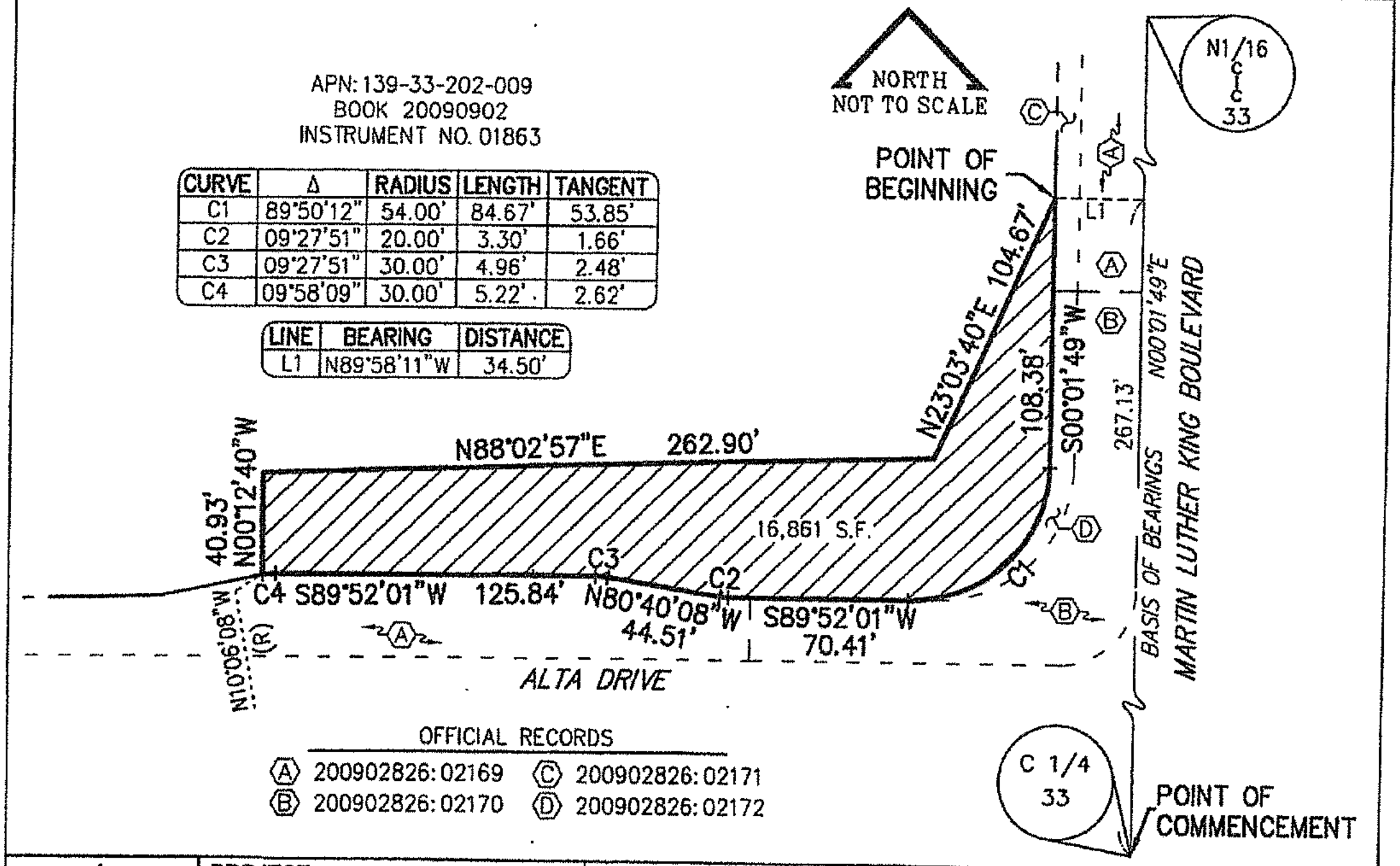
NOTE: THIS LAND DESCRIPTION IS NOT INTENDED FOR THE PURPOSE OF SUBDIVIDING LAND NOT IN CONFORMANCE WITH NEVADA REVISED STATUTES.

CORBIN L. VAN NEST, PLS
STATE OF NEVADA NO. 14349
FOR AND AT THE INSTANCE OF NV ENERGY

APN: 139-33-202-009
BOOK 20090902
INSTRUMENT NO. 01863

CURVE	Δ	RADIUS	LENGTH	TANGENT
C1	89°50'12"	54.00'	84.67'	53.85'
C2	09°27'51"	20.00'	3.30'	1.66'
C3	09°27'51"	30.00'	4.96'	2.48'
C4	09°58'09"	30.00'	5.22'	2.62'

LINE	BEARING	DISTANCE
L1	N89°58'11"W	34.50'



OFFICIAL RECORDS

Ⓐ 200902826:02169 Ⓒ 200902826:02171
Ⓑ 200902826:02170 Ⓓ 200902826:02172

NVEnergy	PROJECT: PROJECT NEON APN: 139-33-202-009 EXHIBIT A	EXHIBIT MAP TO ACCOMPANY LAND DESCRIPTION SEC: 33 T:20 S., R:61 E. DATE: 14 MAY 2012 PAGE: 3 OF 3 SURVEYOR: GE/SB DRAWN BY: CV CHECKED BY: PROJECT ID: LR697NJLR2

Exhibit B

Situate in the City of Las Vegas, County of Clark, State of Nevada is that portion of the Northwest Quarter (NW ¼) of Section 33, Township 20 South, Range 61 East, M.D.M., Clark County, Nevada, described as follows:

That parcel of land as described in Grant Bargain and Sale Deed recorded September 2, 2009 in Book 20090902, as Instrument No, 01863, Official Records, Clark County, Nevada.

EXHIBIT "3"

EXHIBIT "3"

APN: 139-33-202-009

TEMPORARY CONSTRUCTION EASEMENT

Nevada Power Company, a Nevada corporation, d/b/a NV Energy and its successors and assigns ("**NV Energy**"), for use by them and their employees and contractors, hereby acquire a temporary right and easement on the real property situated in Clark County, Nevada, identified on **Exhibit "A"** hereto, and commonly known as APN 139-33-202-009 (the "**Property**"):

1. to use and restore an area approximately one hundred (100) feet by one hundred eighty-one (181) feet and one hundred eleven (111) feet by one hundred eighty-one (181) feet for construction staging (including but not limited to parking vehicles and storing materials), pulling cable, and wire tensioning in the location identified on **Exhibit "B"** hereto ("**Temporary Easement Area**");

2. to perform final cleanup of and restore to its before condition the Temporary Easement Area;

3. for the unrestricted passage of vehicles and pedestrians within, on, over and across the Temporary Easement Area; and

4. for the unrestricted, contiguous access of vehicles and pedestrians along and through the Property to the Temporary Easement Area, for the ingress of vehicles and pedestrians to the Temporary Easement Area from the Property, and for the egress of vehicles and pedestrians from the Temporary Easement Area over the Property.

NV Energy has the right to permanently remove or clear any and all materials, trees, brush, debris, structures, and any other obstruction from the Temporary Easement Area that in in NV Energy's reasonable judgment may interfere with or endanger NV Energy's use of or activities on the Temporary Easement Area.

NV Energy will be responsible for any damages, proximately caused by NV Energy's negligent use of or activities on the Temporary Easement Area, to any tangible, personal property or improvements owned by the property owner and located on the Temporary Easement Area after the date that NV Energy obtains occupancy of the Temporary Easement Area pursuant to NRS Chapter 37. NV Energy further agrees that, if NV Energy performs work that damages the Easement Area, NV Energy will restore the Easement Area to its before condition. However, this paragraph does not apply to, and NV Energy is not responsible for, any damages caused to any tangible, personal property or improvements owned by the property owner and located on the Temporary Easement Area after the date that NV Energy obtains occupancy of the Temporary Easement Area pursuant to NRS Chapter 37 and when NV Energy exercises its rights under the paragraph immediately preceding this paragraph.

The Temporary Construction Easement terminates on June 30, 2015, and, upon termination, has no further effect.

Exhibit A

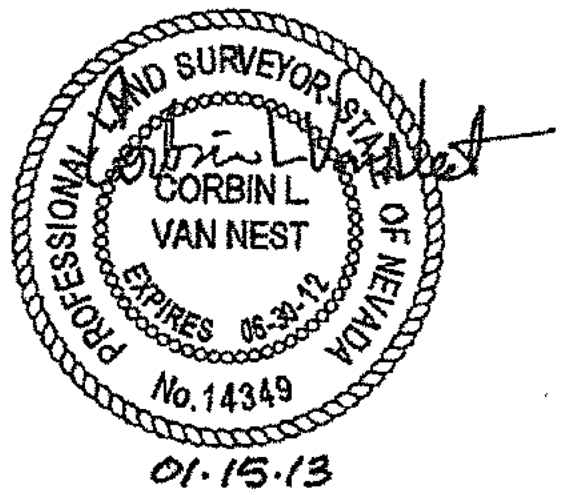
The above referred to parcel of land, situate in the City of Las Vegas, County of Clark, State of Nevada, is that portion of the Northwest Quarter (NW ¼) of Section 33, Township 20 South, Range 61 East, M.D.M., Nevada, described as follows:

That parcel of land as described in Grant Bargain and Sale Deed recorded September 2, 2009 in Book 20090902, as Instrument No. 01863, Official Records, Clark County, Nevada.

NVEnergy

EXHIBIT B

PROJECT ID: LR697NJLR2
PROJECT NEON
APN: 139-33-202-009-TE
15 JANUARY, 2012
PREPARED BY: CV
CHECKED BY: SD



LAND DESCRIPTION:

A PORTION OF THE LAND DESCRIBED IN THAT CERTAIN "GRANT BARGAIN AND SALE DEED" RECORDED SEPTEMBER 2, 2009 IN BOOK 20090902 AS INSTRUMENT NO. 01863 OF OFFICIAL RECORDS IN THE COUNTY RECORDER'S OFFICE, CLARK COUNTY, NEVADA, SITUATE IN THE SOUTHEAST QUARTER (SE 1/4) OF THE NORTHWEST QUARTER (NW 1/4) OF SECTION 33, TOWNSHIP 20 SOUTH, RANGE 61 EAST, M.D.M., CITY OF LAS VEGAS, CLARK COUNTY, NEVADA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID SOUTHEAST QUARTER (SE 1/4); THENCE SOUTH 89°52'01" WEST ALONG THE SOUTH LINE OF SAID SOUTHEAST QUARTER (SE 1/4), A DISTANCE OF 522.43 FEET; THENCE NORTH 00°07'59" WEST, DEPARTING SAID SOUTH LINE, 100.94 FEET TO THE SOUTHWEST CORNER OF SAID LAND, SAME BEING THE **POINT OF BEGINNING**; THENCE NORTH 00°07'59" WEST ALONG THE WEST LINE OF SAID LAND,111.74' FEET; THENCE NORTH 89°52'01"EAST DEPARTING SAID WEST LINE, 160.97' FEET; THENCE NORTH 00°07'59" WEST 125.32 FEET; THENCE NORTH 89°52'01"EAST 100.00 FEET; THENCE SOUTH 00°07'59"EAST 181.98 FEET; THENCE SOUTH 88°02'57" WEST 80.25 FEET; THENCE SOUTH 00°12'40" EAST 40.93 FEET TO A POINT ON THE SOUTH BOUNDARY OF SAID LAND, SAID POINT BEING THE BEGINNING OF A NON-TANGENT CURVE, CONCAVE SOUTHERLY, HAVING A RADIUS OF 30.00 FEET, A RADIAL LINE TO SAID BEGINNING BEARS NORTH 10°06'08" WEST; THENCE ALONG SAID SOUTHERLY BOUNDARY THE FOLLOWING THREE (3) COURSES: 1) SOUTHWESTERLY 1.08 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 02°03'32"; 2) SOUTH 77°50'20" WEST 39.69 FEET; 3) SOUTH 88°35'42" WEST, 140.97 FEET TO THE **POINT OF BEGINNING,** AS SHOWN ON THE "EXHIBIT MAP TO ACCOMPANY LAND DESCRIPTION" ATTACHED HERETO AND MADE A PART HEREOF.

CONTAINING 36,863 SQUARE FEET.

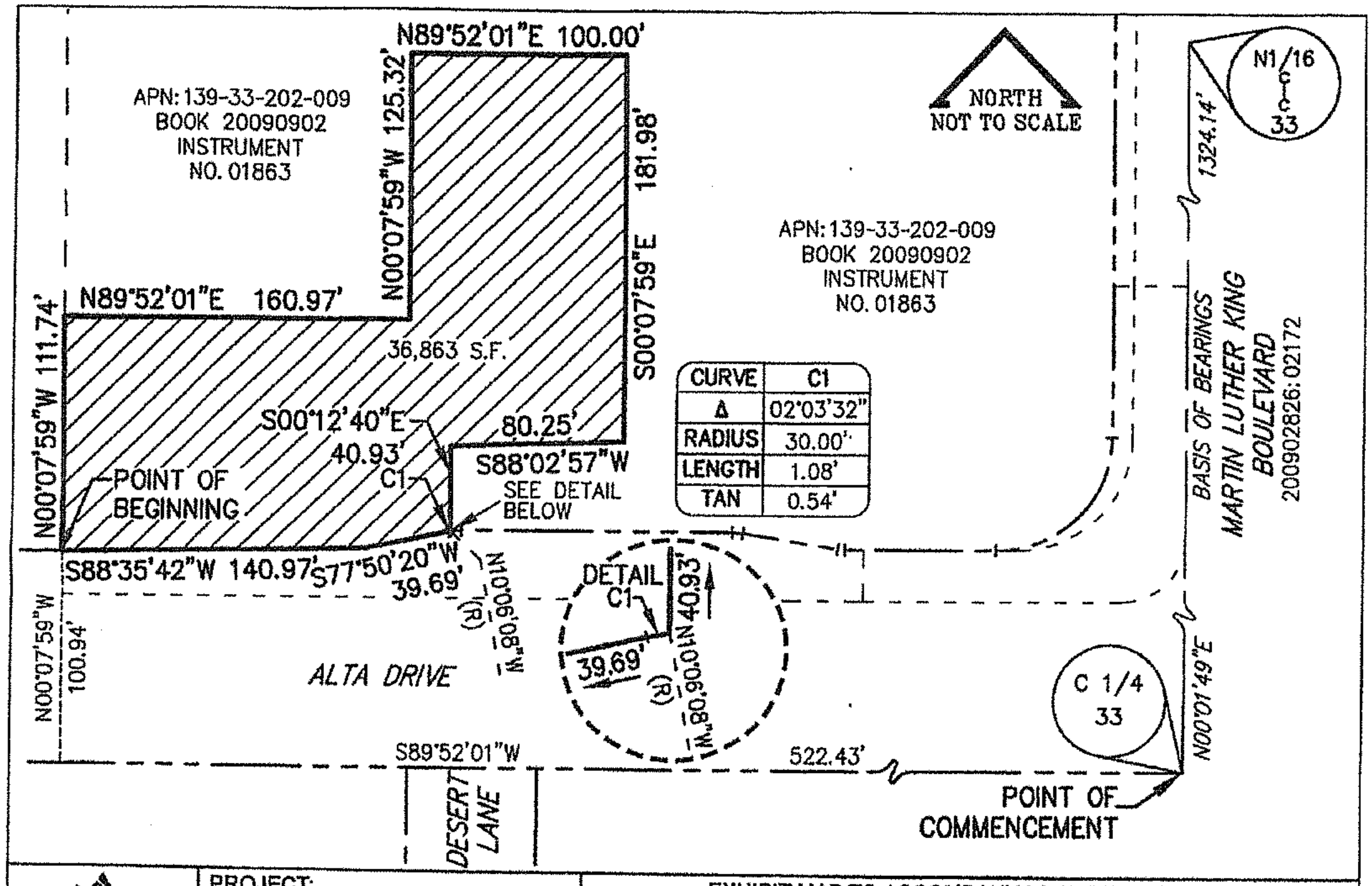
BASIS OF BEARINGS:

NORTH 00°01'49" EAST BEING THE BEARING OF THE EAST LINE OF THE SOUTHEAST QUARTER (SE 1/4) OF THE NORTHWEST QUARTER (NW 1/4) OF SECTION 33, TOWNSHIP 20 SOUTH, RANGE 61 EAST, M.D.M., CITY OF LAS VEGAS, CLARK COUNTY, NEVADA, MEASURED IN THE NEVADA EAST ZONE (2701) STATE PLANE COORDINATE SYSTEM, NORTH AMERICAN DATUM 1983 (NAD 83).

END OF LAND DESCRIPTION.

NOTE: THIS LAND DESCRIPTION IS NOT INTENDED FOR THE PURPOSE OF SUBDIVIDING LAND NOT IN CONFORMANCE WITH NEVADA REVISED STATUTES.

CORBIN L. VAN NEST, PLS
STATE OF NEVADA NO. 14349
FOR AND AT THE INSTANCE OF NV ENERGY



NVEnergy

PROJECT:
PROJECT NEON
APN: 139-33-202-009-TE

EXHIBIT MAP TO ACCOMPANY LAND DESCRIPTION

SEC: 33 T:20 S., R:61 E. DATE: 15 JAN, 2013 PAGE: 3 OF 3
SURVEYOR: GE/SB
DRAWN BY: CV CHECKED BY: SD PROJECT ID: LR697NJLR2

EXHIBIT "B"

EXHIBIT "B"

Electronically Filed
07/09/2013 05:22:39 PM

CLERK OF THE COURT

AACC
LAW OFFICES OF BRIAN C. PADGETT
Brian C. Padgett, Bar No. 7474
Amy L. Sugden, Bar No. 9983
John P. Shannon, Of Counsel, Bar No. 7906
611 South Sixth Street
Las Vegas, Nevada 89101
Telephone: (702) 304-0123
Facsimile: (702) 368-0123

Attorneys for Plaintiffs HQ Metro, LLC Project Alta, LLC, Project Alta II, LLC, Project Alta III, LLC, Project Alta Liquidating Trust U/A/D 12/31/09, Wells Fargo Bank, N.A., as trustee

LAW OFFICES OF BRIAN C. PADGETT
611 SOUTH 6TH STREET
LAS VEGAS, NEVADA 89101
PHONE (702) 304-0123
FACSIMILE (702) 368-0123

DISTRICT COURT

CLARK COUNTY, NEVADA

*****

NEVADA POWER COMPANY, a Nevada corporation d/b/a NV ENERGY,

Plaintiff

vs.

HQ METRO, LLC, an Arizona limited liability company; LAS VEGAS METROPOLITAN POLICE DEPARTMENT, a metropolitan police department; PROJECT ALTA, LLC, a Nevada limited liability company; PROJECT ALTA II, LLC, a Nevada limited liability company; PROJECT ALTA III, LLC, a Nevada limited liability company; PROJECT ALTA LIQUIDATING TRUST U/A/D 12/31/09, by and through MARK L. FINE & ASSOCIATES, a Nevada corporation, individually and as Trustee; WELLS FARGO BANK, NATIONAL ASSOCIATION, a Delaware corporation; NEVADA TITLE COMPANY, a Nevada corporation; CENTRAL TELEPHONE COMPANY, a Delaware corporation; COX COMMUNICATIONS LAS VEGAS, INC., a Delaware corporation; LAS VEGAS VALLEY WATER DISTRICT, a quasi-municipal corporation; CITY OF LAS VEGAS, a municipal corporation; CLARK COUNTY, a political subdivision of the State of Nevada; all other persons unknown claiming any right, title, estate, lien or interest in the real property described in the Complaint; DOES I through X; and ROE CORPORATIONS XI through XX, inclusive

Defendants.

Case No.: A-13-681632-C

Dept. No.: I

DEFENDANTS HQ METRO, LLC, PROJECT ALTA, LLC, PROJECT ALTA II, LLC, PROJECT ALTA III, LLC, PROJECT ALTA LIQUIDATING TRUST U/A/D 12/31/09 BY AND THRU MARK L. FINE & ASSOCIATES, AND WELLS FARGO BANK, NATIONAL ASSOCIATION, AS TRUSTEE'S ANSWER TO PLAINTIFF'S VERIFIED COMPLAINT IN EMINENT DOMAIN; DEFENDANT HQ METRO, LLC'S COUNTERCLAIMS

Arbitration Exempt: Action Concerning Title To Real Property

DEFENDANTS HQ METRO, LLC, PROJECT ALTA, LLC, PROJECT ALTA II, LLC, PROJECT ALTA III, LLC , PROJECT ALTA LIQUIDATING TRUST U/A/D 12/31/09 BY AND THRU MARK L. FINE & ASSOCIATES, AND WELLS FARGO BANK, NATIONAL ASSOCIATION, AS TRUSTEE'S ANSWER TO PLAINTIFF'S VERIFIED COMPLAINT IN EMINENT DOMAIN; DEFENDANT HQ METRO, LLC'S COUNTERCLAIMS

COMES NOW DEFENDANTS HQ METRO, LLC (hereinafter referred to as the "Landowner"), PROJECT ALTA, LLC; PROJECT ALTA II, LLC; PROJECT ALTA III, LLC; PROJECT ALTA LIQUIDATING TRUST U/A/D 12/31/09 BY AND THRU MARK L. FINE & ASSOCIATES, and WELLS FARGO BANK, NATIONAL ASSOCIATION, AS TRUSTEE (collectively referred to as "Defendants") by and through their attorneys, the Law Offices of Brian C. Padgett, and for their Answer to Plaintiff's Verified Complaint in Eminent Domain ("Complaint"), answer and aver as follows:

1. Answering Paragraphs 1, 2, 3, 4, 5, 6, 7, 8H, 8I, 8J, 8K, 8L, 8M, 8N, 9, 10, and 11 of Plaintiff's Complaint, the Defendants are without sufficient information and/or knowledge upon which to form a reasonable belief as to the allegations in this paragraph and therefore deny the same.

2. Answering Paragraph 8A of Plaintiff's Complaint, Defendants admit that HQ Metro, LLC is the record owner of the Acquisition Area; as to the remainder of the paragraph, Defendants are without sufficient information and/or knowledge upon which to form a reasonable belief as to any remaining allegations in this paragraph and therefore deny the same.

3. Answering Paragraph 8B of the Plaintiff's Complaint, Defendants admit that Las Vegas Metropolitan Police Department has an interest in the Property pursuant to an unrecorded lease; as to the remainder of the paragraph, Defendants are without sufficient information and/or knowledge upon which to form a reasonable belief as to any remaining allegations in this paragraph and therefore deny the same.

4. Answering Paragraph 8C of Plaintiff's Complaint, Defendants admit that Project Alta, LLC, a Nevada limited liability company, has an interest in the Property; as to the remainder of this paragraph, Defendants are without sufficient information and/or knowledge

LAW OFFICES OF BRIAN C. PADGETT
611 SOUTH 6TH STREET
LAS VEGAS, NEVADA 89101
PHONE (702) 304-0123
FACSIMILE (702) 368-0123

upon which to form a reasonable belief as to the remaining allegations in this paragraph and therefore deny the same.

5. Answering Paragraph 8D of Plaintiff's Complaint, Defendants admit that Project Alta II, LLC, a Nevada limited liability company, has an interest in the Property; as to the remainder of this paragraph, Defendants are without sufficient information and/or knowledge upon which to form a reasonable belief as to the remaining allegations in this paragraph and therefore deny the same.

6. Answering Paragraph 8E of Plaintiff's Complaint, Defendants admit that Project Alta III, LLC, a Nevada limited liability company, has an interest in the Property; as to the remainder of this paragraph, Defendants are without sufficient information and/or knowledge upon which to form a reasonable belief as to the remaining allegations in this paragraph and therefore deny the same.

7. Answering Paragraph 8F of Plaintiff's Complaint, Defendants admit that Project Alta Liquidating Trust U/A/D 12/31/09, by and through Mark L. Fine & Associates, a Nevada corporation, has an interest in the Property; as to the remainder of this paragraph, Defendants are without sufficient information and/or knowledge upon which to form a reasonable belief as to the remaining allegations in this paragraph and therefore deny the same.

8. Answering Paragraph 8G of Plaintiff's Complaint, Defendants admit that Wells Fargo Bank, National Association, as trustee, has an interest in the Property; as to the remainder of this paragraph, Defendants are without sufficient information and/or knowledge upon which to form a reasonable belief as to the remaining allegations in this paragraph and therefore deny the same.

9. Answering Paragraphs 10, 12 and 13 of Plaintiff's Complaint, the allegations in these paragraphs call for legal conclusions and therefore no response is necessary; to the extent the allegations in these paragraphs are factual allegations, the Defendants are without sufficient information and/or knowledge upon which to form a reasonable belief as to the remaining allegations in this paragraph and therefore deny the same.

LAW OFFICES OF BRIAN C. PADGETT
611 SOUTH 6TH STREET
LAS VEGAS, NEVADA 89101
PHONE (702) 304-0123
FACSIMILE (702) 368-0123

LAW OFFICES OF BRIAN C. PADGETT
611 SOUTH 6TH STREET
LAS VEGAS, NEVADA 89101
PHONE (702) 304-0123
FACSIMILE (702) 368-0123

AFFIRMATIVE DEFENSES

FIRST AFFIRMATIVE DEFENSE

Plaintiff's Complaint fails to state a claim upon which relief can be granted and/or fails to state ultimate facts sufficient to constitute a claim for relief against these Defendants.

SECOND AFFIRMATIVE DEFENSE

Plaintiff's claims are barred by the doctrines of laches, waiver and estoppel.

THIRD AFFIRMATIVE DEFENSE

Plaintiff has failed to join all parties that are necessary and/or indispensable to this action.

FOURTH AFFIRMATIVE DEFENSE

These Defendants hereby incorporate by reference those Affirmative Defenses enumerated in NRCP 8(c) as if fully set forth herein. Some of the foregoing Affirmative Defenses have been pled for purposes of non-waiver in accordance with NRCP 8(c). These Defendants have not fully conducted discovery in this matter and specifically reserve the right to amend this Answer to amend their Affirmative Defenses and/or allege additional Affirmative Defenses if further investigation or discovery of the facts so warrants.

FIFTH AFFIRMATIVE DEFENSE

Pursuant to NRCP 11, all possible Affirmative Defenses may not have been alleged herein insofar as sufficient facts are not available after reasonable inquiry upon the filing of this Answer, and therefore these Defendants reserve the right to amend this Answer to amend its Affirmative Defenses and/or allege additional Affirmative Defenses if further investigation or discovery of the facts so warrants.

WHEREFORE, these Defendants pray that this Honorable Court enter an order and/or judgment as follows:

1. An award of just compensation according to proof for the taking and/or damaging of their real and/or personal property, or property rights, by inverse condemnation,

2. An award for precondemnation damages;

3. An award for any and all other category of damages recognized by law;

4. Attorney fees, litigation costs, and expert/appraisal fees actually or reasonably incurred in this action;

5. An award for prejudgment interest; and

6. Such other relief as this Court deems just and proper.

DEFENDANT HQ METRO, LLC'S COUNTERCLAIMS

Defendant HQ METRO, LLC, (hereinafter the "Landowner") by and through their attorneys, the LAW OFFICES OF BRIAN C. PADGETT, as and for its Counterclaims allege as follows:

1. Plaintiff, Nevada Power Company d/b/a NV Energy (hereinafter "NV Energy") is a Nevada corporation, having its principal place of business in the County of Clark, State of Nevada, and operating as a public utility under an exclusive franchise granted by the State of Nevada.

2. At all times herein alleged, Landowner was the owner in fee simple of property situated in the City of Las Vegas, County of Clark, State of Nevada, more fully described in the Plaintiff's Complaint in this action. The property is identified as Assessor's parcel number is 139-33-202-009. This property is hereinafter referred to as the "Landowner's Property" or the "Property".

3. Nevada law requires a condemnor to file a condemnation action within a reasonable time once the condemnor officially announces its intent to acquire property. Any delay beyond this reasonable time entitles the owner of the property to damages to his property which result from the unreasonable delay.

LAW OFFICES OF BRIAN C. PADGETT
611 SOUTH 6TH STREET
LAS VEGAS, NEVADA 89101
PHONE (702) 304-0123
FACSIMILE (702) 368-0123

4. Six months is a reasonable time within which to file a condemnation action once a condemnor officially announces its intent to acquire property.

5. In this case, Plaintiff unreasonably delayed filing its condemnation complaint.

6. As a result of the Plaintiff's unreasonable delay the Landowner has suffered damages to which it is entitled in addition to pre-judgment interest and compensation for the property taken, and the resultant damage to the Landowner's remaining Property.

7. Based upon information and belief, the Plaintiff's construction project adjacent to the Landowner's Property will occur over an extended period of time which is presently unknown.

8. A cloud which will negatively affect the value of the Landowner's Property will be placed over the Landowner's Property during this construction period or construction delay.

9. This cloud over the Landowner's Property resulting from the Plaintiff's construction project reduces the appeal of the Property to prospective buyers, lowers the market value of the Property, freezes the development potential and investment value of the Property, and creates a real and present taking and/or damage to the Property.

10. The Plaintiff is required to pay just compensation for this taking and/or all resultant damages to the Landowner's Property from this acquisition pursuant to the Nevada State Constitution and the United States Constitution.

11. The Plaintiff, however, has declined to pay just compensation for the damages suffered by the Landowner for the delay, taking and damaging of its Property.

WHEREFORE, the Landowner prays for:

1. An award of just compensation according to proof for the taking and/or damaging of their real and/or personal property, or property rights, by inverse condemnation,
2. An award for precondemnation damages;

LAW OFFICES OF BRIAN C. PADGETT
611 SOUTH 6TH STREET
LAS VEGAS, NEVADA 89101
PHONE (702) 304-0123
FACSIMILE (702) 368-0123

3. An award for any and all other category of damages recognized by law;

4. Attorney fees, litigation costs, and expert/appraisal fees actually or reasonably incurred in this action;

5. An award for prejudgment interest; and

6. Such other relief as this Court deems just and proper.

DATED this 9th day of July, 2013.

LAW OFFICES OF BRIAN C. PADGETT

Brian C. Padgett
Nevada Bar No. 7[illegible]4
Amy L. Sugden
Nevada Bar No. 9983

Attorneys for Defendants HQ Metro, LLC Project Alta, LLC, Project Alta II, LLC, Project Alta III, LLC, Project Alta Liquidating Trust U/A/D 12/31/09, Wells Fargo Bank, N.A., as trustee

LAW OFFICES OF BRIAN C. PADGETT
611 SOUTH 6TH STREET
LAS VEGAS, NEVADA 89101
PHONE (702) 304-0123
FACSIMILE (702) 368-9123

LAW OFFICES OF BRIAN C. PADGETT
611 SOUTH 6TH STREET
LAS VEGAS, NEVADA 89101
PHONE (702) 304-0123
FACSIMILE (702) 368-0123

VERIFICATION

STATE OF NEVADA)
) :ss
COUNTY OF CLARK)

E. Joe Cain, as Vice President of Mark L. Fine & Assaociates, LLC, being first duly sworn, upon oath, deposes and says: that he has read the foregoing, **DEFENDANTS HQ METRO, LLC, PROJECT ALTA, LLC, PROJECT ALTA II, LLC, PROJECT ALTA III, LLC, PROJECT ALTA LIQUIDATING TRUST U/A/D 12/31/09, AND WELL FARGO BANK'S ANSWER TO PLAINTIFF'S VERIFIED COMPLAINT IN EMINENT DOMAIN AND DEFENDANT HQ METRO, LLC'S COUNTERCLAIMS** and knows the contents thereof; that the same is true of his own knowledge, except as to those matters stated on information and belief, and as to those matters he believes them to be true.

I declare under penalty of perjury under the laws of the State of Nevada that the foregoing is true and correct.

Executed this 8th day of July, 2013.

Name:
Title: Vice President

SUBSCRIBED and SWORN to before me
this 8th day of July, 2013.

NOTARY REPUBLIC, in and for the
County of Clark, State of Nevada

LISA HOLDING
NOTARY PUBLIC
STATE OF NEVADA
Non Resident
Appt. No. 04-86200-1
MY APPT. EXPIRES MAY 11, 2015

LAW OFFICES OF BRIAN C. PADGETT
611 SOUTH 6TH STREET
LAS VEGAS, NEVADA 89101
PHONE (702) 304-0123
FACSIMILE (702) 368-0123

VERIFICATION

STATE OF CALIFORNIA)
) :ss
COUNTY OF LOS ANGELES)

Kathryn Valdivia, a vice president in the Corporate Trust Services department of defendant Wells Fargo Bank, National Association, as trustee ("Wells Fargo Bank"), being first duly sworn, upon oath, deposes and says: that she has read the foregoing, **DEFENDANTS HQ METRO, LLC, PROJECT ALTA, LLC, PROJECT ALTA II, LLC, PROJECT ALTA III, LLC, PROJECT ALTA LIQUIDATING TRUST U/A/D 12/31/09, AND WELL FARGO BANK'S ANSWER TO PLAINTIFF'S VERIFIED COMPLAINT IN EMINENT DOMAIN AND DEFENDANT HQ METRO, LLC'S COUNTERCLAIMS** and knows the contents thereof; that the same as it relates to defendant Wells Fargo Bank is true of her own knowledge, except as to those matters stated on information and belief, and as to those matters she believes them to be true.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed this 3 day of July, 2013.

Name:
Title: Vice President

SUBSCRIBED and SWORN to before me this 3 day of July, 2013.

NOTARY REPUBLIC, in and for the County of Los Angeles, State of California

GRACIE RUDIS CUICO
NOTARY PUBLIC - CALIFORNIA
LOS ANGELES COUNTY
COMMISSION # 1944457
MY COMM. EXPIRES JULY 16, 2015

CERTIFICATE OF SERVICE/RECEIPT OF COPY

I certify that I am an employee of the Law Offices of Brian C. Padgett, and that I served the foregoing document(s): **DEFENDANT HQ METRO, LLC, PROJECT ALTA, LLC, PROJECT ALTA II, LLC, PROJECT ALTA III, LLC, PROJECT ALTA LIQUIDATING TRUST U/A/D 12/31/09, AND WELL FARGO BANK'S ANSWER TO PLAINTIFF'S VERIFIED COMPLAINT IN EMINENT DOMAIN AND DEFENDANT HQ METRO, LLC'S COUNTERCLAIMS** on the parties set forth below by:

[x] Placing an original or true copy thereof in a sealed envelope placed for collection and mailing the United States mail, at Las Vegas, Nevada, postage prepaid, following ordinary business practices.

[ ] Personal delivery

[ ] Facsimile and/or e-mail

[ ] Federal Express or other overnight delivery

[x] Odyssey E-File and Serve System

Addressed as follows:
LEACH JOHNSON SONG & GRUCHOW
Attn: Kirby Gruchow, Esq.
8945 West Russell Road, Suite 330
Las Vegas, Nevada 89148
Phone: (702) 538-9074
Attorneys for Plaintiff Nevada Power Company d/b/a NV Energy

Executed this 9th day of July, 2013.

Law Offices of Brian C. Padgett

LAW OFFICES OF BRIAN C. PADGETT
611 SOUTH 6TH STREET
LAS VEGAS, NEVADA 89101
PHONE (702) 304-0123
FACSIMILE (702) 368-0123

IAFD
LAW OFFICES OF BRIAN C. PADGETT
Brian C. Padgett, Bar No. 7474
Amy L. Sugden, Bar No. 9983
John P. Shannon, Of Counsel, Bar No. 7906
611 South Sixth Street
Las Vegas, Nevada 89101
Telephone: (702) 304-0123
Facsimile: (702) 368-0123

Attorneys for Defendants HQ Metro, LLC Project Alta, LLC, Project Alta II, LLC, Project Alta III, LLC, Project Alta Liquidating Trust U/A/D 12/31/09, Wells Fargo Bank, N.A., as trustee

DISTRICT COURT

CLARK COUNTY, NEVADA

NEVADA POWER COMPANY, a Nevada corporation) d/b/a NV ENERGY,

Plaintiff

vs.

HQ METRO, LLC, an Arizona limited liability company; LAS VEGAS METROPOLITAN POLICE DEPARTMENT, a metropolitan police department; PROJECT ALTA, LLC, a Nevada limited liability company; PROJECT ALTA II, LLC, a Nevada limited liability company; PROJECT ALTA III, LLC, a Nevada limited liability company; PROJECT ALTA LIQUIDATING TRUST U/A/D 12/31/09, by and through MARK L. FINE & ASSOCIATES, a Nevada corporation, individually and as Trustee; WELLS FARGO BANK, NATIONAL ASSOCIATION, a Delaware corporation; NEVADA TITLE COMPANY, a Nevada corporation; CENTRAL TELEPHONE COMPANY, a Delaware corporation; COX COMMUNICATIONS LAS VEGAS, INC., a Delaware corporation; LAS VEGAS VALLEY WATER DISTRICT, a quasi-municipal corporation; CITY OF LAS VEGAS, a municipal corporation; CLARK COUNTY, a political subdivision of the State of Nevada; all other persons unknown claiming any right, title, estate, lien or interest in the real property described in the Complaint; DOES I through X; and ROE CORPORATIONS XI through XX, inclusive

Defendants.

Case No.: A-13-681629-C

Dept. No.: I

INITIAL APPEARANCE FEE DISCLOSURE

Arbitration Exempt: Action Concerning Title To Real Property

LAW OFFICES OF BRIAN C. PADGETT
611 SOUTH 6TH STREET
LAS VEGAS, NEVADA 89101
PHONE (702) 304-0123
FACSIMILE (702) 368-0123

Pursuant to NRS Chapter 19, as amended by Senate Bill 106, filing fees are submitted for the party appearing in the above-entitled action as indicated below:

HQ Metro, LLC	$223.00
Project Alta, LLC	$ 30.00
Project Alta II, LLC	$ 30.00
Project Alta III, LLC	~~$ 30.00~~
Project Alta Liquidating Trust U/A/D 12/31/09	$ 30.00
Wells Fargo Bank, National Association	$ 30.00

TOTAL SUBMITTED: (Required) ~~$373.00~~ $343.00

DATED this 9th day of July, 2013.

LAW OFFICES OF BRIAN C. PADGETT

/s/Brian C. Padgett
Brian C. Padgett
Nevada Bar No. 7474
Amy L. Sugden
Nevada Bar No. 9983

Attorneys for Defendants HQ Metro, LLC Project Alta, LLC, Project Alta II, LLC, Project Alta III, LLC, Project Alta Liquidating Trust U/A/D 12/31/09, Wells Fargo Bank, N.A., as trustee

LAW OFFICES OF BRIAN C. PADGETT
611 SOUTH 6TH STREET
LAS VEGAS, NEVADA 89101
PHONE (702) 304-0123
FACSIMILE (702) 366-0123

EXHIBIT "C"

EXHIBIT "C"

LEASE

THIS LEASE (this "Lease") is made and entered into as of December 2, 2008 (the "Effective Date"), by and between **Project Alta, LLC**, a Nevada limited liability company and **Project Alta II, LLC**, a Nevada limited liability company (collectively, the "Landlord"), and the **Clark County, Nevada** ("Tenant").

SECTION 1
FUNDAMENTAL LEASE PROVISIONS

The following fundamental lease provisions are an integral part of this Lease, are referred to in other sections of this Lease, and are presented in this Section for the convenience of the parties. They are not intended to constitute an exhaustive list of all charges that may become due and payable under this Lease or of all the material terms of this Lease.

1.01. **Leased Property:**

The real property consisting of approximately 14.56 acres located at the Northwest corner of Martin Luther King Boulevard and Alta Drive in Las Vegas, Nevada, as depicted on Exhibit A attached hereto, together will all improvements to be constructed thereon pursuant to this Lease and the Work Letter which is attached hereto as Exhibit C (the "Improvements") (such real property and Improvements are referred to collectively as the "Leased Property"). The parties acknowledge and agree that the Improvements are within the meaning of NRS Chapter 338 sections 338.010 to 338.090 and shall be constructed in accordance with Nevada's prevailing wage law set forth in Nevada Revised Statutes Chapter 338 Sections 338.020 to 338.090. This requirement shall be included in all contracts let for the construction of the Improvements. This requirement is not intended and shall not be construed to mean that the Improvements are Public Works (as defined in NRS Chapter 338) for any purpose other than prevailing wage or are subject to any other provisions of NRS Chapter 338, including but not limited to those having to do with bidding. The requirement shall be included in all contracts let for the construction of the Improvements. The Improvements will consist of three multi-story office buildings, having a total rentable area of approximately 370,500 square feet ("Buildings"; each a "Building"); together with surface parking areas, a parking structure, sidewalks, driveways, and landscaping, as shown on the preliminary site plan which is attached hereto as Exhibit B (as the same may be amended or modified in accordance with the terms of this Lease, the "Site Plan"), and all offsite streets, utilities and drainage improvements which are reasonably required to serve the Improvements in accordance with governmental requirements applicable to the development and use of the Leased Property and together with such other offsite improvements as are required by any applicable governmental authorities and/or as may be required to obtain a building permit and certificates of occupancy for the Buildings (such Improvements, not including the Buildings, are sometimes collectively referred to herein as the "On and OffSite Improvements"). Upon substantial completion of each Building, and at least thirty (30) days prior to the Turnover Date (as hereinafter defined) for such Building, the actual rentable area of that Building shall be determined by Landlord's architect in accordance with applicable modified BOMA measurement standards (as so determined, the "Rentable Area"). Tenant shall have the right to dispute Landlord's determination of the Rentable Area of each Building within thirty (30) days of Landlord's determination of the Rentable Area for such Building and, if such determination is disputed by Tenant, Landlord shall engage a third party architect (reasonably acceptable to Tenant) to verify such Rentable Area (in accordance with applicable modified BOMA

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measurement standards). Landlord and Tenant agree that "modified BOMA measurement standards" shall mean the standards set forth in ANSI/BOMA Z65.1-1996

1.02. **Term of Lease:**

The Term of this Lease shall begin on the Commencement Date (as defined in Section 1.03 below) of the first Building and continue for a period of approximately thirty (30) years, ending on the last day of the calendar month in which the thirtieth annual anniversary of the Commencement Date of the last Building occurs ("Initial Term", together with any Renewal Term, the "Term"), unless terminated earlier as elsewhere herein provided. Landlord grants to Tenant the option to extend ("Option to Extend") the Initial Term by two (2) separate renewal periods, each of ten (10) years in duration (each a "Renewal Term"); provided, that at the time of its Renewal Notice (as defined below) and at the commencement of such Renewal Term, (i) Tenant remains in occupancy of the Leased Property in accordance with the terms of this Lease, and (ii) no uncured event of default exists under this Lease. To exercise its Option to Extend, Tenant must give Landlord written notice of exercise ("Renewal Notice") at least twenty-four (24) months before the Initial Term or the Renewal Term, as appropriate, expires. Any Renewal Term shall be on the same terms and conditions as contained herein, subject, however, to the adjustment of Base Rent as set forth below.

1.03. **Commencement Date:**

The Commencement Date with respect to each Building shall be the earliest of the following: (i) the date on which Landlord's Work (as defined below) is Substantially Complete, as determined pursuant to the Work Letter (the "Turnover Date"), or (ii) the date on which the Landlord Work would have been Substantially Complete but for a Tenant Delay (as such term is defined in the Work Letter), or (iii) the date on which Tenant commences the operation of its business in the subject Building; provided, however, that in no event shall the Commencement Date of the first Building occur prior to (a) the Target Delivery Date specified in the Construction Schedule attached hereto as Exhibit C-1 (unless Tenant has commenced the operation of its business in such Building prior to such date) and (b) the date that Landlord has substantially completed construction of the On and OffSite Improvements which are required for the use and occupancy of the subject Building (including, without limitation, having parking in accordance with Section 24.03 available with respect to the subject Building, having fully functioning utilities with respect to the subject Building and having full access, ingress and egress to and from the subject Building) in accordance with the requirements of the Work Letter. Upon request of Tenant (to be given no more than once during each calendar year, and which shall be given on or before April 1st of each such year), Landlord shall provide Tenant with notice of the anticipated Turnover Date for any Building that is to be delivered during the twelve (12) month period commencing on July 1 of such year and, notwithstanding anything to the contrary herein, in no event shall the Turnover Date with respect to a Building occur prior to the date specified in such notice of anticipated Turnover Date. If Landlord is delayed in delivering possession of the Leased Property, including Landlord's failure to Substantially Complete the Landlord Work by the Turnover Date or for any other reason, such delay shall not be a default by Landlord, render this Lease void or voidable, or otherwise render Landlord liable for damages; provided, however, in the event the Commencement Date with respect to the last Building does not occur by December 31, 2012 (subject to Section 25) (the "Outside Delivery Date"), Tenant shall have the right to terminate this Lease with respect to any Building whose Commencement Date has not occurred as

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of the Outside Delivery Date provided Tenant has not commenced the operation of its business in such Building prior to the Outside Delivery Date. Within thirty (30) days after the Commencement Date for each Building, Tenant shall execute and deliver to Landlord a letter substantially in the form of Exhibit D hereto confirming (i) the Rentable Area of the subject Building, (ii) the Commencement Date for the subject Building (and, in the case of the Commencement Date letter for the last Building, the expiration date of the Initial Term), (iii) that Tenant has accepted the Building, and (iv) that Landlord has performed all of its obligations with respect to the Building (except for punch-list items specified in such letter and warranty work required pursuant to this Lease and the Work Letter); however, the failure of the parties to execute any such letter shall not defer the subject Commencement Date or otherwise invalidate this Lease. Landlord shall use its commercially reasonable efforts to cause the Turnover Date of Building 1 (identified on the Site Plan) to occur prior to the Turnover Date of Building 2 (identified on the Site Plan), and to cause the Turnover Date of Building 2 (identified on the Site Plan) to occur prior to the Turnover Date of Building 3 (identified on the Site Plan). Between the Turnover Date of the first Building and the Turnover Date of the last Building, Landlord shall use its commercially reasonable efforts not to unreasonably interfere with Tenant's business operations in any Building whose Turnover Date has occurred (and Landlord shall cause its agents and contractors to comply with this obligation).

1.04. **Minimum Monthly Base Rent:**

Subject to adjustment as set forth in Sections 3.02, 3.03, 3.04 and Exhibit C, the initial monthly Base Rent for each Building is $2.75 per square foot of Rentable Area in that Building ("Base Rent"), which is comprised of $2.32 per square foot of Rentable Area monthly base rent for the Buildings and $0.43 per square foot of Rentable Area monthly base rent for the no less than 1,592 parking spaces in the on site parking structure at the Leased Property which is to be constructed by Landlord; provided, however, in the event Landlord is required in good faith to expend funds for hard construction costs attributable to the On and OffSite Improvements or Base Building Improvements in excess of the total hard construction costs attributable to the On and OffSite Improvements or Base Building Improvements set forth in Landlord's preliminary construction budget, then the Base Rent will increase by $0.01 per square foot of Rentable Area for each $592,800 in excess hard construction costs expended by Landlord, up to a maximum increase in Base Rent of $0.07 per square foot (i.e., in no event shall Base Rent exceed $2.82 per square foot as the result of the application of this Section 1.04), which increase in Base Rent will be allocated to monthly base rent for the Buildings as opposed to monthly base rent for the parking spaces (the "Base Rent Contingency Increase"). Landlord shall provide notice of any such increase in the Base Rent to Tenant together with reasonable supporting documentation. At the election of Tenant, Tenant may repay the Base Rent Contingency Increase over a term of five years (as opposed to the Base Rent being increased pursuant to this Section 1.04) following the Commencement Date for the last Building together with interest at a rate per annum that is equal to (and computed in the same manner that) the interest rate payable by Landlord with respect to the credit facility arranged by Landlord to finance the Tenant Improvements (the "Base Rent Contingency Obligation"). Interest shall accrue on the outstanding balance of the Base Rent Contingency Obligation from the Commencement Date for the last Building (on the amount thereof that has been advanced). The Base Rent Contingency Obligation shall be repaid in equal monthly payments of principal and interest, commencing on the first day of the calendar month following the Commencement Date of the last Building, sufficient to fully amortize the principal amount of the Base Rent Contingency Obligation, together with accrued and unpaid interest, over

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the term thereof. Tenant shall have the right (and shall be obligated in the circumstances set forth in the Lease) to repay the Base Rent Contingency Obligation without penalty at any time (provided any such repayment shall include all unpaid interest accrued thereon as of the date of repayment).

1.05. **Notices Addresses:**

Tenant:

Clark County
Department of Real Property Management
Attn: Director
500 S. Grand Central Pky 4th Floor
Box 551825
Las Vegas, NV 89155-1825
Facsimile: (702) 455-4055

Landlord:

Project Alta, LLC and Project Alta II, LLC
3883 Howard Hughes Parkway, 8th Floor
Las Vegas, Nevada 89169
Attn: Mark L. Fine
Facsimile: (702) 933-7146
Telephone: (702) 733-5900

and

Michael Werner
c/o Rice Silbey Reuther & Sullivan, LLP
3960 Howard Hughes Parkway, Suite 700
Las Vegas, Nevada 89169
Attn: Stephen M. Rice, Esq.
Facsimile: (702) 732-7110
Telephone: (702) 732-9099

With a copy to:

Rice Silbey Reuther & Sullivan, LLP
3960 Howard Hughes Parkway, Suite 700
Las Vegas, Nevada 89169
Attn: Stephen M. Rice, Esq.
Facsimile: (702) 732-7110
Telephone: (702) 732-9099

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SECTION 2
DEMISE AND TERM

2.01. Upon the conditions, limitations, covenants and restrictions herein, and for good and valuable consideration, the receipt and sufficiency of which are acknowledged, Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, the Leased Property.

2.02. The Term shall be for the period of time set forth in Section 1.02 above, unless terminated earlier as elsewhere herein provided.

2.03. Should Tenant hold possession of the Leased Property without the consent of Landlord after the expiration of the Term, such holding over shall create a tenancy at will only, which may be terminated by Landlord upon written notice at any time, upon the same terms and conditions as are hereinafter set forth, except that Base Rent shall be one hundred twenty-five percent (125%) of the Base Rent amount payable for the last month of the Term.

2.04. In accordance with Nevada Revised Statute 354.626, if, at the end of any of Tenant's fiscal years during the Term of this Lease, sufficient funds are not appropriated for Tenant's ensuing fiscal year sufficient for the payment of all sums that will become due under this Lease during such ensuing fiscal year, then Tenant shall have the right and option to terminate this Lease by delivering written notice to Landlord within thirty (30) days following the decision not to appropriate such funds. Any such termination shall be effective upon the first day of July of the fiscal year for which funds have not been appropriated (the "Termination Date"). Upon such a termination, Tenant shall continue to perform its obligations under this Lease through the Termination Date. Tenant and its officers and employees shall act in good faith regarding the appropriation of funding for this Lease, and Tenant agrees that the budget for each fiscal year presented to its governing body will contain a proposed appropriation for all payments due and payable under this Lease. Although the governing body is not obligated to adopt a budget containing such appropriation for payments, the governing body shall review and consider such proposed appropriation in good faith. Without limiting Tenant's obligation to act in good faith hereunder, Tenant acknowledges that the availability of an alternate property suitable for Tenant's use shall not be a good faith basis to fail to appropriate the necessary funds for this Lease. Tenant reasonably believes that funds will be available to make all payments required to be made by Tenant during the Lease Term and hereby covenants that it will do all things lawfully within its power to obtain, maintain and properly request and pursue funds from which such payments may be made, including making provision for such payments in budget requests submitted for the purpose of obtaining funding, using its bona fide best efforts to have such portion of the budget request approved and exhausting all available administrative reviews and appeals, if any, in the event such portion of the budget request is not approved.

2.05. If this Lease is terminated pursuant to Section 2.04, Tenant shall relinquish to Landlord all of Tenant's rights, title and interest in and to the Leased Property as of the Termination Date and execute and deliver all such releases, instruments of conveyance or documents as may be necessary or appropriate to evidence and effectuate the aforesaid relinquishment and/or conveyance to Landlord. The provisions of this Section 2.05 shall survive the termination of this Lease.

2.06 Except as provided in section 2.04 and 2.05 hereof, all of Tenant's obligations hereunder are extinguished by the failure of the governing body to appropriate money for the ensuing fiscal year for the payment of any amounts due hereunder.

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SECTION 3
RENT

3.01. Tenant shall pay to Landlord as Base Rent, without deduction, setoff, prior notice, or demand, except as otherwise expressly allowed herein, the sum as provided in Section 1.04 above (subject to adjustments as provided later in this Lease) in advance on the first day of each calendar month next succeeding the Commencement Date with respect to each Building. Base Rent for the month in which the Commencement Date with respect to a given Building occurs shall be paid on the Commencement Date with respect to such Building. The Base Rent for any partial month shall be prorated based on the number of days in such month. The portion of the Base Rent attributable to the 1,592 parking spaces in the on site parking garage shall be partially abated for any period that less than all of the requisite parking spaces in such on site parking garage are made available (e.g., if the Commencement Date of the first Building occurs pursuant to Section 1.03 prior to full completion of the parking garage, the portion of Base Rent attributable to the parking spaces shall be partially abated based on the parking spaces in the parking garage that are made available as of such time). The Base Rent, additional rent and all other sums which Tenant is required to pay to Landlord pursuant to the terms of this Lease or the Work Letter are sometimes collectively referred to herein as "Rent".

3.02. If, during the Permitting, Financing and Entitlement Period specified in the Construction Schedule attached as Exhibit C-1 hereto, Landlord reasonably determines that (i) its actual costs of developing and constructing the Improvements materially exceed its projected costs and (ii) as a result of such increased costs, the Base Rent no longer meets Landlord's minimum required return on investment, then Landlord shall have the right to terminate this Lease, unless Landlord and Tenant agree upon a higher monthly Base Rent to compensate for such increased costs.

3.03. On each annual anniversary of the Rent Adjustment Commencement Date (as hereinafter defined) (each, a "Rent Adjustment Date"), the Base Rent for all of the Buildings shall be increased by an amount equal to (X) the Base Rent Adjustment Percentage (as hereinafter defined) multiplied by (Y) the Base Rent for the year immediately preceding the applicable Rent Adjustment Date. The "Rent Adjustment Commencement Date" shall mean the first day of the calendar month succeeding the calendar month in which the Commencement Date for the last Building occurs. The "Base Rent Adjustment Percentage" for purposes of this Section 3.03 shall mean:

(a) for the first, second, third, fourth, fifth and sixth Rent Adjustment Dates, the Base Rent Adjustment Percentage shall mean two percent (2%);

(b) for the seventh, eighth, ninth, tenth, eleventh, twelfth and thirteenth Rent Adjustment Dates, the Base Rent Adjustment Percentage shall mean the average of the percentage of increase, if any, in the Price Index (as hereinafter defined) for the following seven (7) twelve (12) month periods: (i) the period commencing on the second full calendar month preceding the Rent Adjustment Commencement Date and ending on the second full calendar month preceding the first Rent Adjustment Date; (ii) the period commencing on the second full calendar month preceding the first Rent Adjustment Date and ending on the second full calendar month preceding the second Rent Adjustment Date; (iii) the period commencing on the second full calendar month preceding the second Rent Adjustment Date and ending on the second full calendar month preceding the third Rent Adjustment Date; (iv) the period commencing on the second full calendar month preceding the third Rent Adjustment Date and ending on the second full calendar month preceding the fourth Rent Adjustment Date; (v) the period commencing on the second full calendar month preceding the fourth Rent Adjustment Date and ending on the second full

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calendar month preceding the fifth Rent Adjustment Date; (vi) the period commencing on the second full calendar month preceding the fifth Rent Adjustment Date and ending on the second full calendar month preceding the sixth Rent Adjustment Date; and (vii) the period commencing on the second full calendar month preceding the sixth Rent Adjustment Date and ending on the second full calendar month preceding the seventh Rent Adjustment Date;

(c) for the fourteenth, fifteenth, sixteenth, seventeenth, eighteenth, nineteenth and twentieth Rent Adjustment Date, the Base Rent Adjustment Percentage shall mean the average of the percentage of increase, if any, in the Price Index for the following seven (7) twelve (12) month periods: (i) the period commencing on the second full calendar month preceding the seventh Rent Adjustment Date and ending on the second full calendar month preceding the eighth Rent Adjustment Date; (ii) the period commencing on the second full calendar month preceding the eighth Rent Adjustment Date and ending on the second full calendar month preceding the ninth Rent Adjustment Date; (iii) the period commencing on the second full calendar month preceding the ninth Rent Adjustment Date and ending on the second full calendar month preceding the tenth Rent Adjustment Date; (iv) the period commencing on the second full calendar month preceding the tenth Rent Adjustment Date and ending on the second full calendar month preceding the eleventh Rent Adjustment Date; (v) the period commencing on the second full calendar month preceding the eleventh Rent Adjustment Date and ending on the second full calendar month preceding the twelfth Rent Adjustment Date; (vi) the period commencing on the second full calendar month preceding the twelfth Rent Adjustment Date and ending on the second full calendar month preceding the thirteenth Rent Adjustment Date; and (vii) the period commencing on the second full calendar month preceding the thirteenth Rent Adjustment Date and ending on the second full calendar month preceding the fourteenth Rent Adjustment Date;

(d) for the twenty-first, twenty-second, twenty-third, twenty-fourth, twenty-fifth, twenty-sixth and twenty-seventh Rent Adjustment Date, the Base Rent Adjustment Percentage shall mean the average of the percentage of increase, if any, in the Price Index for the following seven (7) twelve (12) month periods: (i) the period commencing on the second full calendar month preceding the fourteenth Rent Adjustment Date and ending on the second full calendar month preceding the fifteenth Rent Adjustment Date; (ii) the period commencing on the second full calendar month preceding the fifteenth Rent Adjustment Date and ending on the second full calendar month preceding the sixteenth Rent Adjustment Date; (iii) the period commencing on the second full calendar month preceding the sixteenth Rent Adjustment Date and ending on the second full calendar month preceding the seventeenth Rent Adjustment Date; (iv) the period commencing on the second full calendar month preceding the seventeenth Rent Adjustment Date and ending on the second full calendar month preceding the eighteenth Rent Adjustment Date; (v) the period commencing on the second full calendar month preceding the eighteenth Rent Adjustment Date and ending on the second full calendar month preceding the nineteenth Rent Adjustment Date; (vi) the period commencing on the second full calendar month preceding the nineteenth Rent Adjustment Date and ending on the second full calendar month preceding the twentieth Rent Adjustment Date; and (vii) the period commencing on the second full calendar month preceding the twentieth Rent Adjustment Date and ending on the second full calendar month preceding the twenty-first Rent Adjustment Date;

(e) for the twenty-eighth and twenty-ninth Rent Adjustment Date, the Base Rent Adjustment Percentage shall mean the average of the percentage of increase, if any, in the Price Index for the following seven (7) twelve (12) month periods: (i) the period commencing on the second full calendar month preceding the twenty-first Rent Adjustment Date and ending on the second full calendar month preceding the twenty-second Rent Adjustment Date; (ii) the period commencing on the second full

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calendar month preceding the twenty-second Rent Adjustment Date and ending on the second full calendar month preceding the twenty-third Rent Adjustment Date; (iii) the period commencing on the second full calendar month preceding the twenty-third Rent Adjustment Date and ending on the second full calendar month preceding the twenty-fourth Rent Adjustment Date; (iv) the period commencing on the second full calendar month preceding the twenty-fourth Rent Adjustment Date and ending on the second full calendar month preceding the twenty-fifth Rent Adjustment Date; (v) the period commencing on the second full calendar month preceding the twenty-fifth Rent Adjustment Date and ending on the second full calendar month preceding the twenty-sixth Rent Adjustment Date; (vi) the period commencing on the second full calendar month preceding the twenty-sixth Rent Adjustment Date and ending on the second full calendar month preceding the twenty-seventh Rent Adjustment Date; and (vii) the period commencing on the second full calendar month preceding the twenty-seventh Rent Adjustment Date and ending on the second full calendar month preceding the twenty-seventh Rent Adjustment Date;

(f) "Price Index" as used in this Lease shall mean the most current Consumer Price Index-All Urban Consumers-All Items (1982-84=100), U.S. All City Average, as published by the United States Department of Labor, Bureau of Labor Statistics. If the aforementioned Price Index is discontinued, Landlord shall designate another similar index which most nearly approximates the discontinued Price Index. Any delay or failure of Landlord, beyond a Rent Adjustment Date, in computing or billing for an adjustment to Base Rent hereinabove provided, shall not constitute a waiver of or in any way excuse Tenant's obligation to pay such Base Rent as adjustment hereunder. In the event of any such delay or failure of Landlord to notify Tenant of the applicable adjustment to Base Rent, Tenant shall continue paying the Base Rent payable for the period preceding the applicable Rent Adjustment Date until notified by Landlord of the adjusted Base Rent. Upon Tenant's receipt of Landlord's notice of the applicable Base Rent adjustment, Tenant shall, on the first day of the next following calendar month, commence paying Base Rent at the adjusted rate, and on said date Tenant shall also pay Landlord a sum equal to the difference between the previous Base Rent and the adjusted Base Rent for each month following the applicable Rent Adjustment Date; and

(g) Notwithstanding anything to the contrary herein, in no event shall the Base Rent Adjustment Percentage exceed six percent (6%) per annum; provided, however, in no event shall the Base Rent ever decrease below the Base Rent paid in the prior year as a result of the application of this Section 3.03.

For example, assuming that the Commencement Date for the last Building is October 15, 2011, then the Rent Adjustment Commencement Date would be November 1, 2011 and the first Rent Adjustment Date would be November 1, 2012 (and a Rent Adjustment Date would occur each November 1st thereafter through 2040, which would be the twenty-ninth Rent Adjustment Date). By way of clarification, the Lease Term in this example would expire on October 31, 2041 (i.e., the last day of the calendar month in which the thirtieth annual anniversary of the Commencement Date of the last Building occurs). The Base Rent would increase by 2% (the Base Rent Adjustment Percentage set forth in Section 3.03(a)) over the amount paid in the prior year on each of November 1, 2012 (the first Rent Adjustment Date), November 1, 2013 (the second Rent Adjustment Date), November 1, 2014 (the third Rent Adjustment Date), November 1, 2015 (the fourth Rent Adjustment Date), November 1, 2016 (the fifth Rent Adjustment Date) and November 1, 2017 (the sixth Rent Adjustment Date). Commencing on November 1, 2018 (the seventh Rent Adjustment Date), the Base Rent would increase by the average of the percentage increase in the Price Index for the following seven (7) twelve (12) month periods: (i) September 1, 2011 to September 1, 2012, (ii) September 1, 2012 to September 1, 2013, (iii) September 1, 2013 to September 1, 2014, (iv) September 1, 2014 to September 1, 2015, (v) September 1, 2015 to September 1, 2016, (vi)

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September 1, 2016 to September 1, 2017, and (vii) September 1, 2017 to September 1, 2018. Assuming the percentage increase in the Price Index for such periods were (i) 3%, (ii) 4%, (iii) 3.5%, (iv) 3%, (v) 4%, (vi) 3.5% and (vii) 3.5%, then the Base Rent Adjustment Percentage that would be used for each of the seventh, eighth, ninth, tenth, eleventh, twelfth and thirteenth Rent Adjustment Dates would be 3.5%; as such, the Base Rent would increase on each of November 1, 2018 (the seventh Rent Adjustment Date), November 1, 2019 (the eighth Rent Adjustment Date), November 1, 2020 (the ninth Rent Adjustment Date), November 1, 2021 (the tenth Rent Adjustment Date), November 1, 2022 (the eleventh Rent Adjustment Date), November 1, 2023 (the twelfth Rent Adjustment Date) and November 1, 2024 (the thirteenth Rent Adjustment Date) by 3.5% over the amount paid in the prior year. On each of November 1, 2025 (the fourteenth Rent Adjustment Date), November 1, 2032 (the twenty-first Rent Adjustment Date), and November 1, 2039 (the twenty-eighth Rent Adjustment Date), the Base Rent Adjustment Percentage would be redetermined in a manner similar to that for the seventh Rent Adjustment Date (as set forth above).

3.04. (a) If Tenant exercises its Option to Extend, the Base Rent during the first year of the subject Renewal Term shall be ninety percent (90%) of the Fair Market Rental Rate (as defined and as determined below) as of the commencement of such Renewal Term and Landlord shall provide Tenant with a tenant improvement allowance with respect to Tenants Improvements (such tenant improvement allowance to be no less than market conditions dictate as of the commencement of such Renewal Term); provided, however, in no event shall the Base Rent during the first year of the subject Renewal Term be less than an amount equal to (X) the Base Rent Adjustment Percentage (as determined pursuant to Section 3.03(e)) multiplied by (Y) the Base Rent during the year immediately prior to the first year of the subject Renewal Term. On each annual anniversary of the commencement of a Renewal Term, the Base Rent shall be increased by an amount equal to (X) the Base Rent Adjustment Percentage (as determined in this Section 3.04(a)) multiplied by (Y) the Base Rent for the year immediately preceding the applicable adjustment date. The Base Adjustment Percentage for purposes of this Section 3.04(a) shall mean:

(i) for the first, second, third and fourth annual anniversary of the commencement of the first Renewal Term, the Base Rent Adjustment Percentage for purposes of this Section 3.04(a) shall be the same as the Base Rent Adjustment Percentage as determined pursuant to Section 3.03(e);

(ii) for the fifth, sixth, seventh, eighth, ninth, tenth and eleventh annual anniversary of the commencement of the first Renewal Term, the Base Rent Adjustment Percentage shall mean the average of the percentage of increase, if any, in the Price Index for the following seven (7) twelve (12) month periods: (i) the period commencing on the second full calendar month preceding the twenty-eighth Rent Adjustment Date and ending on the second full calendar month preceding the twenty-ninth Rent Adjustment Date; (ii) the period commencing on the second full calendar month preceding the twenty-ninth Rent Adjustment Date and ending on the second full calendar month preceding the commencement of the first Renewal Term; (iii) the period commencing on the second full calendar month preceding the commencement of the first Renewal Term and ending on the second full calendar month preceding the first annual anniversary of the first Renewal Term; (iv) the period commencing on the second full calendar month preceding the first annual anniversary of the first Renewal Term and ending on the second full calendar month preceding the second annual anniversary of the first Renewal Term; (v) the period commencing on the second full calendar month preceding the second annual anniversary of the

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first Renewal Term and ending on the second full calendar month preceding the third annual anniversary of the first Renewal Term; (vi) the period commencing on the second full calendar month preceding the third annual anniversary of the first Renewal Term and ending on the second full calendar month preceding the fourth annual anniversary of the first Renewal Term; and (vii) the period commencing on the second full calendar month preceding the fourth annual anniversary of the first Renewal Term and ending on the second full calendar month preceding the fifth annual anniversary of the first Renewal Term;

(iii) for the twelfth, thirteenth, fourteenth, fifteenth, sixteenth, seventeenth and eighteenth annual anniversary of the commencement of the first Renewal Term, the Base Rent Adjustment Percentage shall mean the average of the percentage of increase, if any, in the Price Index for the following seven (7) twelve (12) month periods: (i) the period commencing on the second full calendar month preceding the fifth annual anniversary of the first Renewal Term and ending on the second full calendar month preceding the sixth annual anniversary of the first Renewal Term; (ii) the period commencing on the second full calendar month preceding the sixth annual anniversary of the first Renewal Term and ending on the second full calendar month preceding the seventh annual anniversary of the first Renewal Term; (iii) the period commencing on the second full calendar month preceding the seventh annual anniversary of the Renewal Term and ending on the second full calendar month preceding the eighth anniversary of the first Renewal Term; (iv) the period commencing on the second full calendar month preceding the eighth annual anniversary of the first Renewal Term and ending on the second full calendar month preceding the ninth annual anniversary of the first Renewal Term; (v) the period commencing on the second full calendar month preceding the ninth annual anniversary of the first Renewal Term and ending on the second full calendar month preceding the tenth annual anniversary of the first Renewal Term; (vi) the period commencing on the second full calendar month preceding the tenth annual anniversary of the first Renewal Term and ending on the second full calendar month preceding the eleventh annual anniversary of the first Renewal Term and (vii) the period commencing on the second full calendar month preceding the eleventh annual anniversary of the first Renewal Term and ending on the second full calendar month preceding the twelfth annual anniversary of the first Renewal Term;

(iv) Notwithstanding anything to the contrary herein, in no event shall the Base Rent Adjustment Percentage exceed six percent (6%) per annum; provided, however, in no event shall the Base Rent ever decrease below the Base Rent paid in the prior year as a result of the application of this Section 3.04(a).

(b) Within 30 days after a Renewal Notice, Landlord shall notify Tenant of its good faith determination of the Fair Market Rental Rate (the "Rental Notice"). No later than thirty (30) days after Landlord provides Tenant with its Rental Notice, Tenant shall notify Landlord whether Tenant accepts or objects to Landlord's determination of the Fair Market Rental Rate. If Tenant fails to so notify Landlord, Tenant will be deemed conclusively to have accepted Landlord's determination of the Fair Market Rental Rate and, in such event, the Base Rent during the first year of the subject Renewal Term shall be the greater of (i) ninety percent (90%) of the Fair Market Rental Rate determined by Landlord or (ii) the Base Rent during the year immediately prior to the first year of the subject Renewal Term increased pursuant to Section 3.03. If Tenant objects to Landlord's determination of the Fair Market Rental Rate, Tenant and Landlord shall meet to attempt to agree upon the Fair Market Rental Rate. If Landlord and Tenant are unable to agree upon the Fair Market Rental Rate within thirty (30) days after Tenant's objection to Landlord's determination (the "Outside Agreement Date"), then Tenant shall have the right to within two (2) Business Days of the Outside Agreement Date rescind its Renewal Notice. In

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the event Tenant does not rescind its Renewal Notice, the determination of the Fair Market Rental Rate shall be submitted to arbitration in accordance with sub-sections (1) through (8) below.

(1) Within ten (10) days after the Outside Agreement Date, Landlord and Tenant shall each appoint one (1) independent MAI appraiser who shall have been active over the five (5) year period ending on the date of such appointment in the appraisal of commercial properties in the Las Vegas area.

(2) The two (2) appraisers so appointed shall within fifteen (15) days of the date of appointment of the last appointed appraiser agree upon and appoint a third appraiser who shall be qualified under the same criteria set forth hereinabove for qualifications of the initial two (2) appraisers.

(3) The three (3) appraisers shall within thirty (30) days of the appointment of the third appraiser attempt to reach a decision as to the Fair Market Rental Rate, and shall notify Landlord and Tenant thereof. In the event the three (3) appraisers reach a decision as to the Fair Market Rental Rate, such determination shall be binding upon Landlord and Tenant and enforceable by any court of competent jurisdiction and the Base Rent during the first year of the subject Renewal Term shall be the greater of (i) ninety percent (90%) of the Fair Market Rental Rate determined by such appraisers, or (ii) the Base Rent during the year immediately prior to the first year of the subject Renewal Term increased pursuant to Section 3.03.

(4) In the event the three (3) appraisers do not reach a decision as to the Fair Market Rental Rate within such thirty (30) day period, the decision of the majority of the three (3) arbitrators shall be binding upon Landlord and Tenant and enforceable by any court of competent jurisdiction and the Base Rent during the first year of the subject Renewal Term shall be the greater of (i) ninety percent (90%) of the Fair Market Rental Rate determined by such appraisers, or (ii) the Base Rent during the year immediately prior to the first year of the subject Renewal Term increased pursuant to Section 3.03.

(5) In the event a majority of the three (3) arbitrators cannot reach a decision as to the Fair Market Rental Rate within such thirty (30) day period, each of the three (3) arbitrators shall make a determination as to the Fair Market Rental Rate, and the Fair Market Rental Rate set by the appraiser that is between the highest and lowest Fair Market Rental Rate shall be binding upon Landlord and Tenant and enforceable by any court of competent jurisdiction and the Base Rent during the first year of the subject Renewal Term shall be the greater of (i) ninety percent (90%) of the Fair Market Rental Rate determined by such appraisers, or (ii) the Base Rent during the year immediately prior to the first year of the subject Renewal Term increased pursuant to Section 3.03.

(6) If either Landlord or Tenant fails to appoint an appraiser within the time period specified hereinabove, the appraiser appointed by one of them shall maker a determination as Fair Market Rental Rate and such determination shall be binding upon Landlord and Tenant and enforceable by any court of competent jurisdiction and the Base Rent during the first year of the subject Renewal Term shall be the greater of (i) ninety percent (90%) of the Fair Market Rental Rate determined by such appraisers, or (ii) the Base Rent during the year immediately prior to the first year of the subject Renewal Term increased pursuant to Section 3.03.

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(7) If the two (2) appraisers fail to agree upon and appoint a third appraiser, both appraisers shall be dismissed and the matter to be decided shall be forthwith submitted to arbitration under the provisions of the American Arbitration Association.

(8) The cost of the appraisal (or arbitration if required) shall be paid by the party whose submitted Fair Market Rental Rate is not accepted.

(c) Tenant shall, within 30 days after receipt, execute a lease amendment confirming the Base Rent, as determined pursuant to sub-section (b) above, and the other terms applicable to the Renewal Period.

(d) The "Fair Market Rental Rate" is the rate (or rates) a willing tenant would pay and a willing landlord would accept for a comparable transaction as of the commencement date of the applicable term, neither being under any compulsion to lease and both having reasonable knowledge of the relevant facts, considering the highest and most profitable use if offered for lease in the open market with a reasonable period of time in which to consummate a transaction.

3.05. All rents and other monies required to be paid by Tenant hereunder shall be paid to Landlord without prior notice or demand (except as otherwise required hereby), in lawful money of the United States of America, at Landlord's Notice Address set forth in Section 1.05 above, or at such other place as Landlord may, from time to time, designate in writing.

3.06. If Tenant shall fail to pay any Base Rent or any additional rent, or any other amount or charges to be paid by Tenant hereunder, and such failure shall continue for a period of five (5) Business Days after Landlord has notified Tenant in writing that any such amount is past due, Tenant shall pay to Landlord a late fee in the amount of one percent (1%) of the unpaid amount; provided, however, such late fee shall be payable only in the event Tenant fails to pay any Base Rent or any additional rent, or any other amount or charges to be paid by Tenant hereunder, and such failure shall continue for a period of five (5) Business Days after Landlord has notified Tenant in writing that any such amount is past due, more than once in any calendar year. Additionally, all payments required of Tenant hereunder that are not paid within twenty (20) days after Landlord has notified Tenant in writing that such payments are due shall bear interest from the date due until paid at a rate of interest per annum equal to the prime rate (as published in the Wall Street Journal or, if such rate is no longer published in the Wall Street Journal, as set by a major financial institution reasonably selected by Landlord, from time to time, as of the date due, or as near to such date as reasonably practical) plus five percent (5%) (the "Default Rate"); provided, however, such interest shall only be payable in the event that Landlord has notified Tenant in writing a second time that any such amount is past due and that failure to pay within ten (10) days of the date of such second notice will result in the imposition of interest on any unpaid amounts at the Default Rate.

3.07 If Landlord's interest in this Lease or any rent payable hereunder shall be assigned to a third party or if a third party shall become entitled to collect any rent due hereunder, Landlord shall give 30 days' prior written notice thereof to Tenant. Until such notice shall be received by Tenant and become effective, Tenant may continue to pay rent and other charges due hereunder to the person to whom, and in the manner in which, the last preceding installment of rent hereunder was paid, and each such payment shall fully discharge Tenant.

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SECTION 4
POSSESSION AND SURRENDER OF LEASED PROPERTY

4.01. Upon the expiration or sooner termination of the Term of this Lease, Tenant shall, at its sole cost and expense, remove all personal property which Tenant has installed or placed on the Leased Property ("Tenant's Property") from the Leased Property and repair all damage thereto resulting from such removal and Tenant shall thereupon surrender the Leased Property in a clean and orderly condition and ready for occupancy, reasonable wear and tear excepted (and subject to Section 16 and 17 of this Lease). In the event Tenant shall fail to remove any of Tenant's Property as provided herein, Landlord may, but is not obligated to, at Tenant's expense, remove all such property not so removed and repair all damage to the Leased Property resulting from such removal, and Landlord shall have no responsibility to Tenant for any loss or damage to said property caused by or resulting from such removal or otherwise.

4.02. If the Leased Property is not surrendered at the end of the Term, Landlord may remove Tenant from the Leased Property by any legal means and Landlord retains its right to seek damages from Tenant for loss or liability resulting from delay by Tenant in so surrendering the Leased Property, including, without limitation, any claims made by any succeeding tenant founded on such delay. Tenant acknowledges that other tenants may have the right to occupy the Leased Property the date after the end of the Term. Notwithstanding the foregoing, in the event that Tenant notified Landlord in writing at least six (6) months prior to the expiration of the Lease Term of Tenant's requirement to remain in possession of the Leased Property past the end of the Term (the "Holdover Notice"), then Tenant may remain in possession of all of one Building within the Leased Property for a period of up to six (6) months following the end of the Term (the exact holdover term, up to six (6) months, shall be specified by Tenant in the Holdover Notice) without incurring damages under this Section 4.02 provided that Tenant pays the rent set forth in Section 2.03 for the entire Building for the duration of the holdover term specified in the Holdover Notice (whether or not Tenant occupies such Building for the entire specified holdover term).

SECTION 5
OPTION TO PURCHASE THE LEASED PROPERTY; RIGHT OF FIRST OFFER ON ADJACENT PROPERTY

5.01. Tenant shall have an option to purchase the Leased Property at any time during the Initial Term following the earlier of (i) the third (3rd) annual anniversary of the Commencement Date of the last Building, or (ii) the first day of the forty-seventh (47th) month after the Commencement Date of the first Building ("Purchase Option"), provided that Tenant shall give Landlord no less than six (6) months prior written notice of the exercise of such option ("Notice Period"); and provided further that at the time of the commencement of the Notice Period and as of the Closing (as defined below), (i) Tenant remains in occupancy of the Leased Property in accordance with the terms of this Lease, and (ii) no uncured event of default exists under this Lease. The price to be paid by Tenant for the purchase of the Leased Property ("Purchase Price") shall be the Fair Market Value (as defined below). If Tenant exercises its purchase option hereunder at any time on or prior to the fifth (5th) annual anniversary of the Commencement Date of the last Building, Tenant shall be responsible for any documented defeasance, yield maintenance or other prepayment fees, costs or penalties actually incurred by Landlord in connection with the payoff of any loans encumbering the Leased Property; provided, however, in no event shall Tenant be responsible for the portion of such defeasance, yield maintenance or other prepayment fees, costs or penalties that exceed two percent (2%) of Fair Market Value. If Tenant exercises its purchase option hereunder at any time following the fifth (5th) annual anniversary of the Commencement Date of the last Building, Tenant shall not be responsible for any defeasance, yield maintenance or other prepayment fees, costs or

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penalties incurred in connection with the payoff of any loans encumbering the Leased Property. If Tenant exercises its purchase option hereunder Tenant shall repay the remaining balance of the Base Rent Contingency Obligation, and shall be responsible for Rent due hereunder up to and including the closing date of the purchase, and the payment of such amounts shall be a condition to the Closing. The foregoing Purchase Option shall be assignable by Tenant to any City of Las Vegas or Clark County governmental authority, but to no other party. Any attempted assignment of the Purchase Option to any other party without the prior written consent of Landlord shall be of no effect and the Purchase Option shall become forever null and void as of the date of the purported assignment.

"Fair Market Value" for purposes of this Section 5.01 is the purchase price a willing buyer would pay and a willing seller would accept for a comparable transaction as of the commencement of the Notice Period, neither being under any compulsion to buy or sell and both having reasonable knowledge of the relevant facts, considering the highest and most profitable use if offered for sale in the open market with a reasonable period of time in which to consummate a transaction. Fair Market Value shall take into consideration the fact that the Leased Property remains subject to the Lease. The Fair Market Value of any Building which is not Substantially Complete as of the commencement of the Notice Period (for reasons other then Tenant's default or Tenant Delays) shall be determined using the cost approach. Tenant and Landlord shall meet to attempt to agree upon the Fair Market Value. If Landlord and Tenant are unable to agree upon the Fair Market Value within thirty (30) days after the commencement of the Notice Period (the "Outside FMV Determination Date"), then the determination of the Fair Market Value shall be submitted to arbitration in accordance with sub-sections (1) through (8) below.

(1) Within ten (10) days after the Outside FMV Determination Date, Landlord and Tenant shall each appoint one (1) independent MAI appraiser who shall have been active over the five (5) year period ending on the date of such appointment in the appraisal of commercial properties in the Las Vegas area.

(2) The two (2) appraisers so appointed shall within fifteen (15) days of the date of appointment of the last appointed appraiser agree upon and appoint a third appraiser who shall be qualified under the same criteria set forth hereinabove for qualifications of the initial two (2) appraisers.

(3) The three (3) appraisers shall within thirty (30) days of the appointment of the third appraiser attempt to reach a decision as to the Fair Market Value, and shall notify Landlord and Tenant thereof. In the event the three (3) appraisers reach a decision as to the Fair Market Value, such determination shall be binding upon Landlord and Tenant and enforceable by any court of competent jurisdiction.

(4) In the event the three (3) appraisers do not reach a decision as to the Fair Market Value within such thirty (30) day period, the decision of the majority of the three (3) arbitrators shall be binding upon Landlord and Tenant and enforceable by any court of competent jurisdiction.

(5) In the event a majority of the three (3) arbitrators cannot reach a decision as to the Fair Market Value within such thirty (30) day period, each of the three (3) arbitrators shall make a determination as to the Fair Market Value, and the Fair Market Value set by the appraiser that is between the highest and lowest Fair Market Value shall be binding upon Landlord and Tenant and enforceable by any court of competent jurisdiction.

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(6) If either Landlord or Tenant fails to appoint an appraiser within the time period specified hereinabove, the appraiser appointed by one of them shall maker a determination as Fair Market Value and such determination shall be binding upon Landlord and Tenant and enforceable by any court of competent jurisdiction.

(7) If the two (2) appraisers fail to agree upon and appoint a third appraiser, both appraisers shall be dismissed and the matter to be decided shall be forthwith submitted to arbitration under the provisions of the American Arbitration Association.

(8) The cost of the appraisal (or arbitration if required) shall be paid by the party whose submitted Fair Market Value is not accepted.

Within sixty (60) days of Tenant's exercise of the Purchase Option, Landlord and Tenant shall negotiate and execute a contract of sale for the purchase of the Leased Property for the Purchase Price ("Contract of Sale"). Landlord and Tenant shall proceed to close the sale of the Leased Property no later than the expiration of the Notice Period ("Closing"); provided, however, the Closing shall be delayed if necessary until the Business Day succeeding the date of determination of Fair Market Value (if such Fair Market Value is not determined prior to Closing). The Closing shall be accomplished through an escrow (the "Escrow") which shall be opened at the Las Vegas, Nevada office of Nevada Title ("Escrow Agent"). Within five (5) days after the effective date of the Contract of Sale, Landlord and Tenant shall open Escrow by delivering a copy of the Contract of Sale. The parties shall execute such reasonable and customary escrow instructions as Escrow Agent may require, but in the event of conflict between such escrow instructions and the terms of the Contract of Sale, the terms of the Contract of Sale shall be controlling. Landlord shall convey the Leased Property to Tenant by grant, bargain and sale deed as customary in Nevada. All standard costs shall be apportioned as are customary in Clark County, Nevada. Landlord and Tenant shall promptly upon request prepare, execute and deliver such further documents and perform such other acts as shall from time to time be reasonably required in effecting the close of Escrow and the better conveying, transferring and confirming unto Tenant the Leased Property.

5.02. If and when Landlord or its Affiliates elect to develop or to sell any real property contiguous to the Leased Property which is owned by Landlord or its Affiliates as of the Effective Date ("Contiguous Property") (including, without limitation, upon expiration of the existing retail furniture store lease for the adjacent property), Landlord shall notify Tenant and deliver to Tenant a proposal containing the terms and conditions on which Landlord or its Affiliates elect to develop or sell such contiguous real property, and Tenant shall have the right, for a period of ninety (90) days after such notice and proposal is given, to accept or reject such proposal or to propose alternative terms and conditions with respect to such proposal; provided, however, Tenant will use its best efforts to accept or reject or to propose alternative terms and conditions with respect to such proposal as soon after delivery of Landlord's notice and proposal as reasonably practical. If such proposal is rejected by Tenant, is not accepted by Tenant within such ninety (90) days period, or if the alternative terms and conditions proposed by Tenant are not acceptable to Landlord (and no such acceptable terms may be agreed upon within such ninety (90) day period), then all rights of Tenant hereunder with regard to such additional property shall terminate and be of no further force or effect. If Tenant accepts such proposal or if Landlord accepts the alternative terms and conditions proposed by Tenant, Landlord and Tenant shall enter into a lease or purchase agreement, as appropriate, for such additional property upon the terms set forth in the accepted proposal and containing such additional terms and conditions as may be agreed upon by Landlord and Tenant. If Tenant fails to enter into such lease or purchase agreement, or if Tenant

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enters into the Purchase Agreement but fails to purchase the Contiguous Property, then all rights of Tenant hereunder with regard to such Contiguous Property shall terminate and be of no further force or effect.

SECTION 6
USE OF LEASED PROPERTY

6.01. The Leased Property is leased to Tenant for the operation of a police headquarters facility that includes various administrative offices (including offices for the Executive Staff and Personnel Bureau with testing rooms that will be used to accommodate citizens that test for various career opportunities), training and meeting rooms, and Investigative Bureaus (including an evidence room and evidence processing rooms). Landlord will not object to the installation of a helicopter landing pad, subject to Tenant's obtaining all necessary permits and approvals therefore and provided that, if the helipad is to be located on the roof of a Building or any other structure, any structural or other improvements or work which may be required to accommodate a helipad or to replace any lost parking spaces will be Tenant Improvements, as defined in Exhibit C. Tenant shall be permitted to use the roof of any Building for antennas and similar purposes at Tenant's cost, subject to applicable law and prior written approval from Landlord. Notwithstanding the foregoing, Tenant shall be entitled to use the Leased Property for any other lawful use; provided, however, that Tenant shall not use the Leased Property for public auctions, for substance abuse treatment facilities or for any other use which would be inconsistent with or lessen the value of the development of any Contiguous Property for general commercial and retail uses.

6.02. Landlord acknowledges that the operations of Tenant at the Leased Property may be of a confidential nature involving matters concerning public heath and safety issues and, as such, in the event Landlord desires to enter into a third party lease of all or a portion of any Contiguous Property and the proposed use by such third party tenant requires a special use permit or zoning variance, Landlord shall obtain the prior consent of Tenant prior to entering into any such third party lease of any Contiguous Property (and Tenant's consent of such third party lease shall be deemed approved by Tenant if Landlord's request for consent is not responded to by Tenant within ten (10) Business Days of Landlord's making of such request); provided, however, in no event shall Tenant's consent be unreasonably withheld, conditioned or delayed and the only basis upon which Tenant may reasonably withhold its consent is Tenant's good faith determination that the use proposed to be conducted on the Contiguous Property by such third party tenant will negatively impact or interfere with Tenant's permitted use of the Leased Property; provided further, however, in no event is Landlord's obligation to obtain Tenant's consent intended in any manner to prohibit Landlord from leasing any such Contiguous Property for general commercial and retail uses.

6.03. Tenant shall at all times during the Term hereof comply with all governmental rules, regulations, ordinances, statutes and laws, now or hereafter in effect pertaining to the Improvements, the Leased Property or Tenant's use thereof and Tenant shall make all necessary or appropriate changes or repairs required as a result of Tenant's occupation of the Leased Property.

SECTION 7
IMPROVEMENTS; ALTERATIONS

7.01. Landlord shall construct, at its expense, the Base Building Improvements, as defined in Exhibit C, and the On and OffSite Improvements in accordance with and subject to the terms of Exhibit

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C. Landlord shall also construct Tenant Improvements (as defined in Exhibit C), at Tenant's cost (subject to the Base Construction Allowance (as such term is defined in Exhibit C)), in accordance with and subject to the terms of Exhibit C.

7.02. If, during the Permitting, Financing and Entitlement Period specified in the Construction Schedule attached as Exhibit C-1 hereto, Landlord determines that it cannot arrange financing to construct the Base Building Improvements and the On and Offsite Improvements, or to provide the Base Construction Allowance, on terms and conditions reasonably acceptable to Landlord, Landlord may terminate this Lease by delivery of notice to Tenant prior to the expiration of the Permitting, Financing and Entitlement Period.

7.03. Landlord is responsible at Landlord's expense (including, without limitation, impact fees, development fees, traffic fees, utility map fees, and meter fees (excepting meter fees required solely for Tenant Improvements)), for all entitlements and permits necessary to construct Landlord's Work (as defined on Exhibit C), including all required temporary certificates of occupancy for the Base Building Improvements, and Landlord will be responsible for (subject to Tenant's obligation to pay for the cost of the Tenant Improvements in excess of the Base Building Allowance) obtaining the final certificates of occupancy for the Buildings. Tenant shall cooperate with and support Landlord's efforts to obtain such entitlements and permits at no cost to Tenant (except as otherwise provided in this Lease). If, despite Tenant's cooperation and Landlord's good faith efforts, Landlord in unable to obtain the entitlements and permits required for all such work and improvements during the Permitting, Financing and Entitlement Period specified in the Construction Schedule attached as Exhibit C-1 hereto, this Lease shall terminate and be of no further force or effect. Landlord shall provide written notice to Tenant of the effective date of such termination.

7.04. After the final completion of the Improvements pursuant to Exhibit C, Tenant shall be permitted, at Tenant's sole cost and expense, (a) to make non-structural alterations to the interior of any Building without prior approval from Landlord, provided that such alterations do not affect the plumbing, engineering, mechanical, electrical or life safety systems of the Building and (b) to make exterior or interior alterations that do affect the structure of a Building or such Building's plumbing, engineering, mechanical, electrical or life safety systems without prior approval from Landlord, provided the cost of such alterations does not exceed $100,000 in any calendar year. All such alterations shall be in compliance with applicable law. All other alterations of the Leased Property shall require Landlord's prior written approval, not to be unreasonably withheld. Tenant shall comply with the provisions of NRS § 108.2403 in connection with any improvements to be constructed by or at the direction of Tenant (excepting the Tenant Improvements, unless the cost of the Tenant Improvements exceeds the Base Construction Allowance). Before commencement of any work on the Leased Property, Tenant shall deliver to Landlord a full set of architect's plans and specifications showing in detail the nature of the work to be performed. In connection with Tenant's construction of any improvements, Tenant covenants and agrees that it shall engage a licensed architect and licensed contractors that are acceptable to and approved in writing by Landlord to perform such work. All improvements made by Tenant pursuant to this Section 7 shall be made promptly and in good and workmanlike manner and in compliance with all applicable permits and authorizations, and all other governmental rules, regulations, ordinances, statutes and laws now or hereafter in effect pertaining to the Leased Property or Tenant's use thereof. Landlord's approval of any drawings, plans or specifications submitted by Tenant shall not constitute any assumption of any liability for the accuracy or sufficiency thereof. Any improvements installed or constructed by

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Tenant pursuant to this Section 7 and not removed by Tenant at the expiration or termination of this Lease shall become the property of Landlord upon the expiration or sooner termination of this Lease. However, Landlord shall have the right, if exercised within 30 days of the expiration or termination of this Lease to require Tenant to remove any or all such improvements, at Tenant's sole cost and expense, upon such termination of this Lease and to surrender the Leased Property in the same condition as it was prior to the making of any or all such improvements, reasonable wear and tear excepted.

SECTION 8
MAINTENANCE OF LEASED PROPERTY; UTILITIES

8.01. Tenant shall keep or cause to be kept in good order, condition and repair, the Leased Property and all improvements of any kind on the Leased Property, at Tenant's sole cost and expense. Landlord shall not be obligated to inspect the Leased Property and, except as provided in Section 8.02 below, shall not be obligated to make any repairs or perform any maintenance on the Buildings or any other portion of the Leased Property. Tenant will provide all on-site management services for the Leased Property, including all Buildings and grounds, if required to maintain the Leased Property in accordance with the requirements of this Lease.

8.02. Landlord's sole maintenance obligation shall be to correct any portions of the work performed by Landlord pursuant to Exhibit C that are defective in materials or workmanship, provided that Tenant shall promptly (and in any event within one year after the Commencement Date of this Lease with respect to the subject Building) notify Landlord in writing upon discovery of any defective work or materials. Landlord shall provide Tenant with all warranty information from merchants or manufacturers on any equipment installed by Landlord in or about the Leased Property and shall assign to Tenant the benefit of any such warranties (or, in the event such warranties are not assignable, Landlord shall cooperate with Tenant, at no cost to Landlord, in making claims on such warranties for the benefit of Tenant). Landlord shall use its commercially reasonable efforts to obtain (for the benefit of Tenant) merchant, manufacturer and/or contractor warranties for Landlord's Work and any equipment installed by Landlord in or about the Leased Property that are standard within the Clark County construction industry for new construction materials and components.

8.03. Tenant, at its sole cost and expense, shall be liable for, and shall pay directly to the relevant provider before delinquency, all charges for utilities and other similar services used or consumed on the Leased Property during the Term, including gas, electricity, water, sewer, telephone and community antenna television service, and including any and all charges for initiating and terminating service, such as initiation or "hook-up" fees, disconnection fees, and similar fees (subject to Section 7.01 above). Landlord shall not be responsible for any interruption in utility services, unless caused by the negligence of Landlord or its contractors.

SECTION 9
OPERATING EXPENSES AND TAXES; RECIPROCAL EASEMENTS AND COST SHARING

9.01. Landlord and Tenant intend that Base Rent required by this Lease will be net of taxes, insurance, utilities and maintenance expenses. Accordingly, in addition to the Base Rent, Tenant shall bear the exclusive responsibility to pay, and shall pay, all costs, expenditures, expenses and charges of every type, kind or nature which relate, in any way, to the Leased Property during the Term, including, without limitation, all operating expenses, real property taxes and insurance costs allocable to the Leased Property, and all property taxes assessed or payable against Tenant's property. Notwithstanding the

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foregoing, at the election of Tenant, Tenant shall pay real property taxes directly to the Landlord who would then pay the taxing authority directly.

9.02. At Tenant's sole cost, Tenant may contest (including seeking an abatement or reduction of) any taxes that Tenant is responsible to pay pursuant to this Lease. At Tenant's sole cost, Landlord shall assist Tenant as reasonably necessary with respect to any such contest, including, without limitation, joining in and signing applications or pleadings. Notwithstanding the foregoing, Tenant shall promptly pay all such taxes if at any time the Leased Property or any part thereof shall then be subject to forfeiture, or if Landlord shall be subject to any criminal liability, arising out of the nonpayment thereof. The legal proceedings referred to in this Section 9.02 shall include appropriate proceedings and appeals from orders therein and appeals from any judgments, decrees or orders.

9.03 Landlord covenants and agrees that if there shall be any refunds or rebates on account of the taxes paid by Tenant under the provisions of this Lease, such refund or rebate shall belong to Tenant. Any such refunds received by Landlord shall be deemed trust funds and as such are to be received by Landlord in trust and paid to Tenant forthwith. Landlord shall, upon the request of Tenant, sign any receipts which may be necessary to secure the payment of any such refund or rebate, and will pay over to Tenant such refund or rebate as received by Landlord.

9.04 The Leased Property may be subject to reasonable reciprocal access and utility (but not parking) easements, should the Contiguous Property be developed by Landlord (or its Affiliates) or their successors or assigns, subject to Tenant's prior approval of any such easements (which approval shall not be unreasonably withheld or delayed and further provided such easement agreement shall impose upon such Contiguous Property the use restrictions set forth in Section 6.02 above); provided, however, the reciprocal access easements shall be limited to those portions of the Leased Property reasonably required for access to and from the Contiguous Property. Tenant, however, shall continue to maintain the Leased Property pursuant to the provisions of this Lease and shall not be required to financially participate in any owners or tenants association. To the extent Landlord or its affiliates, or their respective tenants and their respective employees and customers use driveways located on the Leased Property pursuant to any such easement agreement, Landlord shall contribute (or shall cause its affiliate to contribute) toward the maintenance of such driveways. Tenant acknowledges that it will not have easements for access or ingress or egress across the Contiguous Property.

SECTION 10
INSURANCE; INDEMNITY

10.01. From and after the first Commencement Date and at all times during the Term, Tenant shall, at its sole cost and expense, be responsible for obtaining general liability insurance insuring Landlord and Tenant and property insurance for Tenant's property and the Improvements, including the Tenant Improvements, the Base Building Improvements and the On and Offsite Improvements, as follows:

(a) Commercial general public liability insurance insuring against loss, damage or liability for injury or death to persons and loss or damage to property occurring from any cause whatsoever in connection with the Leased Property or Tenant's use thereof. Such liability insurance shall be in the amount of not less than Three Million Dollars ($3,000,000) per occurrence for bodily injury to or death of any person whomsoever and for damage of property of any person whomsoever. Tenant shall, from time to time, upon request of Landlord's lender or

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as deemed reasonable necessary by Landlord based on the prevailing facts and circumstances, increase such insurance to a commercially reasonable amount that may be required by Landlord's lender or to such amount as may be reasonably required by Landlord.

(b) All-risk, special form property insurance covering all business and personal property, all Improvements (including all Tenant Improvements, Base Building Improvements and On and Offsite Improvements,) and betterments and personal property of others (including Landlord's) in Tenant's possession in, upon or about the Leased Property. Such insurance shall be in an amount equal to the current replacement value of the property required to be insured. Tenant acknowledges that Landlord is not required to maintain any insurance on any portion of the Leased Property or Improvements.

(c) Electrical disturbance and mechanical breakdown insurance, including coverage of electrical data processing equipment, for the Leased Property, if the Leased Property contains any equipment that would be covered by such insurance.

(d) Commercial automobile insurance providing bodily injury and property damage coverage for limits of not less than $1,000,000 combined single limit for each accident. Such insurance shall provide coverage for all owned, non-owned, and hired automobiles.

(e) In the event Tenant permits any contractors to come onto the Leased Property or in the event any contractors perform any work on the Leased Property (other than at the direction of Landlord), Tenant shall require such contractors to maintain all of the insurance required to be maintained by Tenant pursuant to this section. Landlord shall not be responsible for damage or loss to any tools, equipment or materials of Tenant or any contractors that are used or stored at the Leased Property from any cause whatsoever.

In no event shall Landlord have any obligation to insure any business or personal property, improvements or betterments of Tenant.

10.02. Tenant and Landlord shall be named as insureds under each such policy of insurance maintained by Tenant or Tenant's contractors as required by Section 10.01 above, which shall provide that Landlord, although named as an insured, shall nevertheless be entitled to recovery thereunder for any loss suffered by it, its agents, servants and employees by reason of Tenant's negligence or the negligence of any subtenant, contractor or agent of such Tenant. Tenant's obligations to repair or replace any of Tenant's or Landlord's property, or any of Tenant's other obligations or waivers under this Lease (including, without limitation, any waiver of subrogation or claim for damages), at law or in equity, in the event any loss exceeds such limits, shall not be limited by the limits of insurance carried by Tenant.

10.03. All insurance maintained by Tenant hereunder shall be from insurance companies licensed to do business in the State of Nevada (unless otherwise approved by Landlord), with ratings of A-VIII or better by the then current edition of Best's Insurance Reports published by A. M. Best Co., or with such other ratings as approved in writing by Landlord in Landlord's sole and absolute discretion.

10.04. Every policy required pursuant to this Section 10 shall provide that it will not be canceled or modified except after thirty (30) days' written notice to Landlord and any Mortgagee (as defined below), and that it shall not be invalidated by any act or neglect of Landlord or Tenant, nor by occupation of the Leased Property for purposes more hazardous than permitted by such policy, nor by any

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foreclosure or other proceedings relating to the Improvements, nor by change in title to the Leased Property or Landlord's interest therein.

10.05. Tenant shall deliver to Landlord and any Mortgagee original policies or certificates of insurance with all applicable endorsements, satisfactory to Landlord, evidencing the existence of all insurance which is required to be maintained by Tenant hereunder, fully paid, such delivery to be made (i) promptly after the Commencement Date for the first Building and (ii) within thirty (30) days prior to the expiration of any then current policies.

10.06. Tenant may elect to maintain a program of self insurance that meets the requirements of Nevada law for the insurance Tenant is required to carry pursuant to this Section 10.01(a), subject to the approval of Tenant's self insurance program by Landlord and by Landlord's Mortgagee (provided, however, Tenant's self insurance program in existence as of the Effective Date is hereby approved).

10.07. Notwithstanding anything in this Lease to the contrary, Tenant waives, and shall cause its insurance carrier(s) and any other party claiming through or under such carrier(s), by way of subrogation or otherwise, to waive any and all rights of recovery, Claim, action or causes of action against all Landlord Parties (as defined in Section 10.08 below) for any loss or damage to Tenant's business, any loss of use of the Leased Property, and any loss, theft or damage to Tenant's property (including Tenant's automobiles or the contents thereof), **INCLUDING ALL RIGHTS (BY WAY OF SUBROGATION OR OTHERWISE) OF RECOVERY, CLAIMS, ACTIONS OR CAUSES OF ACTION ARISING OUT OF THE NEGLIGENCE OF ANY LANDLORD PARTY**, which loss or damage is (or would have been, had the insurance required by this Lease been maintained) covered by insurance.

10.08. To the extent allowed by Nevada law and subject to Section 10.07, Tenant shall hold Landlord, its trustees, Affiliates (as defined below), subsidiaries, members, principals, beneficiaries, partners, officers, directors, managers, shareholders, employees, Mortgagee(s) and agents (including the manager of the Leased Property) (collectively, "Landlord Parties") harmless from, and indemnify and defend such parties against, all liabilities, obligations, damages, penalties, claims, actions, costs, charges and expenses, including reasonable attorneys' fees and other professional fees that may be imposed upon, incurred by or asserted against any of such indemnified parties (each a "Claim" and collectively "Claims") that arise out of Tenant's possession, use, maintenance or repair of the Leased Property or any negligent or willful misconduct of Tenant or any of Tenant's employees, agents and invitees, except to the extent caused by the negligence or willful misconduct of Landlord. Subject to Section 10.07, Landlord shall hold Tenant, its trustees, members, principals, beneficiaries, partners, officers, directors, shareholders, employees and agents (collectively, "Tenant Parties") harmless from, and indemnify and defend such parties against, all Claims that arise out of or in connection any negligence or willful misconduct of Landlord.

In the event Tenant's indemnity obligations hereunder are limited by law in any manner, Landlord's indemnity obligations shall also be equally limited. The term "Affiliate" means any person or entity controlling, controlled by or under common control with Tenant or Landlord, as applicable.

10.09. Notwithstanding anything to the contrary contained in, or inferable from, any provision of this Lease, Landlord shall not be required to carry or maintain insurance coverage of any kind or nature.

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10.10. Notwithstanding the fact that the liability of Tenant to Landlord for its obligations under certain provisions of this Lease may be covered by insurance that Tenant is required to carry pursuant to this Section 10.01(a), Tenant's liability to Landlord for such obligations shall in no way be limited by the amount of insurance Tenant is required to carry pursuant to this Section 10.01(a).

SECTION 11
LIENS

Tenant shall pay all charges in connection with any alterations performed by or on behalf of Tenant, and shall hold Landlord harmless from any claim, including liens, resulting from such work. Tenant shall comply with Section 108 of the Nevada Revised Statutes and shall obtain a surety bond or establish a construction control account as required therein prior to commencing any work within the Leased Property; provided, however, upon request of Tenant and subject to Landlord's receipt of assurance from Tenant which is acceptable to Landlord that all costs of Tenant alterations will be paid in a timely manner, Landlord shall waive its rights under Section 108.234 of the Nevada Revised Statutes by recording a written notice of waiver in a form reasonably agreed upon by Landlord and Tenant (provided that such waiver shall not affect Tenant's indemnification obligations set forth herein) pursuant to Nevada Revised Statutes Section 108.2405(b). Landlord and Tenant agree that Landlord shall be responsible for any liens resulting from the construction of the Tenant Improvements (unless the cost thereof is in excess of the Base Construction Allowance, and in such event Tenant shall only be responsible for such excess cost). Landlord reserves the right to seek recovery from Tenant under the laws of contribution or indemnity for any claims, liens, demands, damages, charges, encumbrances, litigation and judgments arising directly or indirectly out of any use, occupancy or activity of Tenant, or out of any work performed, material furnished, or obligations incurred by Tenant in, upon, about or otherwise in connection with the Leased Property (excepting liens resulting from the construction of the Tenant Improvements (unless the cost thereof is in excess of the sum of the Base Construction Allowance and the Supplemental Allowance, and in such event Tenant shall only be responsible for such excess cost)). Tenant shall, at its sole cost and expense, within forty-five (45) days after the filing of any lien for record, obtain the discharge and release thereof. Nothing contained herein shall prevent Landlord, at the cost and for the account of Tenant, from obtaining said discharge and release in the event Tenant fails or refuses to do the same within said forty-five (45) day period. "Business Day(s)" as used in this Lease means Monday through Friday of each week, exclusive of New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, the day after Thanksgiving and Christmas Day.

SECTION 12
INSPECTION RIGHTS

Landlord shall have the right to inspect the Leased Property from time to time on reasonable prior notice during normal business hours; provided, however, Landlord shall be required to comply with Tenant's rules relating to secure areas and confidential information with respect to Landlord's inspection rights.

SECTION 13
SUBORDINATION

13.01. Tenant agrees that, except as provided in Section 13.02 hereof, its interest hereunder is and shall be subordinate to the lien of any mortgage, deed of trust or other encumbrance (including, but not limited to, sale-lease back transactions), together with any renewals, extensions or replacements

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thereof, hereafter placed, charged or enforced against the Leased Property, or any portion thereof, or any property of which the Leased Property is a part, and Tenant shall execute and deliver at any time, and from time to time, upon demand by Landlord, such documents as may be reasonably required to evidence or effectuate such subordination; provided, however, that (subject to the remainder of this paragraph) such subordination shall be effective without any such document; provided, further, however, such subordination shall not be effective unless the mortgagee, beneficiary or ground lessor named in such encumbrance shall first agree in writing, for the benefit of Tenant, that so long as Tenant is not in default beyond any notice and cure periods under any of the provisions, covenants or conditions of this Lease on the part of Tenant to be kept and performed, neither this Lease nor any of the rights of Tenant hereunder shall be terminated or modified or be subject to termination or modification, nor shall Tenant's possession of the Leased Property be disturbed, by proceedings to foreclose said mortgage, deed of trust or other encumbrance. In addition, if a Mortgagee (as hereinafter defined) or prospective Mortgagee shall request reasonable modification of this Lease as a condition to any financing or refinancing, Tenant shall not unreasonably withhold or delay its consent thereto (subject to Section 29.06).

13.02. In the event that the mortgagee, ground lessor or beneficiary (each being a "Mortgagee") of any mortgage, ground lease or deed of trust elects to have this Lease a prior lien to its mortgage, deed of trust or ground lease, then and in such event, upon such Mortgagee's giving written notice to Tenant to that effect, this Lease shall be deemed prior in lien to such mortgage, deed of trust or ground lease whether this Lease is dated prior to or subsequent to the date of recordation of such mortgage, deed of trust or ground lease.

13.03. Tenant shall, subject to Section 13.01, in the event the Leased Property is sold or conveyed to a Mortgagee upon the exercise of any remedy provided for in the loan documents for such Mortgage or otherwise by operation of law, (i) at the option of the purchaser or ground lessor, as the case may be, attorn to such purchaser or lessor and recognize such purchaser or lessor as Landlord under this Lease or enter into a new lease substantially in the form of this Lease with such purchaser or lessor, and (ii) such purchaser or lessor shall not be (a) liable for any action or omission of Landlord under this Lease occurring prior to such sale or conveyance or (b) subject to any offset, abatement or reduction of rent because of any default of Landlord under this Lease occurring prior to such sale or conveyance. Tenant further agrees to promptly execute and deliver any instrument which such purchaser or ground lessor may reasonably request to further evidence such attornment; provided, however, that such attornment or new lease as applicable shall be effective without any such instrument.

13.04. As soon as is reasonably practicable after the Effective Date, Landlord shall obtain a subordination and nondisturbance agreement from Landlord's Mortgagee for Tenant's benefit upon such mortgagees standard form.

SECTION 14
ASSIGNMENT AND SUBLETTING

14.01. Except as expressly set forth herein, neither Tenant nor its legal representatives or successors in interest shall, by operation of law or otherwise, assign this Lease or sublease any portion of the Leased Property without the prior written consent of Landlord in each such instance, which consent shall not be unreasonably withheld. Notwithstanding the foregoing, Tenant may assign or sublease up to fifty percent (50%) of the Leased Property to any governmental authority, upon written notice to Landlord but without the consent of Landlord; provided, however, that, after such assignment, the Leased Property shall continue to serve as the principal place of business of the Las Vegas Metropolitan Police

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Department.

14.02. Tenant shall deliver to Landlord copies of all documents executed in connection with any permitted assignment or subletting, which documents shall be in form and substance reasonably satisfactory to Landlord and which shall require any assignee to assume performance of all terms of this Lease to be performed by Tenant and to comply with all the terms of this Lease to be performed by Tenant. No acceptance by Landlord of any rent or any other sum of money from any assignee, sublessee or other category of transferee shall be deemed to constitute Landlord's consent to any assignment, sublease, or transfer.

14.03. Any attempted assignment or sublease by Tenant in violation of the terms and provisions of this Section shall be void and shall constitute a material breach of this Lease. In no event shall any assignment, subletting or transfer, whether or not with Landlord's consent, relieve Tenant of its primary liability under this Lease for the entire Term, and Tenant shall in no way be released from the full and complete performance of all the terms hereof. If Landlord takes possession of the Leased Property before the expiration of the Term, Landlord shall have the right, at its option, to terminate all subleases, or to take over any sublease of the Leased Property or any portion thereof and such subtenant shall attorn to Landlord, as its landlord, under all the terms and obligations of such sublease occurring from and after such date.

SECTION 15
INSOLVENCY AND DEATH

It is understood and agreed that neither this Lease nor any interest herein or hereunder, nor any estate hereby created in favor of Tenant, shall pass by operation of law under any state or federal insolvency, bankruptcy, or any similar law now or hereafter in effect, to any trustee, receiver, assignee for the benefit of creditors, or any other person whomsoever.

SECTION 16
EMINENT DOMAIN

16.01. In the event a material portion (as reasonably determined by Tenant) of any Building is taken by eminent domain, either party may terminate this Lease with respect to such Building only. In the event any portion of the parking areas are taken by eminent domain, Landlord shall provide substitute reasonably convenient parking areas for Tenant's use (including, without limitation, adding an additional level on the on-site parking structure), to the extent condemnation proceeds are available for such work, and shall devote the proceeds of any condemnation award (to the extent required) to the construction of such substitute parking, and if Landlord is unable to do so, Base Rent shall be proportionately reduced based on the loss of the subject parking spaces.

16.02. In the event of a taking by eminent domain resulting in a termination of this Lease, in whole or in part, Tenant shall be entitled to participate in any award for the taking to the extent that any award includes the loss of the then value of the improvements installed by Tenant and contained in the Leased Property at the time of taking. If this Lease does not terminate by virtue of such taking, all of the provisions of this Lease shall remain in full force and effect with respect to that part of the Leased Property remaining after the taking, except that the minimum rental shall be reduced in the proportion that

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the area of the Building taken or parking spaces taken (that are not replaced pursuant to Section 16.01 above) bears to the total area of the Improvements on the Leased Property.

16.03. If this Lease is not terminated as set forth in Section 16.01 above, Landlord, at its expense, shall rebuild and replace such part of the Leased Property as remains under this Lease as nearly as may be in their condition before the with all reasonable speed, to the extent condemnation proceeds are available for such work. During the period of repair and rebuilding, Tenant shall receive a similar proportional reduction in rent for the part of the remaining portion of the Building or parking spaces that are unusable during the period of repair and rebuilding.

SECTION 17
DESTRUCTION OF LEASED PROPERTY

In the case of destruction of the Improvements, or any portion thereof not caused by Landlord, Tenant shall repair such damage to the extent of available insurance proceeds (provided, however, Tenant's obligation under this Section 17 shall not be limited to available insurance proceeds in the event Tenant's insurance for damage or destruction of the Improvements is a policy of self-insurance). In such event, this Lease shall not terminate but shall continue in full force and effect, including payment of Base Rent and all other charges from Tenant.

SECTION 18
EXPENDITURES BY LANDLORD

Whenever under any provision of this Lease Tenant shall be obligated to make any payments or expenditures, or to do any act or thing, or to incur any liability whatsoever, and Tenant fails, refuses or neglects to perform within thirty (30) days of notice by Landlord to Tenant that it has failed, refused or neglected to perform as herein required, Landlord shall be entitled, but shall not be obligated, to make such payment or expenditure or to do any such act or thing, or to incur any such liability, all on behalf of and at the cost and for the account of Tenant. In such event, the amount thereof with interest thereon at the Default Rate from the date of expenditure shall constitute and be collectible as additional rent upon demand.

SECTION 19
ESTOPPEL CERTIFICATES

19.01. Tenant shall, within ten (10) Business Days after receipt of a written request from Landlord, execute and deliver an estoppel certificate to those parties as are reasonably requested by Landlord (including, but not limited to a Mortgagee or prospective purchaser). The estoppel certificate shall include a statement certifying that this Lease is unmodified (except as identified in the estoppel certificate) and in full force and effect, describing the dates to which Rent and other charges have been paid, representing that, to the best of Tenant's knowledge, there is no default (or stating with specificity the nature of the alleged default) and certifying other matters with respect to this Lease that may reasonably be requested. Tenant's failure to provide any estoppel certificate within the 10 Business Day period specified above, and the continuation of such failure for a period of ten (10) Business Days after Landlord delivers a second written notice requesting same, shall constitute a default under this Lease with no additional notice or cure periods.

19.02. Landlord shall, within twenty (20) days after receipt of a written request from Tenant,

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execute and deliver an estoppel certificate to those parties as are reasonably requested by Tenant. The estoppel certificate shall include a statement certifying that this Lease is unmodified (except as identified in the estoppel certificate) and in full force and effect, describing the dates to which Rent and other charges have been paid, representing that, to the best of Landlord's knowledge, there is no default (or stating with specificity the nature of the alleged default) and certifying other matters with respect to this Lease that may reasonably be requested.

SECTION 20
DEFAULT

20.01. In the event of a default as designated in this Section or elsewhere herein, and the failure to cure the same within any grace period, if such a period is provided, in addition to any other rights or remedies provided for herein or at law or in equity, Landlord, at its sole option, shall have the following rights:

(a) The right to declare the Term of this Lease ended and re-enter the Leased Property and take possession thereof, and to terminate all of the rights of Tenant in and to the Leased Property;

(b) The right without declaring the Term of this Lease ended, to re-enter the Leased Property and to occupy the same, or any portion thereof, for and on account of Tenant as hereinafter provided, and Tenant shall be liable for and pay to Landlord on demand all such expenses as Landlord may have paid, assumed or incurred in recovering possession of the Leased Property, including costs, expenses, attorneys' fees, and expenditures placing the same in good order and condition, or preparing or altering the same for reletting, and all other expenses, commissions and charges paid, assumed or incurred by Landlord in or in connection with reletting the Leased Property. Any such reletting as provided for herein may be for the remainder of the Term of this Lease or for a longer or shorter period. Such reletting shall be for such rent and on such other terms and conditions as Landlord deems appropriate. Landlord may execute any lease made pursuant to the terms hereof either in Landlord's own name or in the name of Tenant, or assume Tenant's interest in and to any existing subleases to any tenant of the Leased Property, as Landlord may see fit, and Tenant shall have no right or authority whatsoever to collect any rent from such tenants, subtenants, licensees or concessionaires on the Leased Property. In any case, and whether or not the Leased Property or any part thereof be relet, Tenant, until the end of what would have been the Term of this Lease in the absence of such default, shall be liable to Landlord and shall pay to Landlord monthly an amount equal to the amount due as rent hereunder, less the net proceeds for said month, if any, of any reletting effected for the account of Tenant pursuant to the provisions of this subparagraph, after deducting from said proceeds all of Landlord's reasonable expenses in connection with such reletting, including, without limitation, all repossession costs, brokerage commissions, attorneys' fees, expenses of employees, alteration costs, and expenses of preparation for such reletting. All said costs are cumulative and shall be applied against proceeds of reletting until paid in full. Landlord reserves the right to bring such actions for the recovery of any deficits remaining unpaid by Tenant to Landlord hereunder as Landlord may deem advisable from time to time without being obligated to await the end of the Term hereof for a final determination of Tenant's account and the commencement or maintenance of one or more actions by Landlord in this connection shall not bar Landlord from bringing any subsequent actions for further accruals pursuant to the provisions of this Section 20. In no event shall Tenant be entitled to any excess rental received by Landlord over and above that which Tenant is obligated to pay hereunder; or

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(c) The right, even though it may have relet all or any portion of the Leased Property in accordance with the provisions of subparagraph (b) of this paragraph, to thereafter at any time elect to terminate this Lease for such previous default on the part of Tenant, and to terminate all of the rights of Tenant in and to the Leased Property.

Pursuant to the rights of re-entry provided above, Landlord may remove all persons from the Leased Property and may, but shall not be obligated to, remove all property therefrom, and may, but shall not be obligated to, enforce any rights Landlord may have against said property or store the same in any public or private warehouse or elsewhere at the cost and for the account of Tenant or the owner or owners thereof. Anything contained herein to the contrary notwithstanding, Landlord shall not be deemed to have terminated this Lease or the liability of Tenant to pay any Rent or other sum of money thereafter to accrue hereunder, or Tenant's liability for damages under any of the provisions hereof, by any such re-entry, or by any action in unlawful detainer or otherwise to obtain possession of the Leased Property, unless Landlord shall have specifically, with reference to this Section, notified Tenant in writing that it has so elected to terminate this Lease. Tenant covenants and agrees that the service by Landlord of any notice pursuant to the unlawful detainer statutes of the State of Nevada and the surrender of possession pursuant to such notice shall not (unless Landlord elects to the contrary at the time of, or at any time subsequent to, the service of such notice to Tenant) be deemed to be a termination of this Lease, or the termination of any liability of Tenant hereunder to Landlord.

20.02. Tenant shall not be deemed to be in default under this Lease unless: (1) Tenant defaults in the payment of Rent and the default continues for ten (10) Business Days after written notice of the default from Landlord and such default continues for an additional ten (10) Business Days after after Landlord has notified Tenant in writing a second time that any such amount is past due; or (2) Tenant defaults in the performance of any of its other obligations under this Lease and the default continues for thirty (30) days after written notice of the default. Notwithstanding any other provision hereof, Landlord agrees that if the default complained of in the notice provided for by this Section is of such a nature that the same can be rectified or cured by Tenant, but cannot with reasonable diligence be rectified or cured within said thirty (30) day period, then such default shall be deemed to be rectified or cured if Tenant within said thirty (30) day period shall commence the rectification and curing thereof and shall continue thereafter with all due diligence to cause such rectification and curing to proceed not to exceed thirty (30) additional days.

20.03. In the event of termination of this Lease pursuant to this Section, Landlord may recover from Tenant:

(a) the worth at the time of award of any unpaid rent which had been earned at the time of such termination; plus

(b) the worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; plus

(c) the worth at the time of award of the amount by which the unpaid rent for the balance of the Term after the time of award exceeds the amount of such rental loss that Tenant proves could be reasonably avoided;

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As used in subparagraphs (a) and (b) above, the "worth at the time of award" is computed by allowing interest at the Default Rate per annum. As used in subparagraph (c) above, the "worth at the time of award" is computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus one percent (1%).

20.04. In the event Landlord fails or refuses to perform any of the provisions, covenants or conditions of this Lease on Landlord's part to be kept or performed, Tenant may pursue any right or remedy for such breach provided by law or this Lease; provided, however, that Tenant, prior to exercising any such right or remedy, shall give written notice to Landlord of such default, specifying in said notice the default with which Landlord is charged and Landlord shall not be deemed in default if the same is cured within thirty (30) days of receipt of said notice. Notwithstanding any other provision hereof, Tenant agrees that if the default complained of in the notice provided for by this Section is of such a nature that the same can be rectified or cured by Landlord, but cannot with reasonable diligence be rectified or cured within said thirty (30) day period, then such default shall be deemed to be rectified or cured if Landlord within said thirty (30) day period shall commence the rectification and curing thereof and shall Continue thereafter with all due diligence to cause such rectification and curing to proceed.

20.05. In any action brought by either party to enforce any of its rights under or arising from this Lease, or in connection with the Leased Property, the prevailing party shall be entitled to receive its costs and legal expenses including reasonable attorneys' fees, whether such action is prosecuted to judgment or not, and including all costs and fees incurred on appeal and to prove up amounts due under this Section. The parties hereto shall and they hereby do waive trial by jury in any action, proceeding or counterclaim brought by either of the parties hereto against the other on any matters whatsoever arising out of or in any way connected with this Lease, the relationship of landlord and tenant, Tenant's use of occupancy of the Leased Property, and/or any claim of injury or damage.

20.06. The waiver by a party hereto of any default or breach of any of the terms, covenants or conditions hereof on the part of the other party hereto to be kept and performed shall not be a waiver of any preceding or subsequent breach of the same or any other term, covenant or condition contained herein. The subsequent acceptance of rent or any other payment hereunder by Tenant to Landlord shall not be construed to be a waiver of any preceding breach by Tenant of any term, covenant or condition of this Lease other than the failure of Tenant to pay the particular rental or other payment or portion thereof so accepted, regardless of Landlord's knowledge of such preceding breach at the time of acceptance of such rental or other payment. No payment by Tenant or receipt by Landlord of a lesser amount than the rent herein provided shall be deemed to be other than on account of the earliest rent due and payable hereunder, nor shall any endorsement or statement on any check or any letter accompanying any check or payment be deemed an accord and satisfaction, and Landlord may accept any such check or payment without prejudice to Landlord's right to recover the balance of such sums as are due or pursue any other remedy provided in this Lease. The consent by a party hereto to any matter or event requiring that party's consent shall not constitute a waiver of the necessity for such consent to any subsequent matter or event.

20.07. In the event of any re-entry of the Premises or termination of this Lease pursuant to this Section 20, Landlord shall use commercially reasonable efforts to relet the Premises as soon as practicable at a commercially reasonable rent. The provisions of this Section 20.07 shall survive the expiration of the Term or the earlier termination of this Lease.

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SECTION 21
HAZARDOUS WASTE

21.01. As used in this Section, the term "Hazardous Waste" means:

(a) Those substances defined as "hazardous substances," "hazardous materials," "toxic substances," "regulated substances," or "solid waste" in the Toxic Substance Control Act, 15 U.S.C. § 2601 et seq., as now amended or hereafter amended, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, 42 U.S.C. § 9601 et seq., as now amended or hereafter amended, the Resource Conservation and Recovery Act of 1976, 42 U.S.C. § 6901 et seq., as now amended or hereafter amended, The Federal Hazardous Substances Act, 15 U.S.C. § 1261 et seq., as now amended or hereafter amended, the Occupational Safety and Health Act of 1970, 29 U.S.C. § 651 et seq., as now amended or hereafter amended, the Hazardous Materials Transportation Act, 49 U.S.C. § 1801 et seq., as now amended or hereafter amended, and the rules and regulations now in effect or promulgated hereafter pursuant to each law referenced above;

(b) Those substances regulated by or defined as "hazardous waste," "hazardous material," "regulated substances," or "solid waste" in Chapters 444, 445A, 445B, 445C, 459, 590 and Sections 618.750-618.850 of NRS, or in the regulations now existing or hereafter promulgated pursuant thereto, or in the Uniform Fire Code, 1988 edition;

(c) Those substances listed in the United States Department of Transportation table (49 CFR § 172.101 and amendments thereto) or by the Environmental Protection Agency (or any successor agency) as hazardous substances (40 CFR Part 302 and amendments thereto); and

(d) Such other substances, mixtures, materials and waste which are regulated under applicable local, state or federal law, or which are classified as hazardous or toxic under federal, state or local laws or regulations (all laws, rules and regulations referenced in paragraphs (a), (b), (c) and (d) are collectively referred to as "Environmental Laws").

21.02. Landlord makes the following representations to Tenant, each of which is made to the best of Landlord's actual knowledge after reasonable inquiry as of the Effective Date of this Lease, and except to the extent otherwise set forth in any environmental report provided to Tenant:

(a) Any handling, transportation, storage, treatment, or use of Hazardous Waste that has occurred on the Leased Property before the Effective Date of this Lease has been in compliance with all laws regulating Hazardous Waste;

(b) the Leased Property is, as of the Effective Date of this Lease, in compliance with all laws, rules, and regulations governing the handling, transportation, storage, treatment, use, and disposition of Hazardous Waste;

(c) the soil and ground water on or under the Leased Property is free of Hazardous Waste;

(d) the Leased Property is free from any underground storage tanks; and

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(e) prior to the Effective Date, Landlord has delivered to Tenant copies of any and all environmental reports with respect to the Leased Property in Landlord's possession or control.

21.03. In the event that the representations made in Section 21.02 are not correct, or in the event the Leased Property shall contain any Hazardous Waste that is released onto the Leased Property by Landlord, its agents, employees or contractors, Landlord shall indemnify, defend, and hold Tenant harmless from and against any and all claims, judgments, damages, penalties, fines, costs, liabilities, or losses, including but not limited to attorney's fees, consultants' fees and expert fees, that arise during or after the Term of this Lease from or in connection with the Hazardous Waste in question.

21.04. Tenant does not intend to and Tenant will not, nor will Tenant allow any other person (including partnerships, corporations and joint ventures) to, during the Term of this Lease, manufacture, process, store, distribute, use, discharge or dispose any Hazardous Waste in, under or on the Leased Property, the Improvements or any property adjacent thereto in violation of the Environmental Laws; provided, however, in no event shall Tenant be prohibited from operating a Forensic and/or Photographic laboratory on the Leased Property. Tenant shall immediately remediate any condition on the Leased Property that occurs in violation of the preceding sentence in accordance with all applicable laws.

(a) Tenant shall notify Landlord promptly in the event of any spill or release of Hazardous Waste in violation of the Environmental Laws into, on or onto the Leased Property or the Improvements regardless of the source of spill or release, whenever Tenant knows or suspects that such a release occurred.

(b) Tenant will not be involved in operations at or near the Leased Property which would lead to the imposition on the Tenant or the Landlord of liability or the creation of a lien on the Leased Property or the Improvements under the Environmental Laws.

(c) Tenant shall, upon twenty-four (24) hour prior notice by Landlord, permit Landlord or Landlord's agent access to the Leased Property to conduct an environmental site assessment with respect to the Leased Property; provided, however, any such site assessment shall be conducted in a manner so as to not unreasonably interfere with Tenant's use of the Leased Property.

21.05. In the event of any spill or release of or the presence of any Hazardous Waste in violation of the Environmental Laws affecting the Leased Property or the Improvements which spill, release or presence is caused by Tenant, whether or not the same originates or emanates from the Leased Property or any contiguous real estate, and/or if Tenant shall fail to comply with any of the requirements of any Environmental Law, Landlord may, without notice to Tenant, at its election, but without obligation so to do, give such notices and/or cause such work to be performed at the Leased Property or the Improvements, as the case may be, and/or take any and all other actions as Landlord shall deem necessary or advisable in order to remedy said spill or release of Hazardous Waste or cure said failure of compliance and any amounts paid as a result thereof, together with interest at the rate of fifteen percent (15%) per annum, from the date of payment by Landlord, shall be immediately due and payable by Tenant to Landlord.

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SECTION 22
QUIET POSSESSION

Tenant, upon paying the rentals and other payments herein required from Tenant, and upon Tenant's performance of all of the provisions, covenants and conditions of this Lease on its part to be kept and performed, may have, hold and enjoy the Leased Property during the Term of this Lease without any disturbance to Tenant's right to possess the Leased Property from Landlord or from any other person claiming through Landlord.

SECTION 23
SALE BY LANDLORD

In the event of any sale or exchange of the Leased Property by Landlord (other than a sale or other conveyance to a lender pursuant to Section 13 above), Landlord shall be and is hereby relieved of all liability under any and all of its covenants and obligations contained in or derived from this Lease, arising out of any act, occurrence or omission relating to the Leased Property occurring after the consummation of such sale or exchange provided the successor to Landlord hereunder agrees and covenants to be bound by the terms and conditions of this Lease. Tenant agrees to attorn to such purchaser or grantee.

SECTION 24
SIGNAGE; ACCESS; PARKING

24.01. Tenant's signage shall be in compliance with applicable law, and conform to the Master Sign Plan attached hereto as Exhibit F.

24.02. Tenant shall have access 24 hours per day, 7 days per week, 52 weeks per year to the Leased Property, including the Buildings and parking facilities located therein.

24.03. The Leased Property shall satisfy all zoning and city parking requirements, including handicapped parking and shall include no less than 6.5 parking spaces per 1000 Useable Square Feet (as defined below). "Useable Square Feet" as used herein shall mean ninety percent (90%) of the Rentable Area of the Buildings. The Leased Property shall include 2,167 total standard-sized parking spaces of which no less than 1,592 parking spaces shall be in an on site parking structure with the remainder in on-site surface parking spaces, constructed at Landlord's expense along with the Base Building Improvements. Other than as included in monthly Base Rent (as further described above), there shall be no charge for parking.

SECTION 25
FORCE MAJEURE

Whenever a day is appointed herein on which, or a period of time is appointed in which, either party hereto is required to do or complete any act, matter or thing, the time for the doing or completion thereof shall be extended by a period of time equal to the number of days on or during which such party is prevented from, or is unreasonably interfered with, the doing or completion of such act, matter or thing because of labor disputes, civil commotion, war, warlike operation, sabotage, governmental regulations or control which are not directly related to Tenant, fire or other casualty, inability to obtain any materials, fuel, energy, or services, weather or other acts of God, or other causes beyond such party's reasonable

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control (financial inability excepted); provided, however, that nothing contained herein shall excuse Tenant from the prompt payment of any Rent or charge required of Tenant hereunder.

SECTION 26
SERVICE OF NOTICES

All notices, consents, requests, reports, demands or other communications hereunder (collectively, "**Notices**") shall be in writing and may be given personally, by registered or certified mail, by facsimile or by Federal Express (or other reputable overnight delivery service). If such notice or demand be served by mail, service shall be conclusively deemed made two (2) days after mailing. Any notice or demand shall be delivered to the appropriate address set forth in Section 1.05 above. All notices given by facsimile shall be followed by the delivery of a hard copy of such notice, provided that such notice shall be deemed to have been given when received by facsimile. Any party hereto may change its address for the purpose of receiving notices, payments or demands as herein provided by a written notice given in the manner aforesaid to the other party hereto, which notice of change of address shall not become effective, however, until the actual receipt thereof by the other party.

SECTION 27
LIMITATION ON LIABILITY

The obligations of the parties under this Lease do not constitute personal obligations of the individual members, employees, partners, directors, managers, officers or shareholders of such parties, and neither party shall seek recourse against the individual employees, partners, directors, officers or shareholders of the other party or any of their personal assets for satisfaction of any liability in respect to this Lease.

SECTION 28
BROKERS

Landlord and Tenant warrant they have had no dealings with any broker or agent in connection with this Lease other than First Commercial Real Estate Services representing Tenant ("Tenant's Broker"), and covenant to pay, hold harmless and indemnify the other from and against any and all cost, expense or liability for any compensation, commissions and charges claimed by any broker or agent with respect to this Lease or the negotiation thereof claiming to represent the indemnifying party. Tenant's Broker shall be paid a commission by Landlord pursuant to a separate agreement.

SECTION 29
MISCELLANEOUS

29.01. The submission of this Lease for examination and/or execution hereof by Tenant does not constitute a reservation of or option for the Leased Property and this Lease becomes effective as a Lease only upon execution and delivery thereof by Landlord and Tenant.

29.02. The various rights, options, elections and remedies of either party contained in this Lease shall be cumulative and no one of them shall be construed as exclusive of any other, or of any right, priority or remedy allowed or provided for by law and not expressly waived in this Lease.

29.03. The terms, provisions, covenants and conditions contained in this Lease shall apply to,

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bind and inure to the benefit of the heirs, executors, administrators, legal representatives, successors and assigns (where assignment is permitted) of Landlord and Tenant, respectively, except as otherwise provided in this Lease.

29.04. If any term, provision, covenant or condition of this Lease, or any application thereof, should be held by a court of competent jurisdiction to be invalid, void or unenforceable, all provisions, covenants and conditions of this Lease, and all applications thereof not held invalid, void or unenforceable, shall continue in full force and effect and shall in no way be affected, impaired or invalidated thereby.

29.05. Time is of the essence of this Lease and all of the terms, provisions, covenants and conditions hereof. Wherever under this Lease there is a day or time period established for performance and such day is or such time period expires on a Saturday, Sunday or holiday, then such time for performance shall be automatically extended to the next Business Day.

29.06. This Lease (including all schedules and exhibits hereto, all of which are herein incorporated by this reference) contains the entire agreement between the parties with respect to the subject matter contained herein and cannot be changed or terminated orally. Landlord acknowledges that any material amendment to the terms of this Lease shall be subject to approval of the Tenant's governing body.

29.07. The captions appearing at the commencement of the sections hereof are descriptive only and for convenience in reference to this Lease and in no way whatsoever define, limit or describe the scope or intent of this Lease, nor in any way affect this Lease.

29.08. Masculine and feminine pronouns shall be substituted for the neuter form and vice versa, and the plural shall be substituted for the singular form and vice versa, in any place or places herein in which the context requires such substitutions.

29.09. The laws of the State of Nevada shall govern the validity, construction, performance and effect of this Lease. Any action commenced regarding this Lease shall be exclusively venued in the State or Federal Courts of Nevada located in Las Vegas, Nevada, and the parties hereby submit to the exclusive jurisdiction of such courts.

29.10. Whenever in this Lease any words of obligation or duty are used in connection with either party, such words shall have the same force and effect as though framed in the form of covenants on the part of such party.

29.11. In the event Tenant now or hereafter shall consist of more than one person, firm or corporation, then such persons, firms or corporations shall be jointly and severally liable as parties hereunder.

29.12. Should any claim or lien be filed against the Leased Property, or any action or proceeding be instituted affecting the title to the Leased Property, the party receiving notice of such claim or lien shall give the other party hereto written notice thereof as soon as the first party obtains actual or constructive knowledge thereof.

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29.13. This Lease shall not be construed either for or against Landlord or Tenant, but this Lease shall be interpreted in accordance with the general tenor of its language.

29.14. There are no representations or warranties between the parties hereto, and all reliance with respect to representations is solely on such representations and agreements as are contained in this Lease.

29.15. Tenant shall have the right to cause a Memorandum of Agreement to be recorded against the Leased Property upon the Commencement Date of the last Building, such Memorandum of Agreement shall certain of the material (non-economic) provisions of this Lease and shall be in form and substance reasonably acceptable to Landlord and Tenant.

SIGNATURE PAGE FOLLOWS

Landlord Tenant

IN WITNESS WHEREOF, the parties here to have executed this Lease the day and year first above written.

"TENANT"

Clark County, Nevada

By: _____
Name: Rory Reid
Title: Chairman, Board of County Commissioners

APPROVED AS TO LEGALITY ONLY:

_____
Name: LESLIE A. NIELSEN
Title: DEPUTY DISTRICT ATTY

"LANDLORD"

Project Alta, LLC, a Nevada limited liability company, and
Project Alta II, LLC, a Nevada limited liability company

By: FF Alta Partners, LLC, their manager

By: Fine Properties, LLC, its manager

By: _____
Name: MARC C. FINE
Title: AUTHORIZED SIGNATORY

Landlord _____ Tenant _____

ACKNOWLEDGEMENTS:

State of Nevada

County of Clark

On December 2, 2008 before me, Rosanna Jones, personally appeared Rory Reid, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Notary Public

Notary Public - State of Nevada
County of Clark
ROSANNA JONES
My Appointment Expires
May 28, 2012

(Seal)

State of Nevada

County of Clark

On December 2, 2008 before me, Patricia Villa, personally appeared Mary Lee, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

(Seal)

PATRICIA C. VILLA
Notary Public State of Nevada
No. 96-2194-1
My appt. exp. Nov. 12, 2012

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EXHIBIT A

LEGAL DESCRIPTION

APN 139-33-202-008

THAT PORTION OF THE SOUTHEAST QUARTER (SE ¼) OF THE NORTHWEST QUARTER (NW ¼) OF SECTION 33, TOWNSHIP 20 SOUTH, RANGE 61 EAST, M.D.B.&M., ACCORDING TO THE OFFICIAL PLAT OF SAID LAND ON FILE IN THE OFFICE OF THE BUREAU OF LAND MANAGEMENT, CLARK COUNTY, NEVADA, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

LOT ONE (1), AS SHOWN BY MAP THEREOF ON FILE IN FILE 79 OF PARCEL MAPS, PAGE 21, IN THE OFFICE OF THE COUNTY RECORDER, CLARK COUNTY, NEVADA.

EXCEPTING THEREFROM ALL THAT REAL PROPERTY AS CONDEMNED BY FINAL ORDER OF CONDEMNATION RECORDED MARCH 24, 2008 IN BOOK 20080324 AS DOCUMENT NO. 01868 IN THE OFFICE OF THE COUNTY RECORDER OF CLARK COUNTY, NEVADA.

APN 139-33-202-004

SITUATE IN THE COUNTY OF CLARK, STATE OF NEVADA, DESCRIBED AS FOLLOWS:

THAT PORTION OF THE SOUTHEAST QUARTER (SE ¼) OF THE NORTHWEST QUARTER (NW ¼) OF SECTION 33, TOWNSHIP 20 SOUTH, RANGE 61 EAST, M.D.M. WHOLLY WITHIN THE CITY OF LAS VEGAS, COUNTY OF CLARK, STATE .OF NEVADA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE CENTER QUARTER CORNER (C ¼) OF SAID SECTION 33; THENCE NORTH 00°17'52" EAST ALONG THE EAST LINE OF THE NORTHWEST QUARTER (NW ¼) A DISTANCE OF 109.91 FEET TO THE TRUE POINT OF BEGINNING;

THENCE CONTINUING NORTH 00°17'52" EAST ALONG AFORESAID EAST LINE OF THE NORTHWEST QUARTER (NW ¼) A DISTANCE OF 120.09 FEET; THENCE NORTH 89°52'11" WEST A DISTANCE OF 150.00 FEET; THENCE SOUTH 00°17'52" WEST A DISTANCE OF 150.00 FEET TO A POINT ON THE NORTHERLY RIGHT OF WAY LINE OF ALTA DRIVE (80.00 FEET IN WIDTH); THENCE SOUTH 89°52'11" EAST ALONG SAID RIGHT OF WAY LINE A DISTANCE OF 120.09 FEET; THENCE TANGENT TO LAST DESCRIBED BEARING CURVING TO THE LEFT WITH A RADIUS OF 30.00 FEET THROUGH A CENTRAL ANGLE OF 89°49'57" AN ARC DISTANCE OF 47.04 FEET TO

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THE TRUE POINT OF BEGINNING.

EXCEPTING THEREFROM THAT PORTION OF THE SOUTHEAST QUARTER (SE ¼) OF THE NORTHWEST QUARTER (NW ¼) OF SECTION 33, TOWNSHIP 20 SOUTH, RANGE 61 EAST, M.D.M., WHOLLY WITHIN THE CITY OF LAS VEGAS, COUNTY OF CLARK, STATE OF NEVADA, DESCRIBED AS FOLLOWS:

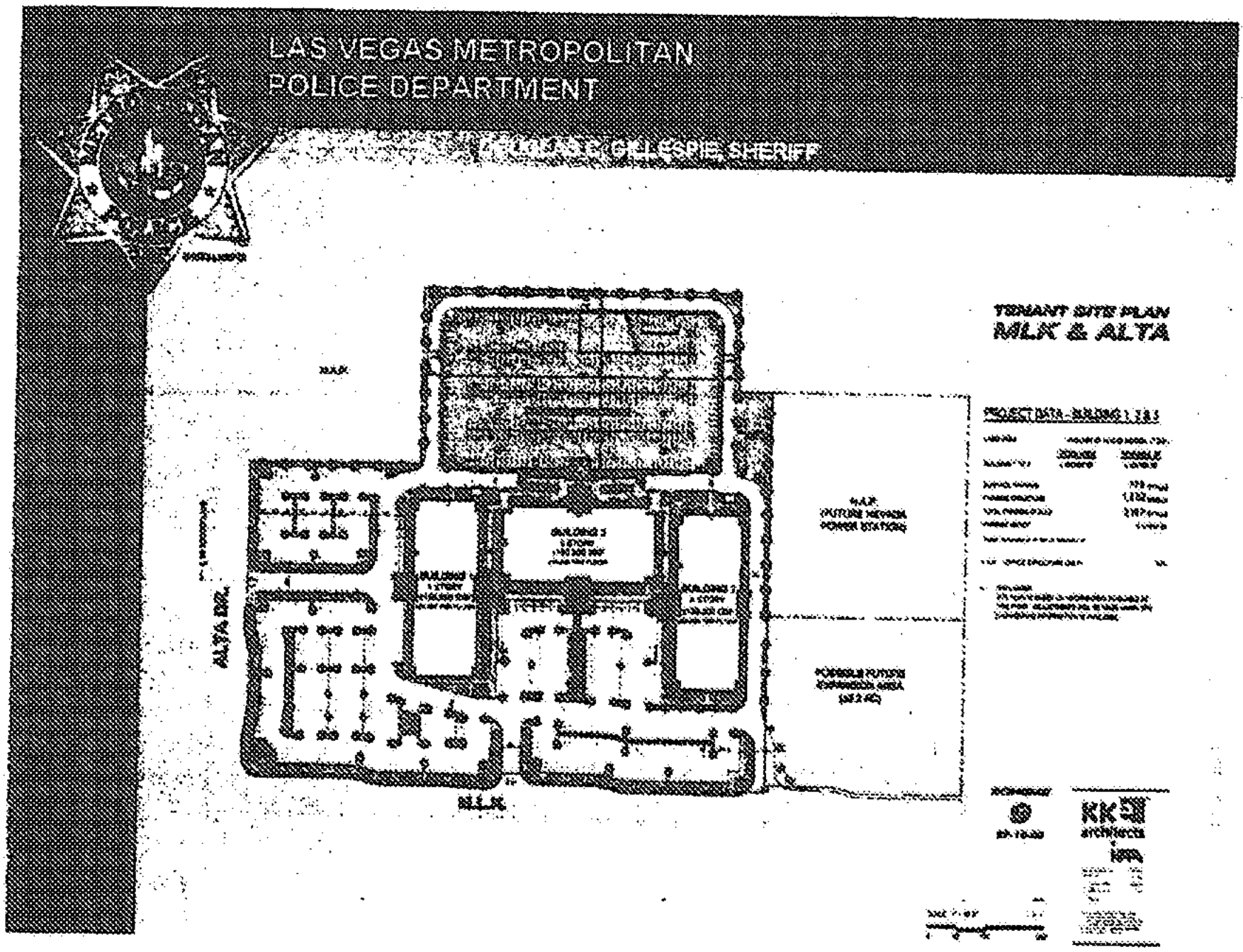
COMMENCING AT THE CENTER QUARTER CORNER (C ¼) OF SAID SECTION 33; THENCE NORTH 00°17'52" EAST ALONG THE EAST LINE OF THE NORTHWEST QUARTER (NW ¼) A DISTANCE OF 80.00 FEET TO THE TRUE POINT OF BEGINNING; THENCE CONTINUING ALONG LAST DESCRIBED LINE A DISTANCE OF 29.91 FEET TO A POINT ON A TANGENT CURVE CONCAVED NORTHWESTERLY AND HAVING A RADIUS OF 30.00 FEET; THENCE SOUTHWESTERLY ALONG ARC OF SAID CURVE THROUGH A CENTRAL ANGEL OF 89°49'57" A DISTANCE OF 47.04 FEET; THENCE SOUTH 89°52'11 EAST TANGENT TO SAID CURVE A DISTANCE OF 29.91 FEET TO THE TRUE POINT OF BEGINNING.

THE TRUE POINT OF BEGINNING.

Landlord Tenant

EXHIBIT B

SITE PLAN



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CC000040

EXHIBIT C

WORK LETTER

This Work Letter is attached as an Exhibit to the Lease (the "*Lease*") by and between **Project Alta, LLC**, a Nevada limited liability company, and **Project Alta II, LLC**, a Nevada limited liability company (collectively, the "*Landlord*"), and the **Clark County, Nevada** ("*Tenant*"), for the Leased Property. Unless otherwise specified, all capitalized terms used in this Work Letter shall have the same meanings as in the Lease. In the event of any conflict between the Lease and this Work Letter, the terms of this Work Letter shall control.

1. **Scope of Project.**

(A) Scope. The project to be constructed by Landlord pursuant to the Lease and this Work Letter will consist of three multi-story office buildings, having a total rentable area of approximately 370,500 square feet ("Buildings"; each a "Building"), together with surface parking areas, a parking structure, sidewalks, driveways, and landscaping, as shown on the site plan which is attached to the Lease as Exhibit B (as the same may be amended or modified in accordance with the terms of this Lease, the "Site Plan"), together with all offsite streets, utilities and drainage improvements which are reasonably required to serve the Improvements in accordance with governmental requirements applicable to the development and use of the Leased Property and together with such other offsite improvements as are required by any applicable governmental authorities and/or as may be required to obtain a building permit and certificates of occupancy for the Buildings (such improvements, not including the Buildings, are sometimes collectively referred to herein as the "On and OffSite Improvements"). The parties agree that the Buildings shall be comparable in quality to suburban Class B office buildings in the Las Vegas Valley.

(B) Site Plan. The parties recognize that the Site Plan may be modified by Landlord to comply with governmental requirements during the Permitting, Financing and Entitlement Period specified in the Construction Schedule attached as Exhibit C-1 to the Lease ("Governmental Required Modifications") and to address value engineering alternatives as the Improvements are further defined and priced ("Other Landlord Modifications").

(i) Landlord will give Tenant written notice of any Governmental Required Modifications promptly upon Landlord's discovery of such Governmental Required Modification together with reasonable supporting documentation with respect to such Governmental Required Modification and Tenant, upon receipt of such notice and supporting documentation, will be deemed to have accepted such Governmental Required Modification unless Tenant determines in good faith that such Governmental Required Modification will have a material and adverse effect on Tenant's desired use of the Premises and gives Landlord notice thereof within ten (10) business days of receipt of Landlord's notice of such Governmental Required Modification together with reasonable supporting documentation. In the event of Tenant's determination that such Governmental Required Modification will have a material and adverse effect, Landlord and Tenant agree to reasonably modify the Site Plan in a manner that will reasonably accommodate Tenant's concern provided such modification will also satisfy the governmental agency that proposed such Governmental Required Modification.

(ii) Landlord will give Tenant prompt written notice of any Other Landlord Modifications promptly upon Landlord's decision to make such Other Landlord Modification together

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with reasonable supporting documentation with respect to such Other Landlord Modifications and Tenant, upon receipt of such notice and supporting documentation, will be deemed to have accepted such Other Landlord Modification unless Tenant reasonably objects to such Other Landlord Modifications and gives Landlord notice thereof within ten (10) business days of receipt of Landlord's notice of such Other Landlord Modifications together with reasonable supporting documentation. In the event of Tenant's objection to such Other Landlord Modifications, Landlord and Tenant agree to reasonably modify the Site Plan in a manner that will reasonably accommodate Tenant's objection.

(iii) Tenant may, from time to time, request a discretionary Site Plan change, provided that Tenant agrees to pay the additional charge attributable to the discretionary Site Plan change. Tenant acknowledges that any delay in the completion of Landlord's Work as a result of such discretionary Site Plan changes will be considered a Tenant Delay (as defined herein).

(C) Base Building Improvements and Tenant Improvements. Pursuant to the Lease and subject to the terms and conditions of the Lease and this Work Letter, Landlord has agreed to construct the On and Offsite Improvements, as described above, and the Base Building Improvements, as defined in this Section 1(C), at Landlord's cost, and Landlord has agreed to construct the Tenant Improvements, as defined in this Section 1(C), at Tenant's cost, subject to the Base Construction Allowance, as such term is defined in Section 4 below. The construction of the On and Offsite Improvements, the Base Building Improvements and the Tenant Improvements is sometimes collectively referred to herein as the "***Landlord Work***". All of Landlord's Work shall be constructed by Landlord in a good and workmanlike manner, free and clear of liens and encumbrances, using new or like new materials, in accordance with generally accepted means, methods, and standards of the construction industry, and in accordance with the Approved Construction Documents (as defined below), the Site Plan and all applicable laws, rules, regulations and ordinances. All of Landlord's Work shall be constructed by licensed general contractors who carry insurance, in such types and in such amounts, as is customary in the industry, which insurance policies shall name Tenant, Landlord and Landlord's lender as additional insureds. Landlord shall provide monthly progress reports to Tenant concerning the activities and progress of the construction of Landlord's Work. Landlord shall be responsible for the filing of all applications, payments of all fees (including, without limitation, impact fees, development fees, traffic fees, utility map fees, and meter fees) and securing all permits, approvals, and bonds as may be required by any governmental or quasi-governmental agency having jurisdiction over such work. All design development and engineering in connection with Landlord's Work shall be prepared by a duly licensed registered architect and/or professional engineer. Tenant shall have the option of submitting to Landlord the names of up to 2 architects or engineers prior to Landlord engaging such professional to perform services with respect to Tenants Improvements for purposes of competitively bidding the work to be performed by such architects or engineers as long as such architects or engineers are reasonably acceptable to Landlord and deemed qualified by Landlord to perform such services. Landlord shall award the contracts for architecture and engineering services to any responsive and responsible architects and engineers providing competitive estimates.

(i) The "***Base Building Improvements***" consist of each Building completed with the following: (a) all structural components of each Building including foundation, code standard insulated exterior walls and wall cavity (but not including drywall) with architecturally specified glazing (interior side not enclosed with drywall), standard keyed entry doors, core walls and elevator, elevator shafts and elevator lobby areas (located on each floor of each Building) completed to building standard condition for public areas; (b) unfinished concrete floors throughout the Building (outside of the Building Core), broom clean; (c) building standard 120/208 volt power supplied to the Building Core (as defined

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below) along with 277/480 volt power supplied to a single electrical room in the Building Core on each floor of the Building for further distribution by tenant; (d) restroom facilities complying with ADA standards on each floor of each Building consisting of one men's room per floor with two toilets, two urinals and two sinks and one women's room per floor with four toilets and two sinks finished with building standard finishes along with a single vestibule and one pair of drinking fountains; (e) access corridors conforming to a code required minimum width as follows: Upper Floors - a single continuous access corridor along one side of the Building Core connecting stairway entry/exit doors; Ground Floor – a single access corridor with maximum 26' wide front and 15'wide rear lobbies connecting the two primary entries (via the shortest route) and an access corridor connecting each of the stairway entry/exit doors to the exterior of the building (via the shortest route) together with a single continuous access corridor along one side of the Building Core but not extending to or connecting with stairway entry/exit doors; (f) communication and fire alarm systems in accordance with minimum standards set by applicable building codes at the core only; (g) elevators (two in each four story Building and three in the five story Building), equipment room (electrical telephone/IDF), and stairs in accordance with minimum code requirements, along with code compliant fire rated Building Core and corridor walls, four (4) fire rated standard keyed entry doors per floor of each Building leading into tenant spaces, and code compliant fire rated stairs and stairwells; (h) mechanical, electrical, plumbing, life safety, heating, air conditioning and ventilation in the Building Core area as required to connect to and service the other portions of the subject Building which heating, air condition and ventilation shall be sized to proper tonnage required for building construction type and occupancy type and with proper structural supports, together with mechanical rooms and electrical rooms; (i) a combined electrical, telephone, and Intermediate Distribution Frame (IDF) room of approximately 15' x 17' per floor of each Building; (j) code compliant life safety and ingress/egress signage with all relevant functioning fire strobe and fire suppression systems for core only; and (k) the Building Core. Landlord shall be required to pay for all meters and utility connection fees (including the Clean Water Coalition Fee) in connection with the Base Building Improvements (which shall include at least one water sub-meter for each Building).

(ii) The term "***Building Core***" means the areas within the outermost finish face of that portion of each Building that are a central or material part of each multistory Building that integrate function and service needs on every floor in a stacking manner and that incorporate those areas that provide service to that floor and to each Building, including certain components of the Base Building Improvements such as electrical, mechanical, and telephone rooms, elevators and all vertical floor penetrations for mechanical/electrical/plumbing for each Building. The Building Core areas (except in the equipment rooms which shall have sealed bare concrete floors and taped drywall, no paint) shall have building standard finishes consisting of finished floors, walls (tenant side of walls shall be taped and finished, ready for paint) and ceilings with functioning utilities, including, but not limited to, plumbing, electrical, mechanical (HVAC) and fire suppression, all supplied and installed at Landlord's expense. Stairwells to have painted walls and painted steel stairs and handrails with unpainted concrete treads and landings. Exit corridors to have building standard finishes. The Building Core should be prepared for human habitation and shall be operating prior to the Turnover Date. Conduit and pull strings should be located inside telephone, IDF and electrical rooms within the Building Core and run for vertical connection for tenant distribution. In addition, HVAC systems shall be provided with a centralized generic horizontal run outside the Building Core for ease of tenant connection, engineering and distribution. Landlord and Tenant hereby acknowledge and agree that the Buildings shall not be improved as, and the Base Building Improvements shall not include any improvements to a Building or any other portion of the Leased Property which are required for any Building to qualify as, an "essential facility," as defined in the International Building Code. Landlord shall seek input from and the approval of Tenant with respect to the finishing and materials used within the Building Core, which approval shall

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not be unreasonably withheld, conditioned or delayed.

(iii) All improvements to be constructed in the Buildings, other than the Base Building Improvements, are defined as "***Tenant Improvements***" and will be constructed by Landlord's tenant improvement contractor (determined in accordance with Section 3 of this Work Letter) at Tenant's cost, subject to the Base Construction Allowance. As of the date hereof, Landlord and Tenant estimate that the useable area will constitute approximately 90% of the Rentable Area of each Building.

(iv) Landlord shall require its general contractor(s) to (i) adequately supervise, coordinate, and direct their respective portions of Landlord's Work; (ii) cooperate with Tenant and all others whose work may impact or affect Landlord's Work; and (iii) faithfully observe and use its commercially reasonable efforts to ensure that all of its employees subcontractors and others on the site observe all laws and prudent business practices and rules in effect at the Leased Property.

2. **Landlord Initial Deliveries; Space Plans; Tenant's Information; Construction Documents.**

(A) Landlord Initial Deliveries. Within ninety (90) days after the Effective Date, Landlord shall deliver to Tenant the floor plans for each Building, which floor plans shall detail (sufficient for space planning purposes) the area of the Building Core and Base Building Improvements (collectively, the "***Landlord Initial Deliveries***").

(B) Space Plans. On or before the date that is ninety (90) days after Tenant's receipt of the Landlord Initial Deliveries (the "***Space Plans Delivery Deadline***"), Tenant shall deliver to Landlord a dimensioned space plan for each floor of each Building, prepared by Ward & Howes Associates or such other design consultant reasonably acceptable to Landlord under the supervision and management of Tenant (the "***Space Plans***"). Landlord shall notify Tenant whether it approves of the submitted Space Plans, which approval shall not be unreasonably withheld, within twenty-one (21) days after Tenant's submission thereof ("***Space Plans Notice***"), and Landlord shall provide Tenant with a good faith estimate of the cost of the Tenant Improvements shown on the Space Plans ("***First Cost Estimate***") within forty-two (42) days after receipt of the Space Plans. The First Cost Estimate shall detail, on a line item basis, all hard and soft costs anticipated to be incurred in connection with the Tenant Improvements. If Landlord disapproves of the Space Plans, then Landlord shall notify Tenant thereof specifying in reasonable detail the reasons for such disapproval, in which case Tenant shall, within thirty (30) Business Days after receipt of the Space Plans Notice and the First Cost Estimate, revise such Space Plans in accordance with Landlord's objections and submit the revised and corrected Space Plans to Landlord. ***Landlord and Tenant agree that the feasibility studies and space plans prepared by Ward & Howes Associates prior to the date of the Lease are to be disregarded and therefore neither referenced nor relied upon for the terms and requirements of the Lease and this Work Letter.***

(C) Tenant's Information. Within thirty (30) days after the Space Plans are accepted by Landlord in accordance with the procedure set forth in subsection (B) above, Tenant shall submit to Landlord updated Space Plans which include all information necessary for the preparation of complete, detailed architectural, mechanical, electrical and plumbing drawings and specifications for construction of the Tenant Improvements, including, without limitation, that information specified on Exhibit C-2 attached hereto and incorporated herein by this reference ("***Tenant's Information***"). It is anticipated that Landlord and its contractor will require information, clarifications and approvals from time to time from Tenant with regard to Tenant's Information and Space Plans. Tenant agrees to respond to any request for such information, clarifications and/or approvals as quickly as is reasonably practicable (and in any event

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within five (5) business days (unless a shorter or longer period is specifically provided in this Work Letter or is required by then existing circumstances or conditions)) in order to avoid delay in the preparation of the Construction Documents, as described below, or delay in the construction of the Landlord Work.

(D) Construction Documents. Within ninety (90) days (plus up to fourteen (14) days for Tenant's review of the partially completed documents, as provided in the following sentence) following Landlord's receipt of Tenant's Information, Landlord's designated architectural/engineering firm shall prepare and submit to Tenant all finished and detailed architectural drawings and specifications, including mechanical, electrical and plumbing drawings for the Tenant Improvements (the "***Construction Documents***"), and Landlord shall also provide to Tenant a revised (to reflect changes since the First Cost Estimate) good faith estimate of the costs to perform the Tenant Improvements ("***Second Cost Estimate***"). Prior to submission of the final Construction Documents, Landlord shall deliver to Tenant copies of the Construction Documents when same are approximately 30% complete and approximately 60% complete and, within seven (7) days of receipt of each such set of Construction Documents, Tenant shall have the option of providing substantive and material comments to same (and the failure of Tenant to provide comments within such seven (7) day period shall be deemed a waiver of Tenant's option to provide comments to that set of Construction Documents); provided, however, the failure of Tenant to approve or reject a specific set of Construction Documents shall not be deemed a waiver by Tenant of any right to approve the final Construction Documents in accordance with the following provisions. Landlord's designated architectural/engineering firm, in preparing the Construction Documents, shall be entitled to rely on the completeness and sufficiency of the information supplied by Tenant and Tenant's agents pursuant to subsections B and C above; provided, however, such information will be supplied for "design intent" purposes only and the responsibility for the functionality of the Space Plan and the compliance of the Construction Drawings with building code requirements will remain with Landlord's designated architectural/engineering firm. The Second Cost Estimate shall detail, on a line item basis, all hard and soft costs anticipated to be incurred in connection with the Tenant Improvements. In addition, Landlord shall advise Tenant of the number of days of Tenant Delay (as defined below) attributable to extraordinary requirements (if any) contained in Tenant's Information, which determination shall be made by Landlord in good faith and shall be supported by reasonable documentation.

(E) Approved Construction Documents. Within 30 days after receipt of the final Construction Documents, Tenant shall (i) approve and return the Construction Documents to Landlord (which approval shall not be unreasonably withheld), or (ii) provide Landlord Tenant's written requested changes to the Construction Documents, in which event Landlord shall have the Construction Documents revised (as Landlord reasonably deems appropriate) and resubmitted to Tenant for approval within 15 days after receipt. If Tenant fails to request changes within the initial 30 day review period, Tenant shall be deemed to have approved the Construction Documents. Upon Tenant's approval, the Construction Documents shall become the "***Approved Construction Documents.***" By granting approval of the Construction Documents (whether such approval is expressly granted or deemed given as provided above), Tenant shall be deemed to have confirmed by means of calculations or metering that the available capacity of the Building electrical system will support Tenant's electrical requirements; provided, however, approval of the Approved Construction Documents shall not constitute any assumption of any liability for the accuracy or sufficiency thereof by Tenant. Tenant acknowledges that Landlord is not an architect or engineer, and that the Landlord Work will be designed and performed by independent architects, engineers and contractors. Accordingly, Landlord does not guarantee or warrant that the Approved Construction Documents will comply with laws or be free from errors or omissions, nor that the Landlord Work will be free from defects, and Landlord will have no liability therefor, except as otherwise set forth in the Lease; provided, however, Landlord shall assign to Tenant all warranties and

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other claims against the architects, engineers and contractors responsible for preparation of the Approved Construction Documents and construction of the Landlord Work. In addition, neither Tenant's nor Landlord's approval of the Construction Documents or the Landlord Work shall be interpreted to waive or otherwise modify the terms and provisions of the Lease. Except with respect to the economic terms set forth in Paragraph 3 of this Work Letter, the terms and provisions contained in this Work Letter shall survive the completion of the Landlord Work and shall govern in all applicable circumstances arising under the Lease throughout the Term of the Lease, including the construction of future improvements in the Leased Property. Landlord and Tenant agree that Landlord may, but shall not be obligated to, commence construction of the Base Building Improvements and the On and Offsite Improvements prior to approval of the Construction Documents, provided that Landlord's decision to proceed with such construction prior to the approval of the Construction Documents shall not, in and of itself, result in increased cost to Tenant.

3. Pricing and Bids. Following receipt of the Approved Construction Documents, Landlord will promptly price the construction of the Tenant Improvements with general contractors in accordance with the Approved Construction Documents and shall furnish a written price estimate for the Tenant Improvements to Tenant. Tenant shall have the option of submitting the names of up to 2 general contractors for inclusion in the pricing process so long as such contractors are reasonably acceptable to Landlord and deemed qualified by Landlord to construct the Tenant Improvements. Upon receipt of the pricing estimate(s), Tenant shall promptly review such estimate(s), and, if Tenant so elects, meet and discuss with Landlord and the contractor(s) and architect any possibilities for the value engineering of the Tenant Improvements. Within twenty-one (21) days of such receipt, Tenant shall return the estimate(s), as the same may be modified by Landlord and its contractor as the result of any such meetings and discussions with Tenant. Landlord shall thereafter award the construction of Tenant Improvements to any responsive and responsible general contractor providing a competitive estimate. If Tenant fails to give its approval to the estimate(s) within such twenty-one (21) day period, then the general contractor selected by Landlord (in accordance with the criteria set forth in the preceding sentence) shall be deemed approved by Tenant. Notwithstanding the foregoing, after receipt of such pricing, Landlord shall have the right, pursuant to Section 3.02 of the Lease and subject to the terms thereof, to terminate the Lease if Landlord reasonably determines that (i) its actual costs of developing and constructing the Improvements materially exceed its projected costs and (ii) as a result of such increased costs, the Base Rent no longer meets Landlord's minimum required return on investment. If Landlord does not exercise such right of termination, then subject to the terms of the Lease and this Work Letter, Landlord will proceed to obtain the necessary permits for the Landlord Work and to construct the Landlord Work. Notwithstanding the foregoing, pursuant to Section 7.03 of the Lease and subject to the terms thereof, if Landlord determines that Landlord cannot obtain the entitlements and permits required for Landlord Work during the Permitting, Financing and Entitlement Period specified in the Construction Schedule attached as Exhibit C-1 hereto, this Lease shall terminate and be of no further force or effect. Landlord shall provide monthly progress to Tenant concerning the progress of obtaining the entitlements and permits required for Landlord Work.

4. Landlord's Contributions. Subject to the terms and conditions of the Lease (including, without limitation, Sections 7.01 and 7.02 of the Lease) and this Work Letter, the Base Building Improvements and the On and Offsite Improvements will be constructed by Landlord at Landlord's cost. Tenant shall pay all costs of designing, engineering and constructing the Tenant Improvements, including without limitation, architect's fees, engineering fees, contractor's fees and general conditions and hard costs of construction and a reasonable overhead and supervision fee to Landlord to the extent such overhead and supervision fee does not (in and of itself) cause the cost of construction of the Tenant Improvements to

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exceed the sum of the Base Construction Allowance and an amount equal to $37 per square foot of the Rentable Area of the Building (less the rentable area of the Excluded Areas) (and which overhead and supervision fee shall in no event exceed 2.5% of the costs of the Tenant Improvements); provided, however, that Landlord shall contribute $40.00 per square foot of Rentable Area of each Building (less the portion of the Rentable Area which is occupied by the elevator lobby areas, restroom facilities for men and women along with the vestibule and access areas that are constructed by Landlord as part of the Base Building Improvements) (collectively, the "***Excluded Areas***") towards the design and construction of the Tenant Improvements in that Building (the "***Base Construction Allowance***"). Payment of the Base Construction Allowance shall be made directly by Landlord to Landlord's architects, engineers, consultants and contractor, as appropriate. Tenant acknowledges that the total cost of the Tenant Improvements may exceed the Base Construction Allowance and that Tenant shall be responsible for any such excess cost. Landlord shall keep good and accurate books and records in sufficient detail to allow the cost of the Tenant Improvements to be calculated (the "**Books and Records**"). The Books and Records shall be made available for review and audit (upon prior reasonable notice to the Landlord) by the Tenant (in the event any such audit reveals a discrepancy in the maintenance of the Books and Records, Landlord shall promptly rectify such error). Notwithstanding the foregoing, pursuant to Section 7.02, if Landlord determines that Landlord cannot arrange financing to construct the Base Building Improvements or to provide the Base Construction Allowance on terms and conditions reasonably acceptable to Landlord, Landlord may terminate the Lease.

5. Punch List; Time and Delay.

Landlord's Work with respect to a given Building shall be "Substantially Complete" when Landlord obtains for the Building (including all Base Building Improvements and Tenant Improvements) either a final certificate of occupancy or a temporary certificate of occupancy or final inspection approval allowing Tenant to legally occupy the Building for the conduct of its business. In the event that Landlord's Work is Substantially Complete as a result of obtaining a temporary certificate of occupancy or final inspection, as opposed to a final certificate of occupancy, Landlord shall nonetheless be obligated to obtain a final certificate of occupancy for each Building within 60 days after the Turnover Date (or such longer period of time as may be reasonably required for Landlord, acting with commercially reasonable diligence, to obtain a final certificate of occupancy).

Landlord shall provide no less than 120 days prior notice of the anticipated Turnover Date (as defined in the Lease) for each Building. Prior to the Turnover Date for any Building, Landlord and Tenant shall conduct a joint walk through of the completed Building(s) and complete a punchlist of required items. Punchlist items shall not delay the Turnover Date so long as such punchlist items do not impede Tenant from opening for business, but Landlord shall complete required items within 30 days (or such additional period of time as may reasonably be required if Landlord cannot complete the required items within the initial 30 day period, but not to exceed 90 days). Within 60 days after the Turnover Date, Landlord shall provide Tenant a complete set of as built final plans and specifications for the subject Building.

Time is of the essence in connection with the obligations of Landlord and Tenant under this Work Letter. Except for the specific remedies set forth in the Lease, Landlord shall not be liable or responsible for any claims incurred (or alleged) by Tenant due to any delay in completing the Landlord Work for any reason. Tenant's sole and exclusive remedy for any delay in Landlord's completion of the Landlord Work for any reason other than Tenant Delay (defined below) shall be the resulting postponement (if any) of the commencement of rental payments under the Lease and the right to

Landlord _____ Tenant _____

terminate the Lease with respect to any Building whose Turnover Date has not occurred as of the Outside Delivery Date (subject to Section 25 of the Lease), as described in Section 1.03 of the Lease. "***Tenant Delay***" means any act or omission of Tenant or its agents, employees, vendors or contractors that actually delays the completion of the Landlord Work, which delays cannot be reasonably avoided by Landlord, including: (i) Tenant's failure to furnish information or approvals within any time period specified in this Lease, including the failure to prepare or approve preliminary or final plans by any applicable due date; (ii) Tenant's selection of non-standard equipment or materials which cannot be reasonably obtained and/or completed by Landlord or its contractors within time periods that standard equipment or materials could be obtained; (iii) changes to, and deviations from, the Approved Construction Documents that delay the completion of the Landlord Work; (iv) performance of work in the Leased Property by Tenant or Tenant's contractor(s) during the performance of the Landlord Work that delays the performance of Landlord's Work; or (v) failure of Tenant to install system furniture or installations which are required by applicable law in order for Landlord to obtain the certificate of occupancy, temporary certificate of occupancy or final inspection approval for any Building (provided, however, Landlord shall have provided Tenant commercially reasonable prior written notice of Tenant's requirement to install system furniture or installations). Any claim by Landlord of a Tenant Delay shall be made by Landlord in good faith and shall be evidenced by reasonable supporting documentation.

6. Change Orders and Cost Overruns. Landlord's approval is required in advance of all changes to, and deviations from, the Approved Construction Documents (each, a "***Change Order***"), including any (i) omission, removal, alteration or other modification of any portion of the Landlord Work, (ii) additional architectural or engineering services, (iii) changes to materials, whether building standard materials, specially ordered materials, or specially fabricated materials, or (iv) cancellation or modification of supply or fabrication orders. Except as otherwise expressly provided in this Work Letter, all costs of the Tenant Improvements in excess of the Base Construction Allowance, including Change Orders requested by Tenant and approved by Landlord which increase the cost of the Landlord Work (collectively, "*Cost Overruns*"), shall be paid by Tenant to Landlord within 30 days of receipt of Landlord's invoice. In addition, at Landlord's election, Landlord may require Tenant to prepay any projected Cost Overruns within 30 days of receipt of Landlord's invoice for same. Landlord may stop or decline to commence all or any portion of the Landlord Work until such payment (or prepayment) of Cost Overruns is received. On or before the Commencement Date with respect to any Building, and as a condition to Tenant's right to take possession of that Building, Tenant shall pay Landlord the entire amount of all accrued and unpaid Cost Overruns, less any prepaid amounts. Tenant's failure to pay, when due, any Cost Overruns or the cost of any Change Order shall constitute an event of default under the Lease.

7. Early Access. Prior to the date the Landlord Work is substantially complete for a Building, and at such time as Landlord reasonably determines that Tenant's access to the Building will not delay or interfere with the construction of the Landlord Work, Tenant and its contractors shall be permitted to enter the Building for the sole purpose of performing improvements or installing furniture, equipment or other personal property. Such right of access may be suspended at any time if Landlord determines that Tenant's activities are delaying or interfering with the construction of the Landlord Work. Any damage to the Landlord Work caused by Tenant or its contractors during such early access shall be repaired at Tenant's cost and any delay caused by such early access shall be a Tenant Delay.

8. Acceptance. Subject to Section 5, by taking possession of each Building, Tenant agrees and acknowledges that (i) such Building is usable by Tenant as intended; (ii) Landlord has no further obligation to perform any Landlord Work or other construction (except punchlist items, if any agreed

Landlord Tenant

upon by Landlord and Tenant in writing, and warranty work) with respect to such Building; and (iii) the Building is satisfactory in all respects.

9. Milestone Schedule.

Preparation and approval of Construction Documents and other construction items shall proceed as indicated below and each action shall be completed on or before the date herein specified. Landlord shall provide Tenant not less than monthly with written updates concerning the status of these items. Section numbers referenced below in this Section 9 are to Sections in this Work Letter. Time is of the essence.

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ACTION	RESPONSIBILITY	DUE DATE
Landlord Initial Deliveries. Landlord to deliver Landlord Initial Deliveries to Tenant. (§ 2(A))	Landlord	90 days after the Effective Date.
Space Plans. Tenant to deliver Space Plans to Landlord. (§ 2(B))	Tenant	Within 90 days after Tenant's receipt of Landlord Initial Deliveries.
Landlord's Review of Space Plans. Landlord to review and comment on Space Plans received from Tenant. (§ 2(B))	Landlord	Within 21 days after Landlord's receipt of the Space Plans.
Landlord's Submittal of Good Faith First Cost Estimate. Landlord to provide to Tenant a First Cost Estimate. (§ 2(b))	Landlord	Within 42 days after receipt of the Space Plans.
Tenant's Revisions of Space Plans. Tenant to revise Space Plans based on Landlord's comments and estimates of costs of Improvements shown thereon, and deliver revisions to Landlord. (§ 2(B))	Tenant	Within 30 business days after receipt of Landlord's comments and estimate of costs pursuant to (c) and (d) above.
Tenant's Information. Tenant to deliver Tenant's Information to Landlord. (§ 3(C))	Tenant	Within 30 days after final Space Plans are approved
Landlord's Submittal of Construction Documents and Second Cost Estimate. Landlord to deliver Construction Documents and Second Cost Estimate to Tenant. (§ 2(D))	Landlord	Within 90 days after receipt by Landlord of Tenant's Information.
Tenant's Approval of Construction Documents. Tenant to approve or disapprove Construction Documents in writing (§ 2(E))	Tenant	Within 30 days after Tenant's receipt of Construction Documents.
Landlord's Revisions to Construction Documents. If Tenant disapproves in writing, Landlord to submit corrected Construction Documents (as Landlord deems appropriate) to Tenant (§ 2(E))	Landlord	Within 15 days after Landlord's receipt of Tenant's comments.
Pricing and Bids. Landlord to deliver written price estimate for the Tenant Improvements to Tenant. (§ 3)	Landlord	Following receipt of Approved Construction Documents
Tenant's Response to Pricing. Tenant to review pricing estimates of Tenant Improvements based on Approved Construction Documents. (§ 3)	Tenant	Within 21 days after receipt from Landlord.

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EXHIBIT C-1
CONSTRUCTION SCHEDULE

(PRELIMINARY CONSTRUCTION SCHEDULE)

Lease Execution	December 02, 2008
Permitting, Financing and Entitlement Period (the Permitting, Financing and Entitlement Period is subject to extension upon the request of Landlord and approval of Tenant, which approval shall not be unreasonably withheld)	**Nine (9) month period following Lease Execution**
Construction Period	**Eighteen (18) month period following Permitting, Financing and Entitlement Period**
Target Delivery Date	**Expiration of Construction Period**

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EXHIBIT C-2

TENANT'S INFORMATION REQUIREMENTS

Tenant shall provide Landlord with a written list detail the following information per each floor and room number on the Tenant's Spaceplan:

1. **Wall types**
   a. Designate the construction required for each wall from a list of standard wall types to include; pony or partial height (with height specified), interior partitions through the grid (with height specified), interior full height partitions (for security), fire rated walls, demising walls with insulation or other interior walls requiring insulation for sound abatement.

2. **Finishes (may be provided as a separate Finish Schedule)**
   a. Wall finishes, per wall, including Manufacturers color and model number
   b. Flooring material, including Manufacturers color and model number
   c. Base material, including Manufacturers color and model number
   d. Ceiling height and material, including Manufacturers color and model number
   e. Special other finish materials as required

3. **Doors, Windows, Frames and Hardware (may be provided as a Door Schedule)**
   a. Specify the door size in width, height and thickness
   b. Identify the door as a "Building Standard" unit or specify another type
   c. Identify the door frame as a "Building Standard" or specify another type
   d. Identify the door hardware package (hinges, wallstop, lockset, closer, etc.) as "Building Standard" or specify another type
   e. Designate door locksets that are to be locking, passage, closet functions or specify locking requirements.
   f. Indicate locations of doors with sidelites, glass cut in doors, windows cut into interior walls, pass-thru windows and bullet resistant glass (with size and heights)

4. **Millwork**
   a. Description of millwork pieces, if required, including door and drawer configurations (elevations preferred)
   b. Dimensions of requested millwork pieces, including width, depth and heights
   c. Finish material requested for faces and tops of millwork pieces
   d. Location of millwork pieces in the room
   e. Special finish materials or details as required

Landlord _____ Tenant _____

Tenant Improvement Information Form – page 02

5. **HVAC**

a. Designate if the room needs to be on a separate air conditioning zone
b. Define specific exhaust requirements if greater than code minimums
c. Define temperature range requirements (minimum and maximum)
d. Define hours of operation for HVAC
e. Indicate the total wattage of equipment within the room for calculation of heat / cooling loads

6. **Electrical**

a. Define number of power outlets and locations, including mounting heights
b. Define the voltage and amperage load requirement for each outlet location
c. Plug configurations, if other than standard plugs
d. Designate outlets that are to be dedicated circuits and amperage load requirements

7. **Lighting**

a. Define type of lighting required for this space (2x4 troffer / recessed downlights / wall washers / indirect / task lighting, etc.)
b. Define light level requirements in foot candles if other than standard office lighting levels
c. Designate lighting control requirements if other than standard office switching
d. Designate outlets that are to be dedicated circuits

8. **Data / Phone**

a. Designate the drop (data box) locations, including mounting heights
b. Define the number of cables and type of cable for each drop location
c. Designate drops that are interconnected within the room or to other rooms
d. Confirm the home run location of the drop (server room #)

9. **Alarm**

a. Define type of devices, if required
b. Define location of devices and mounting height, if required
c. Define where devices are controlled from or report to

10. **Access Controls**

a. Define type of devices, if required
b. Define location of devices and mounting height, if required
c. Define where devices are controlled from or report to

11. **Surveillance**

a. Define type of devices, if required

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b. Define location of devices and mounting, if required
c. Define where devices are controlled from or report to

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EXHIBIT D

CONFIRMATION OF COMMENCEMENT DATE (BUILDING # ___)

_____, 200_

_____
_____
_____
_____

Re: Lease Agreement (the "**Lease**") dated _____, 200__, between _____ ("**Landlord**"), and _____, a _____ ("**Tenant**"). Capitalized terms used herein but not defined shall be given the meanings assigned to them in the Lease.

Ladies and Gentlemen:

Landlord and Tenant agree as follows:

1. **Condition of Leased Property**. Tenant has accepted possession of Building #____ of the Leased Property pursuant to the Lease. Any improvements required by the terms of the Lease to be made by Landlord to such Building have been completed to the full and complete satisfaction of Tenant in all respects except for the punchlist items described on Exhibit A hereto (the "**Punchlist Items**"), and except for such Punchlist Items and Landlord's warranty work required by the Lease, Landlord has fulfilled all of its duties under the Lease with respect to such initial tenant improvements. Furthermore, Tenant acknowledges that such Building in the Leased Property is suitable for the Specific Permitted Use.

2. **Rentable Area**. The Rentable Area of Building #_____ is _____.

3. **Commencement Date**. The Commencement Date for Building #____ is _____, 200__.

[3. **Expiration Date**. The Term is scheduled to expire on the last day of the ___th full calendar month of the Term, which date is _____, 200__.] [FOR FINAL COMPLETED BUILDING ONLY – COMMENCEMENT DATE LETTER]

4. **Contact Person**. Tenant's contact person in the Leased Property is:

_____
_____
_____
Attention: _____
Telephone: ____- ___-_____
Telecopy: ____- ___-_____

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Landlord Tenant

5. **Ratification**. Tenant hereby ratifies and confirms its obligations under the Lease, and represents and warrants to Landlord that it has no defenses thereto. Additionally, Tenant further confirms and ratifies that, as of the date hereof, (a) the Lease is and remains in good standing and in full force and effect, and (b) Tenant has no claims, counterclaims, set-offs or defenses against Landlord arising out of the Lease or in any way relating thereto or arising out of any other transaction between Landlord and Tenant.

6. **Binding Effect; Governing Law**. Except as modified hereby, the Lease shall remain in full effect and this letter shall be binding upon Landlord and Tenant and their respective successors and assigns. If any inconsistency exists or arises between the terms of this letter and the terms of the Lease, the terms of this letter shall prevail. This letter shall be governed by the laws of the state in which the Leased Property are located.

Please indicate your agreement to the above matters by signing this letter in the space indicated below and returning an executed original to us.

Sincerely,

_____

By: _____
Name: _____
Title: _____

Agreed and accepted:

[TENANT'S SIGNATURE BLOCK], a _____

By: _____
Name: _____
Title: _____

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Schedule A

PUNCHLIST ITEMS

Please insert any punchlist items that remain to be performed by Landlord. If no items are listed below by Tenant, none shall be deemed to exist.

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EXHIBIT E

INTENTIONALLY OMITTED

Landlord Tenant

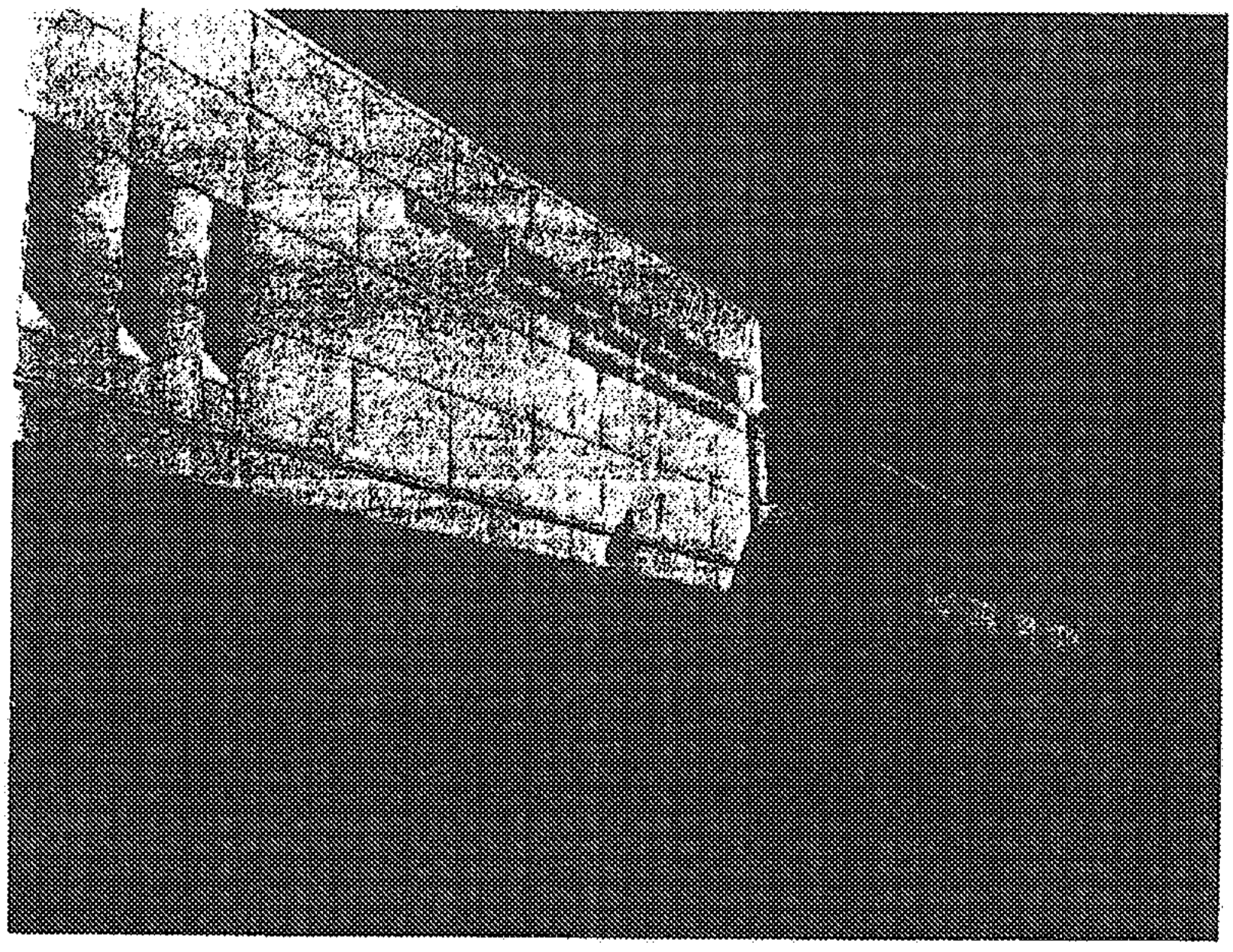
CC000059

EXHIBIT F
MASTER SIGN PLAN

Landlord, at its cost, will provide two monument signs which will include the address of the Leased Property and Tenant's name. One such sign will be located at the entrance to the Leased Property from Martin Luther King Boulevard, and the other sign will be located at the entrance to the Leased Property from Alta Drive. Monument signs will be of sufficient size to incorporate Tenant name, logo, etc. Landlord will provide samples drawings to tenant for monument sign style and size for tenant approval, which approval shall not be unreasonably withheld. Landlord, at its cost, will install the Building identification (raised lettering reverse lighted) on each Building and Tenant's name on the main building (in substantially the form set forth in the picture below).

Any additional exterior signage will be at Tenant's expense and will require approval from the City of Las Vegas as well as Landlord's prior review and approval, provided that such approval by Landlord shall not be unreasonably withheld.

Proposed form of signage (substituting "Headquarters" (in the Second Line) for "Convention Center Area Command" (in the Second Line)):



w RT

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EXHIBIT "D"

EXHIBIT "D"

INTERLOCAL AGREEMENT FOR SUBLEASE OF REAL PROPERTY

By this Interlocal Agreement for Sublease of Real Property (this "Interlocal Agreement"), effective as of December 15, 2008 (the "Effective Date"), made and entered into pursuant to the provisions of the Interlocal Cooperation Act (NRS 277.080 to 277 .180), the County of Clark ("Sublandlord") and the Las Vegas Metropolitan Police Department ("Subtenant" and Sublandlord and Subtenant are individually a "Party" or collectively the "Parties") represent, warrant, covenant and agree as follows.

Section 1. Recitals

1.1 Master Lease. Sublandlord is the "tenant" under that certain Lease dated December 2, 2008 (the "Master Lease") between Sublandlord, as "tenant", and Project Alta, LLC, a Nevada limited liability company and Project Alta II, LLC, a Nevada limited liability company (collectively, "Master Landlord"), as "landlord". Pursuant to the Master Lease, Sublandlord leased from Master Landlord the Leased Property (as such term is defined in the Lease).

1.2 Incorporation by Reference. A copy of the Master Lease is attached and incorporated in this Interlocal Agreement as Exhibit "A".

Section 2. Sublease

Sublandlord hereby subleases to Subtenant, and Subtenant sublets from Sublandlord, the Leased Property on the terms and conditions of this Interlocal Agreement; provided, however, Sublandlord hereby expressly retains all rights to exercise the option to purchase the Leased Property and Contiguous Property as set forth in Section 5 of the Master Lease. In the event Sublandlord enters into a lease or purchase agreement for the Contiguous Property under Section 5.02 of the Master Lease, Sublandlord will grant Subtenant the right of first refusal with respect to use of such Contiguous Property exercisable within one hundred eighty (180) days of execution of the lease or purchase agreement. With the exception of the rights set forth in Section 5 of the Master Lease, it is the intent of Sublandlord and Subtenant that Subtenant be granted all rights of the "tenant" under the Master Lease, to have and to hold such rights pursuant to the terms and conditions set forth in the Master Lease. It is also the intent of the Parties that Subtenant is delegated the duties of the "tenant" under the Master Lease.

Section 3. Representation and Warranty by Sublandlord

Sublandlord represents and warrants to Subtenant that the Master Lease has not been amended or modified except as expressly set forth in this Interlocal Agreement, that Sublandlord is not now, and as of the commencement of the Term (as hereinafter defined) will not be, in default or breach of any of the provisions of the Master Lease, and that Sublandlord has no knowledge of any claim by Master Landlord that Sublandlord is in default or breach of any of the provisions of the Master Lease.

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Section 4. Term; Waiver of Doctrine of Merger

The term of this Interlocal Agreement will commence on the Effective Date and continue for the entire term of the Master Lease (including, without limitation, the Initial Term and any Renewal Term of the Master Lease, as such terms are defined in the Master Lease) (the "Term"). Sublandlord and Master Landlord (by its execution of the Consent of Landlord attached to this Interlocal Agreement) hereby expressly agree that Subtenant shall have the right to extend the term of the Master Lease for any Renewal Term without the requirement that Subtenant obtain the consent or approval of Sublandlord.

The Term of this Interlocal Agreement shall not expire, nor will the Master Lease terminate, in the event that Sublandlord purchases the Leased Property from Master Landlord; rather, in the event that Sublandlord acquires fee title to the Leased Property, Sublandlord and Subtenant expressly agree that this Interlocal Agreement and the Master Lease shall survive to govern and control Sublandlord's and Subtenant's rights and obligations with respect to the Leased Property, as if Sublandlord were the "landlord" and Subtenant were the "tenant" under the Master Lease.

Section 5. Rent and Other Monetary Obligations

Subtenant will pay rent to Sublandlord in an amount equal to all Rent (as such term is defined in the Master Lease) and other charges required to be paid by "tenant" pursuant to the Master Lease, including but not limited to the Work Letter, on or before the date that is three (3) business days prior to the date such sums are due and payable by "tenant" pursuant to the Master Lease, irrespective of Sublandlord's exercise of the Purchase Option and exclusive of the Purchase Price (as such term is defined in the Master Lease) or any other charge required to be paid pursuant to Section 5.01 in connection with the exercise of the option to purchase the Leased Property. In the event that Sublandlord purchases the Leased Property from Master Landlord, Sublandlord agrees to discuss with Subtenant the possibility of eliminating or reducing the rent escalation provision set forth in Section 3.03 of the Master Lease; provided, however, Sublandlord shall have no obligation to reduce or otherwise eliminate the base rent escalation provision set forth in Section 3.03 of the Master Lease. Additionally, any elimination or reduction of base rent escalation agreed to by Sublandlord shall not affect increases in future years. In the event that Sublandlord is assessed a late fee or other penalty for late payment of Rent by Master Landlord pursuant to the Master Lease that is caused solely as a result of Subtenant's failure to comply with this Section 5, Subtenant shall reimburse Sublandlord for any such fee or penalty within ten (10) days of demand therefor.

Sublandlord agrees to finance all or, at the election of Subtenant, part of the obligation of "tenant" under the Master Lease to pay the costs of the Tenant Improvements (as defined in the Master Lease) in excess of the Base Construction Allowance (as defined in the Master Lease) in accordance with the requirements set forth in the Master Lease, to the extent such costs (in excess of the Base Construction Allowance) do not exceed an amount equal to $37 per square foot of the Rentable Area of the Building (less the rentable area of the Excluded Areas) (as such terms are defined in the Master Lease) (the "Sublandlord Financing Obligation"). Subtenant shall repay the portion actually financed of the Sublandlord Financing Obligation (plus the actual debt service costs, including the cost of issuance, incurred by Sublandlord in connection with the Sublandlord Financing Obligation), on a monthly basis over the term of five (5) years, commencing upon completion of the Tenant Improvements. Sublandlord shall have no obligation to finance the costs

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of the Tenant Improvements in excess of the Sublandlord Financing Obligation and Subtenant shall be responsible for any excess Tenant Improvement costs over and above the Base Construction Allowance and the Sublandlord Financing Obligation.

Section 6. Other Provisions of Interlocal Agreement; Effect of Master Lease

All applicable terms and conditions of the Master Lease are incorporated into and made a part of this Interlocal Agreement as if Sublandlord were the "landlord", Subtenant the "tenant", and the Leased Property the premises under the Master Lease. Except as otherwise expressly provided herein, Subtenant assumes and agrees to perform the "tenant's" obligations under the Master Lease during the Term including, without limitation, costs of utilities and maintenance costs required to be paid by the "tenant" under the Master Lease (however, the obligation to pay Rent and other charges required to be paid by "tenant" pursuant to the Master Lease will be considered performed by Subtenant to the extent Subtenant performs its monetary obligations to Sublandlord in accordance with Section 5 of this Interlocal Agreement). Sublandlord agrees not to take any action that will cause a default on the part of the "tenant" under the Master Lease and Sublandlord expressly agrees to pay all Rent (as such term is defined in the Master Lease) and other charges required to be paid by "tenant" pursuant to the Master Lease on or before the date such sums are due and payable by "tenant" pursuant to the Master Lease. Sublandlord and Master Landlord (by its execution of the Consent of Landlord attached to this Interlocal Agreement) hereby expressly agree that they will take no action to amend or modify the terms of the Master Lease without the consent or approval of Subtenant and no such amendment or modification of the Master Lease shall be valid or binding on Subtenant unless so approved by Subtenant. Although Subtenant shall have all rights of the "tenant" under the Master Lease to design and approve the Tenant Improvements, Subtenant agrees to keep Sublandlord reasonably involved in such process including, without limitation, by inviting Sublandlord to design meetings. In the event that Subtenant occupies or plans to occupy less than 100% of the Leased Property at any time during the Term, Subtenant agrees to discuss with Sublandlord the sub-sublease of a portion of the Leased Property to a third party (to the extent such sub-sublease is allowed by the terms of the Master Lease) in order to eliminate any vacant space within the Leased Property.

Section 7. Defaults; Obligations Unconditional

7.1 Defaults. If either Party fails to make any payment due hereunder within three (3) business days of written notice from the other Party that such payment was due and payable, or either Party hereto otherwise fails to abide by the provisions of this Interlocal Agreement and fails to cure such default within three (3) business days of written notice from the other Party, this Interlocal Agreement may be enforced by the other Party hereto. Such enforcement may include, without limitation, the following:

(a) The Party who is not in default may advance the amount required to make up for any payment default by the other Party and shall be entitled to recover from the defaulting Party the sum so advanced, plus interest from the date the payment was due until it is paid by the defaulting Party at the prime rate prevailing during the period of the default, as it may change from time to time, based on such rate as published in the Wall Street Journal or if more than one rate is published on any day, the average of such rates.

CC000063

(b) Either of the Parties may sue in a court of competent jurisdiction to enforce the provisions of this Interlocal Agreement for damages or to obtain any other remedy that may be available in law or in equity, including specific performance of the provisions of this Interlocal Agreement.

7.2 Obligations Unconditional. Subtenant's obligation to make or cause to be made payments under this Interlocal Agreement is absolute and unconditional. The Subtenant is not entitled to any right to set-off against any other obligation of any amounts due hereunder, nor to delay making any payments due hereunder, nor to withhold any payments due hereunder on account of any breach or alleged breach of this or any other agreement by Sublandlord, or on account of any other reason whatsoever.

Section 8. Notices

Any notice or communication to be given under the terms of this Interlocal Agreement (a "Notice") shall be in writing and shall be given as follows:

Sublandlord:

Clark County
Department of Real Property Management
Attn: Director
500 S. Grand Central Pky 4th Floor
Box 551825
Las Vegas, NV 89155-1825
Facsimile: (702) 455-4055

Subtenant:

Las Vegas Metropolitan Police Department
Attn.: Facilities Manager
400 Stewart Avenue
Las Vegas, Nevada 89101
Facsimile: (702) 828-2729
Telephone: (702) 828-3413

With a copy to:

Las Vegas Metropolitan Police Department
Attn.: Office of the General Counsel
400 Stewart Avenue
Las Vegas, Nevada 89101
Facsimile: (702) 828-3191
Telephone: (702) 828-3310

and

Santoro, Driggs, Walch, Kearney, Holley & Thompson
400 South Fourth Street, Third Floor
Las Vegas, Nevada 89101
Attn.: Andrew J. Glendon, Esq.
Facsimile: (702) 791-1912
Telephone: (702) 791-0308

Master Landlord (by its execution of the Consent of Landlord attached to this Interlocal Agreement) hereby expressly agrees that it shall give any notice that Master Landlord is required to give to the "tenant" under the Master Lease to both Sublandlord and Subtenant. Notwithstanding the foregoing, Sublandlord hereby expressly agrees that it shall immediately give a copy of any notice received by Sublandlord as "tenant" under the Master Lease to Subtenant.

Section 9. Successors and Assigns

This Interlocal Agreement will be binding on and inure to the benefit of the parties to it, their heirs, executors, administrators, successors in interest, and assigns.

Section 10. Entire Agreement

This Interlocal Agreement sets forth all the agreements between Sublandlord and Subtenant concerning the Leased Property, and there are no other agreements either oral or written other than as set forth in this Interlocal Agreement.

Section 11. Time of Essence

Time is of the essence in this Interlocal Agreement.

Section 12. Governing Law

This Interlocal Agreement will be governed by and construed in accordance with Nevada law.

SIGNATURE PAGE FOLLOWS

CC000065

In Witness Whereof, the Subtenant and Sublandlord have executed this Interlocal Agreement as of the day and year first above written.

"Sublandlord":

COUNTY OF CLARK

RORY REID, Chairman

Attest:

Shirley B. Parraguirre, Clerk

Approved as to form:

David Roger
District Attorney

By: _____
Deputy District Attorney

"Subtenant"

Las Vegas Metropolitan Police Department

DOUGLAS GILLESPIE, Sheriff

Approved as to form:

General Counsel

CC000066

Master Landlord's Consent to Interlocal Agreement

The undersigned, master landlord under the Master Lease, consents to the foregoing Interlocal Agreement to the extent and only to the extent that the Interlocal Agreement does not enlarge Sublandlord's rights under the Master Lease, give Subtenant any right not granted under the Master Lease, or increase Master Landlord's responsibilities or obligations under the Master Lease, and subject to the following terms and conditions:

a) Nothing herein contained shall be construed to modify, waive, impair or affect any of the covenants and agreements contained in the Master Lease (except as may be herein expressly provided), or to waive any breach of Sublandlord in the due keeping, performance or observance thereof.

b) Sublandlord shall be and remain liable and responsible for the due keeping, performance and observance throughout the Term of the Master Lease, of all of the covenants and agreements therein set forth on the part of Sublandlord to be kept, performed and observed, including without limitation the obligation for the payment of the fixed rent, additional rent and all other sums now and/or hereinafter becoming payable thereunder, expressly including as such additional rent, any and all charges for any property, material, labor, utility or other services furnished or rendered by Master Landlord in or in connection with the Leased Property demised by the Master Lease, whether for, or at the request of, Sublandlord or Subtenant.

c) The Interlocal Agreement shall be subject and subordinate at all times to the Master Lease, and to all of the covenants and agreements of the Master Lease and of this Consent, and Subtenant shall not do, permit or suffer anything to be done in, or in connection with, Subtenant's use or occupancy of the portion of the Leased Property so sublet which would violate any of such covenants and agreements.

d) This Consent shall not be construed as a consent by the Master Landlord to, or as permitting, any other or further subletting or any assignment by either Sublandlord or Subtenant, such that any further subletting or assignment shall be subject to any requirement set forth in the Master Lease to obtain Master Landlord's consent thereto.

e) The portion of the Leased Property so sublet shall be subject to all of the covenants and agreements of the Master Lease including, without limitation, use restrictions set forth in the Master Lease.

f) Upon the expiration or any earlier termination of the Term of the Master Lease with respect to the portion of the Leased Property so sublet or in case of the surrender of the Master Lease by Sublandlord to Master Landlord, except upon purchase of the Leased Property by Sublandlord pursuant to the terms of the Master Lease, Subtenant shall vacate such portion of the Leased Property on such date, unless specifically agreed otherwise in writing by Master Landlord.

g) Sublandlord and Subtenant have represented that the attached Interlocal Agreement is a true and complete copy of the Interlocal Agreement, and agree that a true and complete copy of each amendment thereto shall be delivered to Master Landlord within ten (10) business days after the execution and delivery thereof by the parties thereto, it being understood that Master Landlord shall

CC000067

not be deemed to be a party to said Interlocal Agreement or any other amendment nor bound by any of the covenants or agreements thereof, and that neither the execution and delivery of this Consent, nor the receipt by Master Landlord of a copy of said Interlocal Agreement or of a copy of any such amendment, shall be deemed to change any provision of this Consent or to be a consent to, or an approval by Master Landlord of any covenants or agreement contained in said Interlocal Agreement or any such amendment.

Subject to the foregoing, Master Landlord certifies that, as of the date of Master Landlord's execution hereof, Sublandlord is not in default or breach of any of the provisions of the Master Lease and that the Master Lease has not been amended or modified except as expressly set forth in the Interlocal Agreement.

DATED this 2nd day of December, 2008.

"MASTER LANDLORD"
Project Alta, LLC, a Nevada limited liability company, and
Project Alta II, LLC, a Nevada limited liability company

By: FF Alta Partners, LLC, their manager

By: Fine Properties, LLC, its manager

By: _____
Name: MARK G. FINE
Title: AUTHORIZED SIGNATORY

CC000068

EXHIBIT “E”

EXHIBIT “E”

GENERAL INFORMATION	
PARCEL NO.	139-33-202-009
OWNER AND MAILING ADDRESS	COUNTY OF CLARK(RPTT) 300 S GRAND CENTRAL PKWY 4TH FLR BOX 551825 LAS VEGAS NV 89155
LOCATION ADDRESS CITY/UNINCORPORATED TOWN	400 S MARTIN L KING BLVD LAS VEGAS
ASSESSOR DESCRIPTION	PT SE4 NW4 SEC 33 20 61
RECORDED DOCUMENT NO.	* 20141028:00190
RECORDED DATE	Oct 28 2014
VESTING	NS
COMMENTS	

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

ASSESSMENT INFORMATION AND SUPPLEMENTAL VALUE	
TAX DISTRICT	212
APPRAISAL YEAR	2015
FISCAL YEAR	2016-17
SUPPLEMENTAL IMPROVEMENT VALUE	0
SUPPLEMENTAL IMPROVEMENT ACCOUNT NUMBER	N/A

REAL PROPERTY ASSESSED VALUE		
FISCAL YEAR	2015-16	2016-17
LAND	503484	629355
IMPROVEMENTS	28558242	27108715
PERSONAL PROPERTY	0	0
EXEMPT	29061726	27738071
GROSS ASSESSED (SUBTOTAL)	29061726	27738071
TAXABLE LAND+IMP (SUBTOTAL)	83033503	79251631
COMMON ELEMENT ALLOCATION ASSD	0	0
TOTAL ASSESSED VALUE	29061726	27738071
TOTAL TAXABLE VALUE	83033503	79251631

ESTIMATED LOT SIZE AND APPRAISAL INFORMATION	
ESTIMATED SIZE	13.76 Acres
ORIGINAL CONST. YEAR	2011
LAST SALE PRICE MONTH/YEAR	0
LAND USE	335 - Professional And Business Services
DWELLING UNITS	0

EXHIBIT "F"

EXHIBIT "F"

An Appraisal Report of Easement Areas over a Portion of the HQ Metro Site

Property Owned by:
HQ Metro, LLC

Property Generally Located at:
**400 South Martin Luther King Boulevard,
Las Vegas, Clark County, Nevada 89106**

For the Purpose of:
Developing an Opinion of the Value of Permanent and Temporary Construction Easements as of Retrospective Value Date, May 23, 2013

Date of Appraisal Report:
April 28, 2014

File Number:
047-14

Assessor Parcel Number:
139-33-202-009

Appraisal Prepared by:
**Glenn M. Anderson, MAI, SRA
Anderson Valuation Group, LLC
1601 South Rainbow Boulevard,
Suite 230
Las Vegas, Nevada 89146**

Anderson Valuation Group, LLC

1601 South Rainbow Blvd., Suite 230
Las Vegas, Nevada 89146
(702) 307-0838

glenn@andersonvaluationgroup.com

April 28, 2014

Kirby C. Gruchow, Jr., Esq.
Leach Johnson Song & Gruchow
8945 West Russell Road, Suite 330
Las Vegas, NV 89148

File No.: **047-14**
Property Owner: **HQ Metro, LLC**
Parcel No.: **139-33-202-009**

Dear Mr. Gruchow:

In compliance with your request and authorization, I have inspected the property which can commonly be identified as the HQ Metro site located at 400 South Martin Luther King Boulevard, Las Vegas, Clark County, Nevada for the purposes of preparing the enclosed appraisal report. This property contains 13.76 acres and has immediate corner orientation on Alta Drive and Martin Luther King Boulevard. An approximate 370,000 square foot multi-story office building exists on property which is entirely occupied by the Metropolitan Police Department. In addition, a 1,600 space parking structure for employees also exists which is adjacent west of the office campus. In addition, the site includes 500 surface parking spaces in an at-grade parking area along the eastern and southern portion of the property which directly front the adjacent thoroughfares. This building was completed in 2011. The Clark County Assessor identifies this property as Parcel Number 139-33-202-009.

The purpose of this valuation is to develop an opinion of the just compensation for easement acquisitions over the southerly portion of the property, generally along Alta Drive with a portion of the easement also adjacent to Martin Luther King Boulevard. The easements will include a permanent easement of 16,861 square feet, plus a temporary construction easement of 36,863 square feet. The permanent easement will reside predominately along the southern boundary of the property, along the Alta Drive frontage to accommodate a new transmission line which will extend north along Desert Lane, connect with a proposed transmission line pole on the property then travel east to an additional transmission line pole on the property where it will then exit the site to the northeast. Therefore, two transmission line poles are proposed for the subject site and the location and orientation of these poles, as well as the easement, will be described later in this analysis by way of exhibits and legal descriptions. Generally, the permanent

easement area will reside in the predominately landscaped portion of the property which fronts Alta Drive and the pole placement will likewise be in this landscaped area. No new improvements would be allowable in the new permanent easement area, as this area must remain open to allow NV Energy to access the poles and transmission lines, perform service and ensure safety. The current use of this portion of the property is for open parking and landscaping and these uses are allowable and compatible with the easement area.

In addition to the permanent easement will be a temporary construction easement which is proposed adjacent north and west of the new permanent easement. This will be an irregularly shaped site as will be described on the temporary construction easement map presented later. The temporary construction is proposed to contain 36,863 square feet. The temporary construction easement will provide NV Energy space to install poles, pull wire and do other construction activities to erect the new transmission line through this area. It is indicated in the temporary construction easement grant that the primary driveway which bisects this proposed temporary construction easement area will remain available for perpetual use during the temporary construction easement. This will allow consistent open passage for vehicles and pedestrians. Furthermore, and per the grant of temporary construction easement, NV Energy will return the site to a condition similar to before the temporary construction easement, if any damage or removal of existing materials occurs. The language which specifically outlines the intended use and the rights in this temporary construction easement will likewise be provided later in this analysis. The stipulation and order for immediate occupancy was filed in October 2013 and the temporary construction easement will be in effect through June 2015. This is a period of time of approximately 20 months, and as such, I have used a 20 month period as the time necessary for the temporary construction easement.

The purpose of these easement acquisitions is due to the impact as a result of the proposed improvements to the Interstate 15 corridor, generally between U.S. 95 and Sahara Avenue. This project is known as Project Neon and the project features will include various upgrades along Interstate 15, Oakey Boulevard, Charleston Boulevard and the surrounding thoroughfares. As a result of this project, transmission lines are being relocated from the west side of Interstate 15 to an alternate route which includes crossing over the southerly portion of the subject property. The subject site is zoned C-1, Commercial, as defined by the City of Las Vegas.

In my opinion, the just compensation for the easements to be located over the southerly most portion of the subject property, as of the effective retrospective date of the valuation, May 23, 2013, is:

Two Hundred Seventy-One Thousand Dollars
($271,000)

The following calculation illustrates a summary of the value conclusion.

SUMMARY OF VALUE CONCLUSIONS

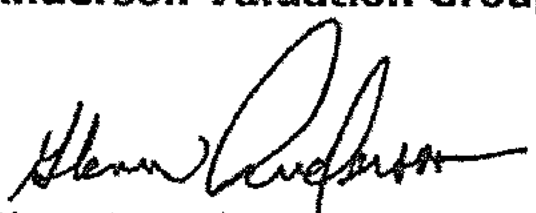
A.	Value of the whole (land only) before the take Land:	$10,190,000	
B.	Value of the part taken, as part of the whole Permanent Easements:	$ 166,000	$166,000
C.	Value of the remainder, as part of the whole (A – B) Land:	$10,024,000	
D.	Value of the remainder (land only) after the take Land:	$10,024,000	
E.	Damages (C – D):		$0
F.	Other: Temporary Construction Easement:		$105,000
G.	Total Value of the Part Taken (B + E + F):		$271,000

This appraisal report is intended to comply with the *Uniform Standards of Professional Appraisal Practice* as adopted by the Appraisal Foundation. This report is also intended to comply with the *Code of Professional Ethics of the Appraisal Institute*. The intended use of this report is to assist in easement acquisition negotiations and litigation support. The intended users include the client, Kirby Gruchow, and his assignees/nominees. No other use or users are intended nor authorized.

This Letter of Transmittal must be used in conjunction with the following enclosed descriptive details, appraisal procedures and analysis and is, therefore, not considered a report standing on its own merit.

Thank you for giving me the opportunity to provide these appraisal services.

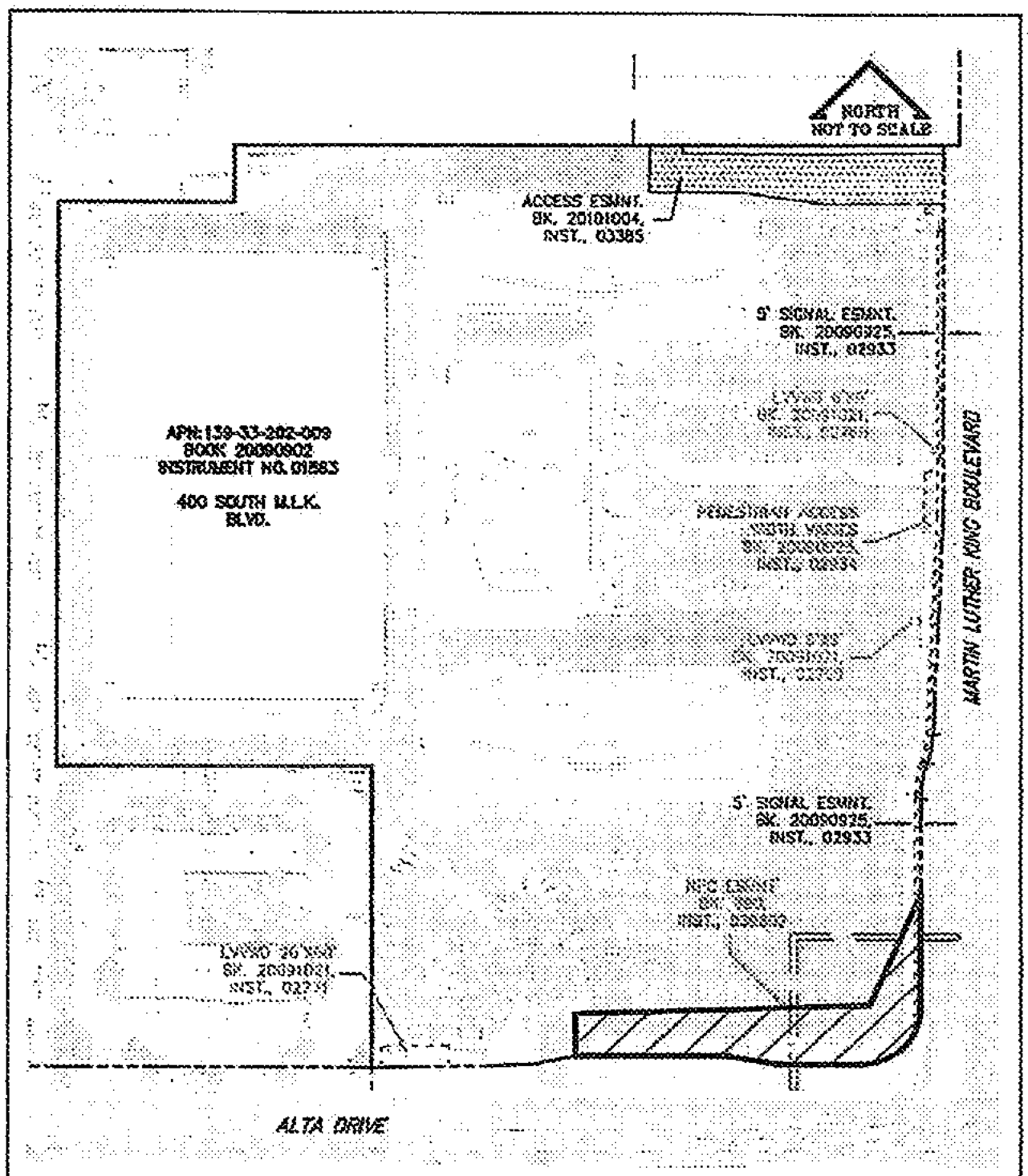
Sincerely,
Anderson Valuation Group, LLC



Glenn M Anderson, MAI, SRA
Certified General Appraiser
Nevada License № A.0000555-CG
Expiration Date: January 31, 2016

GMA/mia

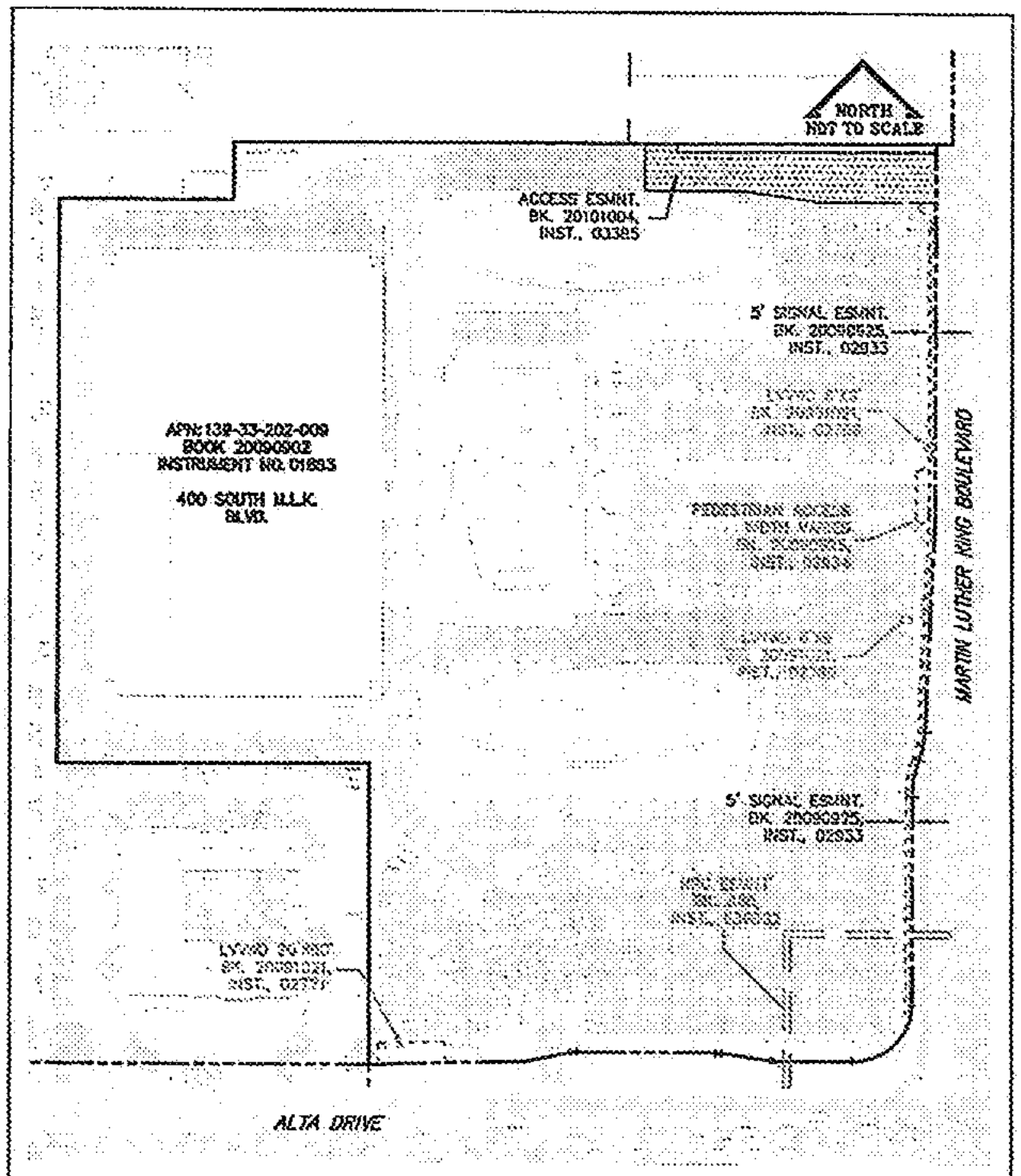
Proposed Easement:



NOTE:

* BOOK 20091105, INST., 00712, GRANTS NPC (dba 'NV ENERGY'), A BLANKET EASEMENT OVER "ALL AREAS NOT OCCUPIED BY A BUILDING STRUCTURE" FOR ELECTRICAL DISTRIBUTION, FIXTURES AND INGRESS/EGRESS.

NVEnergy	EXHIBIT OF CONDITION AFTER NV ENERGY NEW EASEMENT		
	PROJECT: PROJECT NEON APN: 139-33-202-009	SEC: 33 T: 20 S., R: 61 E. SURVEYOR: DRAWN BY: CV CHECKED BY:	DATE: 29 MAY 2013 PROJECT ID: LR697NXLRZ PAGE: 1 OF 1



NOTE:

* BOOK 20091106, INST., 00712, GRANTS NPC (dba 'NV ENERGY'), A BLANKET EASEMENT OVER "ALL AREAS NOT OCCUPIED BY A BUILDING STRUCTURE" FOR ELECTRICAL DISTRIBUTION, FIXTURES AND INGRESS/EGRESS.

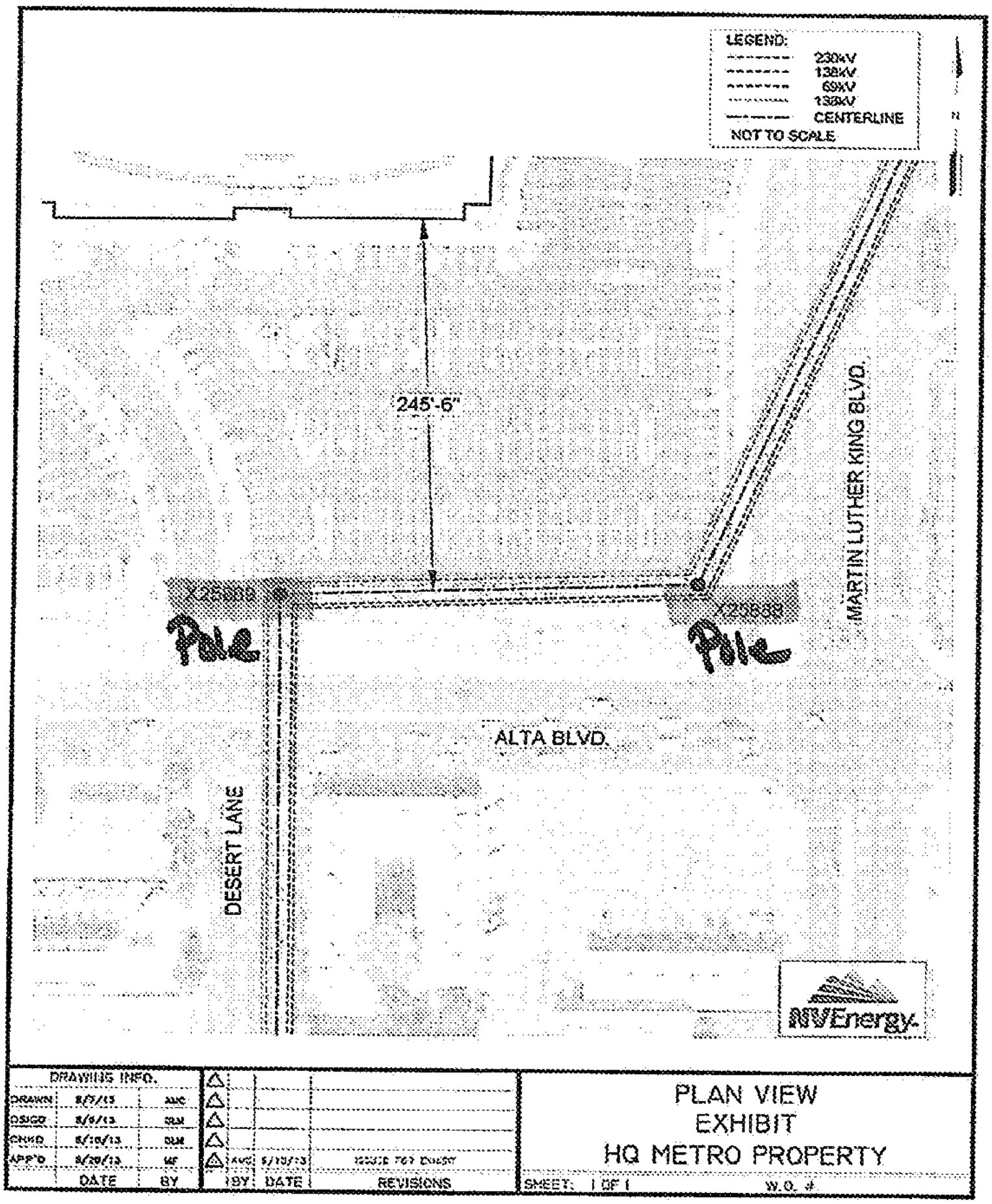
NVEnergy

EXHIBIT OF CONDITION BEFORE NV ENERGY NEW EASEMENT

PROJECT:
PROJECT NEON
APN: 139-33-202-009

SEC: 33 T:20 S., R:61 E.
SURVEYOR:
DRAWN BY: CV
CHECKED BY:

DATE: 29 MAY 2013
PROJECT ID: LR597N-LR2
PAGE: 1 OF 1



Project Neon/HQ Metro0595

Project Neon/HQ Metro0699

IN THE SUPREME COURT OF THE STATE OF NEVADA

CLARK COUNTY, A POLITICAL SUBDIVISION OF THE STATE OF NEVADA,
Appellant,
vs.
HQ METRO, LLC, AN ARIZONA LIMITED LIABILITY COMPANY; PROJECT ALTA, LLC, A NEVADA LIMITED LIABILITY COMPANY; PROJECT ALTA II, LLC, A NEVADA LIMITED LIABILITY COMPANY PROJECT ALTA III, LLC, A NEVADA LIMITED LIABILITY COMPANY; AND PROJECT ALTA LIQUIDATING TRUST U/A/D 12/31/09, BY AND THROUGH MARK L. FINE & ASSOCIATES, A NEVADA CORPORATION, INDIVIDUALLY AND AS TRUSTEE,
Respondents.

Supreme Court No. 71877
District Court Case No. A681632

JOINT APPENDIX

Volume 3

Pages 0501-0719

STEVEN B. WOLFSON
District Attorney
CIVIL DIVISION
State Bar No. 001565
By: **LESLIE A. NIELSEN**
Deputy District Attorney
State Bar No. 002764
By: **LAURA C. REHFELDT**
Deputy District Attorney
State Bar No. 005101
500 South Grand Central Pkwy.
P. O. Box 552215
Las Vegas, Nevada 89155-2215
Telephone: (702) 455-4761
Fax: (702) 382-5178
Attorneys for Appellant Clark County

LAW OFFICES OF BRIAN C. PADGETT
BRIAN C. PADGETT, ESQ.
State Bar No. 007474
AMY L. SUGDEN, ESQ.
State Bar No. 009983
611 South Sixth Street
Las Vegas, NV 89101
Telephone: (702) 304-0123
Fax: (702) 368-0123
Attorneys for Respondents

Docket 71877 Document 2017-21769

NEVADA POWER COMPANY V. HQ METRO, LLC, ET AL
Case No: A-13-681632-C
Dept No: 28

Document	Filed	Volume	Bates No.
Answer of Las Vegas Metropolitan Police Department	7/9/2013	3	0664-0667
Central Telephone Company's Answer to Complaint	6/13/2013	3	0650-0655
Certificate of Cash Deposit	10/17/2013	3	0716-0719
City of Las Vegas' Answer to Complaint in Eminent Domain	7/8/2013	3	0656-0658
City of Las Vegas' Answer to First Amended Complaint in Eminent Domain	2/4/2016	7	1445-1447
Defendant Clark County's Answer to Complaint	7/8/2013	3	0659-0663
Defendant Clark County's Answer to First Amended Complaint in Eminent Domain	2/8/2016	7	1448-1452
Defendant Clark County's Notice of Appeal	11/29/2016	8	1719-1720
Defendant Clark County's Opposition to Defendant Landowners' Motion for Summary Judgment and Countermotion for Partial Summary Judgment and Application for Withdrawal of Funds Deposited for the Permanent Easement	1/13/2016	5 6	0855-1104 1105-1296
Defendant Clark County's Opposition to HQ Metro, LLC's Motion for Apportionment of Funds	10/4/2016	8	1698-1703
Defendant HQ Metro LLC's Motion for Apportionment of Funds Pursuant to NRS 37.115 and February 25, 2016 Court Order	9/20/2016	8	1604-1697

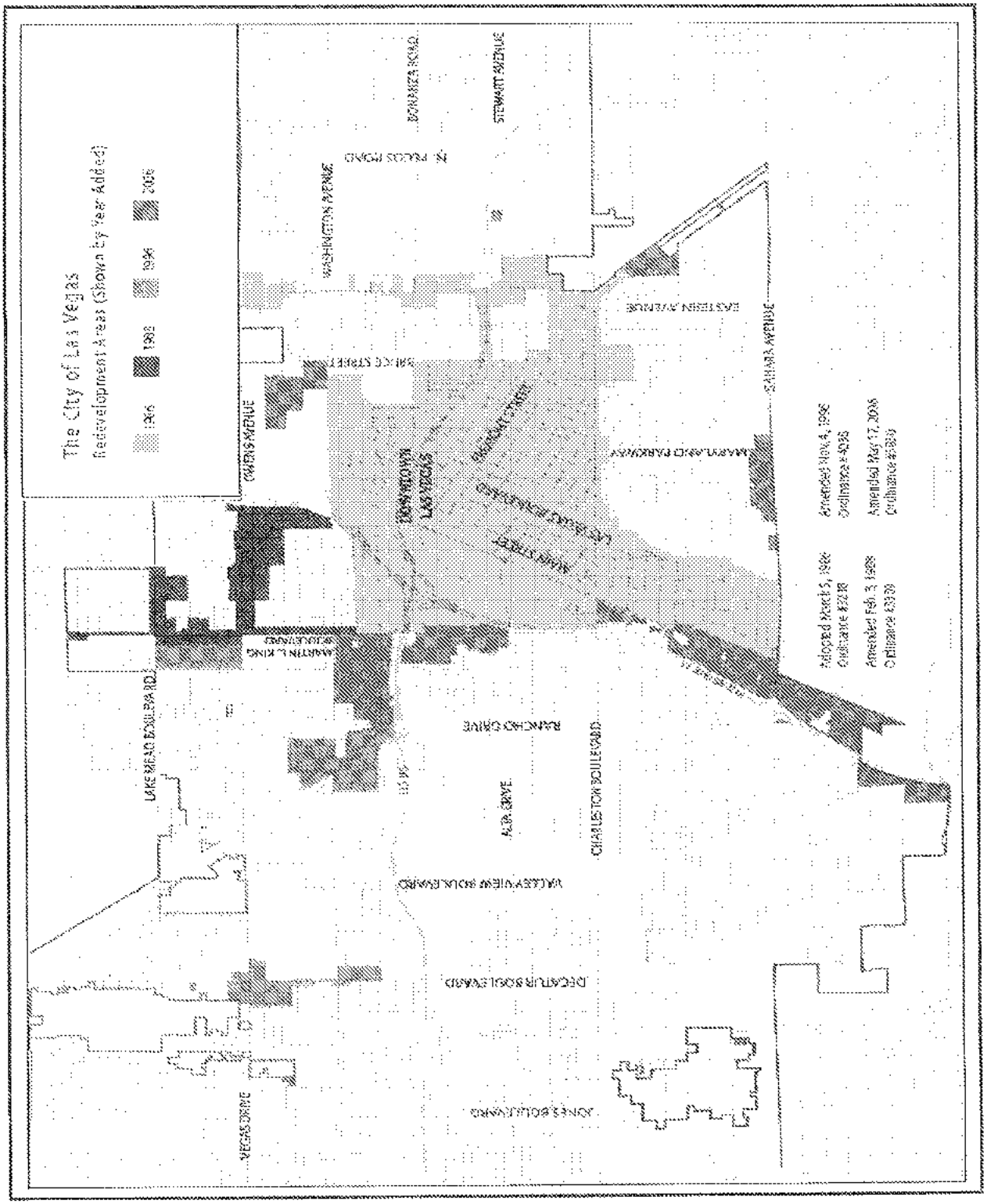
Defendant HQ Metro, LLC's Reply to Motion for Apportionment of Funds Pursuant to NRS 37.115 and February 25, 2016 Court Order	10/19/2016	8	1704-1709
Defendant Landowner’s Motion for Summary Judgment	12/30/2015	4	0720-0854
Defendant Landowners' Opposition to Clark County's Countermotion for Partial Summary Judgment & Application for Withdrawal of Funds Deposited for the Permanent Easement	2/1/2016	6	1339-1350
Defendants HQ Metro, LLC, Project Alta, LLC, Project Alta II, LLC, Project Alta III, LLC, Project Alta Liquidating Trust U/A/D 12/31/09 by and Thru Mark L. Fine & Associates, and Wells Fargo Bank, National Association, as Trustee's Answer to Plaintiff's Verified Complaint in Eminent Domain; Defendant HQ Metro, LLC's Counterclaims	7/9/2013	3	0668-0679
Defendants HQ Metro, LLC, Project Alta, LLC, Project Alta II, LLC, Project Alta III, LLC, Project Alta Liquidating Trust U/A/D 12/31/09 by and thru Mark L. Fine & Associates' Answer to Plaintiff's First Amended Verified Complaint in Eminent Domain; Defendant HQ Metro, LLC's Counterclaims	7/11/2016	7	1518-1524
Errata to Defendant Landowners Opposition to Clark County's Countermotion for Partial Summary Judgment and Application for Withdrawal for Funds Deposited for the Permanent Easement	2/4/2016	7	1407-1444
Judgment and Final Order of Condemnation	9/20/2016	8	1570-1603

Las Vegas Metropolitan Police Department's Answer to First Amended Complaint	2/8/2016	7	1453-1457
Notice of Entry of Order RE: Defendant HQ Metro LLC's Motion for Apportionment of Funds Pursuant to NRS 37.115 and February 25, 2016 Court Order	11/9/2016	8	1713-1718
Order 2.25.16	2/25/2016	7	1465-1469
Order Granting Immediate Occupancy Pending Entry of Judgment	10/15/2013	3	0680-0681
Order RE: Defendant HQ Metro LLC's Motion for Apportionment of Funds Pursuant to NRS 37.115 and February 25, 2016 Court Order	11/9/2016	8	1710-1712
Plaintiff Nevada Power Company d/b/a NV Energy's Limited Opposition(s) to: (1) Defendant Las Vegas Metropolitan Police Department's Counter-Motion for Partial Summary Judgment and Application for Distribution of Funds Allocable to Temporary Construction Easement; and (2) Defendant Clark County's Counter-Motion for Partial Summary Judgment and Application for Withdrawal of Funds Deposited for the Permanent Easement	2/2/2016	7	1351-1406
Plaintiff's First Amended Verified Complaint in Eminent Domain	1/15/2016	6	1297-1338
Plaintiff's Motion for Immediate Occupancy	5/20/2013	1 2 3	0030-0250 0251-0500 0501-0625
Plaintiff's Verified Complaint in Eminent Domain	5/10/2013	1	0001-0029

Reply Points and Authorities in Support of Clark County's Countermotion for Partial Summary Judgment and Application for Withdrawal of Funds Deposited for the Permanent Easement	2/11/2016	7	1458-1464
Stipulated Judgment and Order	9/20/2016	7	1525-1569
Stipulation and Order for Immediate Occupancy	10/15/2013	3	0682-0715
Summons – Civil (Clark County)	6/6/2013	3	0644-0646
Summons – Civil (HQ Metro, LLC)	6/6/2013	3	0626-0628
Summons – Civil (Mark L. Fine and Associates)	6/6/2013	3	0638-0640
Summons – Civil (Project Alta II)	6/6/2013	3	0629-0631
Summons – Civil (Project Alta III)	6/6/2013	3	0632-0634
Summons – Civil (Project Alta Liquidating Trust U/A/D 12/31/09)	6/6/2013	3	0635-0637
Summons – Civil (Project Alta, LLC)	6/6/2013	3	0647-0649
Summons – Civil (Wells Fargo Bank, National Association)	6/6/2013	3	0641-0643
Transcript of Proceedings All Pending Motion February 16, 2016	3/21/2016	7	1470-1517

Finally, the subject property is also located in the redevelopment area as defined by the City of Las Vegas. This redevelopment area designation was added in 2006. The following map illustrates redevelopment areas around the Las Vegas metropolitan area and the year in which they were designated as such.

City of Las Vegas Redevelopment Areas:



Utilities and Street Improvements:

The subject site has corner orientation at Martin Luther King Boulevard and Alta Drive. Martin Luther King Boulevard is an asphalt paved north/south arterial thoroughfare, and concrete curbs and sidewalks exist along the subject's frontage. Alta Drive forms the subject's southerly boundary and likewise is an arterial thoroughfare which is an east/west roadway. Alta Drive provides direct access east under Interstate 15 to Symphony Park, connecting with Bonneville and extending into the Las Vegas Central Business District. Martin Luther King Boulevard extends north where an interchange with U.S. Highway 95 exists, and south, Martin Luther King Boulevard connects with Charleston Boulevard where an interchange with Interstate 15 exists. A stoplight controls the intersection of Alta Drive and Martin Luther King Boulevard. Likewise, a stoplight has been installed at Metro Plaza Drive which is the new primary access into the Metropolitan Police Department complex. This stoplight intersection exists near the northeast corner of the larger site, far removed from the intersection of Alta Drive and Martin Luther King Boulevard. The reader is referred to the preceding photographs which further illustrate the characteristics of these streets and the offsite infrastructure.

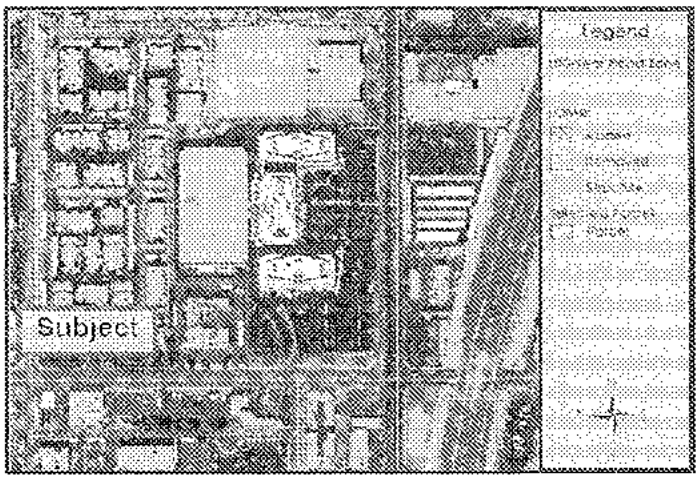
All utilities are available to the subject property. This includes electricity by NV Energy, gas by Southwest Gas Corporation, telephone by Century Link, water services by the Las Vegas Valley Water District and sewer by Clark County Sanitation.

Topography and Soils Conditions:

I have not been provided with a study made to determine the surface or subsurface soil conditions at the subject property. From visual observation, the site has an even topography and is generally at grade to adjacent thoroughfares. Recently developed is the new Metropolitan Police Department headquarters, and as such, I presume adequate soils studies were conducted to insure suitability for the new development. I did not observe any signs of toxic contamination at the time of inspection, and again, as the subject property was recently developed, I presume

the site was tested for any potential toxic contamination and any necessary remediation occurred. For purposes of the valuation, I presume no adverse soil conditions exist.

Flood Hazard Designation:



According to the Federal Emergency Management Agency, Flood Insurance Rate Map, Community Panel Number 32003C2170 E, the subject property is located in Zone X, or areas outside of the 100 year flood zone.

Legal Description:

The subject property is a part of the South ½ of the Northwest ¼ of Section 33, Township 20 South, Range 61 East, M.D.B.&M. A more extensive legal description is provided as part of the Title Report retained in the Addenda for the reader's review.

Tax Data:	
Assessor's Parcel Number:	**139-33-202-009**
Land:	$ 839,140.00
Improvements:	$ 32,998,680.00
Net Assessed Value:	**$33,837,820.00**
Tax Rate $100 Assessed:	3.2782
Taxes As Assessed:	**$ 1,109,271.42**

A copy of the current Treasurer's tax summary is retained in the Addenda for the reader's review.

Improvements:

According to available information, the Metropolitan Police Department Headquarters located on the subject property totals approximately 370,000 square feet, including two four-story buildings and a single-story building making up the larger complex. In addition, a secured 1,600 space parking structure for employees also exists, adjacent west of the office building campus. The project is generally complete and is now open; however, I am unaware of the status of occupancy, as it is likely overall move-ins for all employees will occur on a staggered basis. The building was recently completed and is a good quality office complex. As the proposed easement will not directly or indirectly affect these improvements, I have not fully inspected the subject buildings. Furthermore, I have not been provided with plans or other information regarding these recently completed structures.

The easement acquisition will cross over a portion of the site which is used for primarily surface parking. Reportedly, approximately 500 surface parking spaces exist and this at grade area is located along the eastern and southern perimeters of the site. Landscape buffers, lighting standards and ingress/egress points along both Alta Drive to the south and Martin Luther King Boulevard to the east, also exist. A stoplight intersection has been installed for access to the complex known as Metro Plaza Drive. This signalized intersection is located at the northeast corner of the property. Therefore, the areas located within the proposed easement area consist of asphalt paved parking and drought tolerant desert type landscape. Photographs of these characteristics were identified earlier.

Highest and Best Use Analysis

Preface:

The highest and best use for a property, such as the subject, is determined through the application of four tests; the legally permissible, physically possible, economically feasible and that use, among alternative uses, which provides the highest net return to the owner. These tests were applied from a vacant and from an improved perspective. *As is*, the subject property consists of a 13.76 acre parcel of land which has recently been improved with an approximate 370,000 square foot office campus which is occupied by the Metropolitan Police Department. In addition, a 1,600 space parking structure was developed and the balance of the property includes surface parking. The site is zoned C-1 by the City of Las Vegas and has corner orientation at Alta Drive and Martin Luther King Boulevard.

Legally Permissible Use:

Zoned C-1, Limited Commercial, by the City of Las Vegas, a variety of commercial type uses would be allowable in accordance with the zoning code. Furthermore, the property is master planned by the City of Las Vegas for mixed use and is further located in a redevelopment area. Recently, the subject site was improved with the new Metropolitan Police Department Headquarters, a multi-building office campus with associated parking structure. This is considered to be a legally permissible use of the subject property and satisfies the legally permissible test of highest and best use.

Physically Possible Use:

The subject site contains 13.76 acres and has corner orientation on two primary thoroughfares just west of the Las Vegas Central Business District. Martin Luther King Boulevard forms the easterly boundary of the site and an interchange with U.S. Highway 95 exists to the north. Martin Luther King Boulevard intersects with Charleston Boulevard to the south, where an additional interchange with Interstate 15 exists. Alta Drive extends east into the Las Vegas Central Business District. The

subject site is serviced by all normal utilities and is at grade to the adjacent thoroughfares. Based on the overall size, corner orientation at two major thoroughfares, proximity to freeway interchanges and the proximity to the Las Vegas Central Business District, numerous uses could be accommodated on the site. Recently developed is the new Metropolitan Police Department Headquarters which is considered a physically possible use of the site. The development includes approximately 370,000 square feet of office space and a 1,600 space parking structure. A considerable amount of surface parking also resides on the eastern and southern portions of the site. As developed, the new office campus satisfies the physically possible test of highest and best use.

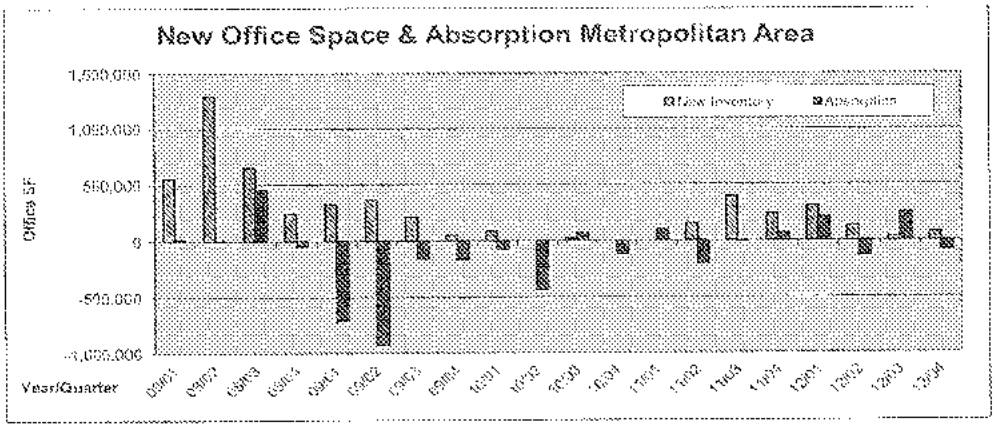
Economically Feasible and Maximally Productive Use:

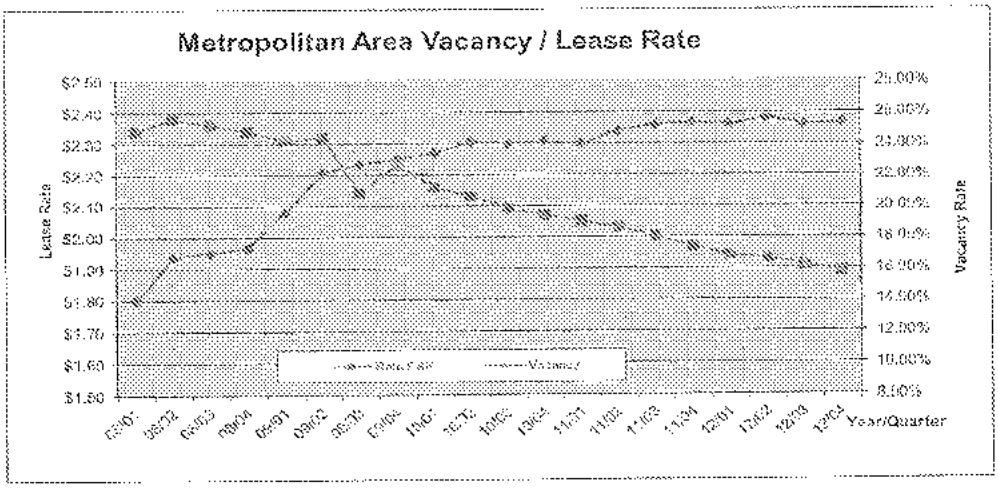
From the preceding two tests of highest and best use, the most likely candidate for development of the subject property would be some form of mixed use property. Likewise, the overlying zoning code of C-1 would dictate that some form of commercial improvement would be constructed. As developed, the property has been improved with a governmental use, the Metropolitan Police Department Headquarters. This is primarily an office development and has been constructed on a build-to-suit basis. As a build-to-suit improvement, the facility was customized to accommodate this tenant who would be unable to duplicate this space in the existing speculative market.

To determine if office development is a feasible use of the property, presuming the site vacant, I have considered to condition of the office market in the Las Vegas metropolitan area. The following graphic provides a summary of trends in the office market as reported by Applied Analysis. Applied Analysis publishes a survey known as the *Las Vegas Quarterly Office Market Report*, which is a summary of information provided by property owners, property brokers, as well as property managers. The following provides trends in the office market through the most recent survey which is 4th Quarter 2012.

Office Market Conditions - Metropolitan Area:

Historical Absorption and New Inventory Metropolitan Las Vegas Valley						
Year/Qtr	New Inventory	Absorption	Avail. Inventory	Total Inventory	Vacancy	Rate PSF
08/01	551,350	9,410	6,326,461	46,469,810	14.00%	$2.34
08/02	1,291,553	1,413	7,902,595	47,339,341	16.70%	$2.38
08/03	651,386	-457,505	8,150,117	48,009,799	17.00%	$2.36
08/04	246,773	-42,583	8,412,409	48,591,573	17.30%	$2.34
09/01	329,375	-703,134	9,664,930	48,906,971	19.80%	$2.31
09/02	384,830	-920,557	10,886,782	49,275,001	22.10%	$2.32
09/03	214,628	-154,557	11,211,014	49,455,229	22.70%	$2.14
09/04	48,047	-183,718	11,406,779	49,505,158	23.00%	$2.22
10/01	84,814	-81,369	11,629,800	49,717,931	23.40%	$2.16
10/02	0	-426,624	11,995,997	49,718,251	24.10%	$2.13
10/03	21,000	68,869	11,937,552	49,739,251	24.00%	$2.08
10/04	0	-118,745	12,056,297	49,739,251	24.30%	$2.07
11/01	0	97,344	12,019,288	50,675,138	24.00%	$2.05
11/02	153,155	-199,202	12,434,457	50,435,138	24.80%	$2.03
11/03	390,009	-9,135	12,848,550	51,034,128	25.20%	$2.00
11/04	236,161	66,028	13,020,683	51,550,199	25.40%	$1.97
12/01	310,000	208,146	13,122,538	52,099,393	25.20%	$1.94
12/02	127,692	-126,795	13,367,139	52,197,085	25.60%	$1.93
12/03	33,000	245,648	13,148,739	52,238,894	25.20%	$1.91
12/04	74,246	-76,292	13,360,977	52,513,816	25.50%	$1.89





As illustrated on the previous graphic, the office market has deteriorated significantly over recent times. This is measured by a significant increase in overall vacancy and a decline in lease rates. Negative net absorption has occurred in 12 of the last 20 quarters and much of the positive net absorption has been in built-to-suit complexes. The current valley wide vacancy rate, therefore, stands at 25.3%, which would indicate a substantial amount of inventory remains available and should serve the needs of the speculative office market in the coming years, presuming little new inventory is added.

According to the Applied Analysis survey, the subject property is located in the Central North submarket which generally exists north of Charleston Boulevard between Rancho Drive and Pecos Road, south of Lake Mead Boulevard. The exception would be the Central Business District, which is excluded from this area. The subject property is best aligned with the Downtown District due to the proximity to the Central Business District. As discussed, Alta Drive provides direct access into the Central Business District as an underpass exists under Interstate 15, just east of this location. The Central Business District has a current vacancy rate of 9.5% and an average lease rate of $2.26 per square foot, per month. This higher average occupancy is due to the legal community which resides in the downtown area. The Federal, State and District Courthouses all exist in the downtown area, and therefore, many legal firms have occupied space in the Downtown District. Other professional firms have also located in the downtown area, which has resulted in an office market which has a much lower vacancy rate when compared to the average vacancy throughout the metropolitan area.

In the final analysis, the subject site is suitable for mixed use and/or office development. This would include professional office due to the proximity to the Central Business District and easy accessibility by way of Alta Drive. The site could also accommodate various form of medical office development due to the proximity

to the medical district, as described earlier. The University Medical Center and Valley Hospital are located nearby, and numerous other medical office facilities reside in the area.

Overall, a significant amount of available office inventory exists valley wide. A greater demand for office exists in the Central Business District; however, the difficulty in obtaining financing for new development and the perceived risk in the market for speculative improvements would make a speculative development at the subject risky. Therefore, these factors combined would result in a likely holding period prior to development. A prospective buyer would likely hold the property for some undetermined period prior to development of a likely mixed use primarily office development. The site could also potentially accommodate other forms of construction, such as commercial/retail properties, in conjunction with office development. It is noted furniture stores and Costco exist nearby.

As improved, the build-to-suit Metropolitan Police Department Headquarters satisfies the economically feasible test of highest and best use. If the site were vacant, it is unlikely that a speculative improvement would be developed at the present time. Therefore, a speculative developer would likely hold the property until market conditions improve. Alternatively, the site could accommodate various owner users or build-to-suit transactions; however, the size of the property severely limits the number of potential users in today's economic environment.

Highest and Best Use Conclusion:

The highest and best use of the subject property, as currently improved with the Metropolitan Police Department Headquarters, satisfies the highest and best use definition. As vacant, the site would likely be held as a speculative investment prior to any potential speculative development. Conversely, the site could accommodate an owner user or a build-to-suit transaction, yet a limited number of users exist in the marketplace given the overall size of the property.

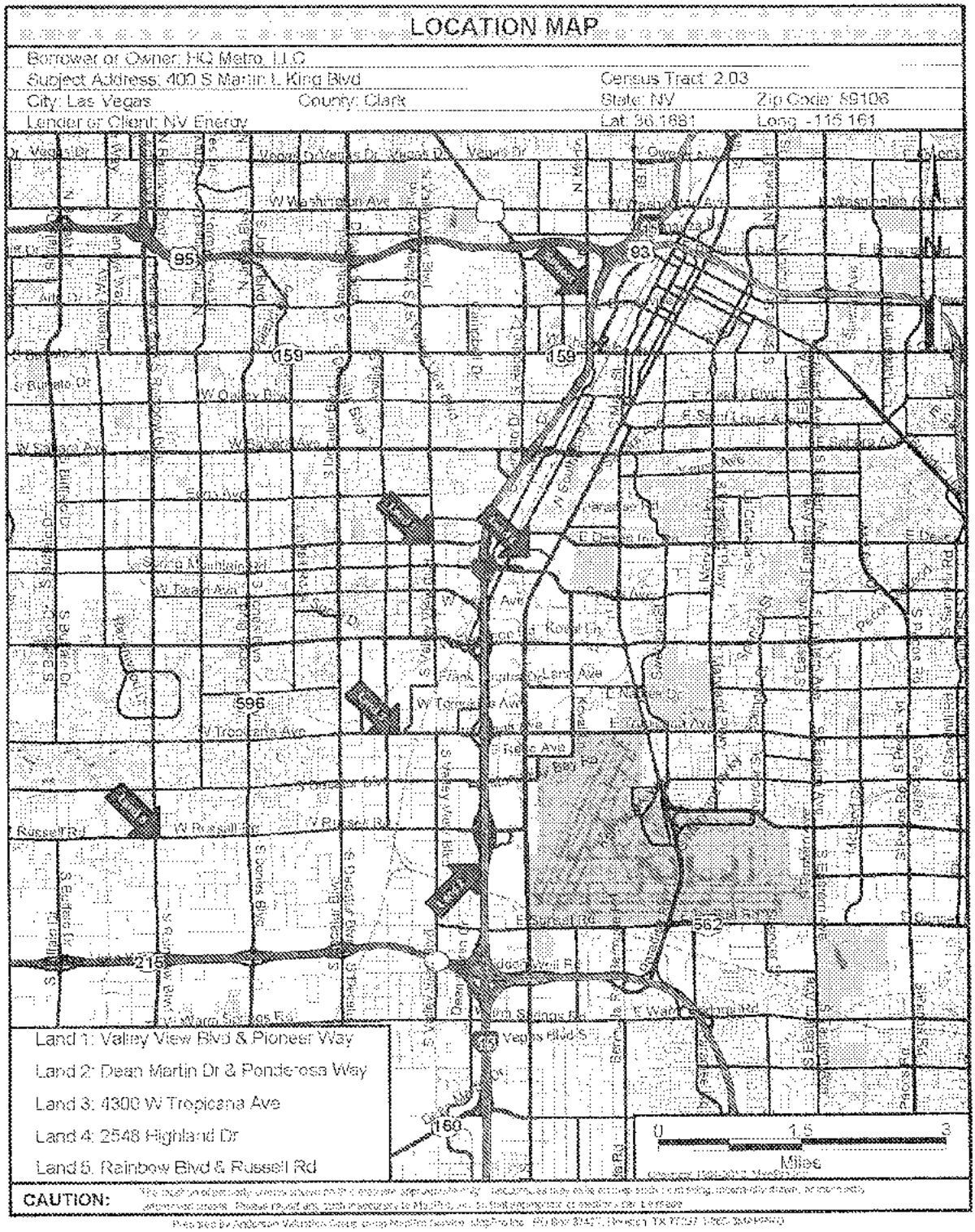
Land Valuation

In accordance with the highest and best use conclusion on the preceding page, the existing Metropolitan Police Department Headquarters satisfies the highest and best use definition, as improved. Alternately, the site could accommodate other forms of mixed use development such as office and/or commercial development; however, some speculative holding period would likely be necessary unless a build-to-suit tenant existed or the property was being developed by an owner user. To arrive at an indication of the market value of the subject site, as vacant, I have researched the marketplace and found sales with similar physical attributes, locational characteristics, and highest and best use characteristics. The sales found included some transactions which occurred in relative close proximity to the subject, including properties in the Central Business District and the periphery of that in the immediate area. As a limited amount of data exists available for review in the immediate area, I have expanded the search for larger commercially orientated sites which have recently sold. Again, as vacant, the site could accommodate various forms of commercial development. The following pages, therefore, contain a summary of the sales considered, a map which illustrates the location of each relative to the subject, as well as abstracts with plot plans for further identification of these transactions.

Land Sales Summary Chart					
Sale No.	Location/APN	Sale Date	Sales Price	Size Net Sq. Ft./Acre	Price Sq. Ft./ Acre
1	Southwest Corner of Valley View Boulevard & Pioneer Way APN:162-18-506-001, -002 and -008	12/12	$7,350,000	410,771 9.43	$17.89 $779,427
2	Northwest Corner of Dean Martin Drive and Ponderosa Way APN: 162-32-203-007	5/12	$2,765,000	196,456 4.51	$14.07 $613,082
3	4300 West Tropicana Avenue APN: 162-19-801-012	2/12	$10,000,000	644,688 14.8	$15.51 $675,676
4	2548 Highland Drive APN: 162-08-805-009	3/12	$6,500,000	398,138 9.14	$16.32 $711,160
5	Northeast corner Rainbow Boulevard and Russell Road APN: 163-26-405-001	12/12	$4,700,000	353,046 8.1	$13.31 $580,246

Land Sales Location Map

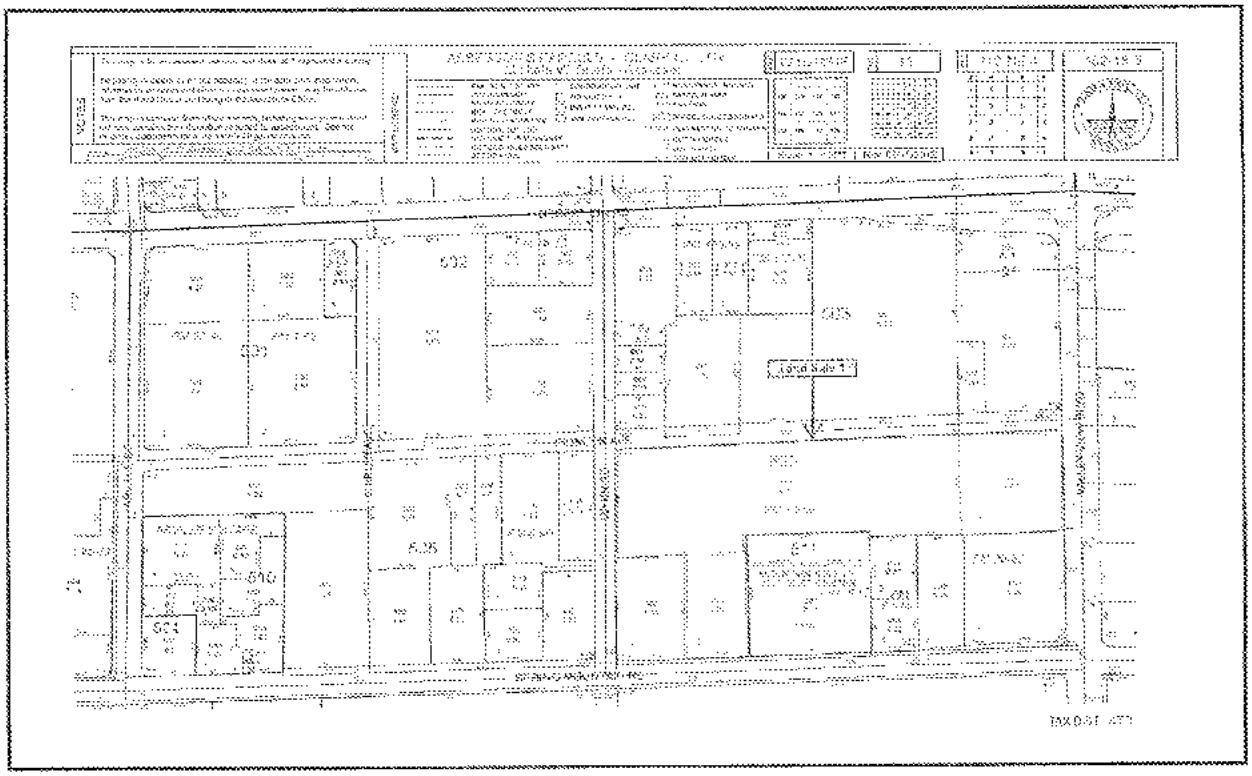
File No. 069-13

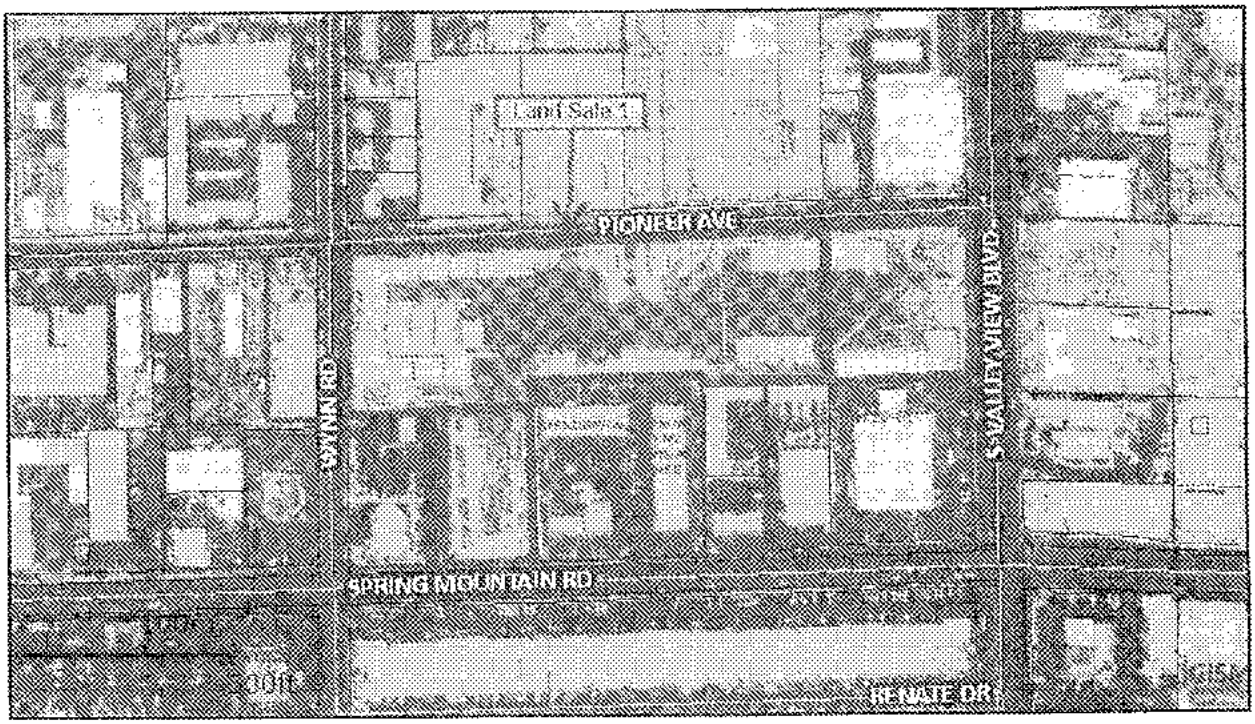


Land Sale Abstract Number 1

APN:	162-18-506-001, -002 & -008
Location:	Southwest Corner of Valley View Boulevard & Pioneer Way, Las Vegas, Clark County, Nevada
Grantor:	PF1LP-Pioneer Avenue, LLC
Grantee:	Convention Logistics, LLC
Deed Date:	12/21/2012
Recording Date:	12/21/2012
RPTT:	$37,485.00
Document Number:	20121221/04027
Legal Description:	Portion of the Northeast ¼, of the Northeast ¼, Section 18, Township 21 South, Range 61 East, M.D.B.&M.
Size:	410,771 Sq. Ft. (9.43 Acres)
Zoning:	Formerly H-1 (Limited Resort & Apt.), Clark County, Rezoned M-1 (Industrial)
Land Use:	Marshalling yard
Utilities:	All to site
Access:	Spring Mountain Road and Valley View Boulevard
Topography:	Level
Sale Price:	$7,350,000.00
Unit Price:	$17.89/Sq. Ft. ($779,427.00/Acre)
Financing:	Cash to Seller
Remarks:	Site was formerly approved for tourist commercial development and included plans for a hotel/casino. Due to decline in market, site was rezoned and is currently being leased as a marshalling yard by Frehman Decorating for an initial 10 year period. Site includes 10,000 square feet of warehouse.
Verified With:	County Records, Listing Broker: Pat Marsh, Colliers International
Verification Date:	February 1, 2013
Appraiser:	Eric Anderson, Certified General Appraiser, Anderson Valuation Group, LLC

Land Sale Number 1 - Plot Plan & Aerial Photograph

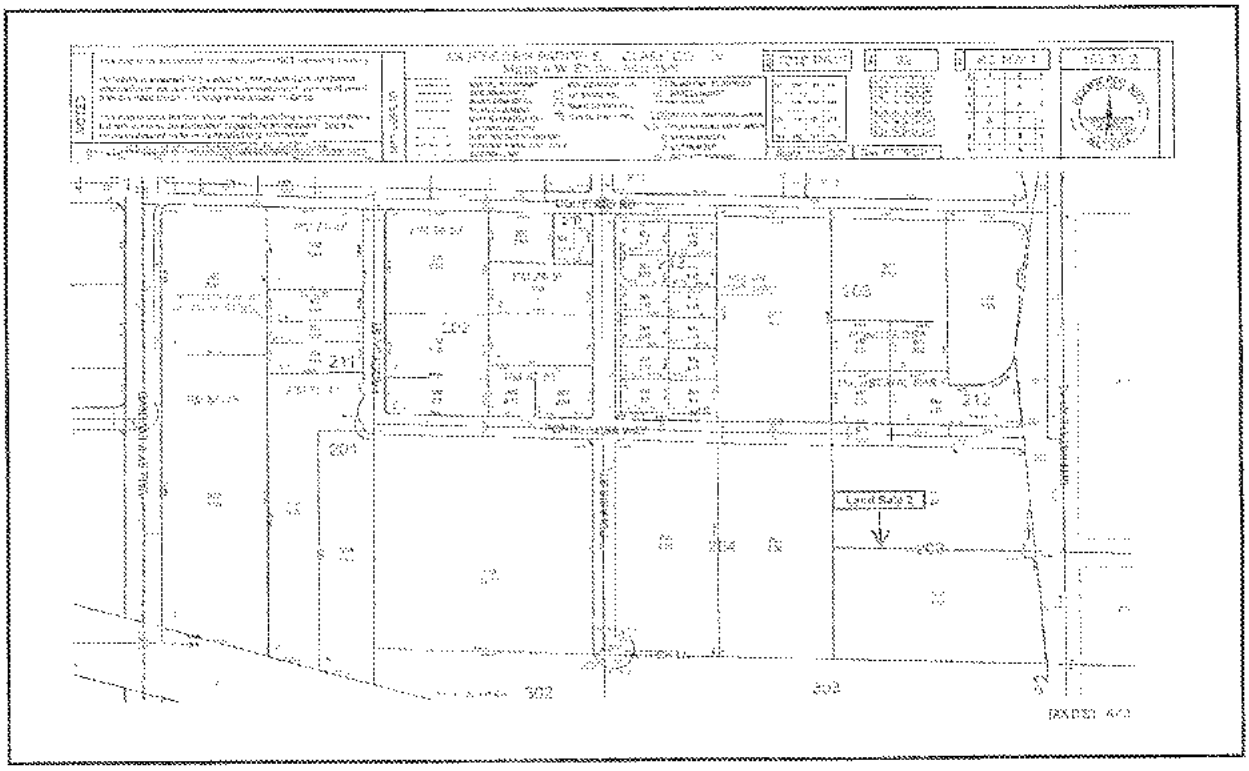


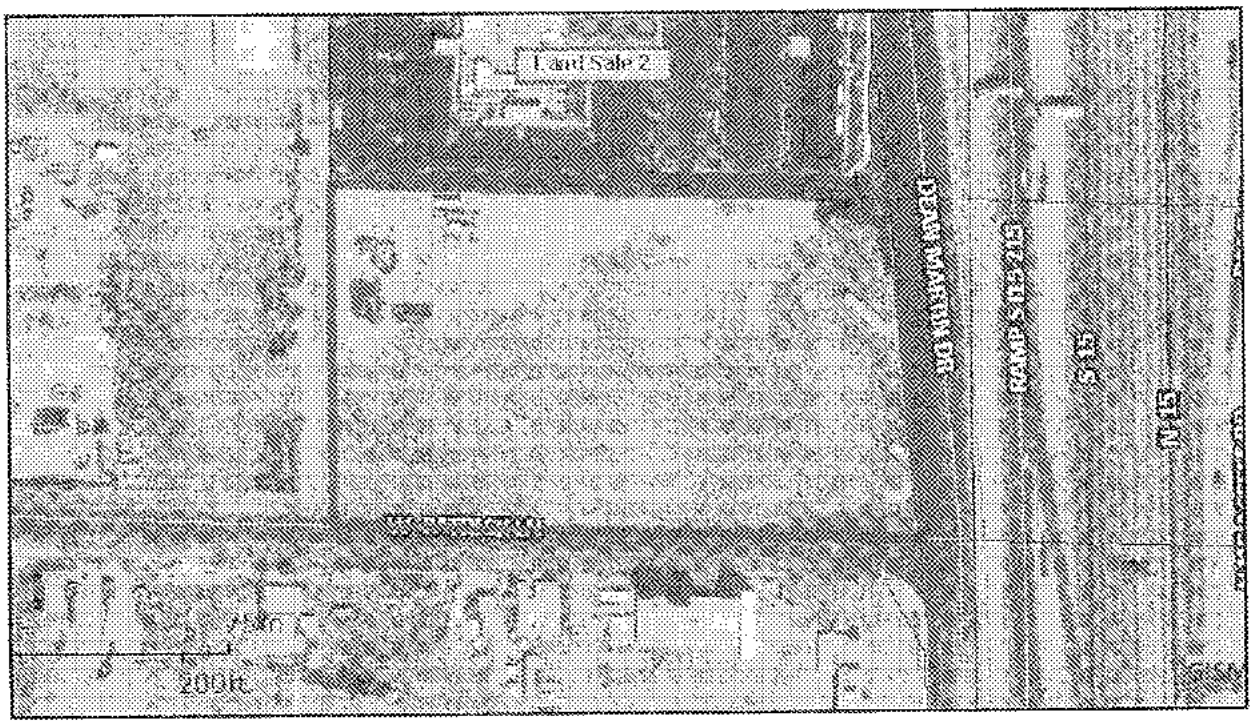


Land Sale Abstract Number 2

APN:	162-32-203-007
Location:	Northwest Corner of Dean Martin Drive and Ponderosa Way, Las Vegas, Clark County, Nevada
Grantor:	Ganesh II, LLC
Grantee:	Dean Martin Dr-Las Vegas, LLC
Deed Date:	5/11/2012
Recording Date:	5/11/12
RPTT:	$15,300.00
Document Number:	20120511/00687
Legal Description:	South Half of the Southeast ¼ of the Southeast ¼ of the Northwest ¼ of Section 32, Township 21 South, Range 61 East, M.D.B.&M.
Size:	196,456 Sq. Ft. (4.51 Acres)
Zoning:	M-1 (Industrial), County
Land Use:	Asphalt paved lot
Utilities:	All to site
Access:	Dean Martin Drive
Topography:	Level
Sale Price:	$2,765,000.00
Unit Price:	$14.07/Sq. Ft. ($613,082.00/Acre)
Financing:	Cash to Seller
Remarks:	Former crane yard. Sold to adjacent property owner who operates adult entertainment venue at this location (Hustler Club).
Verified With:	County Records, Deed
Verification Date:	2/1/2013
Appraiser:	Eric Anderson, Certified General Appraiser, Anderson Valuation Group, LLC

Land Sale Number 2 - Plot Plan & Aerial Photograph

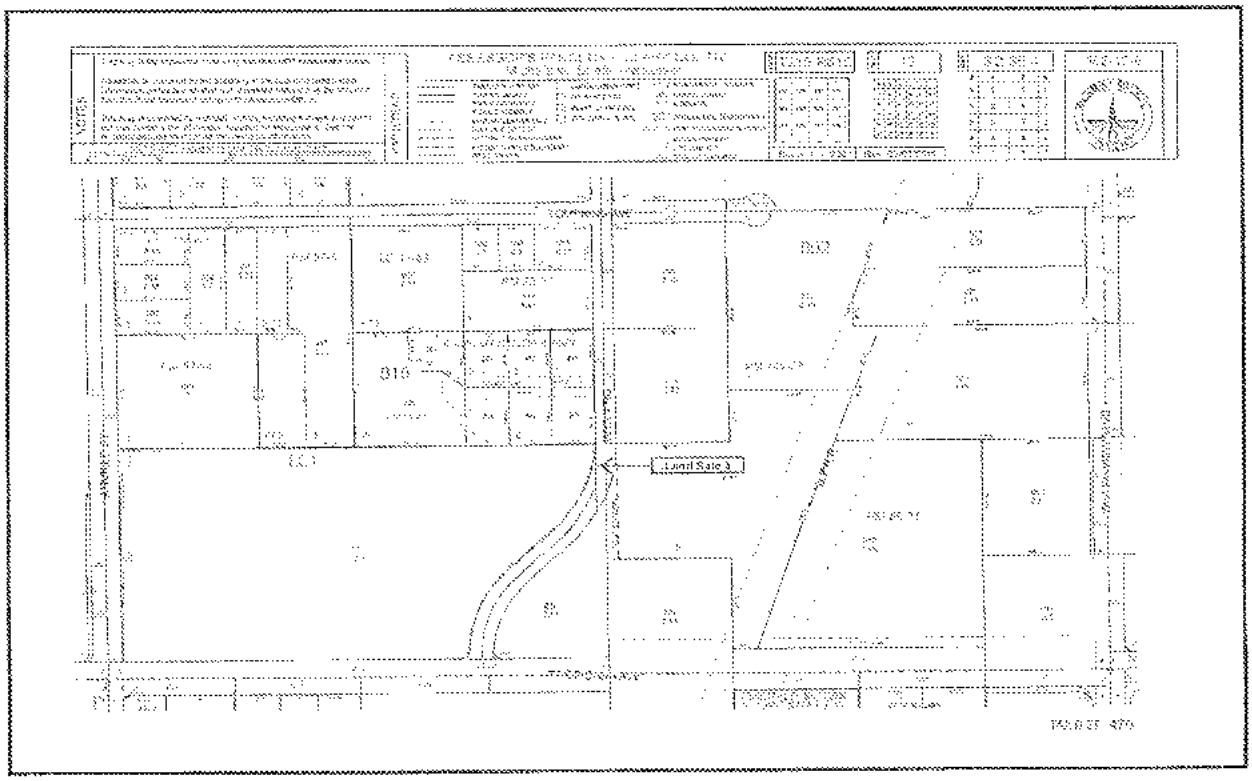


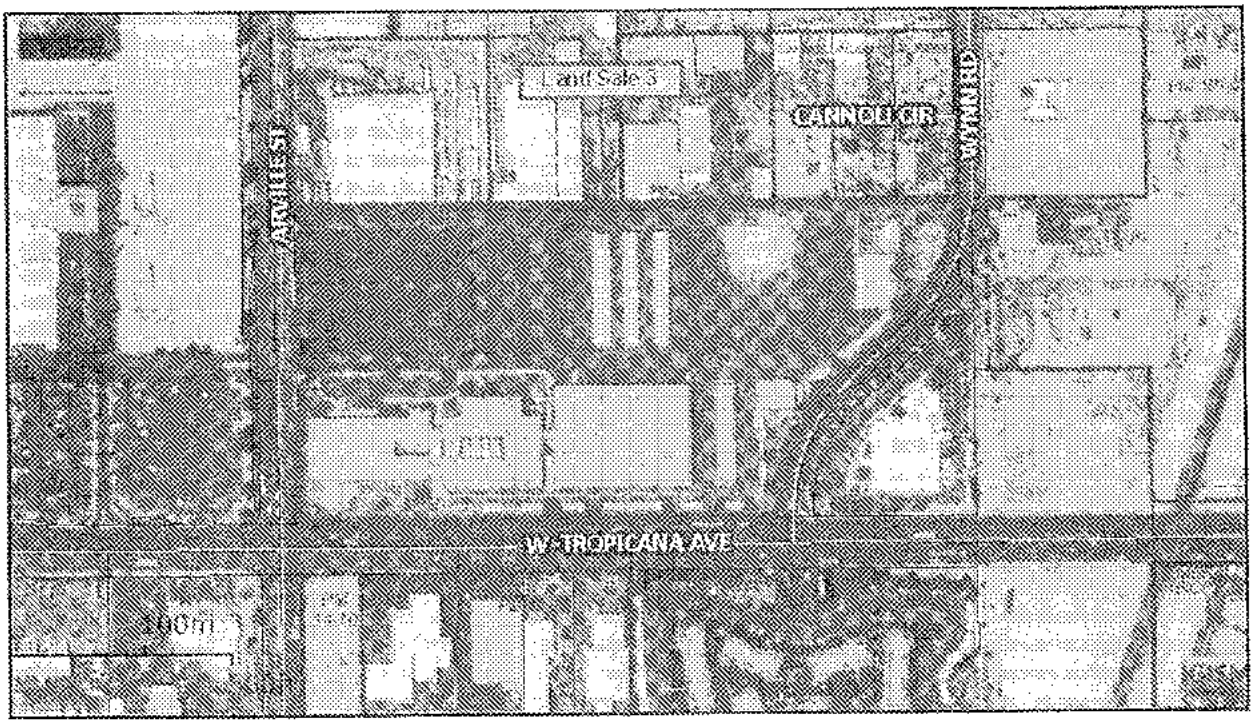


Land Sale Abstract Number 3

APN:	162-19-801-012
Location:	4300 West Tropicana Avenue, Las Vegas, Clark County, Nevada
Grantor:	First Security Bank of Nevada
Grantee:	4300 Tropicana Development, LLC
Deed Date:	2/27/2012
Recording Date:	2/27/12
RPTT:	$51,000.00
Document Number:	20120227/02245
Legal Description:	Portion of the Southwest ¼ of the Southeast ¼ of Section 19, Township 21 South, Range 61 East, M.D.B.&M.
Size:	644,688 Sq. Ft. (14.8 Acres)
Zoning:	M-1 Light Manufacturing; H-1 Resolution of Intent, Clark County
Land Use:	Former Southwest Gas Corporate Offices
Utilities:	All at site
Access:	Tropicana Avenue, Wynn Road and Arville Street
Topography:	Level
Sale Price:	$10,000,000.00
Unit Price:	$15.51/Sq. Ft. ($675,676.00/Acre)
Financing:	Cash to Seller
Remarks:	Site is improved with former Southwest Gas Headquarters building. This tenant has since vacated the property. According to the broker, while the site was improved, the acquisition is considered to have been a "land play" and was acquired primarily for this site value. This site has previously been approved for a high-rise hotel/casino.
Verified With:	County Records, Deeds, Broker: Gabrielli Tells, CBRE
Verification Date:	March 2012
Appraiser:	Eric Anderson, Certified General Appraiser, Anderson Valuation Group, LLC

Land Sale Number 3 - Plot Plan & Aerial Photograph

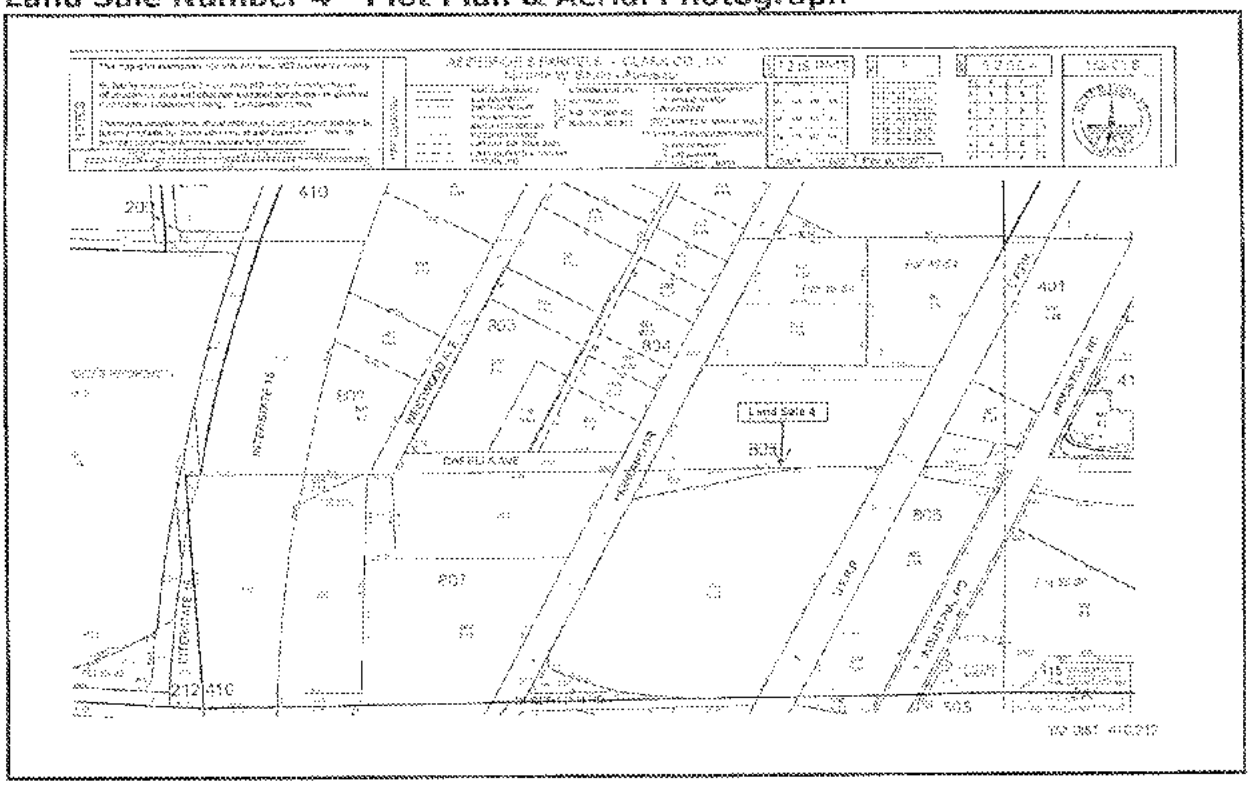


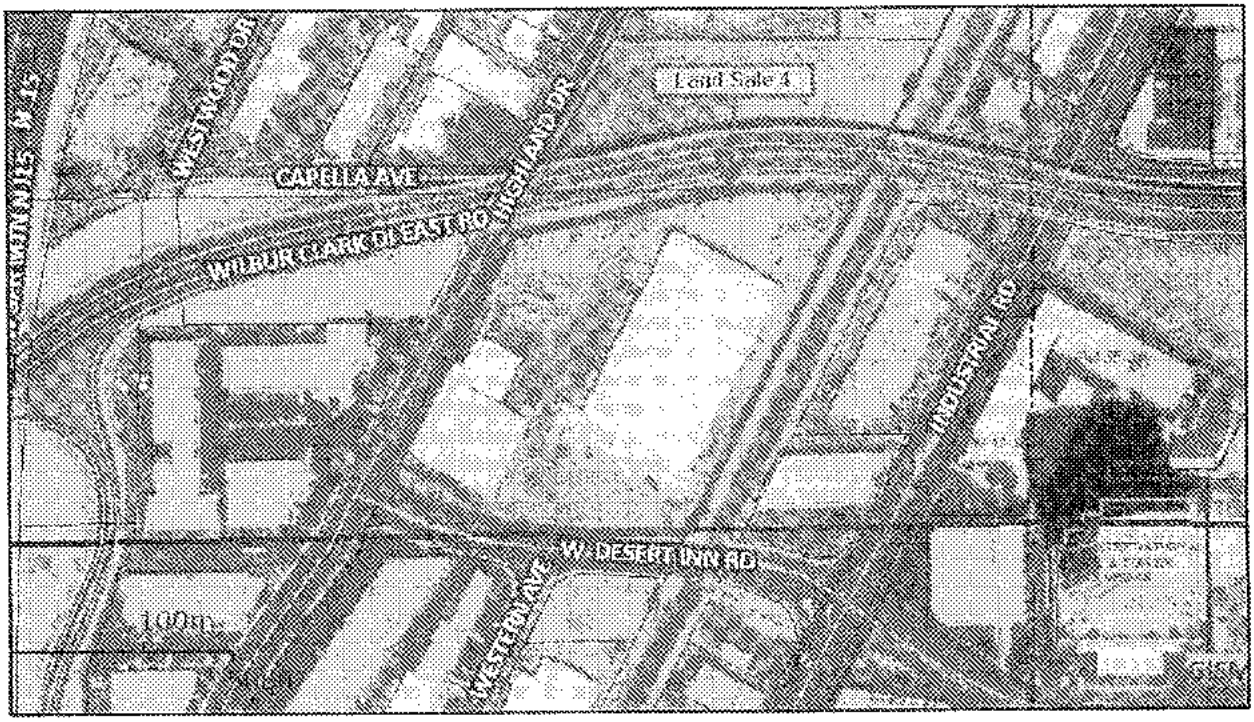


Land Sale Abstract Number 4

APN:	162-08-805-009
Location:	2548 West Desert Inn Road, Las Vegas, Clark County, Nevada
Grantor:	NV West Desert Inn, LLC
Grantee:	Gabriel Gomes Saia Jr. Revocable
Deed Date:	3/16/2012
Recording Date:	3/16/2012
RPTT:	$33,150.00
Document Number:	20120316/00250
Legal Description:	Portion of the Southeast ¼, Section 8, Township 21 South, Range 61 East, M.D.B.&M.
Size:	398,138 Sq. Ft. (9.14 Acres)
Zoning:	M-1 (Industrial), Clark County
Land Use:	Currently improved with a warehouse distribution building.
Utilities:	All to site
Access:	Desert Inn Drive and Highland Avenue
Topography:	Level
Sale Price:	$6,500,000.00
Unit Price:	$16.32/Sq. Ft. ($711,160/Acre)
Financing:	Cash to Seller
Remarks:	Site improved with 150,000 sq. ft. distribution building. According to broker, the site was acquired over short-term for building, though considered for speculation over long-term. Site had been viewed for tourist commercial development with land offers of $52 million dollars ($5,700,000.00 per acre) in 2007.
Verified With:	County Records, Deed, Broker: Geoffrey West, Cushman Wakefiled
Verification Date:	2/1/2013
Appraiser:	Eric Anderson, Certified General Appraiser, Anderson Valuation Group, LLC

Land Sale Number 4 - Plot Plan & Aerial Photograph

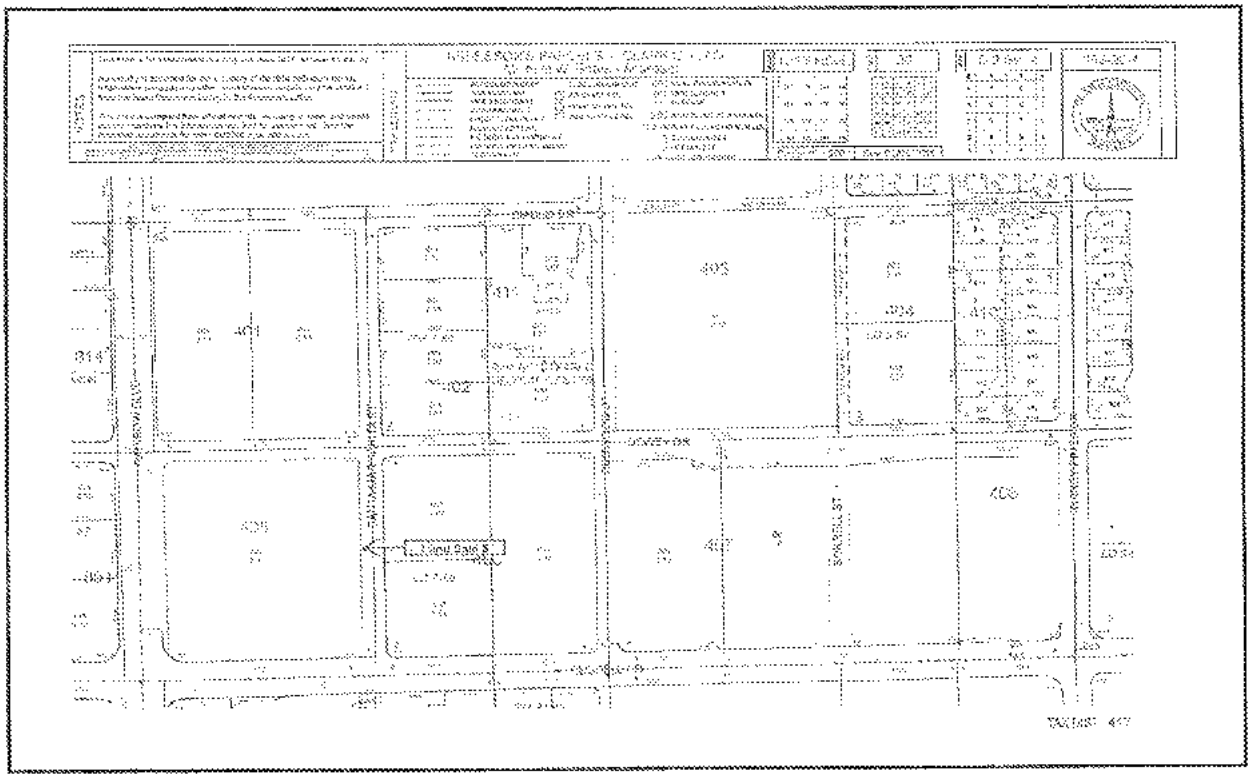


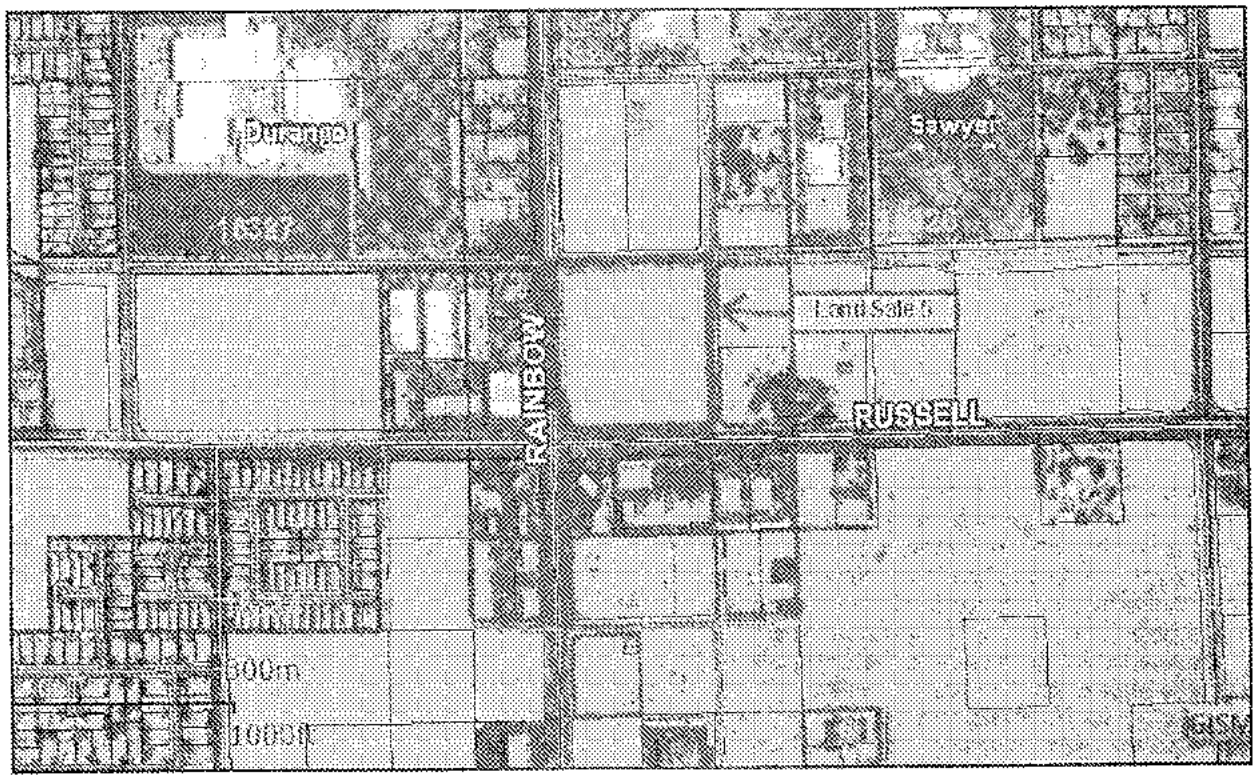


Land Sale Abstract Number 5

APN:	163-26-405-001
Location:	Northeast Corner of Rainbow Boulevard and Russell Road, Las Vegas, Clark County, Nevada
Grantor:	Raining Russell, Ltd.
Grantee:	KND Real Estate 48, LLC
Deed Date:	12/10/12
Recording Date:	12/31/12
RPTT:	$23,970.00
Document Number:	201121231/04041
Legal Description:	Southwest Quarter (SW ¼) of the Southwest Quarter (SW ¼) of the Southwest Quarter (SW ¼) of Section 26, Township 21 South, Range 60 East, M.D.B.&M.
Size:	343,046 Sq. Ft. (8.1 Acres)
Zoning:	C-2, County
Land Use:	Vacant
Utilities:	All available
Access:	Rainbow Boulevard and Russell Road
Topography:	Even
Sale Price:	$4,700,000.00
Unit Price:	$13.31/Sq. Ft. ($580,246.00/Acre)
Financing:	Cash to seller
Remarks:	This corner orientated site required some onsite improvements to cure a wash which bisected the property. The seller improved this condition prior to the transaction. Other offsite improvements will be necessary along Rainbow Boulevard.
Verified With:	County Records, Deed, Seller: K. Roohani
Verification Date:	2/15/13
Appraiser:	Glenn M. Anderson, MAI, SRA, Anderson Valuation Group, LLC

Land Sale Number 5 - Plot Plan & Aerial Photograph





Land Valuation - Analysis and Conclusion

Analysis:

Land Sale Number 1 is a property located at the southwest corner of Valley View Boulevard and Pioneer Way. This large site was originally zoned and approved for hotel/casino. After the downturn in the economy, this plan was cancelled and the site was eventually foreclosed upon. The property sold as REO in September 2011 for a reported purchase price of $9.56 per square foot. The buyer in this transaction (who is the seller in the comparable considered here) improved the site with some onsites and leased the property as a construction and staging yard for a 10 year term. This included some fencing and onsite paving. The current occupant is also using an older warehouse building which existed on the property at time of acquisition. This property subsequently sold in the transaction reported here for a total purchase price of $17.89 per square foot. Therefore, the buyer not only acquired a good speculative site for future redevelopment, but also, an interim income stream due to the yard rent which applies.

In comparison to the subject, I have made a upward consideration for location. This location is considered inferior to the subject location near the downtown district, with corner orientation on Alta Drive which provides direct access into the Parkway Center and onto the downtown area. A downward adjustment is made for physical attributes including added onsites which would be considered superior to the subject presuming the site vacant and available for development to its highest and best use. This is due to the amount of onsite paving and fencing which was installed for the new yard lessee. The size of the property is somewhat similar and overall, this price paid per unit is considered just slightly more than the subject could command due to the motivation of the buyer where an income stream exists and due to the onsites which were installed for this use.

Land Sale Number 2 is a property located at the northwest corner of Dean Martin Drive and Ponderosa Way. This site is vacant and requires offsite improvements for eventual development. The property was acquired by the adjacent property owner who operates the Hustler Cabaret. This property has exposure along Interstate 15 and relative good proximity to interchanges at Russell Road and Tropicana Avenue with this highway.

In comparison to the subject, I have made an upward consideration for the inferior location. The subject is located near the downtown district which would be considered superior. A downward adjustment is made for the smaller size. An upward adjustment is made for the more limited amount of available offsites. In the final analysis, this price paid per unit is considered less than the subject could command.

Land Sale Number 3 is a property located at the northeast corner of the intersection of Tropicana Avenue and Arville Street. This property is improved with the former Southwest Gas building which was vacated in years past. At the time Southwest Gas vacated the building, the then owner, proposed a high-rise hotel/casino and had the property rezoned and approved for such use. After the downturn in the economy; however, the plans were abandoned and the property was foreclosed upon. The property sold as REO as represented by this transaction. However, this is not a distressed sale, but instead, a market level transaction adequately marketed by the seller.

The location of this property is considered somewhat similar to the subject. This property is substantially improved with the former Southwest Gas building which will require removal prior to any redevelopment of the site. It has been attempted for years to lease this building; however, no potential users have occupied the building. This is a land sale according to confirming parties. The eventual cost to demolish and clear this site would be substantial, and for this reason I have made an upward adjustment as this would be considered an inferior characteristic to the

subject. A downward adjustment is made for the superior zoning as this property has been formerly approved as a hotel/casino site. Overall, this price paid per unit is considered slightly less than the subject could command due to the physical attributes.

Land Sale Number 4 is a site located on West Desert Inn Road, between Highland Drive and Industrial Road. This property is therefore located just west of the Las Vegas "Strip". A large industrial warehouse exists on this property which was formerly used as a beer distributorship. The transaction or the acquisition of the site was a speculative land parcel albeit the property remains improved and could provide some interim income during the holding period. The long-term plan for this site is redevelopment as this property is located in the influence of the Las Vegas "Strip" and is formerly been approved for other uses which are related to tourist commercial development.

In comparison to the subject, location is somewhat similar. An upward adjustment is made for the physical attributes. Similar to Sale Number 3, substantial improvement exists which will be costly to remove. This is an inferior attribute when compared to the subject. Other factors are generally similar and this price paid per unit is considered less than the subject could command.

Land Sale Number 5 is a property located at the northeast corner of the intersection of Russell Road and Rainbow Boulevard. This is a site located just south of the Spring Valley Hospital and has corner orientation at a stop light controlled intersection with Rainbow Boulevard and Russell Road. This site required some onsite improvements, as a wash bisected a portion of the property. The seller in this transaction provided these improvements. However, other offsites will be necessary. Plans of the site include medical office as this site is near the Spring Valley Hospital. In comparison to the subject, I made an upward adjustment for

location. The subject's proximity to the downtown district is considered superior. An upward adjustment is also made as offsites will be required for development. Overall, this price paid per unit is considered less than the subject could command.

Summary:

The five land sales indicated unit prices paid on larger commercial development sites in the general area ranging from $13.31 per square foot, to $17.89 per square foot. I have adjusted these various sales to the subject property for differences which exist. A qualitative analysis of these differences was narratively described over the preceding pages. Although quantitative adjustments are preferred, these can only be accomplished when adequate paired sales analysis can be used to extract adjustments for singular differences. Market data is typically imperfect with regard to individual comparisons for single components, and as such, these qualitative considerations are considered adequate and appropriate in this analysis. The following adjustment grid provides a further indication of qualitative considerations made to each sale.

Adjustment Chart/Grid:

SALE #	1	2	3	4	5
SALES DATE	Dec-12	May-12	Feb-12	Mar-12	Dec-12
SALES PRICE	$7,350,000	$2,765,000	$10,000,000	$6,500,000	$4,700,000
SIZE (SF)	410,771	196,456	644,688	398,138	353,046
UNADJUSTED PRICE PER SF	$17.89	$14.07	$15.51	$16.33	$13.31
ADJUSTMENTS					
MARKET CONDITIONS					
TIME ADJUSTMENT	0.00%	0.00%	0.00%	0.00%	0.00%
ADJUSTED PRICE PER SF	$17.89	$14.07	$15.51	$16.33	$13.31
CONDITIONS OF SALE	0.00%	0.00%	0.00%	0.00%	0.00%
ADJUSTED PRICE PER SF	$17.89	$14.07	$15.51	$16.33	$13.31
LOCATION	+	+	0	0	+
PHYSICAL ATTRIBUTES	-	0	++	++	0
SIZE	0	-	0	0	0
ZONING	0	0	-	0	0
OFFSITES/ONSITES	-	+	0	0	+
TOTAL QUALITATIVE ADJUSTMENT	-	+	+	+	+

Based on this analysis, it is my opinion that the unit value applicable to the subject property land, presuming the site vacant and available for development to its highest and best use is $17.00 per square foot. Therefore, it is my opinion the indicated market value of the land component of the subject property, in fee simple interest, as of the date of valuation, March 10, 2013, is as follows

Land Valuation - Summarized

Total Site Area (Square Feet)	599,386
Value per Square Foot	$ 17.00
Indicated Market Value of the Underlying Land, As Vacant (rounded):	**$10,190,000.00**

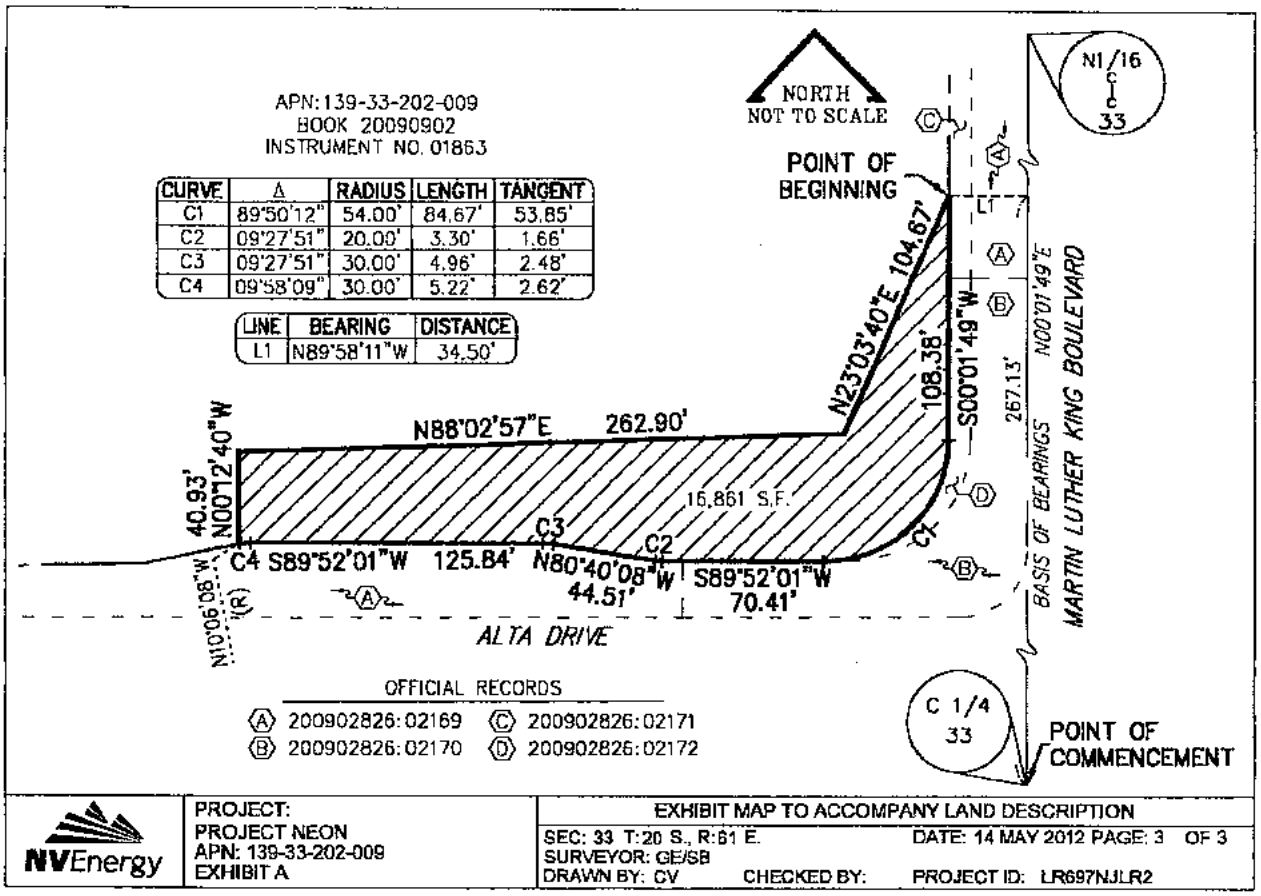
Estimate of the Value of the Rights to be Acquired in the Proposed Permanent Easement

Proposed is an acquisition of a permanent easement over a portion of the easterly and southern portions of the subject property. The total easement area to be acquired is proposed to contain 16,861 square feet and will be illustrated on the following pages. This permanent easement will be acquired to allow for the installation of electrical transmission lines over the subject. Two poles are proposed for the subject, which will range from 120 to 140 feet in height. These poles will be installed on the property to suspend multiple electrical transmission lines approximately 75 feet above the ground. According to information provided by NV Energy, it is my understanding that the poles will occupy approximately 50 square feet of site area each, for a combined total of 100 square feet to be occupied by these poles.

The easement can be allocated as residing in two areas including within the required 10 foot setback area, according to current City of Las Vegas C-1 zoning, while the balance will reside outside of the setback area in an area that is currently available for development by the property owner. As discussed, this easement will cross over the portion of the recently constructed police headquarters which is open asphalt paved parking and landscaped areas. A Grant of Easement, which specifically describes the use to which the easement area will be placed, is provided in the Addenda for the reader's review. Generally, no permanent building improvements are allowed within the easement area, as this area must remain open to accommodate access for the maintenance and repair of the aforementioned electrical transmission lines. In its current condition and after recent construction of the police headquarters, it is apparent that this portion of the site is used for open parking, landscape and ingress/egress, all uses which are compatible with the proposed easement.

Photographs which illustrate the characteristics of the proposed easement area were presented earlier in the report. Again, the following page includes exhibits which illustrate the proposed easement route and a map illustrating the proposed pole placement.

Proposed Easement Map:



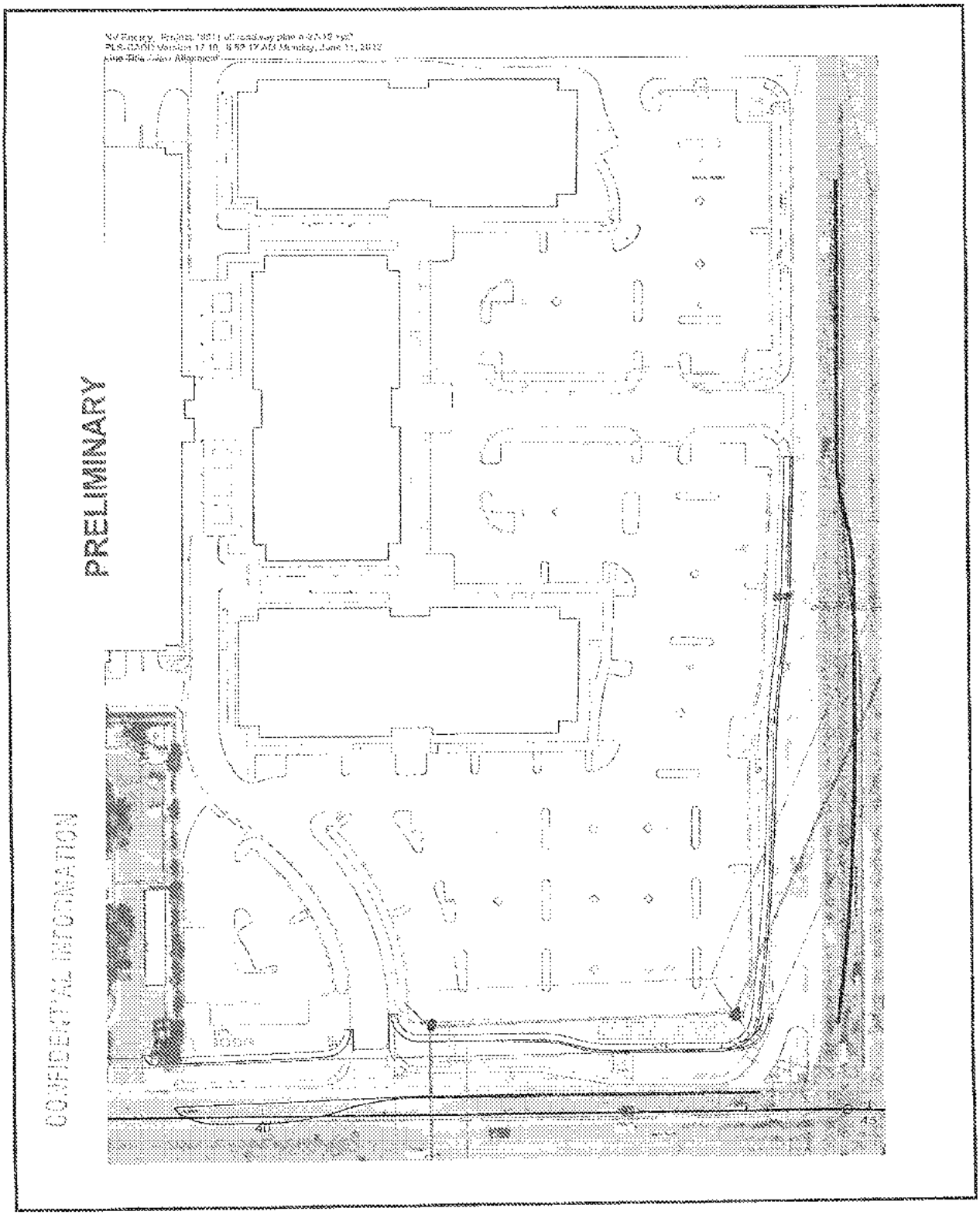
CURVE	Δ	RADIUS	LENGTH	TANGENT
C1	89°50'12"	54.00'	84.67'	53.85'
C2	09°27'51"	20.00'	3.30'	1.66'
C3	09°27'51"	30.00'	4.96'	2.48'
C4	09°58'09"	30.00'	5.22'	2.62'

LINE	BEARING	DISTANCE
L1	N89°58'11"W	34.50'

Situate in the City of Las Vegas, County of Clark, State of Nevada is that portion of the Northwest Quarter (NW ¼) of Section 33, Township 20 South, Range 61 East, M.D.M., Clark County, Nevada, described as follows:

That parcel of land as described in Grant Bargain and Sale Deed recorded September 2, 2009 in Book 20090902, as Instrument No, 01863, Office Records, Clark County, Nevada.

Pole Placement Map:



The first step in developing an opinion of the just compensation value is to develop an opinion of the just compensation for the part taken. The part taken will include the acquisition of surface rights to accommodate the new electrical transmission line easement in accordance with the Grant of Easement which is retained in the Addenda for the reader's review. As discussed, this easement will include areas which are located within the required setback in accordance with the C-1 zoning code, while other portions of the easement will reside outside of the required setback. In addition, two poles were proposed to be placed on the property which will occupy approximately 50 square feet each for a combined total of 100 square feet. The easement and the poles will be located in a portion of the site which has been dedicated for open asphalt paved parking, landscape and ingress/egress points as part of the recently completed police headquarters facility.

To determine the value of the rights to be acquired in the easement, I have first considered the proposed easement acquisition area which resides within the required setback in accordance with the C-1 zoning code, per the City of Las Vegas. The City of Las Vegas has recently updated the City Zoning Code, which went into effect generally in May 2011. Historically, the setback area for the C-1 zoning code was 20 feet; however, this has been altered and is now a 10 foot setback. As such, I have estimated that the total area of the proposed easement which resides in the setback measures approximately 4,473 square feet. I have estimated the length of the easement, which directly fronts Martin Luther King Boulevard and Alta Drive, at approximately 447.29 lineal feet, and using a 10 foot setback would result in 4,473 square feet within the setback.

In the "before" condition, areas within the required setback according to the C-1, Limited Commercial Zoning Code per the City of Las Vegas, are generally required to remain open from ground to sky and the 10 foot area can be used only for landscape, parking, ingress and egress, areas to accommodate public utilities, and other similar uses which do not include any permanent improvements. As such, in the "before" condition, the available rights in this area are restricted by city zoning.

For this reason, it is my opinion that the acquisition of the easement will have minimal impact on the ability to use this portion of the site, as the easement acquisition will require similar restrictions. Therefore, it is my opinion that minimal rights will be lost by the property owner in this portion of the site due to the acquisition of the easement. Therefore, it is estimated that the just compensation for the easement acquisition in the setback area is equal to 10% of the underlying land value.

Two poles are proposed to be placed within the easement area, outside the setback. Again, based on information submitted for my review, the poles will occupy approximately 50 square feet of the site each, and two poles were proposed for a combined 100 square feet. As such, this area would be deducted from the area calculated to be outside the setback, as a different portion of the bundle of rights were acquired where the poles will be placed. It is my opinion that the poles will impact these portions of the site by 100%, as the property owner will lose all ability to use this component of the property. Again, the poles will occupy approximately 50 square feet each for a combined 100 feet for the two poles. One hundred percent of the underlying land value is considered a reasonable compensation amount for these portions of the site.

The balance of the easement resides outside of the setback area. As discussed earlier, the total easement area is 16,861 square feet, and deducting the total area calculated to be located within the setback of 4,473 square feet, would result in the portion of the proposed easement area which resides outside of the setback to contain 12,388 square feet. From this is deducted the area which will be encumbered by the poles or 100 square feet. Therefore, the remaining area outside the setback is 12,288 square feet. In the "before" condition, the property owner has full right of use of this portion of the site. As discussed, the recently constructed police headquarters facility includes substantial at grade open asphalt paved parking area which exists along Martin Luther King Boulevard and Alta Drive. Therefore, in the "before" condition, the use to which this component of the site has

been put as part of the recently completed development is compatible with the easement uses allowable uses. However, the property owner has the ability to use this area in an alternate manner in the future.

It is my opinion that the total portion of the bundle of rights acquired, therefore, in this unrestricted portion of the proposed easement area is 75%. Therefore, I have factored 75% against the total underlying land value to estimate of value of the total easement area outside of the setback to reflect my opinion of the value of the part taken for this component of the easement area.

The following page contains a summary of the value of the part taken calculation. The total value of the part taken has been estimated at $166,000.00 based on the narratively described formula used.

Value of the Part Taken

Value of the Part Taken in 10 Foot Setback:		
Easement		
4,473 sq. ft. @ $17.00/sq. ft. x 10%	**$**	**7,604.00**
Value of the Part Taken Outside Setback		
12,288 sq. ft. @ $17.00/sq. ft. x 75%:	$	156,672.00
Pole Placement		
100 sq. ft. @ $17.00/sq. ft. x 100%	$	1,700.00
Value of the Part Taken Outside 10 Foot Setback	**$**	**158,372.00**
Total Value of the Part Taken (Rounded):	**$**	**166,000.00**

To develop an opinion of the value of the remainder before the take, the value of the part taken is simply deducted from the value of the property in the "before" condition. Again, as the easement affects only the land component of the property, the land component of the property has been valued. The land value was estimated in the preceding section at $10,190,000.00. Deducting the value of the part taken from the underlying land value results in the value of the remainder as part of the whole at $10,024,000.00. This will be summarized at the end of the section. It should be noted that the acquisition of the easement will not affect site improvements, as the property owner will retain the ability to continue to use the property in the manner which it was designed. Again, the easement crosses over an asphalt paved and landscaped component of the recently completed police headquarters site.

Value in the "After" Condition

The next step in this process is to develop an opinion of the market value of the property in the "after" condition or after the acquisition of the permanent easement area for the purposes of the development of an electrical transmission line. As discussed, the uses allowable within the easement area are highly similar to the current uses which exist within the proposed easement area, including open asphalt paved parking, landscaped areas, as well as areas for ingress and egress. Therefore, the installation of the easement will not have a detrimental effect on the use of the property as a current Metropolitan Police Headquarters. Consideration must be given to any potential future use or to determine whether the installation of the electrical transmission lines will affect the value of the remainder.

To determine if any adverse effects apply to the balance of the remainder property, I have considered the location of the easement to determine any effect electrical transmission lines and pole placement will have on a property such as the subject. As illustrated on preceding maps, the easement will exist along the property perimeter along a portion of the Martin Luther King Boulevard and Alta Drive frontage over a portion of the site which has been dedicated for asphalt paved parking, landscaping and ingress/egress. Two poles are planned for the property, which will reside in landscaped buffers along the street thoroughfares. Therefore, the easement acquisition, the pole placement, as well as the installation of electrical transmission lines will not affect the owner or occupant's ability to use the property as it was recently designed and built.

Throughout the Las Vegas metropolitan area, electrical transmission lines are routinely erected and extended along arterial thoroughfares providing transmission of electricity to substations in neighborhoods throughout the valley where the electricity is then distributed for consumption. To determine if the existence of the referenced transmission lines will affect the unit value of the larger property in the "after" condition, we have considered a paired land sale analysis with the primary

difference between the land sales which will be sited on the following pages being the existence of a transmission line on some of the land sales and the absence of a transmission line on the other land sales. It is noted that some of these sales are dated having occurred in 2005; however, they are considered relevant as the real estate market was considered more stable at that time. We have also included a group of sales which occurred more recently.

The first group of sales we have analyzed is a group of land sales considered suitable for commercial, office and/or multi-family development in the southwest segment of the Las Vegas marketplace. The southwest market or the area generally in the vicinity of the 215 Beltway, between approximately Rainbow Boulevard and Flamingo Road, was an active land sale transaction area in 2005. We have selected sales from that general area which occurred in 2005, generally between April and December of that year. The relative sales selected are all similar with respect to highest and best use characteristics, general location, relative size and other factors. The primary difference between these sales is the existence or absence of a transmission line along the arterial frontage which abuts these properties.

Commercial Land Sales With Transmission Lines Summary Chart

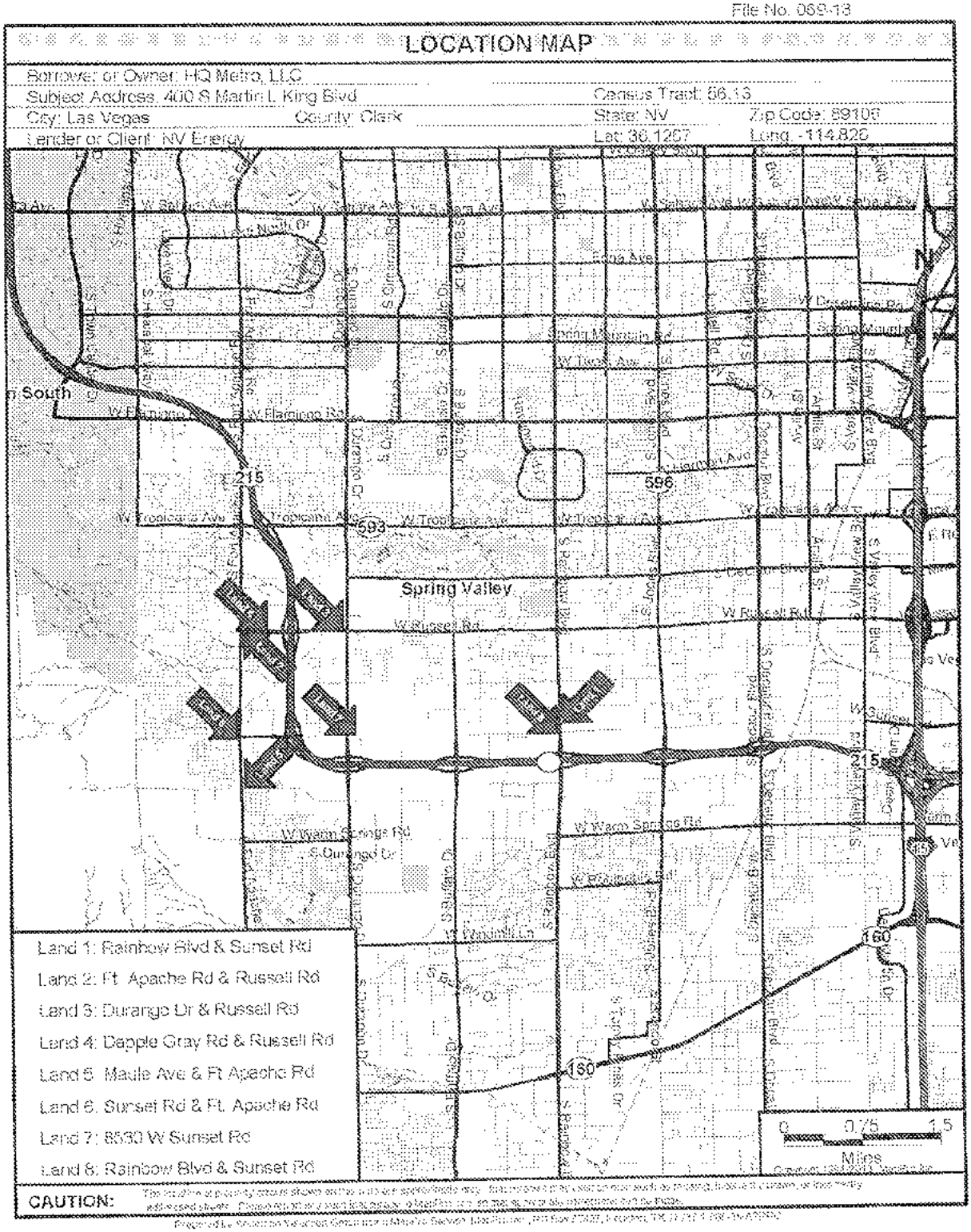
Sale No.	Location	Sales Date/ Deed No.	Price	Size/Net Sq. Ft.	Price/ Sq. Ft.
1	Southeast corner of Rainbow Boulevard and Sunset Road APN: 176-02-101-001	10/05 20051025/03737	$ 4,650,000	155,074	$29.99
2	Northeast corner of Ft. Apache Road and Russell Road APN: 163-29-401-007	8/05 & 3/05 20050812/0389 20050317/01168	$ 9,900,000	363,283	$27.25
3	Northwest corner of Durango Drive and Russell Road APN: 163-29-801-018	8/05 20050815/04147	$ 4,000,000	180,774	$22.13
4	Northeast corner of Dapple Gray Road and Russell Road APN: 163-29-411-001	12/05 N/A	$11,800,000	402,494	$29.32
			Weighted Average		**$27.55**

Commercial Land Sales With No Transmission Lines Summary Chart

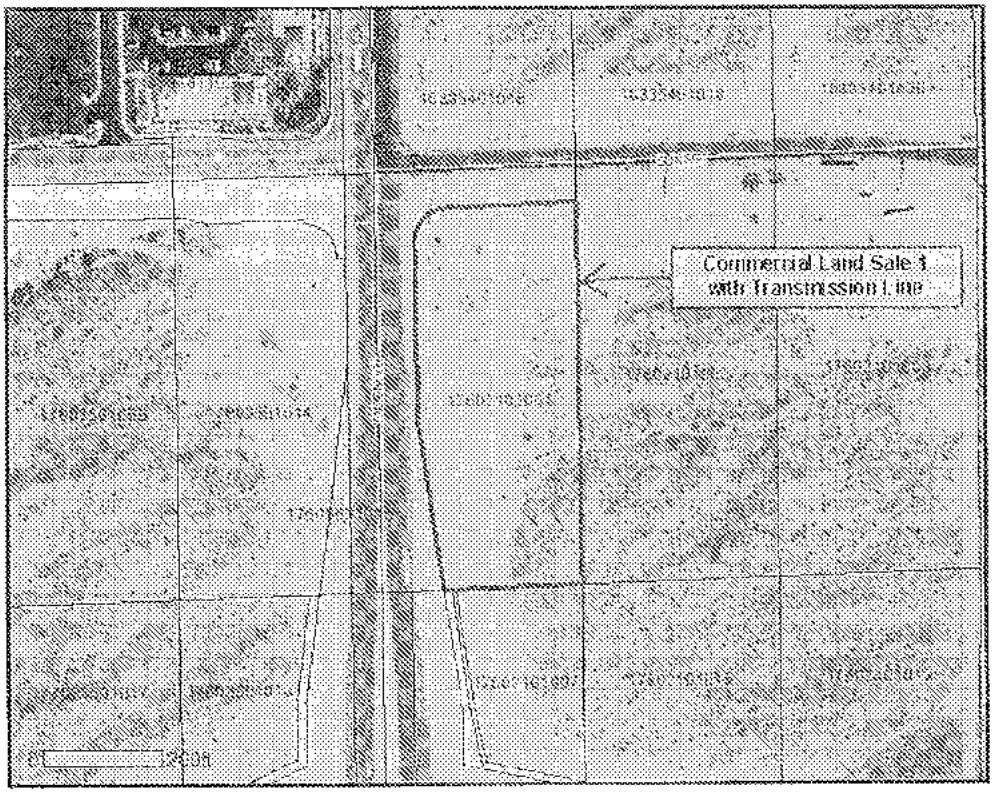
Sale No.	Location	Sales Date/ Deed No.	Price	Size/Net Sq. Ft.	Price/ Sq. Ft.
5	Northeast corner of Maule Avenue and Ft. Apache Road APN: 176-05-221-001	12/05 20051227/04545	$4,200,000	187,308	$22.42
6	Southwest corner of Sunset Road and Ft. Apache Road APN: 176-06-516-001	8/05 20050804/04306	$4,600,000	168,142	$27.36
7	8530 West Sunset Road APN: 163-33-401-009	6/05 20050616/05057	$4,750,000	202,118	$23.50
8	Southwest corner of Rainbow Boulevard and Sunset Road APN: 176-03-501-014	4/05 20050406/01262	$4,000,000	146,797	$27.25
			Weighted Average		**$24.92**

Commercial Land Sales Location Map

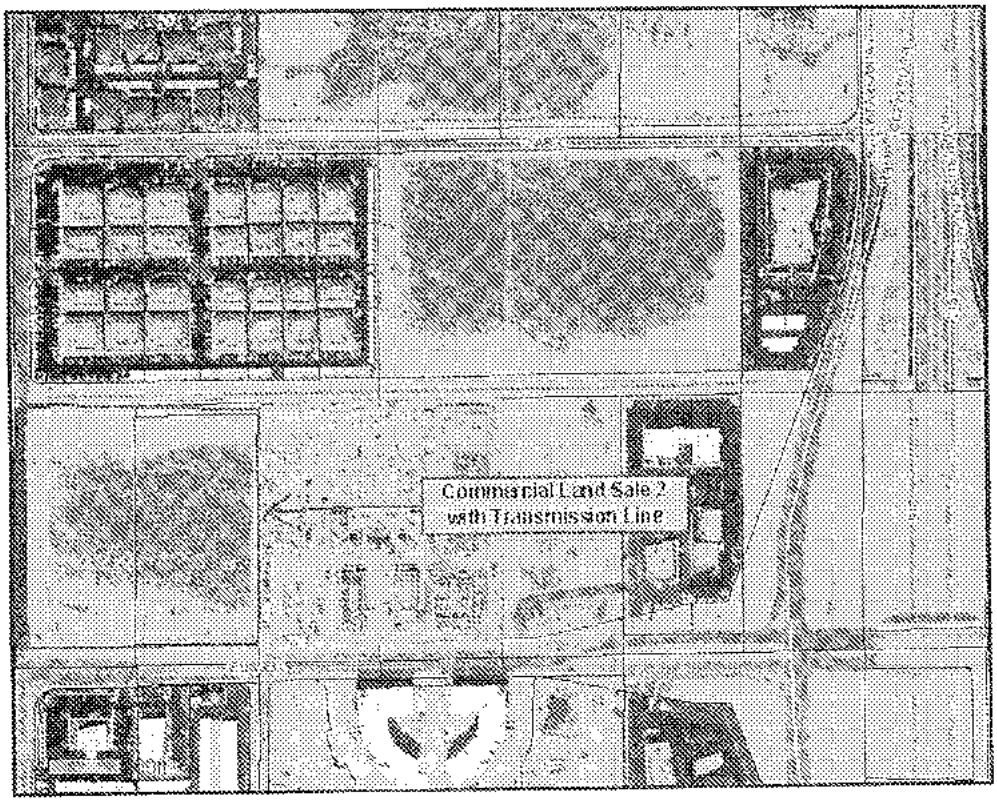
File No. 069-13



Commercial Land Sales With Transmission Lines - Aerial Photographs

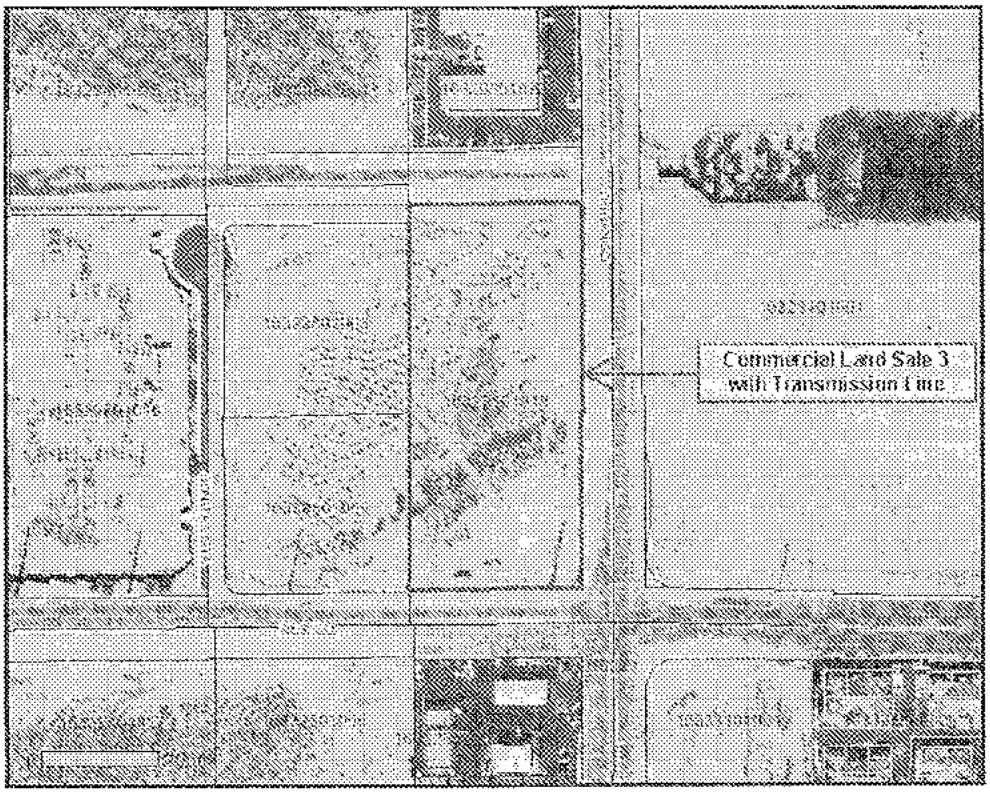


Commercial Sale No. 1 With Transmission Line: Southeast corner of Rainbow Boulevard and Sunset Road

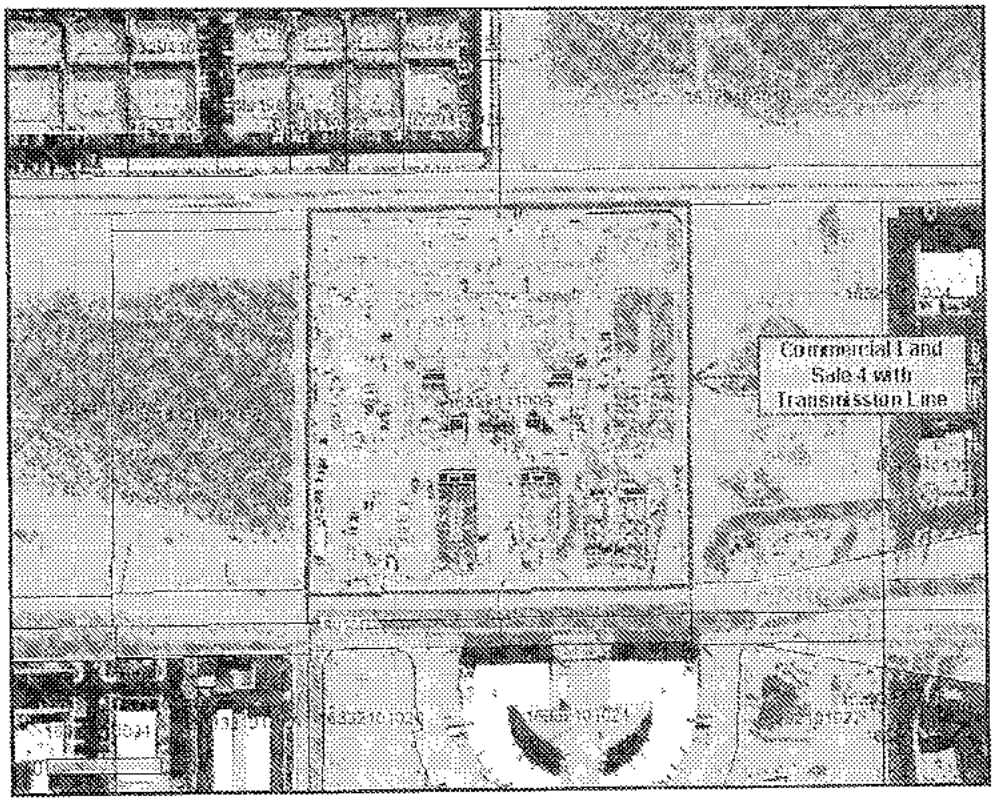


Commercial Sale No. 2 With Transmission Line: Northeast corner of Ft. Apache Road and Russell Road

Commercial Land Sales With Transmission Lines – Aerial Photographs

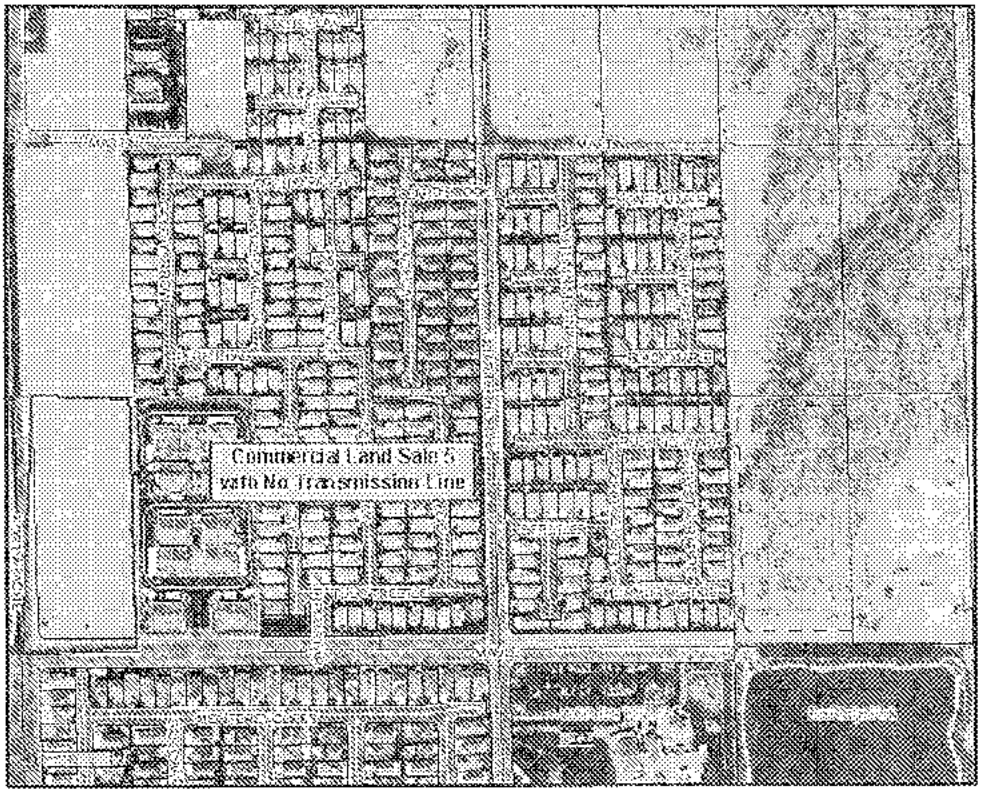


Commercial Sale No. 3
With Transmission Line:
Northwest corner of Durango Drive and Russell Road

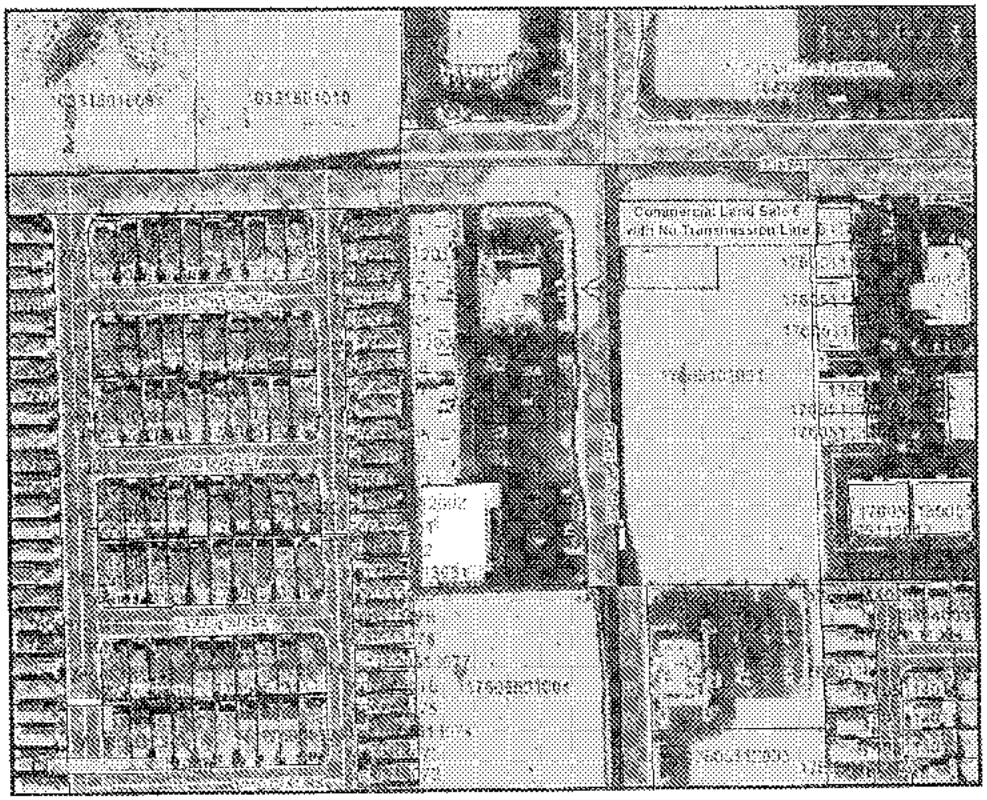


Commercial Sale No. 4
With Transmission Line:
Northeast corner of alignment of Dapple Gray Road and Russell Road

Commercial Land Sales With No Transmission Lines – Aerial Photographs

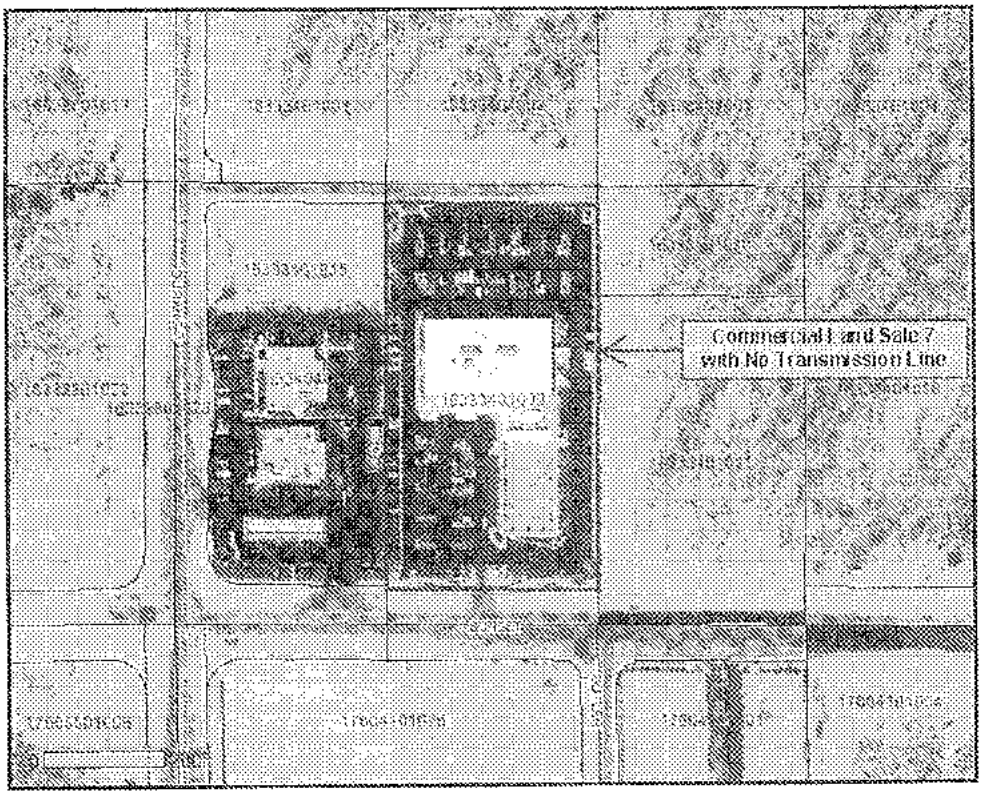


Commercial Land Sale No. 5 Without Transmission Line: Northeast corner of Maule Avenue and Ft. Apache Road

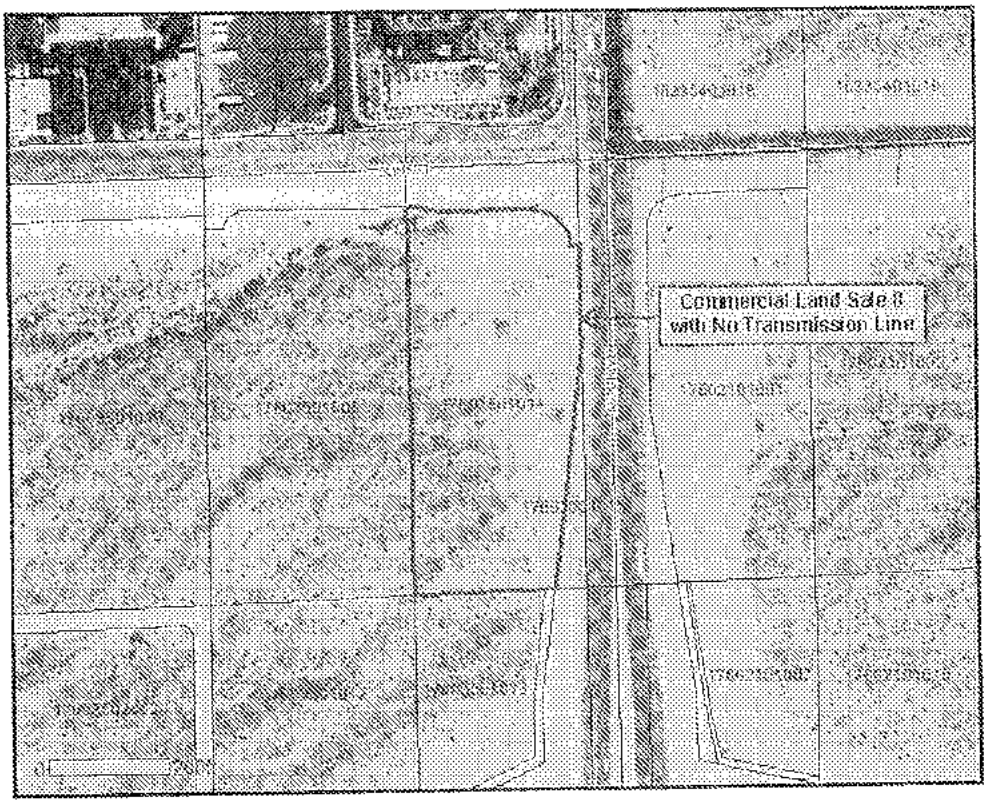


Commercial Land Sale No. 6 Without Transmission Line: Southwest corner of Sunset Road and Ft. Apache Road

Commercial Land Sales With No Transmission Lines - Photographs



Commercial Land Sale No. 7
Without Transmission Line:
8530 West Sunset Road



Commercial Land Sale No. 8
Without Transmission Line:
Southwest corner of Rainbow Boulevard and Sunset Road

As can be seen from the chart, the weighted averages of these two groupings of sales does not illustrate any diminution in value as a result of the existence of the transmission lines. Again, these sites were generally similar to one another with respect to highest and best use characteristics, general location, physical attributes and other features.

The next group of land sales reflects more recent transfers of commercial related properties. These properties are primarily located within the southwest portion of the Las Vegas valley, with one sale noted in the north central portion. Each of these land sales is zoned for commercial use. Again, the primary difference between each sale is the existence or absence of a transmission line.

Commercial Land Sales With Transmission Lines Summary Chart

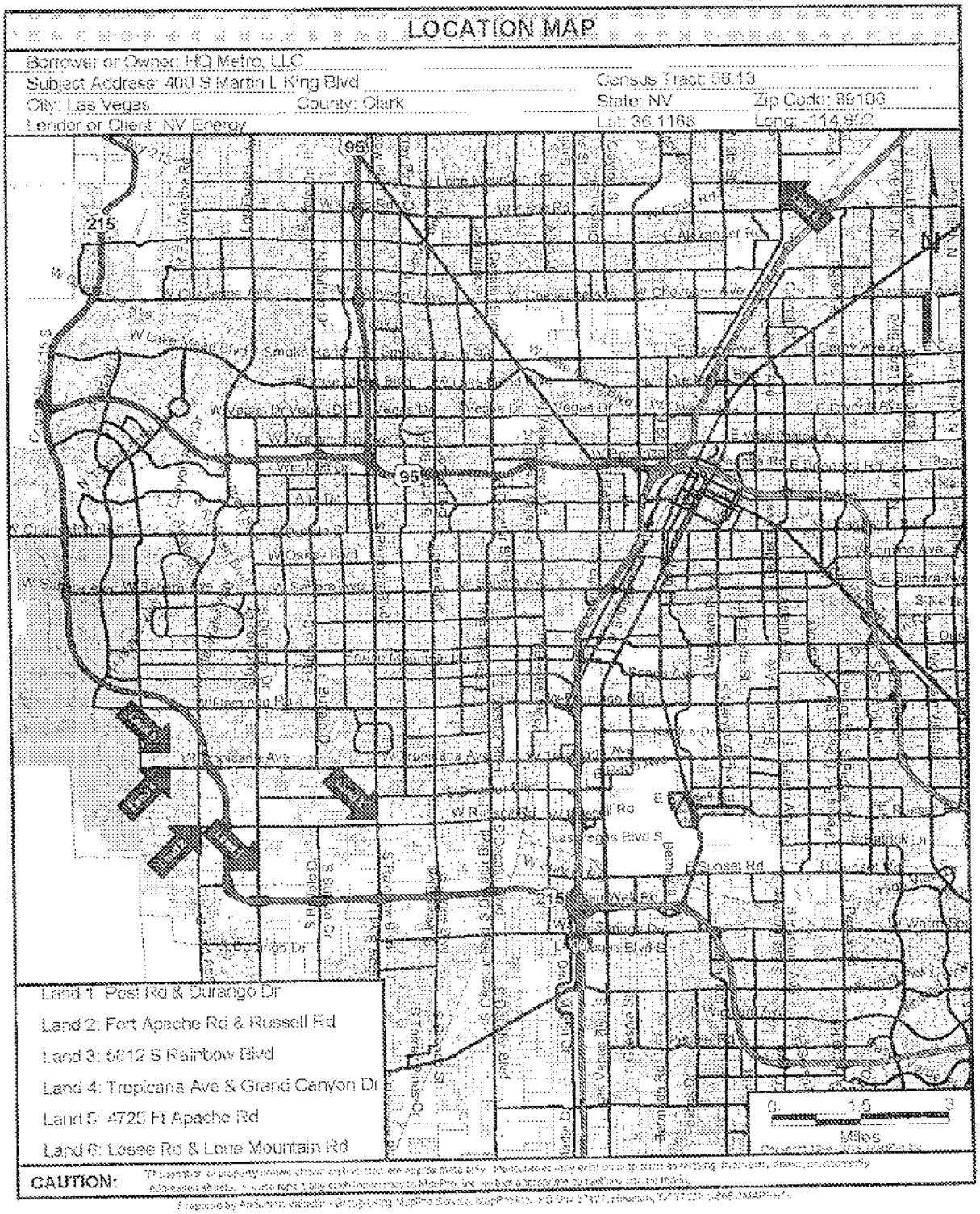
Sale No.	Location	Sales Date/ Deed No.	Price	Size/Net Sq. Ft.	Price/ Sq. Ft.
1	Northwest corner of Post Road & Durango Drive APN: 163-32-701-028	7/10 20100709/01942	$ 864,000	187,744	$4.60
2	Northeast corner of Ft. Apache Road and Russell Road APN: 163-29-401-007	9/10 20100907/03735	$2,129,000	171,257	$5.86
3	5612 South Rainbow Boulevard APN: 163-26-405-001	11/10 20101123/02712	$1,690,000	330,606	$5.11
			Weighted Average		**$4.61**

Commercial Land Sales With No Transmission Lines Summary Chart

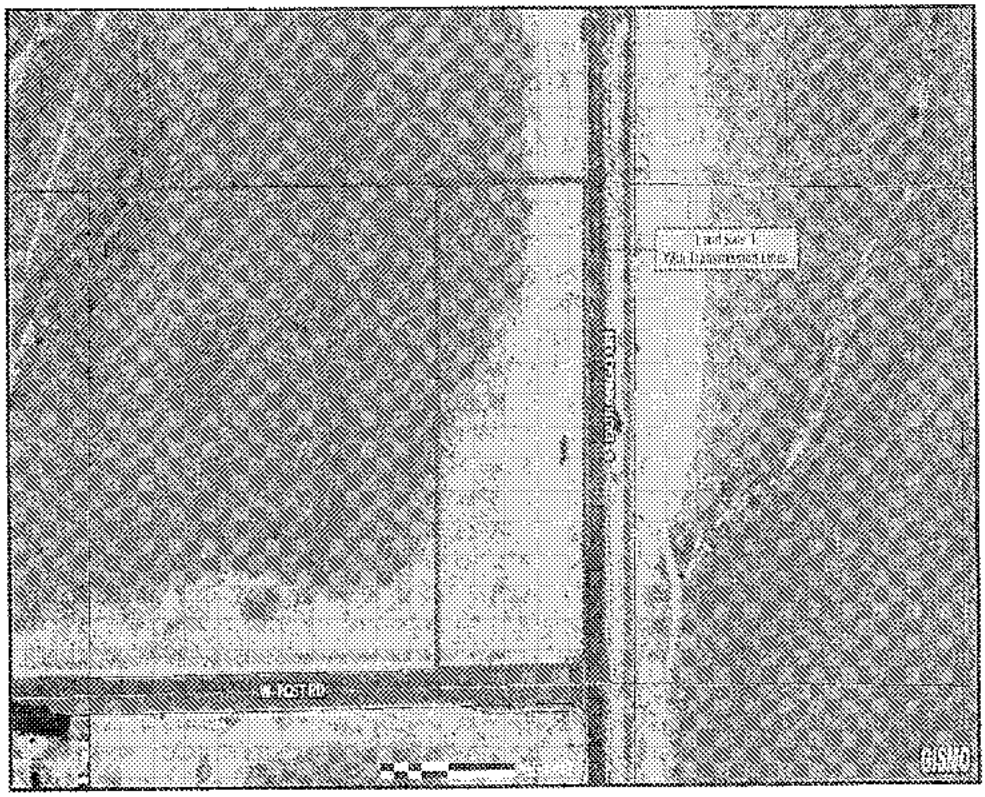
Sale No.	Location	Sales Date/ Deed No.	Price	Size/Net Sq. Ft.	Price/ Sq. Ft.
4	South side of Tropicana Avenue, east of Grand Canyon Drive APN: 163-30-501-003	12/10 20101229/01561	$800,000	201,300	$3.97
5	4725 Fort Apache Road APN: 163-19-802-004	2/11 20110222/02141	$915,000	175,111	$5.22
6	Northeast corner of Losee Road & Lone Mountain Road APN: 124-36-401-006	3/11 20110323/02764	$850,000	184,694	$4.60
			Weighted Average		**$4.57**

Commercial Land Sales Location Map

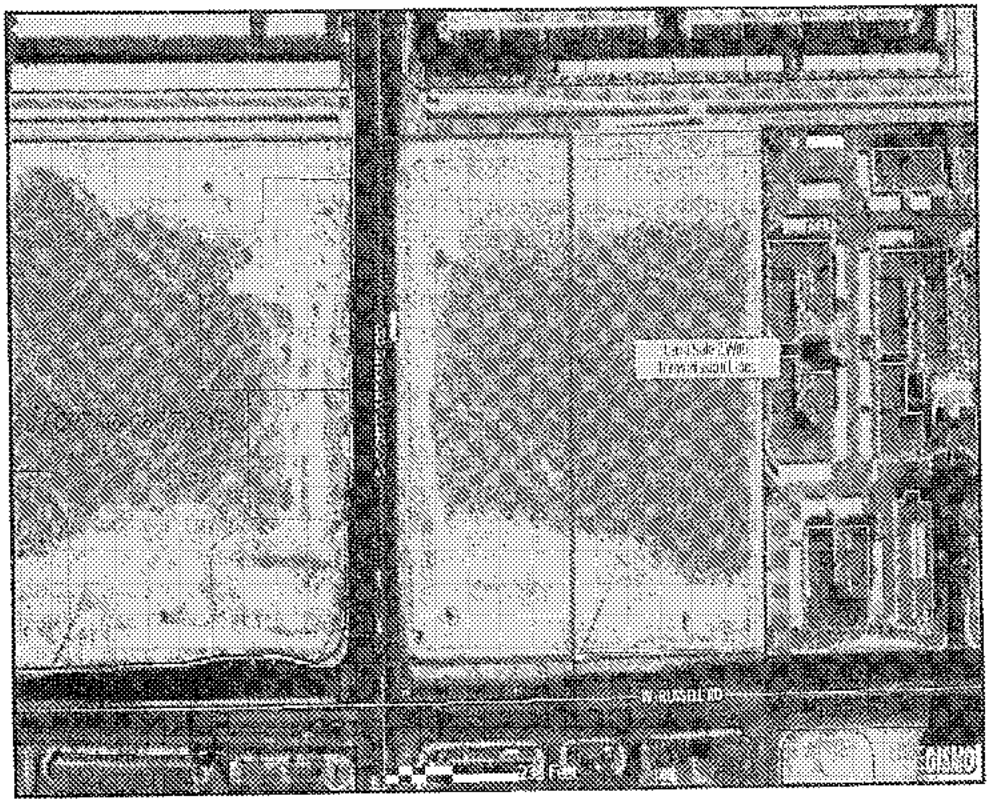
File No. 069-13



Commercial Land Sales With Transmission Lines – Aerial Photographs

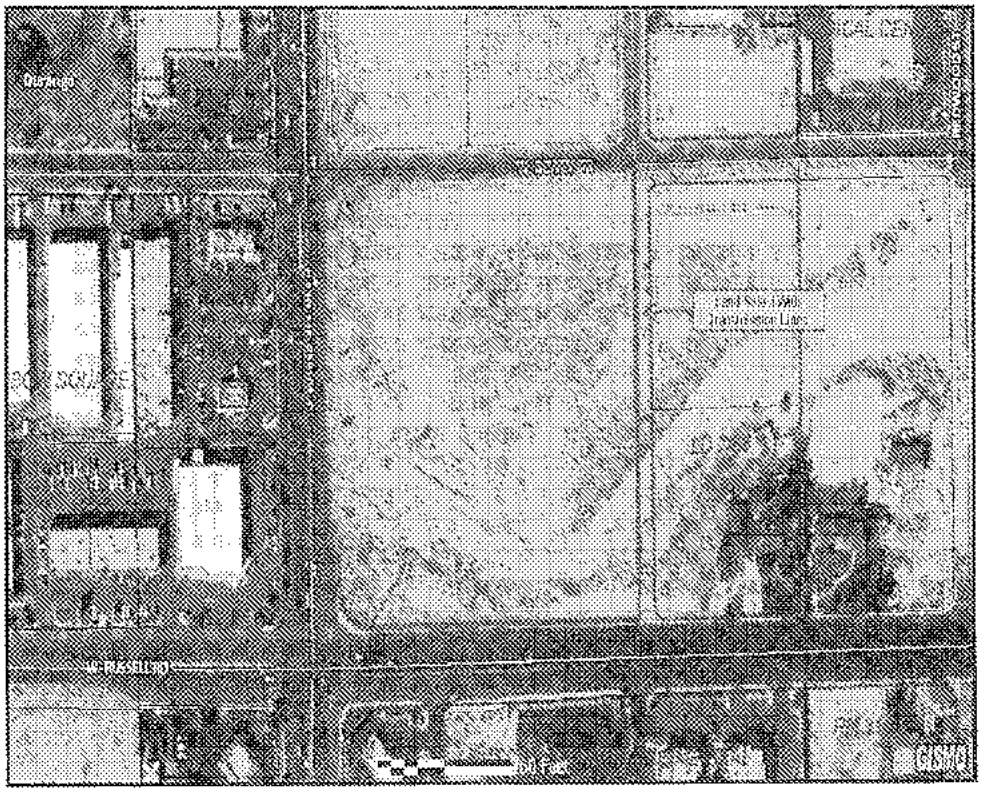


Commercial Land Sale No. 1 With Transmission Line:
Northwest corner of Post Road & Durango Drive



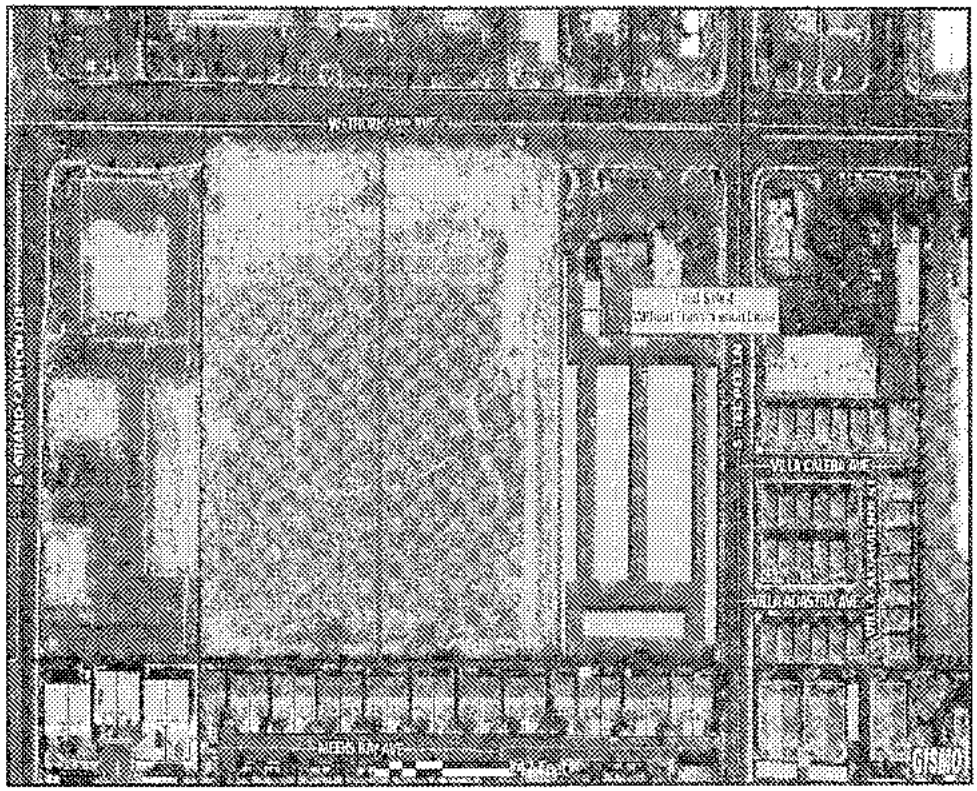
Commercial Land Sale No. 2 With Transmission Line:
Northeast corner of Ft. Apache Road and Russell Road

Commercial Land Sales With Transmission Lines – Aerial Photographs

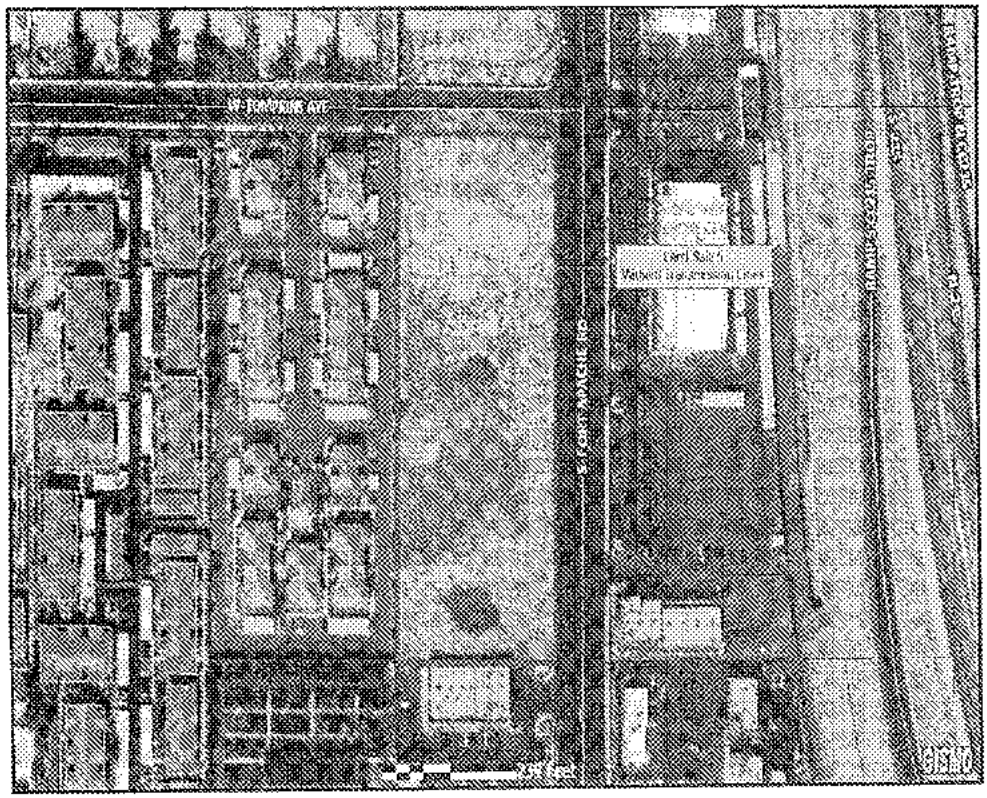


Commercial Land Sale No. 3
With Transmission Line:
5612 South Rainbow Boulevard

Commercial Land Sales Without Transmission Lines – Aerial Photographs

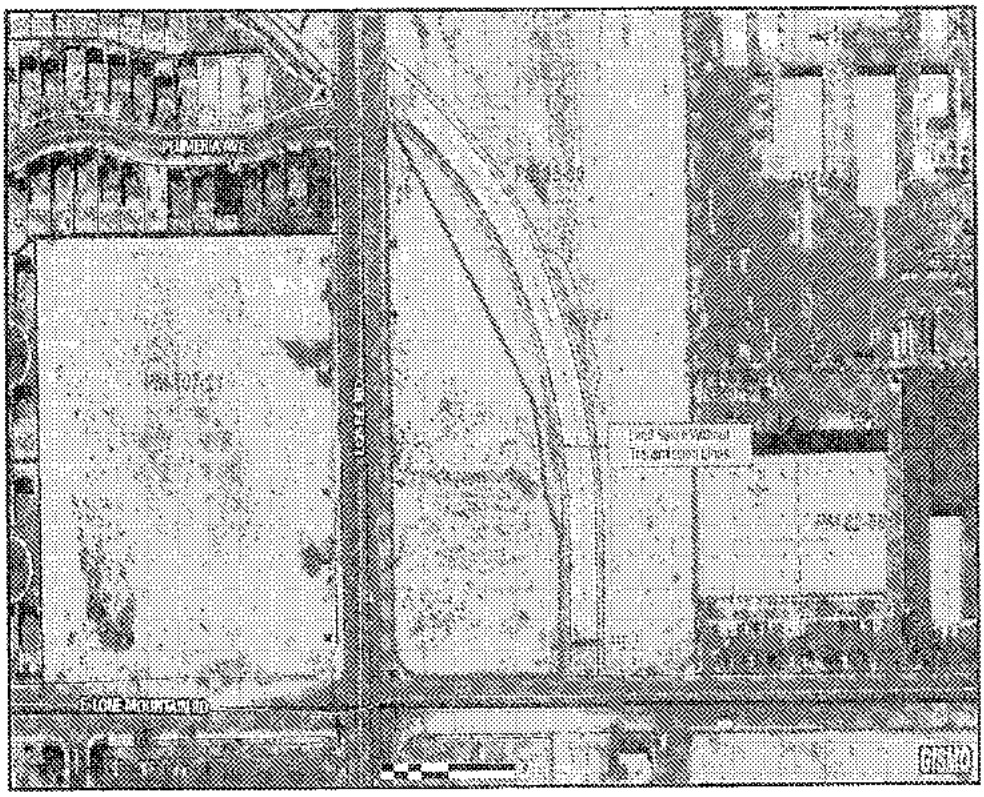


Commercial Land Sale No. 4 Without Transmission Line: South side of Tropicana Avenue, east of Grand Canyon Drive



Commercial Land Sale No. 5 Without Transmission Line: 4725 Fort Apache Road

Commercial Land Sales Without Transmission Lines – Aerial Photographs



Commercial Land Sale No. 6 Without Transmission Line:
Northeast corner of Losee Road & Lone Mountain Road

As with the older transactions, the weighted averages of these two groups of sales does not illustrate any diminution in value as a result of the existence of the transmission lines. Again, these sites were generally similar to one another with respect to highest and best use characteristics, general location, physical attributes and other features.

These two samplings of paired sales are indicative of the preponderance of data which exists in the marketplace which does not support a diminution in value as a result of the existence of transmission lines.

The potential for the diminution in property value as a result of the existence of transmission lines has been studied for many years. We have summarized findings of some of these studies as published in the *Appraisal Institute Appraisal Journal*. This publication is sponsored by the Appraisal Institute where articles, study summaries and other features are memorialized for the benefit of the Appraisal Institute members.

Published in the summer 2009 edition of the Appraisal Journal, volume LXXVII, is an article authored by James Chalmers, PhD and Frank Voorvaart, PhD, entitled "High Voltage Transmission Lines: Proximity, Visibility and Encumbrance Effects". This study is best summarized by the last paragraph of the article which is stated here:

> "The professional literature cited, combined with the results reported here, support the position that a presumption of material negative effects of HVTLs on property values is not warranted. An opinion supporting HVTLs effects would have to be based on market data particular to the situation in question and could not be presumed or based on casual, anecdotal observation. It is fair to presume that the direction of the effect would in most circumstances be negative, but the existence of a measurable effect and the magnitude of such an effect can only be determined by empirical analysis of actual market transactions."

This tends to support the assumption that immediate and specific market transaction data is the best support to determine if a value diminution exists as a result of the power lines.

Other studies have been conducted which provide a similar conclusion.

A study submitted to the Appraisal Journal in 1967 by William Kinnard, Jr. entitled *Tower Lines and Residential Property Values* concluded among other things, "The value of most residential properties is neither appreciably nor measurably affected adversely by adjacency to or intersection by overhead electric transmission line rights-of-way."

According to a July, 1992 article in the Appraisal Journal, prepared by Hsiang-Tekung, PhD and Charles Seagle, it was concluded "No measurable price differences could be detected between homes located adjacent to power transmission lines and comparable homes located further away." This study did provide additional information which indicated that some survey participants were unaware of health risks which were thought to exist at the time. Knowing this, may have changed the perception of some participants, according to the article.

Since 1992, numerous other health studies have been conducted which generally dismisses health risks associated with proximity to electrical transmission lines, although some weak links continue to be studied relative to childhood leukemia.

In July, 2003, Marvin Wolverton, PhD, MAI (of the University of Nevada Las Vegas), and Steven Bottemiller, MAI, published a report regarding an earlier study that examined price relative to power line location. The implications and conclusions in that paper stated "The data does not support a finding of price affect from abutting a HVTL (high voltage transmission line) right-of-way." This was a statistical confirmation of a preceding study which had similar conclusions.

The preponderance of studies on this matter, indicate that the best indication of whether a diminution in value occurs as a result of electrical transmission lines is direct market extraction. The data which exists in the marketplace does not support a diminution in value.

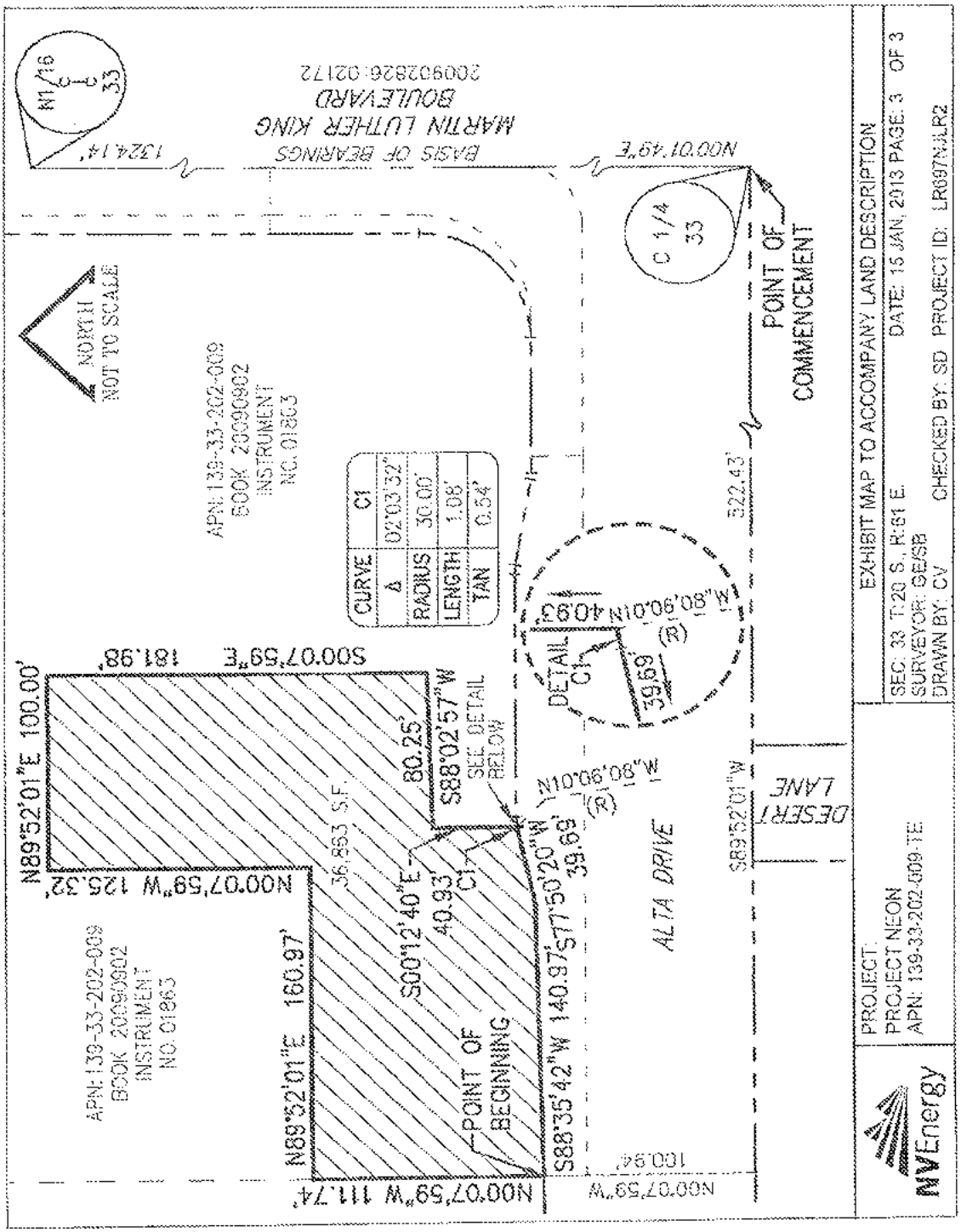
Therefore, the value of the remainder in the "after" condition or after the acquisition of the easement equates to the value of the reminder site (before the acquisition). As the value of the remainder in the "after" condition is the same as the value of the remainder in the "before" condition after consideration of the part taken, no severance damages are considered to exist. As discussed, the property owner continues to have the ability to use the area which will be encumbered with the new easement as it was designed for a landscape buffer as well as asphalt paved parking areas. As such, no change in use in the larger property will exist and the power line easement and the new transmission lines will have little effect on the property. As proven earlier, transmission lines do not generally diminish property value as a result of their existence. Therefore, it is my opinion that the total just compensation for the proposed permanent easement acquisition equates to the value of the part taken as calculated earlier to include 100% of the bundle of rights in the pole placement area, 75% of the rights in the part of the easement outside of the required setback and 10% of the bundle of rights in the area defined as the required setback for the C-1 zoning. Therefore, in my opinion, the just compensation for the proposed permanent easement acquisition as of the effective valuation date, March 10, 2013, is:

One Hundred Sixty-Six Thousand Dollars
($166,000.00)

Estimate for the Just Compensation for the Temporary Construction Easement:

The temporary construction easement will be used to provide for an area to allow NV Energy to construct the referenced facilities which were more completely described in the previous section. Specifically, the temporary construction easement will be used for activities to include removal of landscape material, hole drilling for two structures, the construction of anchor bolt cages and concrete, the actual installation of the transmission structures, allow areas to pull wire and fiber, and for clean-up. A copy of the document which outlines these scheduled activities is provided in the addenda.

The temporary construction easement is to contain a total of 36,863 square feet and a copy of the legal description describing this temporary construction easement area is provided in the addenda. The following provides a graphic illustration of the easement area and survey.



MARTIN LUTHER KING BOULEVARD
200902826:02172
BASIS OF BEARINGS
1324.14'
N00°01'49"E
N1/16 C 1/4 33
C 1/4 33
POINT OF COMMENCEMENT
NORTH NOT TO SCALE
APN: 139-33-202-009
BOOK 20090902
INSTRUMENT
NO. 01863
CURVE C1
Δ 02°03'32"
RADIUS 30.00'
LENGTH 1.08'
TAN 0.54'
322.43'
DETAIL C1
40.93'
39.69'
N10°06'08"W (R)
S00°07'59"E 181.98'
N89°52'01"E 100.00'
S88°02'57"W 80.25'
SEE DETAIL BELOW
N00°07'59"W 125.32'
36,853 S.F.
S00°12'40"E 40.93'
C1
S77°50'20"W 39.69'
ALTA DRIVE
DESERT LANE
S89°52'01"W
APN: 139-33-202-009
BOOK 20090902
INSTRUMENT
NO. 01863
N89°52'01"E 160.97'
POINT OF BEGINNING
S88°35'42"W 140.97'
100.94'
N00°07'59"W 111.74'
N00°07'59"W
EXHIBIT MAP TO ACCOMPANY LAND DESCRIPTION
SEC: 33 T:20 S., R:61 E.
SURVEYOR: GE/SB
DRAWN BY: CV
DATE: 15 JAN, 2013 PAGE: 3 OF 3
CHECKED BY: SD PROJECT ID: LR697NJLR2
PROJECT:
PROJECT NEON
APN: 139-33-202-009-TE
NVEnergy

It is notable that this temporary construction easement will reside near the southwest corner of the property and will encumber an area that includes the primary driveway from Alta Drive. According to the activity schedule presented by NV Energy, it specifically states that "At this time we do not anticipate an impact to the driveway off Alta Drive." For this reason, this temporary construction easement compensation estimate is subject to the assumption that the Alta Drive driveway will remain open and available for the property occupant to use continuously during the project. NV Energy will also disturb existing landscape and parking areas; however, the description of construction activities also indicates "All landscape affected by NV Energy's construction will be restored." Therefore, the condition of areas within the temporary construction easement will be restored to their original condition after the completion of the project.

The temporary construction easement will be necessary for a finite period for these construction activities. According to the schedule, a total of 62 days will be necessary to perform the specific work; however, inactivity is expected between these tasks. Therefore, NV Energy has allocated a total of 22 months necessary to complete the work.

To develop an opinion of the just compensation for the temporary construction easement, I have first considered the market value of the underlying land which is the basis to estimate this compensation. I estimated the total unit value applicable to this site at $17.00 per square foot. Typical land rent is based on a return on cost negotiated as a percentage of the underlying unit value. Ten percent is the reasonable return on cost rate used to estimate this rent for the temporary construction easement. The Nevada Department of Transportation routinely leases remnant parcels based on this rate and typical yard rents or build-to-suit transactions are likewise based on this return rate negotiated by private parties. Therefore, to estimate the reasonable monthly rent which can be used to

provide an opinion of the just compensation for this temporary construction easement, 10% is factored against the contributing market value of this portion of the site. This can be calculated as follows:

TCE Area (Square Feet):		36,863
Unit Value per Square Foot:	$	17.00
Contributing Value of TCE Area (rounded):	**$**	**627,000.00**
Annual Return Rate:		10%
Annual Rent for TCE	$	62,700.00
Monthly Rent ($62,700.00/12 months):	$	5,225.00
Temporary Construction Easement Period (22 Months)	x	22
Indicated Compensation for TCE (rounded):	**$**	**115,000.00**

TCE = Temporary Construction Easement

The estimate of just compensation for the temporary construction easement is specific to the term which is indicated as being required for the development of the project. This would be for a 22 month term and will include the rights as identified within the context of this analysis and the Grant of Temporary Construction Easement language which is included in the addenda for the reader's review.

The recommended just compensation for the temporary construction easement is therefore added to the reconciled recommended just compensation for the acquisition of the permanent easement as estimated earlier, which results in a final indication of the recommendation for just compensation for the acquisition of both easements combined.

The following contains a summary of the calculation which results in an indication of my opinion of the recommended just compensation for the easement acquisitions.

Summary Value Conclusions

SUMMARY OF VALUE CONCLUSION			
A.	Value of the whole, before the take (land only):	$10,190,000	
B.	Value of the part taken (permanent easement) as part of the whole:	$ 166,000	$166,000
C.	Value of the remainder, as part of the whole: (A - B)	$10,024,000	
D.	Value of the remainder, after the take:	$10,024,000	
E.	Damages (C-D):		$ .00
F.	Other: Temporary easements		$ 115,000
G.	Total Value of the Part Taken (B + E + F) (rounded):		$ 281,000

Assumptions and Limiting Conditions

This appraisal assignment has been made with the following general assumptions:

1. No responsibility is assumed for the legal description or for matters including 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.

3. Responsible ownership and competent property management are assumed.

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. The 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. Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property, was not observed by the appraiser. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation, or other potentially hazardous materials may affect the value of the property. The value opinion is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.

8. It is assumed that there is full compliance with all applicable federal, state and local environmental regulations and laws unless non-compliance is stated, defined and considered in the appraisal report.

9. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a non-conformity has been stated, defined and considered in the appraisal report.

10. It is assumed that all required licenses, certificates of occupancy, consents or other legislative or administrative authority from any local, state or national government or private entity or organization have been or can be obtained or renewed for any use on which the value opinion contained in this report is based.

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 trespass unless noted in the report.

All reports issued by this appraiser are subject to the following general limiting conditions:

1. The distribution, if any, of the total valuation in this report between land and improvements applies only 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.

2. 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 appraiser, and in any event, only with proper written qualification and only in its entirety.

3. The appraiser herein, by reason of this appraisal, is not required to give further consultation, testimony or be in attendance in court with reference to the property in question unless arrangements have been previously made.

4. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news, sales or other media without the prior written consent and approval of the appraiser.

5. The American with Disabilities Act ("ADA") became effective January 26, 1992. I have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the 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 that 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. Since we have no direct evidence relating to this issue, I did not consider possible non-compliance with the requirements of ADA in estimating the value of the property.

This appraisal has been developed and the report is provided subject to the following specific assumptions, extraordinary assumptions, hypothetical conditions and additional limiting conditions:

1. All the information provided by the client, NV Energy, is assumed accurate and, therefore, the value of the just compensation is contingent upon the project occurring consistent with the submitted right-of-way plans.

2. The value of the just compensation is subject to the hypothetical condition that the proposed right-of-way take occurs in accordance with the plans submitted for my review. Any variation in this right-of-way plan would warrant reevaluation of the analysis.

3. I assume the permanent easement will restrict the use of the surface to parking, landscape and areas for ingress and egress.

4. The temporary construction easement estimate of just compensation is specific to the time period indicated for this project. Furthermore, I have not been provided with an indication of the beginning date for the project and therefore, the recommended just compensation is effective as of the valuation date as part of this report.

Certification of Value

The undersigned does hereby certify that, except as otherwise noted in this appraisal report, to the best of my 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 my personal, impartial and unbiased professional analyses, opinions and conclusions.

3. I 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. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.

5. My engagement in this assignment was not contingent upon developing or reporting predetermined results.

6. My 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. The appraisal assignment was not based on a requested minimum valuation, a specific valuation or the approval of a loan.

8. The appraiser has performed services regarding the subject property within the three year period immediately preceding acceptance of the assignment.

9. I have made a personal inspection of the property that is the subject of this report.

10. No one provided significant professional assistance to the person signing this report.

11. My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice* (USPAP) as adopted by the Appraisal Standard's Board of the Appraisal Foundation and as mandated by Nevada State Law's Standards of Practice for real estate appraisers (Nevada Administrative Code Chapter 645C).

12. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

13. As of the date of this report, I, Glenn M. Anderson, MAI, SRA, have completed the requirements under the continuing education program of the Appraisal Institute.

14. The appraiser is competent and qualified to perform the appraisal assignment. The appraiser's State of Nevada license/certification has not been revoked, suspended, canceled or restricted.

15. This report has been prepared as a summary appraisal 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*.

16. In my opinion, the value of the permanent easement area plus the compensation for the temporary construction easement which reflects my opinion of just compensation for the easement acquisitions, as of the effective date of the valuation, March 10, 2013, is:

Two Hundred Eighty-One Thousand Dollars
($281,000.00)

Appraiser_____ Date March 11, 2013
Glenn M. Anderson, MAI, SRA

ADDENDA

Appraisers' Qualifications

QUALIFICATIONS
Glenn M. Anderson, MAI, SRA

LICENSING

Certified General Appraiser, State of Nevada, License No. A.0000555-CG
Certified General Appraiser, State of Arizona, License No. 31426

PROFESSIONAL DESIGNATIONS/AFFILIATIONS

MAI - Member of the Appraisal Institute, September, 1995
SRA - Member - Appraisal Institute, November, 1989
Past President (2002), Las Vegas Chapter, Appraisal Institute
Member, Commission of Appraisers of Real Estate State of Nevada, 7/1/2011 – 6/30/2014

EDUCATION

B.S., Arizona State University, Bachelor of Science, Real Estate/Finance, 1986

Sample of Core Appraisal Courses Completed:

SREA Course 101	1986	Introduction of Appraising Real Property
SREA Course 102	1986	Applied Residential Property Valuation
SREA Course 201	1986	Principles of Income Property Appraising
SREA Course 202	1986	Applied Income Property Valuation
AIREA Seminar	1987	Standards of Professional Practice
AIREA Course 1BA Part A, Seminar	1990	Capitalization Theory and Techniques
AIREA Seminar	1991	Comprehensive Appraisal Workshop
Appraisal Institute	1993	Course 410, 420 Standards of Professional Practice, Parts A & B
Appraisal Institute	1996	Course 520 - Highest and Best Use
Appraisal Institute	2001	Course 410 & 420 - Standards of Professional Appraisal Practice and Code of Ethics
Appraisal Institute	2007	The Appraiser as an Expert Witness
Appraisal Institute	2009	Condemnation Appraising
Appraisal Institute	2009	Appraisal of Nursing Facilities
Appraisal Institute	2011	Apartment Appraisal, Concepts & Applications
Appraisal Institute	2012	Fundamentals of Separating Real, Personal Property, and Intangible Business Assets

Attended other Various Seminars and Courses, 1984 to Present

EXPERIENCE

Anderson Valuation Group, LLC, Partner, Las Vegas, Nevada	2005 to Present
Gary H. Kent, Inc., Independent Fee Appraiser, Las Vegas, Nevada	1991 to 2004
McFadden & Associates, Staff Appraiser, Scottsdale, Arizona	1984 to 1991

Anderson Valuation Group, LLC
1601 South Rainbow Boulevard, Suite 230
Las Vegas, Nevada 89146
Telephone: 702•307•0888
Fax: 702•307•0894
e-mail glenn@andersonvaluationgroup.com

Type of Properties Appraised/Services Provided:

Retail Centers
Residential Subdivisions
Golf Courses
Industrial Properties
Leasehold/Leased Fee Estates
Health/Fitness Centers
Condemnation (total and partial takes)
Master Planned Communities (Residential & Commercial)
Apartments
Litigation Support
Office Buildings
Hotels/Casinos
Medical Offices
Vacant Land (all types)

Service Areas:

Southern Nevada, Northern Nevada, Northern Arizona

Clients Serviced:

Government Agencies

Federal Housing Administration
Nevada Department of Transportation
Las Vegas Valley Water District
Clark County School District
NV Energy
State of Nevada
Clark County
Attorney General's Office (Nevada)
Regional Transportation Commission (RTC)
City of North Las Vegas
City of Henderson
City of Las Vegas
City of Boulder City
FHLMC
FNMA
District Attorney's Office
Internal Revenue Service (IRS)
Small Business Administration (SBA)

Private Clients

Banks and other Lenders, Attorneys, Individual Clients; list available upon request

Court Fees/Court Qualifications:

Hourly rate for court testimony and deposition: $350.00

I have not published any articles/documents in the last ten years.

Anderson Valuation Group, LLC
1601 South Rainbow Boulevard, Suite 230
Las Vegas, Nevada 89146
Telephone: 702•307•0888
Fax: 702•307•0894
e-mail glenn@andersonvaluationgroup.com

Court Testimony/Deposition Within Last Four Years:

Dawood N. Shalomi and Regine Y. Shalomi, plaintiffs, v. Western Technologies, Inc. an Arizona Corporation; defendants, United States District Court Case No. CV-0168 – DMP (LRL) (deposition).

Joseph A. Kennedy, Sr., Trustee of the Joken Trust and Joken Trust v. Louisa Sue-Hue Kwo, District Court Case No. A469969 (court testimony).

County of Clark, plaintiff v. Monica Rozelle, 1983 Rozelle Family Trust, Rozelle Family Limited, Partner, Pat Rozelle, Budget Rent-A-Car, Las Vegas, District Court Case No. 03-A 462673-C (deposition).

Nevada Power Company v. 4520 Arville, District Court, Case No. 08-A571743, Dept. No. II (deposition).

FMC Pahrump, LLC, United States Bankruptcy Court, District of Nevada, Case No. BK-08-15600-LBR, Chapter 11 (court testimony).

Nevada Power Company v. 4185 West Harmon, District Court, Case No. A571746, Dept. No. XV (deposition).

Nevada Power Company v. 3 KIDS, LLC, Case No. A571745 (deposition).

NV Energy v. Vegas Valley Investment, LLC, District Court, Case No. A-09-592829-C (deposition).

Sun West Bank v. Kyle Canyon Investments II, LLC, District Court, Case No. A-09-596620-C (court testimony).

NV Energy v. Tropical & Losee, LLC, District Court, Case No. A-09-577141-C (deposition).

NV Energy v. Frehner Enterprises, LLC, District Court, Case No. A-09-570685-C (deposition).

Nevada Power Company v. 3 KIDS, LLC, Case No. A571745 (trial testimony).

Community Bank of Nevada v. Thomas H. McCormick et al. Case No. A571927, Dept. XI (deposition).

Anderson Valuation Group, LLC
1601 South Rainbow Boulevard, Suite 230
Las Vegas, Nevada 89146
Telephone: 702•307•0888
Fax: 702•307•0894
e-mail glenn@andersonvaluationgroup.com

Court Testimony/Deposition Within Last Four Years, continued:

NV Energy v. 4250 Arville, District Court, Case No. 08-A571743 (trial testimony).

Clark County Credit Union v. Casino Center Properties et al, District Court, Case No. A-10-620308-C (court testimony).

NV Energy v. Tiberti Company et al, District Court, Case No. A575426 (deposition).

City of Las Vegas v. Maro Burunsuzyan, Case No. A540728, District Court (trial testimony).

NV Energy v. Las Vegas Valley Investment, Case No. A09592829-C, District Court (trial testimony).

CCCU v. Fort Apache Urgent Care, LLC, Case No. A-10-631249, District Court (court testimony).

Nevada Power Company v. Marvin James Schiff Trust, et al, Case No. A-09-589133-C, District Court (deposition).

FNBN Properties II, LLC v. Desert Inn Pioneer, LLC et al, Case No. A-09-594488-C, District Court (court testimony).

FNBN Properties II, LLC v. Spring Mountain Wynn Investments, LLC, Case No. A-10-613639-C, District Court (court testimony).

United States Bankruptcy Court, Chapter 11 Proceedings, Horizon Village Square, LLC, Debtor, Case No. 11-21034-MKN; in support of Wells Fargo Bank (deposition and trial testimony)

Bank of America, N.A. v. Malibu Canyon Investors, LLC, et. al., Civil Action No. 2:11-cv-00369-KJD-LRL, District Court (deposition)

Federal Deposit Insurance Corporation v. Newport Nevada, LLC, Case No. A-11-633708, Dept. XI, District Court (court testimony)

United States Bankruptcy Court, Chapter 11 Proceedings, Case No. BK-S-10-29932-mkn; Carefree Willows, LLC v. AG/ICC Willows Loan Owner, LLC (trial testimony)

United States Bankruptcy Court, Chapter 11 Proceedings, Case No. BK-S-12-13579-MKN; Decatur Retail Partners, LLC (deposition)

United States Bankruptcy Court, Chapter 11 Proceedings, Case No. BK-S-12-13579-MKN and BK-S-12-13582-MKN; Decatur Retail Partners, LLC (court testimony).

*****

Anderson Valuation Group, LLC
1601 South Rainbow Boulevard, Suite 230
Las Vegas, Nevada 89146
Telephone: 702•307•0888
Fax: 702•307•0894
e-mail glenn@andersonvaluationgroup.com

APPRAISER CERTIFICATE

STATE OF NEVADA DEPARTMENT OF BUSINESS AND INDUSTRY

NOT TRANSFERABLE **REAL ESTATE DIVISION** **NOT TRANSFERABLE**

This is to Certify That : GLENN M ANDERSON **Certificate Number:** A.0000555-CG

Is duly authorized to act as a CERTIFIED GENERAL APPRAISER **from the issue date to the expiration date at the business address stated here in, unless the certificate is sooner revoked, cancelled, withdrawn, or invalidated.**

Issue Date: December 09, 2011 **Expire Date:** January 31, 2014

In witness whereof, THE DEPARTMENT OF BUSINESS AND INDUSTRY, REAL ESTATE DIVISION, by virtue of the authority vested in Chapter 645C of the Nevada Revised Statues, has caused this Certificate to be issued with its Seal printed thereon. This certificate must be conspicuously displayed in place of business.

FOR: ANDERSON VALUATION GROUP LLC
1601 S RAINBOW BLVD STE 230
LAS VEGAS, NV 89146

REAL ESTATE DIVISION

GAIL J ANDERSON
Administrator

Grants of Easements
(Temporary & Permanent)

APN: 139-33-202-009

WHEN RECORDED MAIL TO:
Land Services
NV Energy
P.O. Box 98910 MS 9
Las Vegas, NV 89151-0001

GRANT OF EASEMENT

HQ Metro, LLC, an Arizona limited liability company, ("**Grantor**") for One Dollar ($1.00) and other and good valuable consideration, receipt of which is hereby acknowledged, grants and conveys to Nevada Power Company, a Nevada corporation, d/b/a NV Energy ("**Grantee**"), its successors and assigns, a perpetual right and easement:

1. to construct, operate, add to, modify, maintain and remove aboveground and/or underground communication facilities and electric line systems for the distribution and transmission of electricity, consisting of poles, other structures, wires, cables, conduit, duct banks, manholes, vaults, transformers, service boxes/meter panels, cabinets, bollards, anchors, guys, and other equipment, fixtures, apparatus, and improvements ("**Utility Facilities**") upon, over, under and through the property described in Exhibit "A" hereto and by this reference made a part of this Grant of Easement ("**Easement Area**");

2. for the unrestricted passage of vehicles and pedestrians within, on, over and across the Easement Area and the property described in Exhibit "B" hereto and by this reference made a part of this Grant of Easement (the "**Property**"); and

3. for the ingress of vehicles and pedestrians to and the egress of vehicles and pedestrians from, the Easement Area and the Property; and

4. to remove, clear, cut or trim any obstruction or material (including trees, other vegetation and structures) from the surface or subsurface of the Easement Area as Grantee may deem necessary or advisable for the safe and proper use and maintenance of the electric line systems and communication facilities in the Easement Area.

Grantee will be responsible for any damages, proximately caused by Grantee negligently constructing, operating, adding to, maintaining, or removing the Utility Facilities, to any tangible, personal property or improvements owned by Grantor and located on the Easement Area on the date Grantor signs the Grant of Easement. However, this paragraph does not apply to, and Grantee is not responsible for, any damages caused when Grantee exercises its rights under numbered paragraph 4 above.

Grantor covenants for the benefit of Grantee, its successors and assigns, that no building, structure or other real property improvements will be constructed or placed on or within the Easement Area without the prior written consent of Grantee (which Grantee will not unreasonably withhold), such structures and improvements to include, but not be limited to, drainage, trees, bridges, signage, roads, fencing, storage

facilities, parking canopies, and other covered facilities. Grantee and Grantor must document Grantee's consent by both signing Grantee's standard, recordable use agreement. Grantor retains, for its benefit, the right to maintain, use and otherwise landscape the Easement Area for its own purposes; provided, however, that all such purposes and uses do not interfere with Grantee's rights herein and are in all respects consistent with the Grantee's rights herein, Grantee's electrical practices, and the National Electrical Safety Code.

GRANTOR:

HQ Metro, LLC

_____

By:
Title:

STATE OF _____)

COUNTY OF _____)

This instrument was acknowledged before me on _____, 20___ by

_____ as _____ of

_____.

_____
Signature of Notarial Officer

Seal Area →

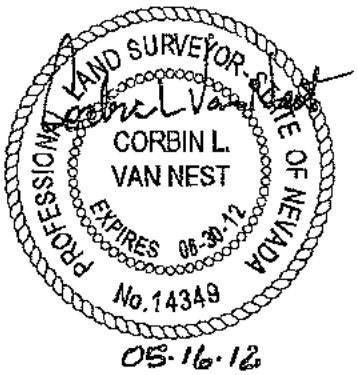
APN: 139-33-202-009
RW# 0149-2011dak
Proj. #LR697NJLR2
Project Name: Project Neon Land Rights
Reference Document: 20090902:01863
GOE

Exhibit A
{attached separately}

APN: 139-33-202-009
RW# 0149-2011dak
Proj. #LR697NJLR2
Project Name: Project Neon Land Rights
Reference Document: 20090902:01863
GOE

NVEnergy

EXHIBIT A



PROJECT ID: LR697NJLR2
PROJECT NEON
APN: 139-33-202-009
14 MAY, 2012
PREPARED BY: CV
CHECKED BY: SD

LAND DESCRIPTION:

A PORTION OF THE LAND DESCRIBED IN THAT CERTAIN "GRANT BARGAIN AND SALE DEED" RECORDED SEPTEMBER 2, 2009 IN BOOK 20090902 AS INSTRUMENT NO. 01863 OF OFFICIAL RECORDS IN THE COUNTY RECORDER'S OFFICE, CLARK COUNTY, NEVADA, SITUATE IN THE SOUTHEAST QUARTER (SE 1/4) OF THE NORTHWEST QUARTER (NW 1/4) OF SECTION 33, TOWNSHIP 20 SOUTH, RANGE 61 EAST, M.D.M., CITY OF LAS VEGAS, CLARK COUNTY, NEVADA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID SOUTHEAST QUARTER (SE 1/4); THENCE NORTH 00°01'49" EAST, ALONG THE EAST LINE OF SAID SOUTHEAST QUARTER (SE 1/4), A DISTANCE OF 267.13 FEET; THENCE NORTH 89°58'11" WEST, DEPARTING SAID EAST LINE, 34.50 FEET TO THE **POINT OF BEGINNING**, SAME BEING THE WESTERLY RIGHT-OF-WAY OF MARTIN LUTHER KING BOULEVARD (WIDTH VARIES) DESCRIBED IN THAT CERTAIN "GRANT DEED" RECORDED AUGUST 26, 2009 IN BOOK 20090826 AS INSTRUMENT NO. 02171 OF OFFICIAL RECORDS IN THE COUNTY RECORDER'S OFFICE, CLARK COUNTY, NEVADA; THENCE ALONG SAID RIGHT-OF-WAY AND THE UNBROKEN TRANSITION THEREOF ONTO AND ALONG THE NORTHERLY RIGHT-OF-WAY OF ALTA DRIVE, BEING DESCRIBED IN THOSE CERTAIN 'GRANT DEEDS' RECORDED AUGUST 26, 2009 IN BOOK 20090826 AS INSTRUMENT NUMBERS 02169, 02170 AND 02172 OF SAID OFFICIAL RECORDS, THE FOLLOWING EIGHT (8) COURSES: 1) SOUTH 00°01'49" WEST, 108.38 FEET TO THE BEGINNING OF A CURVE, CONCAVE NORTHWESTERLY, HAVING A RADIUS OF 54.00 FEET; 2) SOUTHWESTERLY ALONG SAID CURVE, 84.67 FEET THROUGH A CENTRAL ANGLE OF 89°50'12"; 3) SOUTH 89°52'01" WEST, 70.41 FEET TO THE BEGINNING OF A CURVE, CONCAVE NORTHEASTERLY, HAVING A RADIUS OF 20.00 FEET; 4) NORTHWESTERLY ALONG SAID CURVE, 3.30 FEET THROUGH A CENTRAL

ANGLE OF 09°27'51"; 5) NORTH 80°40'08" WEST, 44.51 FEET TO THE BEGINNING OF A CURVE, CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 30.00 FEET, 6) NORTHWESTERLY ALONG SAID CURVE, 4.96 FEET THROUGH A CENTRAL ANGLE OF 09°27'51"; 7) SOUTH 89°52'01" WEST, 125.84 FEET TO THE BEGINNING OF A CURVE, CONCAVE SOUTHERLY, HAVING A RADIUS OF 30.00 FEET; 8) SOUTHWESTERLY ALONG SAID CURVE, 5.22 FEET THROUGH A CENTRAL ANGLE OF 09°58'09"; THENCE DEPARTING SAID RIGHT-OF-WAY, NORTH 00°12'40" WEST, 40.93 FEET; THENCE NORTH 88°02'57" EAST, 262.90 FEET; THENCE NORTH 23°03'40" EAST, 104.67 FEET TO THE **POINT OF BEGINNING**, AS SHOWN ON THE "EXHIBIT MAP TO ACCOMPANY LAND DESCRIPTION" ATTACHED HERETO AND MADE A PART HEREOF.

CONTAINING 16,861 SQUARE FEET.

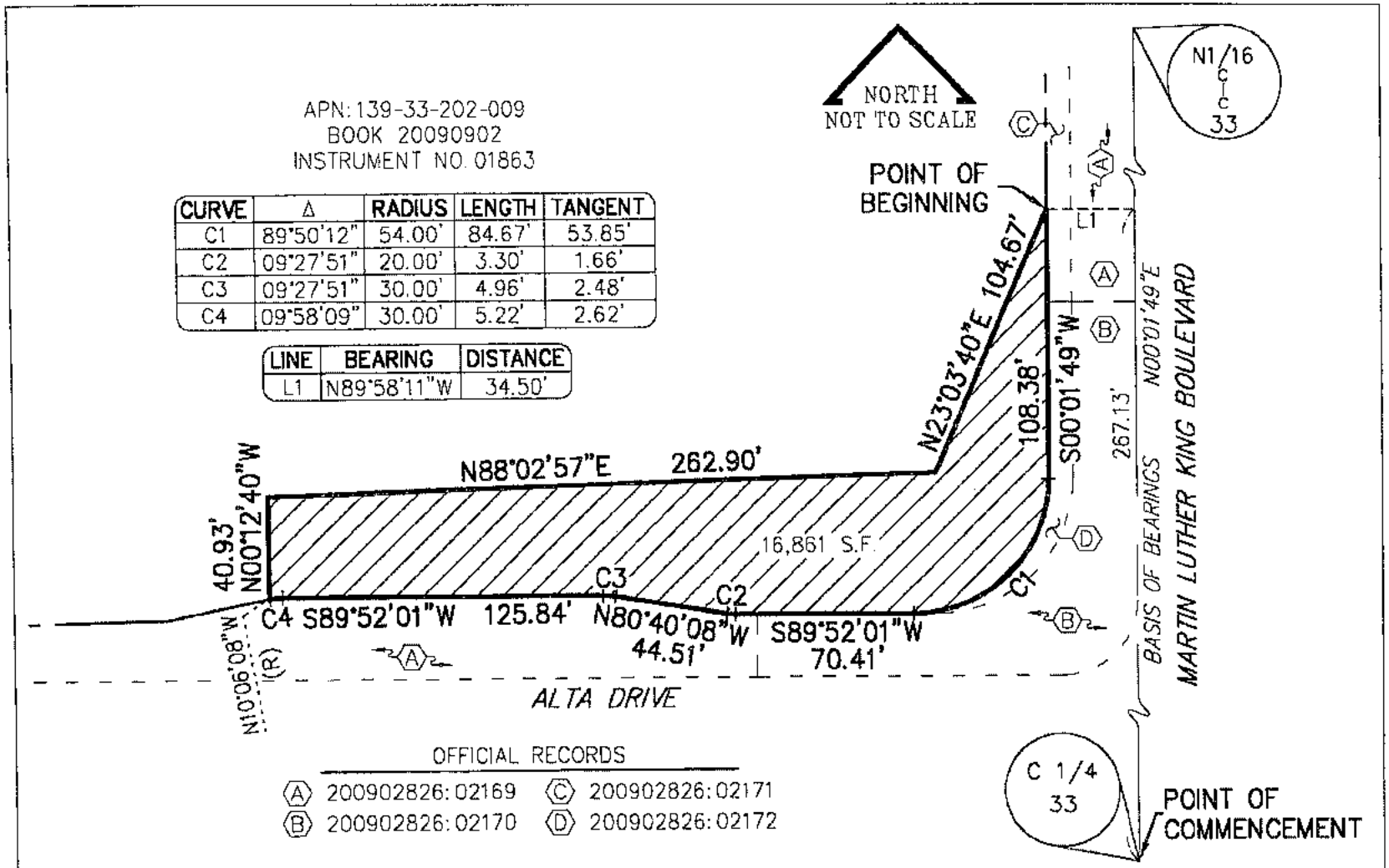
BASIS OF BEARINGS:

NORTH 00°01'49" EAST BEING THE BEARING OF THE EAST LINE OF THE SOUTHEAST QUARTER (SE 1/4) OF THE NORTHWEST QUARTER (NW 1/4) OF SECTION 33, TOWNSHIP 20 SOUTH, RANGE 61 EAST, M.D.M., CITY OF LAS VEGAS, CLARK COUNTY, NEVADA, MEASURED IN THE NEVADA EAST ZONE (2701) STATE PLANE COORDINATE SYSTEM, NORTH AMERICAN DATUM 1983 (NAD 83)

END OF LAND DESCRIPTION.

NOTE: THIS LAND DESCRIPTION IS NOT INTENDED FOR THE PURPOSE OF SUBDIVIDING LAND NOT IN CONFORMANCE WITH NEVADA REVISED STATUTES.

CORBIN L, VAN NEST, PLS
STATE OF NEVADA NO. 14349
FOR AND AT THE INSTANCE OF NV ENERGY



CURVE	Δ	RADIUS	LENGTH	TANGENT
C1	89°50'12"	54.00'	84.67'	53.85'
C2	09°27'51"	20.00'	3.30'	1.66'
C3	09°27'51"	30.00'	4.96'	2.48'
C4	09°58'09"	30.00'	5.22'	2.62'

LINE	BEARING	DISTANCE
L1	N89°58'11"W	34.50'

NVEnergy

PROJECT:
PROJECT NEON
APN: 139-33-202-009
EXHIBIT A

EXHIBIT MAP TO ACCOMPANY LAND DESCRIPTION

SEC: 33 T:20 S., R:61 E. DATE: 14 MAY 2012 PAGE: 3 OF 3
SURVEYOR: GE/SB
DRAWN BY: CV CHECKED BY: PROJECT ID: LR697NJLR2

Exhibit B

Situate in the City of Las Vegas, County of Clark, State of Nevada is that portion of the Northwest Quarter (NW ¼) of Section 33, Township 20 South, Range 61 East, M.D.M., Clark County, Nevada, described as follows:

That parcel of land as described in Grant Bargain and Sale Deed recorded September 2, 2009 in Book 20090902, as Instrument No, 01863, Office Records, Clark County, Nevada.

APN: 139-33-202-009
RW# 0149-2011dak
Proj. #LR697NJLR2
Project Name: Project Neon Land Rights
Reference Document: 20090902:01863
GOE

NVEnergy

Description of Construction Activities

HQ Metro LLC Parcel No. 139-33-202-009

Two steel structures will be installed on this property. NV Energy is currently at 60 percent design, therefore the below information is preliminary and subject to change.

X25889- Corner Structure: This structure will be located in the planter area. The foundation diameter below grade is 9-10 feet, the approximate structure height is 135-140 feet above ground and the structure diameter above grade is 7-8 feet. A section of the existing planter curb might be removed and replaced during construction. The two existing palm trees on the east side of the driveway will be removed. Please reference the Transmission Use Agreement in Section "E"

X25888- Corner Structure: This structure will be located in the parking space and planter area. The foundation diameter below grade is 9-10 feet, the approximate structure height is 135-140 feet above ground and the structure diameter above grade is 7-8 feet. The installation of this structure will take one of the existing parking spaces. The existing planter area curbing will be modified to go around the structure.

Below is a list of the construction activities that will take place on the property. The durations are approximate and there could be inactive periods between the activities.

Construction Activities	Approximate Duration
Remove landscape material	Five (5) days
Drill holes for the two structures	Eighteen (18) days
Build anchor bolt cages and pour concrete	Twelve (12) days
Set and build the transmission structures	Ten (10) days
Pull wire, sag wire, pull static wire, clip wire install jumpers	Six (6) days
Pull fiber	Three (3) days
Remove existing structure	Three (3) days
Clean up (curbing, landscape, paving)	Five (5) days

During construction of both structures, we will temporarily occupy parking stalls and the drive path to and from the parking stalls as identified on the drawing in Section 2d depicting the proposed temporary construction areas. At this time we do not anticipate an impact to the driveway off of Alta Dr. All landscape affected by NV Energy's construction will be restored. NV Energy's contractor will coordinate the work schedule with the owner.

APN: 139-33-202-009

WHEN RECORDED MAIL TO:
Property Services
NV Energy
P.O. Box 98910 MS 9
Las Vegas, NV 89151-0001

TEMPORARY CONSTRUCTION EASEMENT

HQ Metro, LLC., an Arizona limited liability company, ("**Grantor**") for One Dollar ($1.00) and other good and valuable consideration, receipt of which is hereby acknowledged, grants and conveys to Nevada Power Company, a Nevada corporation, d/b/a NV Energy ("**Grantee**"), its successors and assigns, on the real property situated in Clark County, Nevada, identified on Exhibit "A" attached hereto, and commonly known as APN 139-33-202-009 (the "**Property**") a temporary right and easement:

1. to construct, use, repair, and maintain an areas approximately one-hundred (100)) feet by one hundred-eighty one (181) feet and one-hundred eleven (111) feet by one-hundred eighty one (181) feet for construction staging (including but not limited to parking vehicles and storing materials), pulling cable, and wire tensioning in the location identified on Exhibit "B" attached hereto ("**Temporary Easement Area**");

2. to perform final cleanup of the Temporary Easement Area;

3. for the unrestricted passage of vehicles and pedestrians within, on, over and across the Temporary Easement Area; and

4. for the unrestricted, contiguous access of vehicles and pedestrians along and through the Property to the Temporary Easement Area, for the ingress of vehicles and pedestrians to the Temporary Easement Area from the Property, and for the egress of vehicles and pedestrians from the Temporary Easement Area over the Property.

Grantee has the right to permanently remove or clear any and all materials, trees, brush, debris, structures, and any other obstruction from the Temporary Easement Area, which in Grantee's reasonable judgment may interfere with or endanger Grantee's use of or activities on the Temporary Easement Area.

Grantee will be responsible for any damages, proximately caused by Grantee's negligent use of or activities on the Temporary Easement Area, to any tangible, personal property or improvements owned by Grantor and located on the Temporary Easement Area on the date Grantor signs the Temporary Construction Easement. However, this paragraph does not apply to, and Grantee is not responsible for, any damages caused when Grantee exercises its rights under the paragraph immediately preceding this paragraph.

The Temporary Construction Easement terminates on December 31, 2014 and, upon termination, has no further effect.

GRANTOR:

HQ Metro, LLC

_____ _____ _____
By:
Title:

STATE OF _____)
COUNTY OF _____)

This instrument was acknowledged before me on _____, _____ by _____ as _____ of _____.

_____
Signature of Notarial Officer

Notary Seal area →

APN: 139-33-202-009
RW# 0441-2012dak
Proj. # LR697NJLR2
Project Name: Project NEON Land Rights
Reference Document: 20090902:01863
TCE

Exhibit A

The above referred to parcel of land, situate in the City of Las Vegas, County of Clark, State of Nevada, is that portion of the Northwest Quarter (NW ¼) of Section 33, Township 20 South, Range 61 East, M.D.M., described as follows:

That parcel of land as described in Grant Bargain and Sale Deed recorded September 2, 2009 in Book 20090902, as Instrument No. 01863, Official Records, Clark County, Nevada.

APN: 139-33-202-009
RW# 0441-2012dak
Proj. # LR697NJLR2
Project Name: Project NEON Land Rights
Reference Document: 20090902:01863
TCE

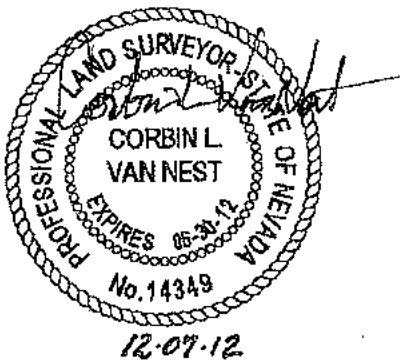
Exhibit B
{attached separately}

APN: 139-33-202-009
RW# 0441-2012dak
Proj. # LR697NJLR2
Project Name: Project NEON Land Rights
Reference Document: 20090902:01863
TCE

NVEnergy

EXHIBIT A

PROJECT ID: LR697NJLR2
PROJECT NEON
APN: 139-33-202-009-TE
6 DECEMBER, 2012
PREPARED BY: CV
CHECKED BY: SD
PAGE 1 OF 3



LAND DESCRIPTION:

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COMMENCING AT THE SOUTHEAST CORNER OF SAID SOUTHEAST QUARTER (SE 1/4); THENCE SOUTH 89°52'01" WEST ALONG THE SOUTH LINE OF SAID SOUTHEAST QUARTER (SE 1/4), A DISTANCE OF 522.43 FEET; THENCE NORTH 00°07'59" WEST, DEPARTING SAID SOUTH LINE, 100.94 FEET TO THE SOUTHWEST CORNER OF SAID LAND, SAME BEING THE **POINT OF BEGINNING**; THENCE NORTH 00°07'59" WEST ALONG THE WEST LINE OF SAID LAND,111.74' FEET; THENCE NORTH 89°52'01"EAST DEPARTING SAID WEST LINE, 160.97' FEET; THENCE NORTH 00°07'59" WEST 125.32 FEET; THENCE NORTH 89°52'01"EAST 100.00 FEET; THENCE SOUTH 00°07'59"EAST 181.98 FEET; THENCE SOUTH 88°02'57" WEST 80.25 FEET; THENCE SOUTH 00°12'40" EAST 40.93 FEET TO A POINT ON THE SOUTH BOUNDARY OF SAID LAND, SAID POINT BEING THE BEGINNING OF A NON-TANGENT CURVE, CONCAVE SOUTHERLY, HAVING A RADIUS OF 30.00 FEET, A RADIAL LINE TO SAID BEGINNING BEARS NORTH 10°06'08" WEST; THENCE ALONG SAID SOUTHERLY BOUNDARY THE FOLLOWING THREE (3) COURSES: 1) SOUTHWESTERLY 1.08 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 02°03'32"; 2) SOUTH 77°50'20" WEST 39.69 FEET; 3) SOUTH 88°35'42" WEST, 140.97 FEET TO THE **POINT OF BEGINNING,** AS SHOWN ON THE "EXHIBIT MAP TO ACCOMPANY LAND DESCRIPTION" ATTACHED HERETO AND MADE A PART HEREOF.

CONTAINING 36,863 SQUARE FEET.

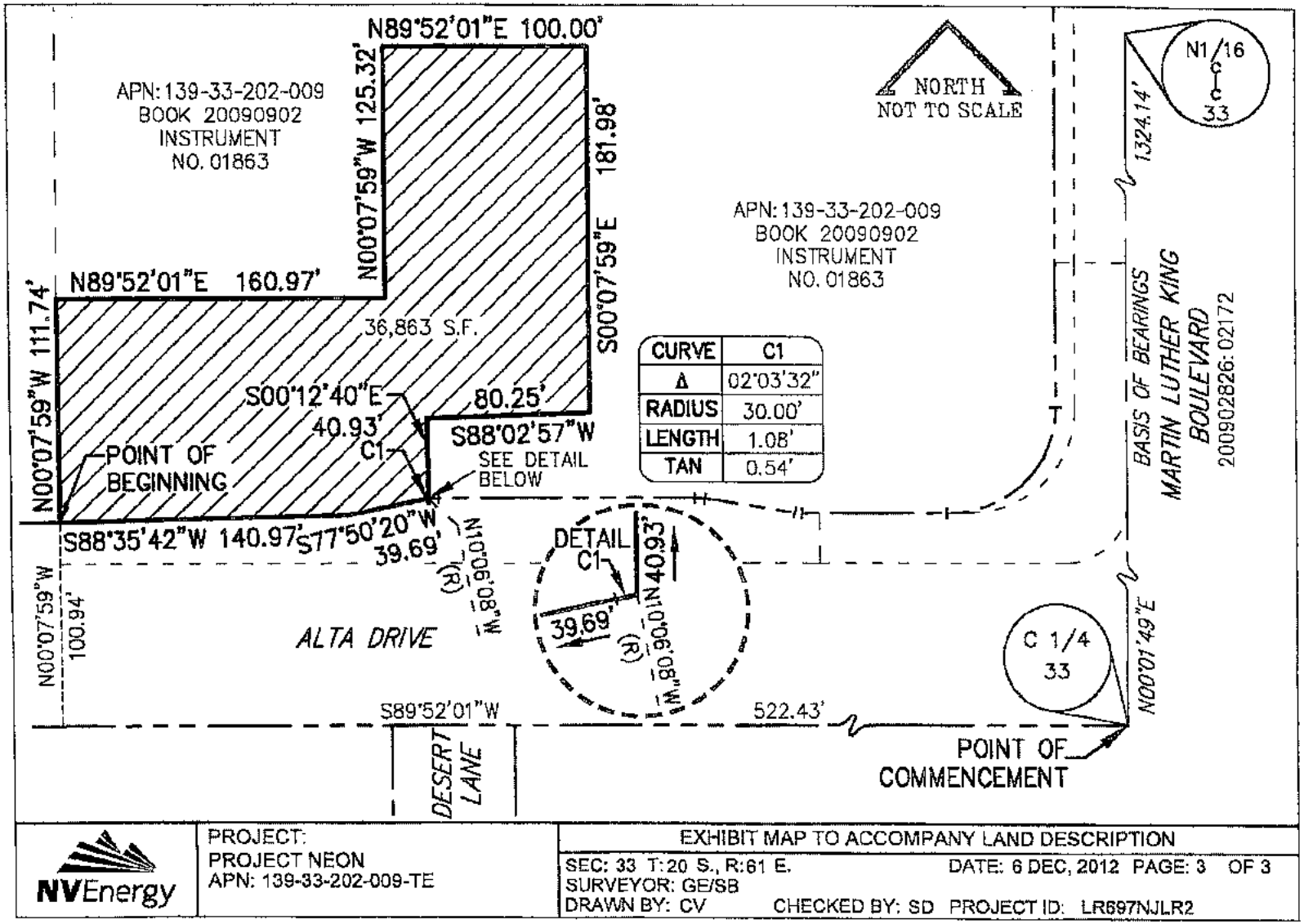
BASIS OF BEARINGS:

NORTH 00°01'49" EAST BEING THE BEARING OF THE EAST LINE OF THE SOUTHEAST QUARTER (SE 1/4) OF THE NORTHWEST QUARTER (NW 1/4) OF SECTION 33, TOWNSHIP 20 SOUTH, RANGE 61 EAST, M.D.M., CITY OF LAS VEGAS, CLARK COUNTY, NEVADA, MEASURED IN THE NEVADA EAST ZONE (2701) STATE PLANE COORDINATE SYSTEM, NORTH AMERICAN DATUM 1983 (NAD 83).

END OF LAND DESCRIPTION.

NOTE: THIS LAND DESCRIPTION IS NOT INTENDED FOR THE PURPOSE OF SUBDIVIDING LAND NOT IN CONFORMANCE WITH NEVADA REVISED STATUTES.

CORBIN L, VAN NEST, PLS
STATE OF NEVADA NO. 14349
FOR AND AT THE INSTANCE OF NV ENERGY



NVEnergy

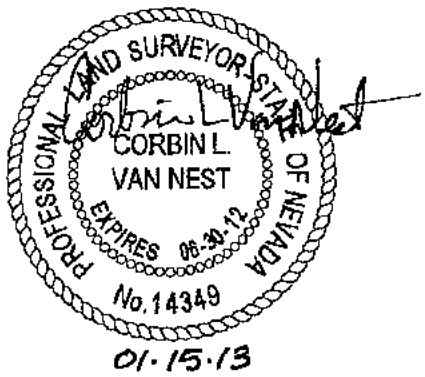
PROJECT:
PROJECT NEON
APN: 139-33-202-009-TE

EXHIBIT MAP TO ACCOMPANY LAND DESCRIPTION

SEC: 33 T:20 S., R:61 E. DATE: 6 DEC, 2012 PAGE: 3 OF 3
SURVEYOR: GE/SB
DRAWN BY: CV CHECKED BY: SD PROJECT ID: LR697NJLR2

NVEnergy

EXHIBIT B



PROJECT ID: LR697NJLR2
PROJECT NEON
APN: 139-33-202-009-TE
15 JANUARY, 2012
PREPARED BY: CV
CHECKED BY: SD

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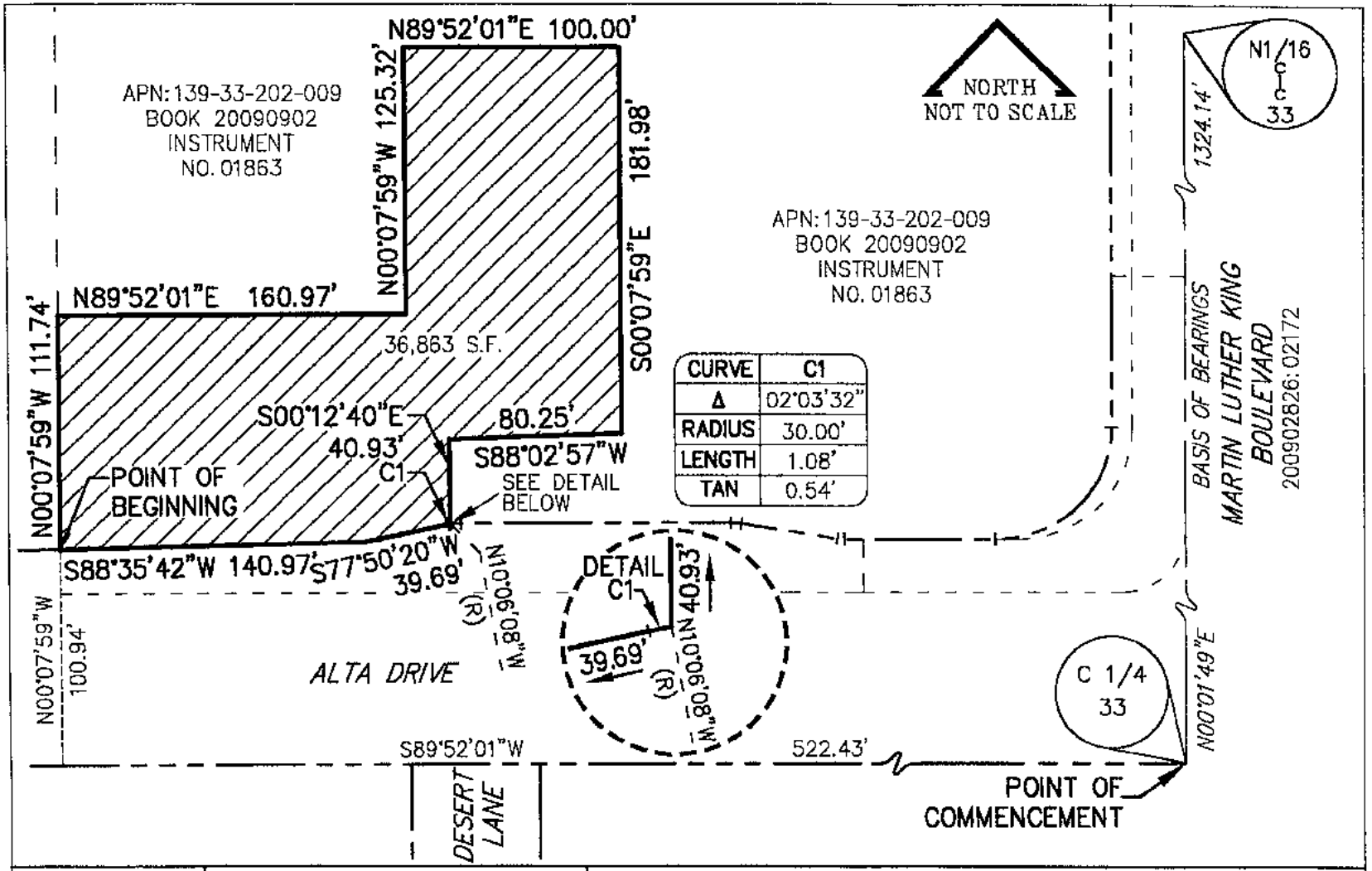
CORBIN L, VAN NEST, PLS
STATE OF NEVADA NO. 14349
FOR AND AT THE INSTANCE OF NV ENERGY



NVEnergy

PROJECT:
PROJECT NEON
APN: 139-33-202-009-TE

EXHIBIT MAP TO ACCOMPANY LAND DESCRIPTION

SEC: 33 T:20 S., R:61 E. DATE: 15 JAN, 2013 PAGE: 3 OF 3
SURVEYOR: GE/SB
DRAWN BY: CV CHECKED BY: SD PROJECT ID: LR697NJLR2

Notification Letter

Anderson Valuation Group, LLC

www.andersonvaluationgroup.com

June 9, 2011

HQ Metro, LLC
c/o G. Molenda
Community Finance Corporation
335 North Wilmot, Suite 420
Tucson, AZ 85711-2635

Re: Proposed Electrical Transmission Line Over the Property Located At 404 South Martin Luther King Boulevard/APN No: 139-33-202-009

To Whom It May Concern:

Anderson Valuation Group, LLC, as an independent contractor, has been retained by NV Energy to prepare an appraisal regarding an estimate of just compensation for the proposed electrical transmission line easement acquisition over the above referenced property. To provide an illustration of the proposed easement which is to be acquired by NV Energy, I have attached information which provides the location and magnitude of the easement proposed.

As part of our investigation and analysis, we will arrange to visit the property and inspect the site in the coming weeks. You, or your authorized representative, are welcome to accompany us upon our inspection which will generally occur during normal business hours (8:00 a.m. to 5:00 p.m. Monday through Friday). If you wish to accompany us upon our inspection or provide any relevant information which you deem important to the appraisal process, kindly contact our office at the phone number provided at the base of this letter to arrange an appointment. Any specific questions regarding the NV Energy project, or information regarding the specifics of the proposed easement should be directed to the NV Energy Land Services Department, Ms. DeeAnn Kirk, (702) 402-2419.

Thank you for your time and cooperation in this matter.

Sincerely,

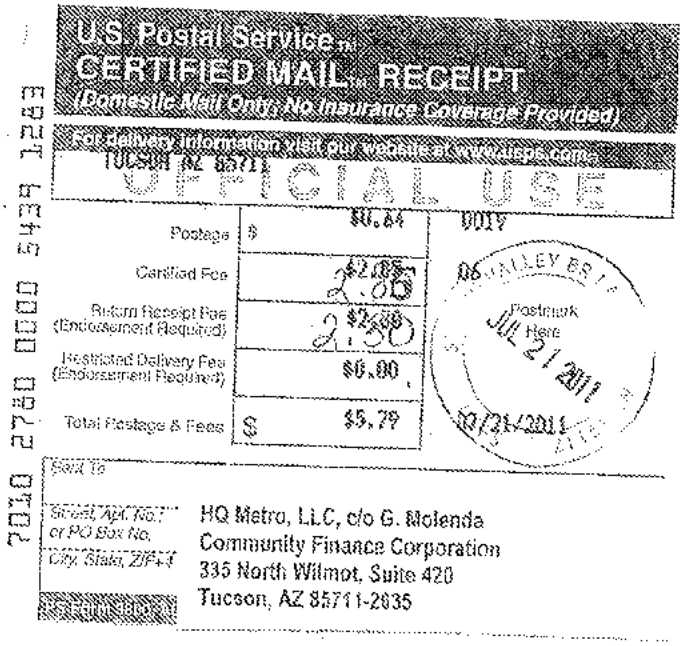
Anderson Valuation Group, LLC

Glenn M. Anderson, MAI, SRA
Certified General Appraiser
Nevada License No. A.0000555-CG
Expiration Date: January 31, 2012

GMA:dm
Attachments

Mailed on 7/21/11 due to not receiving mapping from NV Energy until 7/20/11 - DM

1601 S Rainbow Blvd, Ste 230 | Las Vegas, Nevada 89146 | 702.307.0888 | fax 702.307.0894



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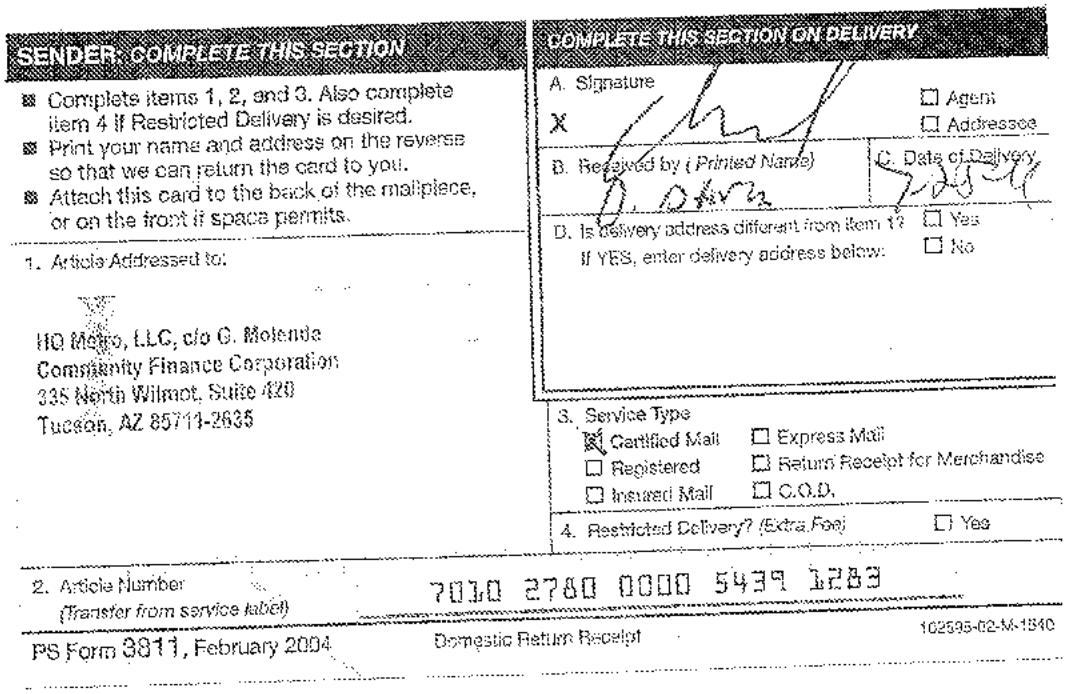
Return Receipt Fee (Endorsement Required)	$2.30 2.30
Restricted Delivery Fee (Endorsement Required)	$0.00
Total Postage & Fees	$ $5.79

Postmark Here
JUL 21 2011
07/21/2011

Sent To
Street, Apt. No.; or PO Box No.
City, State, ZIP+4
HQ Metro, LLC, c/o G. Molenda
Community Finance Corporation
335 North Wilmot, Suite 420
Tucson, AZ 85711-2635

PS Form 3800

7010 2780 0000 5439 1283



SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

HQ Metro, LLC, c/o G. Molenda
Community Finance Corporation
335 North Wilmot, Suite 420
Tucson, AZ 85711-2635

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X
☐ Agent
☐ Addressee

B. Received by (Printed Name)
C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type
☒ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

2. Article Number (Transfer from service label) 7010 2780 0000 5439 1283

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

Excerpt From Title Report

Lawyers Title of Nevada
3100 West Sahara Ave.
Suite 115
Las Vegas, NV 89102

Order #: **03501768**

Your Reference #:

NV Energy
6226 W. Sahara Ave., MS9
Las Vegas, NV 89146

Attn: **DEE ANN KIRK**

Title Officer: Brenda Jenkins
Proposed Buyer(s):
Sales Price: $
Proposed Lender:
Loan Amount: $

Property Address: 404 S. Martin L. King Boulevard, Las Vegas, Nevada

PRELIMINARY REPORT

Dated as of April 8, 2011 at 7:30 a.m.

In response to the application for a policy of title insurance referenced herein, **Lawyers Title of Nevada** hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a policy or policies of title insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an exception herein or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations or Conditions of said policy forms.

The printed Exceptions and Exclusions from the coverage and Limitations on Covered Risks of said policy or policies are set forth in Attachment One. The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than that set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. Limitation on Covered Risks applicable to the CLTA and ALTA Homeowner's Policies of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limit of Liability for certain coverages are also set forth in Attachment One. Copies of the policy forms should be read. They are available from the office which issued this report.

This report (and any supplements or amendments hereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a Binder or Commitment should be requested.

The policy(s) of title insurance to be issued hereunder will be policy(s) of **Commonwealth Land Title Insurance Company.**

Please read the exceptions shown or referred to herein and the exceptions and exclusions set forth in Attachment One of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered. It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects, and encumbrances affecting title to the land.

Lawyers Title, A Division of Commonwealth
Land Title Insurance Company

By: _____
Authorized Signatory

SCHEDULE A

The form of policy of title insurance contemplated by this report is:

None

The estate or interest in the land hereinafter described or referred to covered by this report is:

A fee

Title to said estate or interest at the date hereof is vested in:

HQ Metro, LLC, an Arizona limited liability company

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

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

EXHIBIT "A"

All that certain real property situated in the County of Clark, State of Nevada, described as follows:

A parcel of land lying within the Southeast Quarter (SE ¼) of the Northwest Quarter (NW ¼) of Section 33, Township 20 South, Range 61 East, M.D.M. City of Las Vegas, Clark County, Nevada, described as follows:

COMMENCING at the Northeast corner of the Southeast corner (SE ¼), same being the Westerly right of way of Martin Luther King Boulevard, South 00°15'51" West, 335.00 feet to the Southeasterly corner of Lot 1 as shown by map thereof on file in File 73, Page 91 of Parcel Maps in the Clark County Recorders Office, Nevada:
Thence along the South line of said Lot 1, North 89°57'23" West, 14.50 feet to the Point of Beginning;
Thence along the Westerly right of way of said Martin Luther King Boulevard the following five (5) courses:

1) South 00°15'51" West, 359.04 feet;
2) Thence South 02°40'21" West, 207.66 feet;
3) Thence curving to the right along an arc having a radius of 93.00 feet, concave Westerly, through a central angle of 16°59'34", an arc length of 27.58 feet to a point of reverse curvature;
4) Thence curving to the left along an arc having a radius of 107.00 feet, concave Easterly, through a central angle of 19°24'04" an arc length of 26.23 feet;
5) Thence South 00°15'51" West, 201.25 feet;

Thence curving to the right along an arc transitioning from said Westerly right of way to the Northerly right of way of Alta Drive, having a radius of 54.00 feet, concave Northwesterly, through a central angle of 89°50'12" an arc length of 84.67 feet;
Thence along the Northerly right of way of said Alta Drive the following eight (8) courses:

1) North 89°53'57" West, 70.41 feet;
2) Thence curving to the right along an arc having a radius of 20.00 feet, concave Northerly, through a central angle of 09°27'51", an arc length of 3.30 feet;
3) Thence North 80°26'06" West, 44.51 feet;
4) Thence curving to the left along an arc having a radius of 30.00 feet, concave Southerly, through a central angle of 09°27'51" an arc length of 4.96 feet;
5) Thence North 89°53'57" West, 125.84 feet;

6) Thence curving to the left along an arc having a radius of 30.00 feet concave Southerly, through a central angle of 12°01'41" an arc length of 6.30 feet;
7) Thence South 78°04'22" West, 39.69 feet;
8) Thence South 88°49'44" West, 140.97 feet to the East boundary of Lot 2 as shown by map thereof on file in File 79, page 21 of Parcel Maps in the Clark County Recorder's Office, Nevada;

Thence departing said right of way, along the East boundary of said Lot 2, North 00°06'03" East, 290.06 feet;
Thence departing said East boundary, along the North boundary of said Lot 2, North 89°53'57" West, 279.06 feet to the East boundary of Lot 2 as shown by map thereof on file in File 58, page 66 of Parcel Maps in the Clark County Recorders Office, Nevada.
Thence along the boundaries of said Lot 2, the following three (3) courses:

1) North 00°16'25" East, 542.41 feet;
2) Thence South 89°53'57" East, 155.93 feet;
3) Thence North 00°16'25" East, 55.05 feet to the Southwest corner of that certain Order of Condemnation recorded March 24, 2008 in Book 20080324 of Official Records as Instrument No. 01868 in the Clark County Recorder's Office, Nevada.

Thence along the South boundary of said Order of Condemnation and the aforementioned Lot 1, South 89°57'23" East, 632.09 feet to the Point of Beginning.

EXCEPTING THEREFROM those portions as conveyed to the City of Las Vegas by Grant Deeds recorded August 26, 2009 in Book 20090826 as Document Nos. 02169, 02171 and 02172, Official Records.

Assessor's Parcel Number: **139-33-202-009**

SCHEDULE B – Section A

The following exceptions will appear in policies when providing standard coverage as outlined below:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.

2. Any facts, rights, interests or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may asserted by persons in possession of the Land.

3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.

4. Any encroachment, encumbrance, violation, variation or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.

5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the Public Records.

6. Any lien or right to a lien for services, labor or material not shown by the public records.

SCHEDULE B – Section B

At the date hereof Exceptions to coverage in addition to the printed exceptions and exclusions in said policy form would be as follows:

1. Taxes for the fiscal year 2011-2012 a lien not yet due or payable
   New Assessor's Parcel No.: 139-33-202-009

2. A lien of supplemental taxes, if any, assessed pursuant to the provisions of the Nevada Revised Statute 361.260

3. The property described herein is located within the boundaries of the City of Las Vegas and is subject to any fees that may be charged against said property by the hereinbefore mentioned district.

4. Water rights, claims or title to water.

5. Reservation in the Patent from the State of Nevada

Recorded:	November 14, 1902
Book	F of Misc., page 265 and 266 of Official Records

6. Matters contained in the dedication statement or elsewhere on the tract or parcel map shown below, which among other things provides:

Tract/Parcel Map:	Parcel Map on file in File 79 of Parcel Maps, page 21, Official Records.

   A drainage easement on the Northerly portion of said property as per said map.

7. An easement for the purpose shown below and rights incidental thereto as set forth in a document

Granted to:	Nevada Power Company and Central Telephone Company
Purpose:	power and communication lines
Recorded:	May 1, 1978
Book:	880 Doc/Inst. No. 839802 of Official Records

8. The terms, covenants and provisions of that certain City of Las Vegas Notice of Zoning Action recorded April 21, 2009 in Book 20090421 Doc/Inst. No. 01989 of Official Records, and the effect of any failure to comply with same.

   The terms, covenants and provisions of that certain City of Las Vegas Notice of Zoning Action recorded May 14, 2009 in Book 20090514 Doc/Inst. No. 01865 of Official Records, and the effect of any failure to comply with same.

9. An unrecorded lease with certain terms, covenants, conditions and provisions set forth therein.

Lessor:	Project Alta, LLC, a Nevada limited liability company and Project Alta II, LLC, a Nevada limited liability company
Lessee:	Clark County, Nevada
Disclosed by:	Memorandum of Lease and Purchase Option
Recorded:	September 2, 2009
Book	20090902 Doc/Inst. No. 00688 of Official Records

   An Assignment of Lease by and between Project Alta, LLC, Project Alta II, LLC, as assignor and HQ Metro, LLC, as assignee, recorded September 2, 2009 in Book 20090902 as Document No. 01864, Official Records

By the provisions of an agreement entitled "Subordination, Non-disturbance and Attornment Agreement

Dated:	September 1, 2009
Executed by:	Wells Fargo Bank, N.A.; HQ Metro, LLC, an Arizona limited liability company and Clark County, Nevada
Recorded:	September 2, 2009
Book	20090902 Doc/Inst. No. 01866 of Official Records

Said instrument was made subordinate to the lien of the document or interest shown: as Document No. 20090902-01865, Official Records.

By the provisions of an agreement entitled "Subordination, Non-disturbance and Attornment Agreement

Dated:	September 1, 2009
Executed by:	Wells Fargo Bank, N.A.; HQ Metro, LLC, an Arizona limited liability company and Clark County, Nevada
Recorded:	September 2, 2009
Book	20090902 Doc/Inst. No. 01868 of Official Records

Said instrument was made subordinate to the lien of the document or interest shown: as Document No. 20090902-01867, Official Records.

By the provisions of an agreement entitled "Subordination, Non-disturbance and Attornment Agreement

Dated:	September 1, 2009
Executed by:	Wells Fargo Bank, N.A.; HQ Metro, LLC, an Arizona limited liability company and Clark County, Nevada
Recorded:	September 2, 2009
Book	20090902 Doc/Inst. No. 01870 of Official Records

Said instrument was made subordinate to the lien of the document or interest shown: as Document No. 20090902-01869, Official Records.

10. The terms, covenants and provisions of that certain Agreement recorded September 2, 2009 in Book 20090902 Doc/Inst. No. 01861 of Official Records, and the effect of any failure to comply with same.

    An Assignment Agreement by and between HQ Metro, LLC, as Assignor and Wells Fargo Bank, N.A., as Assignee recorded September 2, 2009 in Book 20090902 as Document No. 01871, Official Records.

11. A deed of trust to secure an indebtedness in the amount shown below, and any other obligations secured thereby.

Amount:	$176,260,000.00
Dated:	September 1, 2009
Trustor:	HQ Metro, LLC, an Arizona limited liability company
Trustee:	Nevada Title Agency
Beneficiary:	Wells Fargo Bank, N.A.
Recorded:	September 2, 2009
Book	20090902 Doc/Inst. No. 01865 of Official Records

12. A deed of trust to secure an indebtedness in the amount shown below, and any other obligations secured thereby.

Amount:	$Not disclosed
Dated:	September 1, 2009
Trustor:	HQ Metro, LLC, an Arizona limited liability company
Trustee:	Nevada Title Agency
Beneficiary:	Wells Fargo Bank, N.A.
Recorded:	September 2, 2009
Book	20090902 Doc/Inst. No. 01867 of Official Records

13. A Subordinate Note Deed of Trust to secure an indebtedness in the amount shown below, and any other obligations secured thereby.

Amount:	$13,041,433.00
Dated:	September 1, 2009
Trustor:	HQ Metro, LLC, an Arizona limited liability company
Trustee:	Nevada Title Company
Beneficiary:	Project Alta, LLC, a Nevada limited liability company and Project Alta II, LLC, a Nevada limited liability company
Recorded:	September 2, 2009
Book	20090902 Doc/Inst. No. 01869 of Official Records

An assignment of the beneficial interest under said deed of trust which names

As Assignee:	Mark L. Fine & Associates, a Nevada corporation as Trustee of the Project Alta Liquidating Trust U/A/D December 31, 2009
Recorded:	January 6, 2010
Book	20100106 Doc/Inst. 03873 of Official Records

14. A financing statement filed in the office of the County Recorder, showing:

Debtor:	HQ Metro, LLC c/o Community Finance Corporation
Secured Party	Wells Fargo Bank, N.A.
Recorded:	September 2, 2009
Book	20090902 Doc/Inst. No. 01872 of Official Records

15. A financing statement filed in the office of the County Recorder, showing:

Debtor:	HQ Metro LLC c/o Community Finance Corporation
Secured Party	Project Alta, LLC
Recorded:	September 2, 2009
Book	20090902 Doc/Inst. No. 01873 of Official Records

A change to the above financing statement was filed

Recorded:	February 1, 2010
Book	20100201 Doc/Inst. No. 03013 of Official Records
Nature of Change:	Assignment

16. An easement for the purpose shown below and rights incidental thereto as set forth in a document

Granted to:	City of Las Vegas, a municipal corporation
Purpose:	streetlight purposes
Recorded:	September 25, 2009
Book:	20090925 Doc/Inst. No. 02933 of Official Records

17. An easement for the purpose shown below and rights incidental thereto as set forth in a document

Granted to:	City of Las Vegas, a municipal corporation
Purpose:	pedestrian walkway
Recorded:	September 25, 2009
Book:	20090925 Doc/Inst. No. 02934 of Official Records

18. An easement for the purpose shown below and rights incidental thereto as set forth in a document

Granted to:	City of Las Vegas, a municipal corporation
Purpose:	traffic
Recorded:	September 25, 2009
Book:	20090925 Doc/Inst. No. 02935 of Official Records

19. An easement for the purpose shown below and rights incidental thereto as set forth in a document

Granted to:	Las Vegas Valley Water District, a quasi municipal corporation
Purpose:	pipelines
Recorded:	October 21, 2009
Book:	20091021 Doc/Inst. No. 02768 of Official Records

20. An easement for the purpose shown below and rights incidental thereto as set forth in a document

Granted to:	Las Vegas Valley Water District, a quasi municipal corporation
Purpose:	pipelines
Recorded:	October 21, 2009
Book:	20091021 Doc/Inst. No. 02769 of Official Records

21. An easement for the purpose shown below and rights incidental thereto as set forth in a document

Granted to:	Las Vegas Valley Water District, a quasi municipal corporation
Purpose:	pipelines
Recorded:	October 21, 2009
Book:	20091021 Doc/Inst. No. 02770 of Official Records

22. An easement for the purpose shown below and rights incidental thereto as set forth in a document

Granted to:	Las Vegas Valley Water District, a quasi municipal corporation
Purpose:	pipelines
Recorded:	October 21, 2009
Book:	20091021 Doc/Inst. No. 02771 of Official Records

23. The terms, covenants and provisions of that certain "Encroachment Agreement", recorded October 22, 2009 in Book 20091022 Doc/Inst. No. 00939 of Official Records, and the effect of any failure to comply with same.

24. An easement for the purpose shown below and rights incidental thereto as set forth in a document

Granted to:	Nevada Power Company, a Nevada corporation
Purpose:	power lines
Recorded:	November 6, 2009
Book:	20091106 Doc/Inst. No. 00712 of Official Records

25. An easement for the purpose shown below and rights incidental thereto as set forth in a document

Granted to:	Central Telephone Company d/b/a Centurylink
Purpose:	communication lines
Recorded:	January 12, 2010
Book:	20100112 Doc/Inst. No. 03305 of Official Records

26. An easement for the purpose shown below and rights incidental thereto as set forth in a document

Granted to:	Cox Communications Las Vegas, Inc.
Purpose:	cable lines
Recorded:	February 18, 2010
Book:	20100218 Doc/Inst. No. 01014 of Official Records

27. The terms, covenants and provisions of that certain "Agreement Subjecting Deed of Trust to Easement", recorded March 3, 2010 in Book 20100303 Doc/Inst. No. 04303 of Official Records, and the effect of any failure to comply with same.

28. The terms, covenants and provisions of that certain "Agreement Subjecting Deed of Trust to Easement", recorded March 3, 2010 in Book 20100303 Doc/Inst. No. 04304 of Official Records, and the effect of any failure to comply with same.

29. The terms, covenants and provisions of that certain "Agreement Subjecting Deed of Trust to Easement", recorded March 3, 2010 in Book 20100303 Doc/Inst. No. 04305 of Official Records, and the effect of any failure to comply with same.

30. The terms, covenants and provisions of that certain "Access Easement Agreement", recorded October 4, 2010 in Book 20101004 Doc/Inst. No. 03385 of Official Records, and the effect of any failure to comply with same.

31. Discrepancies, conflicts in boundary lines, shortage in area, encroachments or any other facts which a correct survey would disclose, and which are not shown by the public records.

32. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.

33. Rights of tenants, as tenants only, under unrecorded lease agreements.

END OF SCHEDULE B EXCEPTIONS

PLEASE REFER TO THE "NOTES AND REQUIREMENTS SECTION" WHICH FOLLOWS FOR INFORMATION NECESSARY TO COMPLETE THIS TRANSACTION

NOTES AND REQUIREMENTS

1: EFFECTIVE JULY 1, 2003, ALL DOCUMENTS, EXCEPT MAPS, SUBMITTED FOR RECORDING WITH THE OFFICE OF THE CLARK/NYE COUNTY RECORDER, MUST COMPLY WITH NRS 247.110, AS FOLLOWS:

(a) Be on 20# paper that is 8 ½ inches by 11 inches in size;
(b) Have a margin of 1 inch on the left and right sides and at the top and bottom of each page;
(c) Have a space of 3 inches by 3 inches at the upper right corner of the first page and have a margin of 1 inch at the top of each succeeding page;
(d) Not contain printed material on more than one side of each page;
(e) Print that is NO smaller than 10 point Times New Roman font and contains no more than 9 lines of text per vertical inch; and
(f) MUST NOT be printed in any ink other than black.

ANY DOCUMENT NOT COMPLYING WITH THESE GUIDELINES WILL BE SUBJECT TO AN ADDITIONAL, MINIMUM COUNTY NON-CONFORMING RECORDING CHARGE OF $25.00 PER DOCUMENT.

2: The information on the attached plat is provided for your convenience as a guide to the general location of the subject property. The accuracy of this plat is not guaranteed, nor is it a part of any policy, report or guarantee to which it may be attached.

3. Taxes for the fiscal year 2010-2011 in the total amount of $43,092.49 are Paid in Full.
Assessor's Parcel No: 139-33-202-009

4. This report is a preliminary investigation ONLY of the property contained herein. This is not an abstract; it is a report derived from a review of various documents of record. No reliance should be placed on the contents hereof without first obtaining the approval of an Officer of the Company

Typist: bj1
Date Typed: April 14, 2011

ATTACHMENT ONE

AMERICAN LAND TITLE ASSOCIATION
RESIDENTIAL TITLE INSURANCE POLICY (6-1-87) EXCLUSIONS

In addition to the Exceptions in Schedule B, you are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of any law or government regulation. This includes building and zoning ordinances and also laws and regulations concerning:
   - land use
   - improvements on the land
   - land division
   - environmental protection

   This exclusion does not apply to violations or the enforcement of these matters which appear in the public records at policy date.
   This exclusion does not limit the zoning coverage described in Items 12 and 13 of Covered Title Risks.
2. The right to take the land by condemning it, unless:
   - a notice of exercising the right appears in the public records on the Policy Date
   - the taking happened prior to the Policy Date and is binding on you if you bought the land without knowledge of the taking
3. Title Risks:
   - that are created, allowed, or agreed to by you
   - that are known to you, but not to us, on the Policy Date- unless they appeared in the public records
   - that result in no loss to you
   - that first affect your title after the Policy Date – this does not limit the labor and material lien coverage in Item 8 of Covered Title Risks
4. Failure to pay value for your title.
5. Lack of a right:
   - to any land outside the area specifically described and referred to in Item 3 of Schedule A
     or
   - in streets, alleys, or waterways that touch your land

   This exclusion does not limit the access coverage in Item 5 of Covered Title Risks.

In addition to the Exclusions, you are not insured against loss, costs, attorneys' fees, and the expenses resulting from:

1. Any rights, interests, or claims of parties in possession of the land not shown by the public records.
2. Any easements or liens not shown by the public records. This does not limit the lien coverage in Item 8 of Covered Title Risks.
3. Any facts about the land which a correct survey would disclose and which are not shown by the public records. This does not limit the forced removal coverage in Item 12 of Covered Title Risks.
4. Any water rights or claims or title to water in or under the land, whether or not shown by the public records.

CALIFORNIA LAND TITLE ASSOCIATION STANDARD COVERAGE POLICY – 1990
EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
   (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims, or other matters:
   (a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant;
   (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
   (c) resulting in no loss or damage to the insured claimant;
   (d) attaching or created subsequent to Date of Policy; or
   (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage or for the estate or interest insured by this policy.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with the applicable doing business laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by this policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws.

SCHEDULE B, PART I
EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

PART I

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records. Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the public records.
6. Any lien or right to a lien for services, labor or material not shown by the Public Records.

ATTACHMENT ONE
(CONTINUED)

FORMERLY AMERICAN LAND TITLE ASSOCIATION LOAN POLICY (10-17-92)
WITH A.L.T.A. ENDORSEMENT-FORM 1 COVERAGE
EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
   (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims, or other matters:
   (a) created, suffered, assumed or agreed to by the insured claimant;
   (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
   (c) resulting in no loss or damage to the insured claimant;
   (d) attaching or created subsequent to Date of Policy (except to the extent that this policy insures the priority of the lien of the insured mortgage over any statutory lien for services, labor or material or to the extent insurance is afforded herein as to assessments for street improvements under construction or completed at Date of Policy); or
   (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with applicable doing business laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any statutory lien for services, labor or materials (or the claim of priority of any statutory lien for services, labor or materials over the lien of the insured mortgage) arising from an improvement or work related to the land which is contracted for and commenced subsequent to Date of Policy and is not financed in whole or in part by proceeds of the indebtedness secured by the insured mortgage which at Date of Policy the insured has advanced or is obligated to advance.
7. Any claim, which arises out of the transaction creating the interest of the mortgagee insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on:
   (i) the transaction creating the interest of the insured mortgagee being deemed a fraudulent conveyance or fraudulent transfer; or
   (ii) the subordination of the interest of the insured mortgagee as a result of the application of the doctrine of equitable subordination; or
   (iii) the transaction creating the interest of the insured mortgagee being deemed a preferential transfer except where the preferential transfer results from the failure:
      (a) to timely record the instrument of transfer; or
      (b) of such recordation to impart notice to a purchaser for value or a judgement or lien creditor.

The above policy form may be issued to afford either Standard Coverage or Extended Coverage.
In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records. Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.
6. Any lien or right to a lien for services, labor or material not shown by the Public Records.

2006 AMERICAN LAND TITLE ASSOCIATION LOAN POLICY (06-17-06)
EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
   (i) the occupancy, use, or enjoyment of the Land;
   (ii) the character, dimensions, or location of any improvement erected on the Land;
   (iii) the subdivision of land; or
   (iv) environmental protection;
   or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
   (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
   (a) created, suffered, assumed, or agreed to by the Insured Claimant;
   (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
   (c) resulting in no loss or damage to the Insured Claimant;
   (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 13, or 14); or
   (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law.
6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
   (a) a fraudulent conveyance or fraudulent transfer, or
   (b) a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the Insured Mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b).

The above policy form may be issued to afford either Standard Coverage or Extended Coverage.
In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) that arise by reason of:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material not shown by the Public Records.

ATTACHMENT ONE
(CONTINUED)

FORMERLY AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY (10-17-92)
EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
   (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims, or other matters:
   (a) created, suffered, assumed or agreed to by the insured claimant;
   (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
   (c) resulting in no loss or damage to the insured claimant;
   (d) attaching or created subsequent to Date of Policy, or
   (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the estate or interest insured by this policy.
4. Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on:
   (i) the transaction creating the estate or interest insured by this policy being deemed a fraudulent conveyance or fraudulent transfer; or
   (ii) the transaction creating the estate or interest insured by this policy being deemed a preferential transfer except where the preferential transfer results from the failure:
      (a) to timely record the instrument of transfer; or
      (b) of such recordation to impart notice to a purchaser for value or a judgement or lien creditor.

The above policy form may be issued to afford either Standard Coverage or Extended Coverage.
In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records. Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.
6. Any lien or right to a lien for services, labor or material not shown by the Public Records.

ATTACHMENT ONE
(CONTINUED)

2006 AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY (06-17-06)
EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
   (i) the occupancy, use, or enjoyment of the Land;
   (ii) the character, dimensions, or location of any improvement erected on the Land;
   (iii) the subdivision of land; or
   (iv) environmental protection;
   or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
   (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
   (a) created, suffered, assumed, or agreed to by the Insured Claimant;
   (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
   (c) resulting in no loss or damage to the Insured Claimant;
   (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or
   (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is
   (a) a fraudulent conveyance or fraudulent transfer; or
   (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

The above policy form may be issued to afford either Standard Coverage or Extended Coverage.
In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) that arise by reason of:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material not shown by the Public Records.

ATTACHMENT ONE
(CONTINUED)

CLTA HOMEOWNER'S POLICY OF TITLE INSURANCE (10-22-03)
ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE (10-22-03)
EXCLUSIONS

In addition to the Exceptions in Schedule B, You are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of any law or government regulation. This includes ordinances, laws and regulations concerning:
   a. building
   b. zoning
   c. Land use
   d. improvements on Land
   e. Land division
   f. environmental protection

   This Exclusion does not apply to violations or the enforcement of these matters if notice of the violation or enforcement appears in the Public Records at the Policy Date.
   This Exclusion does not limit the coverage described in Covered Risk 14, 15, 16, 17 or 24.
2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not apply to violations of building codes if notice of the violation appears in the Public Records at the Policy Date.
3. The right to take the Land by condemning it, unless:
   a. notice of exercising the right appears in the Public Records at the Policy Date; or
   b. the taking happened before the Policy Date and is binding on You if You bought the Land without Knowing of the taking.
4. Risks:
   a. that are created, allowed, or agreed to by You, whether or not they appear in the Public Records;
   b. that are Known to You at the Policy Date, but not to Us, unless they appear in the Public Records at the Policy Date;
   c. that result in no loss to You; or
   d. that first occur after the Policy Date – this does not limit the coverage described in Covered Risk 7, 8.d, 22, 23, 24 or 25.
5. Failure to pay value for Your Title.
6. Lack of a right:
   a. to any Land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
   b. in streets, alleys, or waterways that touch the Land.

   This Exclusion does not limit the coverage described in Covered Risk 11 or 18.

LIMITATIONS ON COVERED RISKS

Your insurance for the following Covered Risks is limited on the Owner's Coverage Statement as follows:

- For Covered Risk 14, 15, 16 and 18, Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.

The deductible amounts and maximum dollar limits shown on Schedule A are as follows:

	Your Deductible Amount	Our Maximum Dollar Limit of Liability
Covered Risk 14:	1.00% of Policy Amount or $ 2,500.00 (whichever is less)	$ 10,000.00
Covered Risk 15:	1.00% of Policy Amount or $ 5,000.00 (whichever is less)	$ 25,000.00
Covered Risk 16:	1.00% of Policy Amount or $ 5,000.00 (whichever is less)	$ 25,000.00
Covered Risk 18:	1.00% of Policy Amount or $ 2,500.00 (whichever is less)	$ 5,000.00

CLTA HOMEOWNER'S POLICY OF TITLE INSURANCE (01-01-08)
ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE (01-01-08)
EXCLUSIONS

In addition to the Exceptions in Schedule B, You are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of those portions of any law or government regulation concerning:

   a. building;
   b. zoning;
   c. land use;
   d. improvements on the Land;
   e. land division; and
   f. environmental protection.

   This Exclusion does not limit the coverage described in Covered Risk 8.a., 14, 15, 16, 18, 19, 20, 23 or 27.

2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not limit the coverage described in Covered Risk 14 or 15.

3. The right to take the Land by condemning it. This Exclusion does not limit the coverage described in Covered Risk 17.

4. Risks:

   a. that are created, allowed, or agreed to by You, whether or not they are recorded in the Public Records;
   b. that are Known to You at the Policy Date, but not to Us, unless they are recorded in the Public Records at the Policy Date;
   c. that result in no loss to You; or
   d. that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8.e., 25, 26, 27 or 28.

5. Failure to pay value for Your Title.

6. Lack of a right:

   a. to any land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
   b. in streets, alleys, or waterways that touch the Land.

This Exclusion does not limit the coverage described in Covered Risk 11 or 21.

LIMITATIONS ON COVERED RISKS

Your insurance for the following Covered Risks is limited on the Owner's Coverage Statement as follows:

- For Covered Risk 16, 18, 19 and 21 Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.

The deductible amounts and maximum dollar limits shown on Schedule A are as follows:

	Your Deductible Amount	Our Maximum Dollar Limit of Liability
Covered Risk 16:	1.00% of Policy Amount Shown in Schedule A or $ 2,500.00 (whichever is less)	$ 10,000.00
Covered Risk 18:	1.00% of Policy Amount Shown in Schedule A or $ 5,000.00 (whichever is less)	$ 25,000.00
Covered Risk 19:	1.00% of Policy Amount Shown in Schedule A or $ 5,000.00 (whichever is less)	$ 25,000.00
Covered Risk 21:	1.00% of Policy Amount Shown in Schedule A or $ 2,500.00 (whichever is less)	$ 5,000.00

ATTACHMENT ONE
(CONTINUED)

ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (10/13/01)
EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the Land; (ii) the character, dimensions or location of any improvements now or hereafter erected on the Land; (iii) a separation in ownership or a change in the dimensions or areas of the Land or any parcel of which the Land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the Land has been recorded in the Public Records at Date of Policy. This exclusion does not limit the coverage provided under Covered Risks 12, 13, 14, and 16 of this policy.
   (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the Land has been recorded in the Public Records at Date of Policy. This exclusion does not limit the coverage provided under Covered Risks 12, 13, 14, and 16 of this policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the Public Records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without Knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
   (a) created, suffered, assumed or agreed to by the Insured Claimant;
   (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
   (c) resulting in no loss damage to the Insured Claimant;
   (d) attaching or created subsequent to Date of Policy (this paragraph does not limit the coverage provided under Covered Risks 8, 16, 18, 19, 20, 21, 22, 23, 24, 25 and 26); or
   (e) resulting in loss or damage which would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of the Insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with applicable doing business laws of the state in which the Land is situated.
5. Invalidity or unenforceability of the lien of the Insured Mortgage, or claim thereof, which arises out of the transaction evidenced by the Insured Mortgage and is based upon usury, except as provided in Covered Risk 27, or any consumer credit protection or truth in lending law.
6. Real property taxes or assessments of any governmental authority which become a lien on the Land subsequent to Date of Policy. This exclusion does not limit the coverage provided under Covered Risks 7, 8(e) and 26.
7. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to advances or modifications made after the Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This exclusion does not limit the coverage provided in Covered Risk 8.
8. Lack of priority of the lien of the Insured Mortgage as to each and every advance made after Date of Policy, and all interest charged thereon, over liens, encumbrances and other matters affecting the title, the existence of which are Known to the Insured at:
   (a) The time of the advance; or
   (b) The time a modification is made to the terms of the Insured Mortgage which changes the rate of interest charged, if the rate of interest is greater as a result of the modification than it would have been before the modification. This exclusion does not limit the coverage provided in Covered Risk 8.
9. The failure of the residential structure, or any portion thereof to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This exclusion does not apply to violations of building codes if notice of the violation appears in the Public Records at Date of Policy.

ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (01/01/08)

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to

   (i) the occupancy, use, or enjoyment of the Land;

   (ii) the character, dimensions, or location of any improvement erected on the Land;

   (iii) the subdivision of land; or

   (iv) environmental protection;

   or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.

   (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.

2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.

3. Defects, liens, encumbrances, adverse claims, or other matters

   (a) created, suffered, assumed, or agreed to by the Insured Claimant;

   (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;

   (c) resulting in no loss or damage to the Insured Claimant;

   (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 16, 17, 18, 19, 20, 21, 22, 23, 24, 27 or 28); or

   (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.

4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.

5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury, or any consumer credit protection or truth-in-lending law. This Exclusion does not modify or limit the coverage provided in Covered Risk 26.

6. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to Advances or modifications made after the Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11.

7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching subsequent to Date of Policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11(b) or 25.

8. The failure of the residential structure, or any portion of it, to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This Exclusion does not modify or limit the coverage provided in Covered Risk 5 or 6.

EXHIBIT "A"

All that certain real property situated in the County of Clark, State of Nevada, described as follows:

A parcel of land lying within the Southeast Quarter (SE ¼) of the Northwest Quarter (NW ¼) of Section 33, Township 20 South, Range 61 East, M.D.M. City of Las Vegas, Clark County, Nevada, described as follows:

COMMENCING at the Northeast corner of the Southeast corner (SE ¼), same being the Westerly right of way of Martin Luther King Boulevard, South 00°15'51" West, 335.00 feet to the Southeasterly corner of Lot 1 as shown by map thereof on file in File 73, Page 91 of Parcel Maps in the Clark County Recorders Office, Nevada:
Thence along the South line of said Lot 1, North 89°57'23" West, 14.50 feet to the Point of Beginning;
Thence along the Westerly right of way of said Martin Luther King Boulevard the following five (5) courses:

6) South 00°15'51" West, 359.04 feet;
7) Thence South 02°40'21" West, 207.66 feet;
8) Thence curving to the right along an arc having a radius of 93.00 feet, concave Westerly, through a central angle of 16°59'34", an arc length of 27.58 feet to a point of reverse curvature;
9) Thence curving to the left along an arc having a radius of 107.00 feet, concave Easterly, through a central angle of 19°24'04" an arc length of 26.23 feet;
10) Thence South 00°15'51" West, 201.25 feet;

Thence curving to the right along an arc transitioning from said Westerly right of way to the Northerly right of way of Alta Drive, having a radius of 54.00 feet, concave Northwesterly, through a central angle of 89°50'12" an arc length of 84.67 feet;
Thence along the Northerly right of way of said Alta Drive the following eight (8) courses:

9) North 89°53'57" West, 70.41 feet;
10) Thence curving to the right along an arc having a radius of 20.00 feet, concave Northerly, through a central angle of 09°27'51", an arc length of 3.30 feet;
11) Thence North 80°26'06" West, 44.51 feet;
12) Thence curving to the left along an arc having a radius of 30.00 feet, concave Southerly, through a central angle of 09°27'51" an arc length of 4.96 feet;
13) Thence North 89°53'57" West, 125.84 feet;
14) Thence curving to the left along an arc having a radius of 30.00 feet concave Southerly, through a central angle of 12°01'41" an arc length of 6.30 feet;

15) Thence South 78°04'22" West, 39.69 feet;
16) Thence South 88°49'44" West, 140.97 feet to the East boundary of Lot 2 as shown by map thereof on file in File 79, page 21 of Parcel Maps in the Clark County Recorder's Office, Nevada;

Thence departing said right of way, along the East boundary of said Lot 2, North 00°06'03" East, 290.06 feet;

Thence departing said East boundary, along the North boundary of said Lot 2, North 89°53'57" West, 279.06 feet to the East boundary of Lot 2 as shown by map thereof on file in File 58, page 66 of Parcel Maps in the Clark County Recorders Office, Nevada.

Thence along the boundaries of said Lot 2, the following three (3) courses:

4) North 00°16'25" East, 542.41 feet;
5) Thence South 89°53'57" East, 155.93 feet;
6) Thence North 00°16'25" East, 55.05 feet to the Southwest corner of that certain Order of Condemnation recorded March 24, 2008 in Book 20080324 of Official Records as Instrument No. 01868 in the Clark County Recorder's Office, Nevada.

Thence along the South boundary of said Order of Condemnation and the aforementioned Lot 1, South 89°57'23" East, 632.09 feet to the Point of Beginning.

EXCEPTING THEREFROM those portions as conveyed to the City of Las Vegas by Grant Deeds recorded August 26, 2009 in Book 20090826 as Document Nos. 02169, 02171 and 02172, Official Records.

Assessor's Parcel Number: **139-33-202-009**

Zoning Code Excerpts

19.08.070

C-1 LIMITED COMMERCIAL DISTRICT

The C-1 District is intended to provide most retail shopping and personal services, and may be appropriate for mixed use developments. This district should be located on the periphery of residential neighborhoods and should be confined to the intersections of primary and secondary thoroughfares along major retail corridors. The C-1 District is consistent with the Service Commercial and the Neighborhood Center categories of the General Plan.

BUILDING PLACEMENT (See Figure 1)	TABLE 1
A. Minimum Lot Width	100 feet
B. Max. Lot Coverage	50% [1,2]
C. Minimum Front Yard Setback	10 feet
D. Minimum Side Yard Setback	10 feet
E. Minimum Corner Side Yard Setback	10 feet
F. Minimum Rear Yard Setback	20 feet [3]

Footnotes:

1. *Senior citizen apartments may be permitted to exceed the lot coverage limitation upon approval of a Site Development Plan Review application in accordance with LVMC 19.16.100.*
2. *Lot coverage for mixed-use developments may be increased up to a maximum of seventy-five percent of the net lot area upon the approval of a Site Development Plan Review application in accordance with LVMC 19.16.100.*
3. *Rear yard setbacks may be affected by the residential adjacency standards set forth in LVMC 19.08.040(H).*

FIGURE 1 - BUILDING PLACEMENT

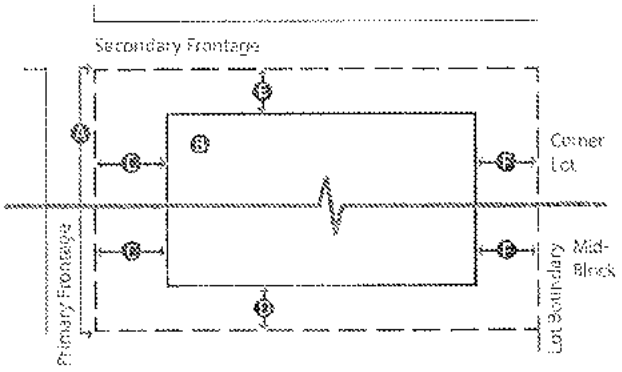
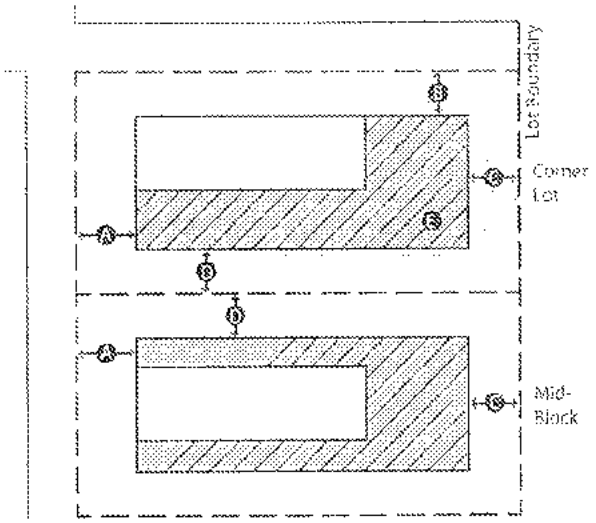


FIGURE 2 - ACCESSORY STRUCTURES

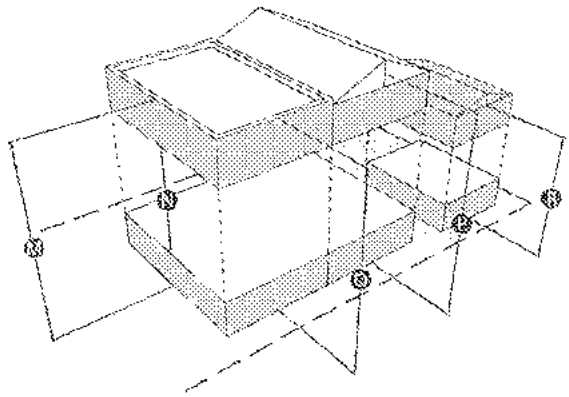


ACCESSORY STRUCTURES (see Figure 2)		TABLE 2
A.	Minimum Front Yard Setback	20 feet
B.	Minimum Corner Side Yard Setback	15 feet
C.	Minimum Rear Yard Setback	8 feet
D.	Minimum Side Yard Setback	5 feet
E.	Size and Coverage	Not to exceed the aggregate floor area of the principal structure [1]

Footnotes:

1. *The aggregate total of the ground floor areas of all structures (excluding carports and detached trash enclosures) shall not exceed the percentage of lot coverage permitted.*

FIGURE 3 - BUILDING HEIGHT



BUILDING HEIGHT [1] (see Figure 3)		TABLE 3
M.	Stories	NA [2]
N.	Floors	NA [2]
O.	Flat Roof - Max. Height	NA [2]
P.	Pitched Roof - Max. Height	NA [2]
R.	Accessory Bldg. - Stories	Not to exceed the height of the principal structure

Footnotes:

1. *Building heights may be affected by the residential adjacency standards set forth in LVMC 19.08.040(H).*
2. *For parcels that are outside the Neighborhood Revitalization Area, the maximum building height for mixed-use development is ten stories, or one hundred fifty feet, whichever is less. For purposes of the foregoing, the "Neighborhood Revitalization Area" means the area so designated in the Las Vegas 2020 Master Plan adopted by Ordinance No. 5250, as the boundaries of that area may be amended from time to time.*

LANDSCAPE BUFFERS AND TURF LIMITATIONS (see Figure 4)		TABLE 4
A.	Landscape Buffer - Minimum Zone Depths	15 feet - Adjacent to Right-of-Way [1] 8 feet - Interior Lot Lines

B.	Primary Structure	
C.	Turf Coverage	25% of landscapable area
D.	Impermeable Surfaces	Should be minimized to reduce stormwater quality management impacts

Footnotes:

1. *When a principle structure is built at a less restrictive building setback, the setbacks shall prevail.*

PARKING [1] (see Figure 4)		TABLE 5
E.	Minimum On-site Parking Requirement [2]	Shall be as outlined in LVMC 19.12.160 based on the approved use

Footnotes:

1. *Shall meet the parking area design standards as outlined in LVMC 19.08.110.*
2. *Handicapped parking shall be calculated as provided for in LVMC 19.18.020(E).*

FENCES AND WALLS

Front Yard Wall/Fence (see Figure 5)		Table 6
A.	Maximum primary wall height	5 feet
B.	Maximum solid wall base height	2 feet
C.	Maximum Pilaster height	18 inches
D.	Maximum on-center distance between Pilasters	24 feet
E.	Decorative Cap feature	5 inches
Front Yard Wall/Fence with Standard Stepback [1]		
F.	Maximum secondary wall height	2 feet
G.	Minimum spacing between wall sections - Outside Dimensions	5 feet

Footnotes:

1. *Retaining walls along the front property line may not exceed two feet in height. Where the grade of the front yard slopes at a ratio greater than 2:1, multiple retaining walls may be constructed, provided there is a minimum distance of five feet between retaining walls for landscaping. (See Figure 5).*

FIGURE 4 - LANDSCAPE BUFFER AND TURF LIMITATIONS

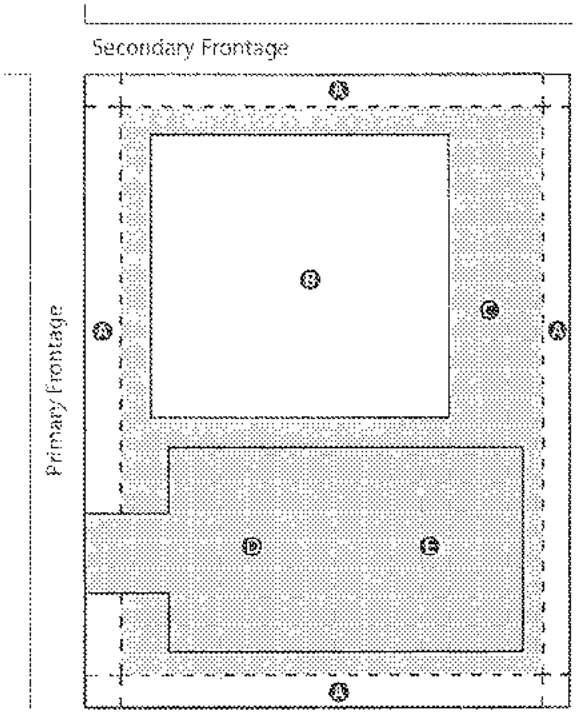


FIGURE 5 - FRONT YARD WALL/FENCE WITH STANDARD STEPBACK

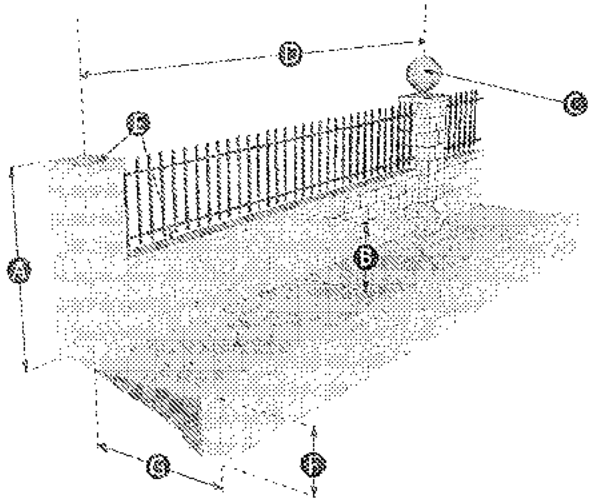
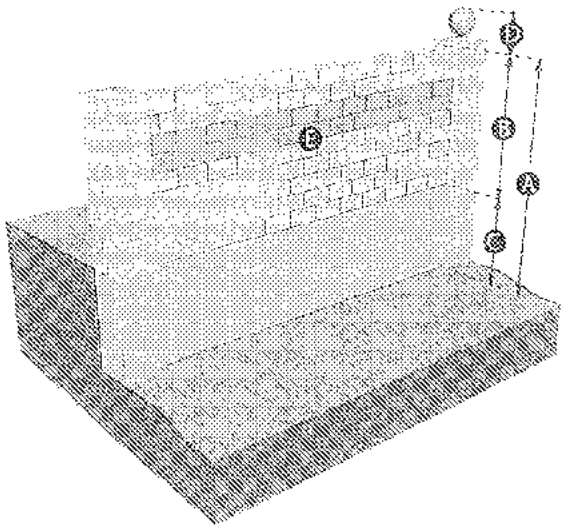
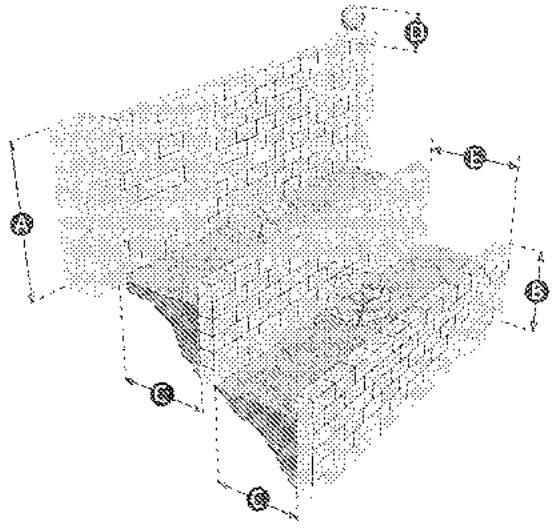


FIGURE 6 - RETAINING AND PERIMETER WALL



Perimeter and Retaining Walls (See Figure 6)		Table 7
Perimeter and Retaining Walls with Slope ≤ 2%		
A.	Maximum Overall Height	10 feet
B.	Maximum Perimeter Wall Height	6 - 8 feet
C.	Maximum Retaining Wall Height	4 feet
D.	Maximum Pilaster Height	18 inches
E.	Contrasting Material	20%
Perimeter and Retaining Walls with Slope > 2%		
A.	Maximum Overall Height	12 feet
B.	Maximum Perimeter Wall Height	6 - 8 feet
C.	Maximum Retaining Wall Height	6 feet
D.	Maximum Pilaster Height	18 inches
E.	Contrasting Material	20%

FIGURE 7 - RETAINING AND PERIMETER WALL STANDARD STEPBACK



Perimeter and Retaining Walls Standard Stepback (See Figure 7)		Table 8
A.	Maximum Primary wall Height	6 - 8 feet
B.	Maximum Secondary wall Height	4 feet
C.	Minimum spacing between wall sections - Inside Dimensions	4 feet
D.	Maximum Pilaster Height	18 inches
E.	Minimum spacing between wall sections - Outside Dimensions	5 feet

Treasurer Page

Property Account Inquiry - Summary Screen

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

Parcel ID	139-33-202-009	Tax Year	2013	District	212	Rate	3.2782

Situs Address:	400 S MARTIN L KING BLVD LAS VEGAS
Legal Description:	ASSESSOR DESCRIPTION: PT SE4 NW4 SEC 33 20 61 GEOID: PT S2 NW4 SEC 33 20 61

Status:
Active
Taxable

Property Characteristics	
Tax Cap Increase Pct.	6.4
Tax Cap Limit Amount	1160394.80
Tax Cap Reduction	0.00
Land Use	3-35: PROFESSIONAL AND BUSINESS SERVICES
Cap Type	Other
Acreage	13.76
Supplemental Tax	0.00

Property Values	
Land	839140
Improvements	32998680
Total Assessed Value	33837820
Net Assessed Value	33837820
Exemption Value New Construction	0
New Construction - Supp Value	0

Property Documents	
2009090201863	9/2/2009

Role	Name	Address	Since	To
Owner	H Q METRO L L C	%G MOLENDA %COMMUNITY FINANCE CORP 335 N WILMOT #420 , TUCSON, AZ 85711-2635 UNITED STATES	9/26/2009	Current

Summary

Item	Amount
Taxes as Assessed	$1,109,271.42
Less Cap Reduction	$0.00
Net Taxes	$1,109,271.42

PAST AND CURRENT CHARGES DUE TODAY

Tax Year	Charge Category	Amount Due Today
2013	Property Tax Principal	$277,317.86
CURRENT AMOUNTS DUE as of 3/7/2013		$277,317.86

NEXT INSTALLMENT AMOUNTS

Tax Year	Charge Category	Installment Amount Due
THERE IS NO NEXT INSTALLMENT AMOUNT DUE as of 3/7/2013		

TOTAL AMOUNTS DUE FOR ENTIRE TAX YEAR

Tax Year	Charge Category	Remaining Balance Due
2013	Property Tax Principal	$277,317.86
2013	Las Vegas Artesian Basin	$0.00
TAX YEAR TOTAL AMOUNTS DUE as of 3/7/2013		$277,317.86

PAYMENT HISTORY

Last Payment Amount	$277,317.86
Last Payment Date	1/16/2013

Fiscal Tax Year Payments	$832,490.57
Prior Calendar Year Payments	$1,100,471.01
Current Calendar Year Payments	$277,317.86

ORIGINAL

SUMM
LEACH JOHNSON SONG & GRUCHOW
KIRBY C. GRUCHOW, JR., ESQ.
Nevada Bar No. 6663
MICHAEL W. MCKELLEB, ESQ.
Nevada Bar No. 12040
8945 West Russell Road, Suite 330
Las Vegas, Nevada 89148
Telephone: (702) 538-9074
Facsimile: (702) 538-9113

Attorneys for Plaintiff

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CLERK OF THE COURT

DISTRICT COURT

CLARK COUNTY, NEVADA

NEVADA POWER COMPANY, a Nevada corporation, d/b/a NV ENERGY,

Plaintiff,

vs.

HQ METRO, LLC, an Arizona limited liability company; LAS VEGAS METROPOLITAN POLICE DEPARTMENT, a metropolitan police department; PROJECT ALTA, LLC, a Nevada limited liability company; PROJECT ALTA II, LLC, a Nevada limited liability company; PROJECT ALTA III, LLC, a Nevada limited liability company; PROJECT ALTA LIQUIDATING TRUST U/A/D 12/31/09, by and through MARK L. FINE & ASSOCIATES, a Nevada corporation, individually and as Trustee; WELLS FARGO BANK, NATIONAL ASSOCIATION, a Delaware corporation; NEVADA TITLE COMPANY, a Nevada corporation; CENTRAL TELEPHONE COMPANY, a Delaware corporation; COX COMMUNICATIONS LAS VEGAS, INC., a Delaware corporation; LAS VEGAS VALLEY WATER DISTRICT, a quasi-municipal corporation; CITY OF LAS VEGAS, a municipal corporation; CLARK COUNTY, a political subdivision of the State of Nevada; all other persons unknown claiming any right, title, estate, lien or interest in the real property described in the Complaint; DOES I through X; and ROE CORPORATIONS XI through XX, inclusive,

Defendants.

Case No.: A-13-681632-C

Dept. No.: I

SUMMONS - CIVIL

LEACH JOHNSON SONG & GRUCHOW
8945 West Russell Road, Suite 330, Las Vegas, Nevada 89148
Telephone: (702) 538-9074 Facsimile (702) 538-9113

LEACH JOHNSON SONG & GRUCHOW
8945 West Russell Road, Suite 330, Las Vegas, Nevada 89148
Telephone: (702) 538-9074 – Facsimile (702) 538-9113

SUMMONS - CIVIL

TO: HQ METRO, LLC, an Arizona limited liability company

NOTICE! YOU HAVE BEEN SUED. THE COURT MAY DECIDE AGAINST YOU WITHOUT YOUR BEING HEARD UNLESS YOU RESPOND WITHIN 30 DAYS. READ THE INFORMATION BELOW.

TO THE DEFENDANT: A Verified Complaint in Eminent Domain (the "**Complaint**") has been filed by Plaintiff against you for the relief set forth in the Complaint.

1. If you intend to defend this lawsuit, pursuant to NRCP 12(a), and NRS §§37.075 and 37.083, within thirty (30) days after this Summons is served on you, exclusive of the day of service, you must do the following:

(a) File with the Clerk of this Court, whose address is shown below, a formal written response to the Complaint in accordance with the rules of the Court, with the appropriate filing fee.

(b) Serve a copy of your response upon the attorney whose name and address is shown below.

2. Unless you respond within thirty (30) days after this Summons is served on you exclusive of the date of service, Plaintiff will be entitled to a judgment of condemnation by default.

3. If you intend to seek the advice of any attorney in this matter, you should do so promptly so that your response may be filed on time.

Issued at direction of:

LEACH JOHNSON SONG & GRUCHOW

By: _____ 5/21/13
KIRBY C. GRUCHOW, JR., ESQ.
Nevada Bar No. 6663
MICHAEL W. MCKELLEB, ESQ.
Nevada Bar No. 12040
8945 West Russell Road, Suite 330
Las Vegas, Nevada 89148
Phone: (702) 538-9074
Attorneys for Plaintiff Nevada Power Company d/b/a NV Energy

CLERK OF THE COURT

MAY 21 2013

By: _____
WALTER ABREGO-BORRILLA
Deputy Clerk Date
Regional Justice Center
200 Lewis Avenue
Las Vegas, Nevada 89155

NOTE: When service is by publication, add a brief statement of the object of the action. See Nevada Rules of Civil Procedure 4(b).

LEACH JOHNSON SONG & GRUCHOW
8945 West Russell Road, Suite 330, Las Vegas, Nevada 89148
Telephone: (702) 538-9074 – Facsimile (702) 538-9113

AFFIDAVIT OF SERVICE

STATE OF Nevada)
) ss.
COUNTY OF Clark)

Estela Sandoval, being duly sworn says: That all times herein affiant was and is a citizen of the United States, over 18 years of age, not a party to or interested in the proceeding in which this affidavit is made. That affiant received copies of the **Summons, Verified Complaint in Eminent Domain, Motion for Immediate Occupancy and Notice of Lis Pendens** on the 22 day of May, 2013, and served the same on the 30 day of May, 2013, by:

(affiant must complete the appropriate paragraph)

1. Delivering and leaving a copy with the defendant **HQ METRO, LLC**, at (state address) _____

2. Serving the defendant **HQ METRO, LLC**, by personally delivering and leaving a copy with _____, a person of suitable age and discretion residing at the defendant's usual place of abode located at (state address) _____

[Use paragraph 3 for service upon agent, completing (a) or (b)]

3. Serving the defendant **HQ METRO, LLC** by personally delivering and leaving a copy at 650 S. Main St Las Vegas, Nevada 89106

(a) with _____ as _____, an agent lawfully designated by statute to accept service of process;

(b) with Laura Bonar, pursuant to NRS 14.020 as a person of suitable age and discretion at the above address, which address is the address of the resident agent as shown on the current certificate of designation filed with the Secretary of State.

4. Personally delivering a copy in a mail box of the United States Post Office, enclosed in a sealed envelope postage prepaid (check appropriate method):

_____ ordinary mail

_____ certified mail, return receipt requested

_____ registered mail, return receipt requested

addressed to the defendant **HQ METRO, LLC** at the defendant's last known address which is _____ (state address).

SUBSCRIBED and SWORN to
before me this 30th day of May, 2013 by Estela Sandoval

NOTARY PUBLIC in and for said
County and State
My commission expires: 2-16-16
(SEAL)

Signature of person making service

JULIA L. GUILL
NOTARY PUBLIC
STATE OF NEVADA
My Commission Expires: 02-16-16
Certificate No: 02-73874-1

ORIGINAL

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06/06/2013 02:26:16 PM

CLERK OF THE COURT

SUMM
LEACH JOHNSON SONG & GRUCHOW
KIRBY C. GRUCHOW, JR., ESQ.
Nevada Bar No. 6663
MICHAEL W. MCKELLEB, ESQ.
Nevada Bar No. 12040
8945 West Russell Road, Suite 330
Las Vegas, Nevada 89148
Telephone: (702) 538-9074
Facsimile: (702) 538-9113

Attorneys for Plaintiff

DISTRICT COURT

CLARK COUNTY, NEVADA

NEVADA POWER COMPANY, a Nevada corporation, d/b/a NV ENERGY,

Plaintiff,

vs.

HQ METRO, LLC, an Arizona limited liability company; LAS VEGAS METROPOLITAN POLICE DEPARTMENT, a metropolitan police department; PROJECT ALTA, LLC, a Nevada limited liability company; PROJECT ALTA II, LLC, a Nevada limited liability company; PROJECT ALTA III, LLC, a Nevada limited liability company; PROJECT ALTA LIQUIDATING TRUST U/A/D 12/31/09, by and through MARK L. FINE & ASSOCIATES, a Nevada corporation, individually and as Trustee; WELLS FARGO BANK, NATIONAL ASSOCIATION, a Delaware corporation; NEVADA TITLE COMPANY, a Nevada corporation; CENTRAL TELEPHONE COMPANY, a Delaware corporation; COX COMMUNICATIONS LAS VEGAS, INC., a Delaware corporation; LAS VEGAS VALLEY WATER DISTRICT, a quasi-municipal corporation; CITY OF LAS VEGAS, a municipal corporation; CLARK COUNTY, a political subdivision of the State of Nevada; all other persons unknown claiming any right, title, estate, lien or interest in the real property described in the Complaint; DOES I through X; and ROE CORPORATIONS XI through XX, inclusive,

Defendants.

Case No.: A-13-681632-C

Dept. No.: I

SUMMONS - CIVIL

LEACH JOHNSON SONG & GRUCHOW
8945 West Russell Road, Suite 330, Las Vegas, Nevada 89148
Telephone: (702) 538-9074 – Facsimile (702) 538-9113

LEACH JOHNSON SONG & GRUCHOW
8945 West Russell Road, Suite 330, Las Vegas, Nevada 89148
Telephone: (702) 538-9074 – Facsimile (702) 538-9113

SUMMONS - CIVIL

TO: PROJECT ALTA II, LLC, a Nevada limited liability company

NOTICE! YOU HAVE BEEN SUED. THE COURT MAY DECIDE AGAINST YOU WITHOUT YOUR BEING HEARD UNLESS YOU RESPOND WITHIN 30 DAYS. READ THE INFORMATION BELOW.

TO THE DEFENDANT: A Verified Complaint in Eminent Domain (the "**Complaint**") has been filed by Plaintiff against you for the relief set forth in the Complaint.

1. If you intend to defend this lawsuit, pursuant to NRCP 12(a), and NRS §§37.075 and 37.083, within thirty (30) days after this Summons is served on you, exclusive of the day of service, you must do the following:

   (a) File with the Clerk of this Court, whose address is shown below, a formal written response to the Complaint in accordance with the rules of the Court, with the appropriate filing fee.

   (b) Serve a copy of your response upon the attorney whose name and address is shown below.

2. Unless you respond within thirty (30) days after this Summons is served on you exclusive of the date of service, Plaintiff will be entitled to a judgment of condemnation by default.

3. If you intend to seek the advice of any attorney in this matter, you should do so promptly so that your response may be filed on time.

Issued at direction of:

LEACH JOHNSON SONG & GRUCHOW

By: _____ 5/21/13
KIRBY C. GRUCHOW, JR., ESQ.
Nevada Bar No. 6663
MICHAEL W. MCKELLEB, ESQ.
Nevada Bar No. 12040
8945 West Russell Road, Suite 330
Las Vegas, Nevada 89148
Phone: (702) 538-9074
Attorneys for Plaintiff Nevada Power Company d/b/a NV Energy

CLERK OF THE COURT

By: _____ MAY 21 2013
WALTER ASREDO-BONILLA
Deputy Clerk Date
Regional Justice Center
200 Lewis Avenue
Las Vegas, Nevada 89155

NOTE: When service is by publication, add a brief statement of the object of the action. See Nevada Rules of Civil Procedure 4(b).

LEACH JOHNSON SONG & GRUCHOW
8945 West Russell Road, Suite 330, Las Vegas, Nevada 89148
Telephone: (702) 538-9074 – Facsimile (702) 538-9113

AFFIDAVIT OF SERVICE

STATE OF Nevada)
) ss.
COUNTY OF Clark)

Jennifer Graham, being duly sworn says: That all times herein affiant was and is a citizen of the United States, over 18 years of age, not a party to or interested in the proceeding in which this affidavit is made. That affiant received copies of the **Summons, Verified Complaint in Eminent Domain, Motion for Immediate Occupancy and Notice of Lis Pendens** on the 22nd day of May, 2013, and served the same on the 23rd day of May, 2013, by:

(affiant must complete the appropriate paragraph)

1. Delivering and leaving a copy with the defendant **PROJECT ALTA II, LLC**, at (state address) _____

2. Serving the defendant **PROJECT ALTA II, LLC**, by personally delivering and leaving a copy with _____, a person of suitable age and discretion residing at the defendant's usual place of abode located at (state address) _____

[Use paragraph 3 for service upon agent, completing (a) or (b)]

3. Serving the defendant **PROJECT ALTA II, LLC** by personally delivering and leaving a copy at 60 South Main Street, Las Vegas, Nevada 89101

(a) with _____ as _____, an agent lawfully designated by statute to accept service of process:

(b) with Sean Robinson, pursuant to NRS 14.020 as a person of suitable age and discretion at the above address, which address is the address of the resident agent as shown on the current certificate of designation filed with the Secretary of State.

4. Personally delivering a copy in a mail box of the United States Post Office, enclosed in a sealed envelope postage prepaid (check appropriate method):

_____ ordinary mail

_____ certified mail, return receipt requested

_____ registered mail, return receipt requested

addressed to the defendant **PROJECT ALTA II, LLC** at the defendant's last known address which is _____ (state address).

SUBSCRIBED and SWORN to before me this 24th day of May, 2013.

Jennifer Graham

NOTARY PUBLIC in and for said County and State
My commission expires: 2-16-16
(SEAL)

Signature of person making service

JULIA L. GUILL
NOTARY PUBLIC
STATE OF NEVADA
My Commission Expires: 02-16-16
Certificate No: 08-7067-1

ORIGINAL

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CLERK OF THE COURT

SUMM
LEACH JOHNSON SONG & GRUCHOW
KIRBY C. GRUCHOW, JR., ESQ.
Nevada Bar No. 6663
MICHAEL W. MCKELLEB, ESQ.
Nevada Bar No. 12040
8945 West Russell Road, Suite 330
Las Vegas, Nevada 89148
Telephone: (702) 538-9074
Facsimile: (702) 538-9113

Attorneys for Plaintiff

DISTRICT COURT

CLARK COUNTY, NEVADA

NEVADA POWER COMPANY, a Nevada corporation, d/b/a NV ENERGY,

Plaintiff,

vs.

HQ METRO, LLC, an Arizona limited liability company; LAS VEGAS METROPOLITAN POLICE DEPARTMENT, a metropolitan police department; PROJECT ALTA, LLC, a Nevada limited liability company; PROJECT ALTA II, LLC, a Nevada limited liability company; PROJECT ALTA III, LLC, a Nevada limited liability company; PROJECT ALTA LIQUIDATING TRUST U/A/D 12/31/09, by and through MARK L. FINE & ASSOCIATES, a Nevada corporation, individually and as Trustee; WELLS FARGO BANK, NATIONAL ASSOCIATION, a Delaware corporation; NEVADA TITLE COMPANY, a Nevada corporation; CENTRAL TELEPHONE COMPANY, a Delaware corporation; COX COMMUNICATIONS LAS VEGAS, INC., a Delaware corporation; LAS VEGAS VALLEY WATER DISTRICT, a quasi-municipal corporation; CITY OF LAS VEGAS, a municipal corporation; CLARK COUNTY, a political subdivision of the State of Nevada; all other persons unknown claiming any right, title, estate, lien or interest in the real property described in the Complaint; DOES I through X; and ROE CORPORATIONS XI through XX, inclusive,

Defendants.

Case No.: A-13-681632-C

Dept. No.: I

SUMMONS - CIVIL

LEACH JOHNSON SONG & GRUCHOW
8945 West Russell Road, Suite 330, Las Vegas, Nevada 89148
Telephone: (702) 538-9074 – Facsimile (702) 538-9113

LEACH JOHNSON SONG & GRUCHOW
8945 West Russell Road, Suite 330, Las Vegas, Nevada 89148
Telephone: (702) 538-9074 – Facsimile (702) 538-9113

SUMMONS - CIVIL

TO: **PROJECT ALTA III, LLC, a Nevada limited liability company**

NOTICE! YOU HAVE BEEN SUED. THE COURT MAY DECIDE AGAINST YOU WITHOUT YOUR BEING HEARD UNLESS YOU RESPOND WITHIN 30 DAYS. READ THE INFORMATION BELOW.

TO THE DEFENDANT: A Verified Complaint in Eminent Domain (the "**Complaint**") has been filed by Plaintiff against you for the relief set forth in the Complaint.

1. If you intend to defend this lawsuit, pursuant to NRCP 12(a), and NRS §§37.075 and 37.083, within thirty (30) days after this Summons is served on you, exclusive of the day of service, you must do the following:

(a) File with the Clerk of this Court, whose address is shown below, a formal written response to the Complaint in accordance with the rules of the Court, with the appropriate filing fee.

(b) Serve a copy of your response upon the attorney whose name and address is shown below.

2. Unless you respond within thirty (30) days after this Summons is served on you exclusive of the date of service, Plaintiff will be entitled to a judgment of condemnation by default.

3. If you intend to seek the advice of any attorney in this matter, you should do so promptly so that your response may be filed on time.

Issued at direction of:

LEACH JOHNSON SONG & GRUCHOW

By: _____ 5/21/13
KIRBY C. GRUCHOW, JR., ESQ.
Nevada Bar No. 6663
MICHAEL W. MCKELLEB, ESQ.
Nevada Bar No. 12040
8945 West Russell Road, Suite 330
Las Vegas, Nevada 89148
Phone: (702) 538-9074
Attorneys for Plaintiff Nevada Power Company d/b/a NV Energy

CLERK OF THE COURT

MAY 21 2013

By: _____ WALTER S. GREGO-SCHILLA
Deputy Clerk Date
Regional Justice Center
200 Lewis Avenue
Las Vegas, Nevada 89155

NOTE: When service is by publication, add a brief statement of the object of the action. See Nevada Rules of Civil Procedure 4(b).

LEACH JOHNSON SONG & GRUCHOW
8945 West Russell Road, Suite 330, Las Vegas, Nevada 89148
Telephone: (702) 538-9074 - Facsimile (702) 538-9113

AFFIDAVIT OF SERVICE

STATE OF Nevada)
) ss.
COUNTY OF Clark)

Jennifer Graham, being duly sworn says: That all times herein affiant was and is a citizen of the United States, over 18 years of age, not a party to or interested in the proceeding in which this affidavit is made. That affiant received copies of the **Summons, Verified Complaint in Eminent Domain, Motion for Immediate Occupancy and Notice of Lis Pendens** on the 23rd day of May, 2013, and served the same on the 23rd day of May, 2013, by:

(affiant must complete the appropriate paragraph)

1. Delivering and leaving a copy with the defendant **PROJECT ALTA III, LLC**, at (state address) _____

2. Serving the defendant **PROJECT ALTA III, LLC**, by personally delivering and leaving a copy with _____, a person of suitable age and discretion residing at the defendant's usual place of abode located at (state address) _____

[Use paragraph 3 for service upon agent, completing (a) or (b)]

3. Serving the defendant **PROJECT ALTA III, LLC** by personally delivering and leaving a copy at 630 South Main Street, Las Vegas, Nevada 89101

(a) with _____ as _____, an agent lawfully designated by statute to accept service of process;

(b) with Jean Robinson, pursuant to NRS 14.020 as a person of suitable age and discretion at the above address, which address is the address of the resident agent as shown on the current certificate of designation filed with the Secretary of State.

4. Personally delivering a copy in a mail box of the United States Post Office, enclosed in a sealed envelope postage prepaid (check appropriate method):

_____ ordinary mail

_____ certified mail, return receipt requested

_____ registered mail, return receipt requested

addressed to the defendant **PROJECT ALTA III, LLC** at the defendant's last known address which is _____ (state address).

SUBSCRIBED and SWORN to
before me this 24th day of May, 2013 by Jennifer Graham

NOTARY PUBLIC in and for said
County and State
My commission expires: 2-16-16
(SEAL)

Signature of person making service

JULIA L. GOLL
NOTARY PUBLIC
STATE OF NEVADA
My Commission Expires: 02-16-16
Certificate No: 98-7067-1

ORIGINAL

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CLERK OF THE COURT

SUMM
LEACH JOHNSON SONG & GRUCHOW
KIRBY C. GRUCHOW, JR., ESQ.
Nevada Bar No. 6663
MICHAEL W. MCKELLEB, ESQ.
Nevada Bar No. 12040
8945 West Russell Road, Suite 330
Las Vegas, Nevada 89148
Telephone: (702) 538-9074
Facsimile: (702) 538-9113

Attorneys for Plaintiff

DISTRICT COURT

CLARK COUNTY, NEVADA

NEVADA POWER COMPANY, a Nevada corporation, d/b/a NV ENERGY,

Plaintiff,

vs.

HQ METRO, LLC, an Arizona limited liability company; LAS VEGAS METROPOLITAN POLICE DEPARTMENT, a metropolitan police department; PROJECT ALTA, LLC, a Nevada limited liability company; PROJECT ALTA II, LLC, a Nevada limited liability company; PROJECT ALTA III, LLC, a Nevada limited liability company; PROJECT ALTA LIQUIDATING TRUST U/A/D 12/31/09, by and through MARK L. FINE & ASSOCIATES, a Nevada corporation, individually and as Trustee; WELLS FARGO BANK, NATIONAL ASSOCIATION, a Delaware corporation; NEVADA TITLE COMPANY, a Nevada corporation; CENTRAL TELEPHONE COMPANY, a Delaware corporation; COX COMMUNICATIONS LAS VEGAS, INC., a Delaware corporation; LAS VEGAS VALLEY WATER DISTRICT, a quasi-municipal corporation; CITY OF LAS VEGAS, a municipal corporation; CLARK COUNTY, a political subdivision of the State of Nevada; all other persons unknown claiming any right, title, estate, lien or interest in the real property described in the Complaint; DOES I through X; and ROE CORPORATIONS XI through XX, inclusive,

Defendants.

Case No.: A-13-681632-C

Dept. No.: I

SUMMONS - CIVIL

LEACH JOHNSON SONG & GRUCHOW
8945 West Russell Road, Suite 330, Las Vegas, Nevada 89148
Telephone: (702) 538-9074 – Facsimile (702) 538-9113

SUMMONS - CIVIL

TO: PROJECT ALTA LIQUIDATING TRUST U/A/D 12/31/09, by and through MARK L. FINE & ASSOCIATES, a Nevada corporation, individually and as Trustee

NOTICE! YOU HAVE BEEN SUED. THE COURT MAY DECIDE AGAINST YOU WITHOUT YOUR BEING HEARD UNLESS YOU RESPOND WITHIN 30 DAYS. READ THE INFORMATION BELOW.

TO THE DEFENDANT: A Verified Complaint in Eminent Domain (the "**Complaint**") has been filed by Plaintiff against you for the relief set forth in the Complaint.

1. If you intend to defend this lawsuit, pursuant to NRCP 12(a), and NRS §§37.075 and 37.083, within thirty (30) days after this Summons is served on you, exclusive of the day of service, you must do the following:

   (a) File with the Clerk of this Court, whose address is shown below, a formal written response to the Complaint in accordance with the rules of the Court, with the appropriate filing fee.

   (b) Serve a copy of your response upon the attorney whose name and address is shown below.

2. Unless you respond within thirty (30) days after this Summons is served on you exclusive of the date of service, Plaintiff will be entitled to a judgment of condemnation by default.

3. If you intend to seek the advice of any attorney in this matter, you should do so promptly so that your response may be filed on time.

Issued at direction of:

LEACH JOHNSON SONG & GRUCHOW

By: _____
KIRBY C. GRUCHOW, JR., ESQ.
Nevada Bar No. 6663
MICHAEL W. MCKELLEB, ESQ.
Nevada Bar No. 12040
8945 West Russell Road, Suite 330
Las Vegas, Nevada 89148
Phone: (702) 538-9074
Attorneys for Plaintiff Nevada Power Company d/b/a NV Energy

CLERK OF THE COURT

By: _____ MAY 23 2013
WALTER ARREGUI-GONELLA
Deputy Clerk Date
Regional Justice Center
200 Lewis Avenue
Las Vegas, Nevada 89155

NOTE: When service is by publication, add a brief statement of the object of the action. See Nevada Rules of Civil Procedure 4(b).

LEACH JOHNSON SONG & GRUCHOW
8945 West Russell Road, Suite 330, Las Vegas, Nevada 89148
Telephone: (702) 538-9074 – Facsimile: (702) 538-9113

LEACH JOHNSON SONG & GRUCHOW
8945 West Russell Road, Suite 330, Las Vegas, Nevada 89148
Telephone: (702) 538-9074 - Facsimile (702) 538-9113

AFFIDAVIT OF SERVICE

STATE OF Nevada)
) ss.
COUNTY OF Clark)

Estela Sandoval, being duly sworn says: That all times herein affiant was and is a citizen of the United States, over 18 years of age, not a party to or interested in the proceeding in which this affidavit is made. That affiant received copies of the **Summons, Verified Complaint in Eminent Domain, Motion for Immediate Occupancy and Notice of Lis Pendens** on the 24 day of May, 2013, and served the same on the 30 day of May, 2013, by:

(affiant must complete the appropriate paragraph)

1. Delivering and leaving a copy with the defendant **Project Alta Liquidating Trust U/A/D 12/31/09, by and through Mark L. Fine & Associates**, at (state address) _____.

2. Serving the defendant **Project Alta Liquidating Trust U/A/D 12/31/09, by and through Mark L. Fine & Associates**, by personally delivering and leaving a copy with _____, a person of suitable age and discretion residing at the defendant's usual place of abode located at (state address) _____.

[Use paragraph 3 for service upon agent, completing (a) or (b)]

3. Serving the defendant **Project Alta Liquidating Trust U/A/D 12/31/09, by and through Mark L. Fine & Associates** by personally delivering and leaving a copy at 630 S. Main St. Las Vegas, Nevada 89106.

(a) with _____ as _____, an agent lawfully designated by statute to accept service of process;

(b) with Laura Brent, pursuant to NRS 14.020 as a person of suitable age and discretion at the above address, which address is the address of the resident agent as shown on the current certificate of designation filed with the Secretary of State.

4. Personally delivering a copy in a mail box of the United States Post Office, enclosed in a sealed envelope postage prepaid (check appropriate method):

_____ ordinary mail

_____ certified mail, return receipt requested

_____ registered mail, return receipt requested

addressed to the defendant **Project Alta Liquidating Trust U/A/D 12/31/09, by and through Mark L. Fine & Associates** at the defendant's last known address which is _____ (state address).

SUBSCRIBED and SWORN to
before me this 30 day of May, 2013 by Estela Sandoval

NOTARY PUBLIC in and for said
County and State
My commission expires: 2-16-16
(SEAL)

Signature of person making service

JULIA L. GUEL
NOTARY PUBLIC
STATE OF NEVADA
My Commission Expires: 02-16-16
Certificate No: 08-7067-1

ORIGINAL

Electronically Filed
06/06/2013 02:28:19 PM

CLERK OF THE COURT

SUMM
LEACH JOHNSON SONG & GRUCHOW
KIRBY C. GRUCHOW, JR., ESQ.
Nevada Bar No. 6663
MICHAEL W. MCKELLEB, ESQ.
Nevada Bar No. 12040
8945 West Russell Road, Suite 330
Las Vegas, Nevada 89148
Telephone: (702) 538-9074
Facsimile: (702) 538-9113

Attorneys for Plaintiff

DISTRICT COURT

CLARK COUNTY, NEVADA

NEVADA POWER COMPANY, a Nevada corporation, d/b/a NV ENERGY,

Plaintiff,

vs.

HQ METRO, LLC, an Arizona limited liability company; LAS VEGAS METROPOLITAN POLICE DEPARTMENT, a metropolitan police department; PROJECT ALTA, LLC, a Nevada limited liability company; PROJECT ALTA II, LLC, a Nevada limited liability company; PROJECT ALTA III, LLC, a Nevada limited liability company; PROJECT ALTA LIQUIDATING TRUST U/A/D 12/31/09, by and through MARK L. FINE & ASSOCIATES, a Nevada corporation, individually and as Trustee; WELLS FARGO BANK, NATIONAL ASSOCIATION, a Delaware corporation; NEVADA TITLE COMPANY, a Nevada corporation; CENTRAL TELEPHONE COMPANY, a Delaware corporation; COX COMMUNICATIONS LAS VEGAS, INC., a Delaware corporation; LAS VEGAS VALLEY WATER DISTRICT, a quasi-municipal corporation; CITY OF LAS VEGAS, a municipal corporation; CLARK COUNTY, a political subdivision of the State of Nevada; all other persons unknown claiming any right, title, estate, lien or interest in the real property described in the Complaint; DOES I through X; and ROE CORPORATIONS XI through XX, inclusive,

Defendants.

Case No.: A-13-681632-C

Dept. No.: I

SUMMONS - CIVIL

LEACH JOHNSON SONG & GRUCHOW
8945 West Russell Road, Suite 330, Las Vegas, Nevada 89148
Telephone: (702) 538-9074 – Facsimile (702) 538-9113

LEACH JOHNSON SONG & GRUCHOW
8945 West Russell Road, Suite 330, Las Vegas, Nevada 89148
Telephone: (702) 538-9074 - Facsimile (702) 538-9113

SUMMONS - CIVIL

TO: MARK L. FINE & ASSOCIATES, a Nevada corporation

NOTICE! YOU HAVE BEEN SUED. THE COURT MAY DECIDE AGAINST YOU WITHOUT YOUR BEING HEARD UNLESS YOU RESPOND WITHIN 30 DAYS. READ THE INFORMATION BELOW.

TO THE DEFENDANT: A Verified Complaint in Eminent Domain (the "**Complaint**") has been filed by Plaintiff against you for the relief set forth in the Complaint.

1. If you intend to defend this lawsuit, pursuant to NRCP 12(a), and NRS §§37.075 and 37.083, within thirty (30) days after this Summons is served on you, exclusive of the day of service, you must do the following:

   (a) File with the Clerk of this Court, whose address is shown below, a formal written response to the Complaint in accordance with the rules of the Court, with the appropriate filing fee.

   (b) Serve a copy of your response upon the attorney whose name and address is shown below.

2. Unless you respond within thirty (30) days after this Summons is served on you exclusive of the date of service, Plaintiff will be entitled to a judgment of condemnation by default.

3. If you intend to seek the advice of any attorney in this matter, you should do so promptly so that your response may be filed on time.

Issued at direction of:

LEACH JOHNSON SONG & GRUCHOW

By: _____ 5/31/13
KIRBY C. GRUCHOW, JR., ESQ.
Nevada Bar No. 6663
MICHAEL W. MCKELLEB, ESQ.
Nevada Bar No. 12040
8945 West Russell Road, Suite 330
Las Vegas, Nevada 89148
Phone: (702) 538-9074
Attorneys for Plaintiff Nevada Power Company d/b/a NV Energy

CLERK OF THE COURT

MAY 21 2013

By: _____ WALTER ARRIECO-BONILLA
Deputy Clerk Date
Regional Justice Center
200 Lewis Avenue
Las Vegas, Nevada 89155

NOTE: When service is by publication, add a brief statement of the object of the action. See Nevada Rules of Civil Procedure 4(b).

LEACH JOHNSON SONG & GRUCHOW
8945 West Russell Road, Suite 330, Las Vegas, Nevada 89148
Telephone: (702) 538-9074 - Facsimile (702) 538-9113

AFFIDAVIT OF SERVICE

STATE OF Nevada)
) ss.
COUNTY OF Clark)

Jennifer Graham, being duly sworn says: That all times herein affiant was and is a citizen of the United States, over 18 years of age, not a party to or interested in the proceeding in which this affidavit is made. That affiant received copies of the **Summons, Verified Complaint in Eminent Domain, Motion for Immediate Occupancy and Notice of Lis Pendens** on the 22nd day of May, 2013, and served the same on the 23rd day of May, 2013, by:

(affiant must complete the appropriate paragraph)

1. Delivering and leaving a copy with the defendant **MARK L. FINE & ASSOCIATES**, at (state address) _____

2. Serving the defendant **MARK L. FINE & ASSOCIATES**, by personally delivering and leaving a copy with _____, a person of suitable age and discretion residing at the defendant's usual place of abode located at (state address) _____

[Use paragraph 3 for service upon agent, completing (a) or (b)]

3. Serving the defendant **MARK L. FINE & ASSOCIATES** by personally delivering and leaving a copy at 3960 Howard Hughes Parkway, Suite 700, Las Vegas Nevada 89169

(a) with _____ as _____, an agent lawfully designated by statute to accept service of process;

(b) with Joanne _____, pursuant to NRS 14.020 as a person of suitable age and discretion at the above address, which address is the address of the resident agent as shown on the current certificate of designation filed with the Secretary of State.

4. Personally delivering a copy in a mail box of the United States Post Office, enclosed in a sealed envelope postage prepaid (check appropriate method):

_____ ordinary mail

_____ certified mail, return receipt requested

_____ registered mail, return receipt requested

addressed to the defendant **MARK L. FINE & ASSOCIATES** at the defendant's last known address which is _____ (state address).

SUBSCRIBED and SWORN to
before me this 23rd day of May, 2013. by Jennifer Graham

NOTARY PUBLIC in and for said
County and State
My commission expires: 2-16-16
(SEAL)

Signature of person making service

JULIA L. GUILL
NOTARY PUBLIC
STATE OF NEVADA
My Commission Expires: 02-16-16
Certificate No: 08-7067-1

ORIGINAL

Electronically Filed
06/06/2013 02:29:03 PM

CLERK OF THE COURT

SUMM
LEACH JOHNSON SONG & GRUCHOW
KIRBY C. GRUCHOW, JR., ESQ.
Nevada Bar No. 6663
MICHAEL W. MCKELLEB, ESQ.
Nevada Bar No. 12040
8945 West Russell Road, Suite 330
Las Vegas, Nevada 89148
Telephone: (702) 538-9074
Facsimile: (702) 538-9113

Attorneys for Plaintiff

DISTRICT COURT

CLARK COUNTY, NEVADA

NEVADA POWER COMPANY, a Nevada corporation, d/b/a NV ENERGY,

Plaintiff,

vs.

HQ METRO, LLC, an Arizona limited liability company; LAS VEGAS METROPOLITAN POLICE DEPARTMENT, a metropolitan police department; PROJECT ALTA, LLC, a Nevada limited liability company; PROJECT ALTA II, LLC, a Nevada limited liability company; PROJECT ALTA III, LLC, a Nevada limited liability company; PROJECT ALTA LIQUIDATING TRUST U/A/D 12/31/09, by and through MARK L. FINE & ASSOCIATES, a Nevada corporation, individually and as Trustee; WELLS FARGO BANK, NATIONAL ASSOCIATION, a Delaware corporation; NEVADA TITLE COMPANY, a Nevada corporation; CENTRAL TELEPHONE COMPANY, a Delaware corporation; COX COMMUNICATIONS LAS VEGAS, INC., a Delaware corporation; LAS VEGAS VALLEY WATER DISTRICT, a quasi-municipal corporation; CITY OF LAS VEGAS, a municipal corporation; CLARK COUNTY, a political subdivision of the State of Nevada; all other persons unknown claiming any right, title, estate, lien or interest in the real property described in the Complaint; DOES I through X; and ROE CORPORATIONS XI through XX, inclusive,

Defendants.

Case No.: A-13-681632-C

Dept. No.: I

SUMMONS - CIVIL

LEACH JOHNSON SONG & GRUCHOW
8945 West Russell Road, Suite 330, Las Vegas, Nevada 89148
Telephone: (702) 538-9074 – Facsimile (702) 538-9113

LEACH JOHNSON SONG & GRUCHOW
8945 West Russell Road, Suite 330, Las Vegas, Nevada 89148
Telephone: (702) 538-9074 · Facsimile (702) 538-9113

SUMMONS - CIVIL

TO: WELLS FARGO BANK, NATIONAL ASSOCIATION, a Delaware corporation

NOTICE! YOU HAVE BEEN SUED. THE COURT MAY DECIDE AGAINST YOU WITHOUT YOUR BEING HEARD UNLESS YOU RESPOND WITHIN 30 DAYS. READ THE INFORMATION BELOW.

TO THE DEFENDANT: A Verified Complaint in Eminent Domain (the "**Complaint**") has been filed by Plaintiff against you for the relief set forth in the Complaint.

1. If you intend to defend this lawsuit, pursuant to NRCP 12(a), and NRS §§37.075 and 37.083, within thirty (30) days after this Summons is served on you, exclusive of the day of service, you must do the following:

(a) File with the Clerk of this Court, whose address is shown below, a formal written response to the Complaint in accordance with the rules of the Court, with the appropriate filing fee.

(b) Serve a copy of your response upon the attorney whose name and address is shown below.

2. Unless you respond within thirty (30) days after this Summons is served on you exclusive of the date of service, Plaintiff will be entitled to a judgment of condemnation by default.

3. If you intend to seek the advice of any attorney in this matter, you should do so promptly so that your response may be filed on time.

Issued at direction of:

LEACH JOHNSON SONG & GRUCHOW

By: _____ 5/21/13
KIRBY C. GRUCHOW, JR., ESQ.
Nevada Bar No. 6663
MICHAEL W. MCKELLEB, ESQ.
Nevada Bar No. 12040
8945 West Russell Road, Suite 330
Las Vegas, Nevada 89148
Phone: (702) 538-9074
Attorneys for Plaintiff Nevada Power Company d/b/a NV Energy

CLERK OF THE COURT

By: _____ MAY 21 2013
WALTER ABREGO-BONILLA
Deputy Clerk Date
Regional Justice Center
200 Lewis Avenue
Las Vegas, Nevada 89155

NOTE: When service is by publication, add a brief statement of the object of the action. See Nevada Rules of Civil Procedure 4(b).

AFFIDAVIT OF SERVICE

STATE OF Nevada)
) ss.
COUNTY OF Clark)

Jennifer Graham, being duly sworn says: That all times herein affiant was and is a citizen of the United States, over 18 years of age, not a party to or interested in the proceeding in which this affidavit is made. That affiant received copies of the **Summons, Verified Complaint in Eminent Domain, Motion for Immediate Occupancy and Notice of Lis Pendens** on the 22nd day of May, 2013, and served the same on the 23rd day of May, 2013, by:

(affiant must complete the appropriate paragraph)

1. Delivering and leaving a copy with the defendant **WELLS FARGO BANK, NATIONAL ASSOCIATION**, at (state address) _____

2. Serving the defendant **WELLS FARGO BANK, NATIONAL ASSOCIATION**, by personally delivering and leaving a copy with _____, a person of suitable age and discretion residing at the defendant's usual place of abode located at (state address) _____

[Use paragraph 3 for service upon agent, completing (a) or (b)]

3. Serving the defendant **WELLS FARGO BANK, NATIONAL ASSOCIATION** by personally delivering and leaving a copy at 225-B Renaissance Drive, Las Vegas, Nevada 89119

(a) with CSC Services of Nevada Inc as _____, an agent lawfully designated by statute to accept service of process;

(b) with _____, pursuant to NRS 14.020 as a person of suitable age and discretion at the above address, which address is the address of the resident agent as shown on the current certificate of designation filed with the Secretary of State.

4. Personally delivering a copy in a mail box of the United States Post Office, enclosed in a sealed envelope postage prepaid (check appropriate method):

_____ ordinary mail

_____ certified mail, return receipt requested

_____ registered mail, return receipt requested

addressed to the defendant **WELLS FARGO BANK, NATIONAL ASSOCIATION** at the defendant's last known address which is _____ (state address).

SUBSCRIBED and SWORN to
before me this 29th day of May, 2013 by Jennifer Graham

NOTARY PUBLIC in and for said County and State
My commission expires: 2-16-16
(SEAL)

Signature of person making service

JULIA L. GUILL
NOTARY PUBLIC
STATE OF NEVADA
My Commission Expires: 02-16-16
Certificate No: 08-7087-1

LEACH JOHNSON SONG & GRUCHOW
8945 West Russell Road, Suite 330, Las Vegas, Nevada 89148
Telephone: (702) 538-9074 Facsimile (702) 538-9113

ORIGINAL

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CLERK OF THE COURT

SUMM

LEACH JOHNSON SONG & GRUCHOW
KIRBY C. GRUCHOW, JR., ESQ.
Nevada Bar No. 6663
MICHAEL W. MCKELLEB, ESQ.
Nevada Bar No. 12040
8945 West Russell Road, Suite 330
Las Vegas, Nevada 89148
Telephone: (702) 538-9074
Facsimile: (702) 538-9113

Attorneys for Plaintiff

DISTRICT COURT

CLARK COUNTY, NEVADA

NEVADA POWER COMPANY, a Nevada corporation, d/b/a NV ENERGY,

Plaintiff,

vs.

HQ METRO, LLC, an Arizona limited liability company; LAS VEGAS METROPOLITAN POLICE DEPARTMENT, a metropolitan police department; PROJECT ALTA, LLC, a Nevada limited liability company; PROJECT ALTA II, LLC, a Nevada limited liability company; PROJECT ALTA III, LLC, a Nevada limited liability company; PROJECT ALTA LIQUIDATING TRUST U/A/D 12/31/09, by and through MARK L. FINE & ASSOCIATES, a Nevada corporation, individually and as Trustee; WELLS FARGO BANK, NATIONAL ASSOCIATION, a Delaware corporation; NEVADA TITLE COMPANY, a Nevada corporation; CENTRAL TELEPHONE COMPANY, a Delaware corporation; COX COMMUNICATIONS LAS VEGAS, INC., a Delaware corporation; LAS VEGAS VALLEY WATER DISTRICT, a quasi-municipal corporation; CITY OF LAS VEGAS, a municipal corporation; CLARK COUNTY, a political subdivision of the State of Nevada; all other persons unknown claiming any right, title, estate, lien or interest in the real property described in the Complaint; DOES I through X; and ROE CORPORATIONS XI through XX, inclusive,

Defendants.

Case No.: A-13-681632-C

Dept. No.: I

SUMMONS - CIVIL

LEACH JOHNSON SONG & GRUCHOW
8945 West Russell Road, Suite 330, Las Vegas, Nevada 89148
Telephone: (702) 538-9074 – Facsimile (702) 538-9113

LEACH JOHNSON SONG & GRUCHOW
8945 West Russell Road, Suite 330, Las Vegas, Nevada 89148
Telephone: (702) 538-9074 – Facsimile (702) 538-9113

SUMMONS - CIVIL

TO: CLARK COUNTY, a political subdivision of the State of Nevada

NOTICE! YOU HAVE BEEN SUED. THE COURT MAY DECIDE AGAINST YOU WITHOUT YOUR BEING HEARD UNLESS YOU RESPOND WITHIN 45 DAYS. READ THE INFORMATION BELOW.

TO THE DEFENDANT: A Verified Complaint in Eminent Domain (the "**Complaint**") has been filed by Plaintiff against you for the relief set forth in the Complaint.

1. If you intend to defend this lawsuit, pursuant to NRCP 12(a)(3) and NRS §37.083, within forty-five (45) days after this Summons is served on you, exclusive of the day of service, you must do the following:

   (a) File with the Clerk of this Court, whose address is shown below, a formal written response to the Complaint in accordance with the rules of the Court, with the appropriate filing fee.

   (b) Serve a copy of your response upon the attorney whose name and address is shown below.

2. Unless you respond within forty-five (45) days after this Summons is served on you exclusive of the date of service, Plaintiff will be entitled to a judgment of condemnation by default.

3. If you intend to seek the advice of any attorney in this matter, you should do so promptly so that your response may be filed on time.

Issued at direction of:

LEACH JOHNSON SONG & GRUCHOW

By: _____ 5/21/13
KIRBY C. GRUCHOW, JR., ESQ.
Nevada Bar No. 6663
MICHAEL W. MCKELLEB, ESQ.
Nevada Bar No. 12040
8945 West Russell Road, Suite 330
Las Vegas, Nevada 89148
Phone: (702) 538-9074
Attorneys for Plaintiff Nevada Power Company d/b/a NV Energy

CLERK OF THE COURT

By: _____ MAY 21 2013
WALTER ARREGUI-ROMILLA
Deputy Clerk Date
Regional Justice Center
200 Lewis Avenue
Las Vegas, Nevada 89155

NOTE: When service is by publication, add a brief statement of the object of the action. See Nevada Rules of Civil Procedure 4(b).

LEACH JOHNSON SONG & GRUCHOW
8945 West Russell Road, Suite 330, Las Vegas, Nevada 89148
Telephone: (702) 538-9074 -- Facsimile (702) 538-9113

AFFIDAVIT OF SERVICE

STATE OF Nevada)
) ss.
COUNTY OF Clark)

Leo Sec Graham, being duly sworn says: That all times herein affiant was and is a citizen of the United States, over 18 years of age, not a party to or interested in the proceeding in which this affidavit is made. That affiant received copies of the **Summons, Verified Complaint in Eminent Domain, Motion for Immediate Occupancy and Notice of Lis Pendens** on the 22nd day of May, 2013, and served the same on the 23rd day of May, 2013, by:

(affiant must complete the appropriate paragraph)

1. Delivering and leaving a copy with the defendant **CLARK COUNTY**, at (state address) _____

2. Serving the defendant **CLARK COUNTY**, by personally delivering and leaving a copy with _____, a person of suitable age and discretion residing at the defendant's usual place of abode located at (state address) _____

[Use paragraph 3 for service upon agent, completing (a) or (b)]

3. Serving the defendant **CLARK COUNTY** by personally delivering and leaving a copy at 500 South Grand Central Parkway, 6th Floor, Las Vegas, Nevada 89155

(a) with Clark County Board of Commissioners, as _____, an agent lawfully designated by statute to accept service of process;

(b) with _____, pursuant to NRS 14.020 as a person of suitable age and discretion at the above address, which address is the address of the resident agent as shown on the current certificate of designation filed with the Secretary of State.

4. Personally delivering a copy in a mail box of the United States Post Office, enclosed in a sealed envelope postage prepaid (check appropriate method):

_____ ordinary mail

_____ certified mail, return receipt requested

_____ registered mail, return receipt requested

addressed to the defendant **CLARK COUNTY** at the defendant's last known address which is _____ (state address).

SUBSCRIBED and SWORN to
before me this 29th day of May, 2013 by Leo Sec Graham

NOTARY PUBLIC in and for said
County and State
My commission expires: 8/16/16
(SEAL)

Signature of person making service

JULIA L. GURL
NOTARY PUBLIC
STATE OF NEVADA
My Commission Expires: 08-18-16
Certificate No: 08-7087-1

ORIGINAL

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CLERK OF THE COURT

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06/06/2013 02:13:46 PM

CLERK OF THE COURT

SUMM
LEACH JOHNSON SONG & GRUCHOW
KIRBY C. GRUCHOW, JR., ESQ.
Nevada Bar No. 6663
MICHAEL W. MCKELLEB, ESQ.
Nevada Bar No. 12040
8945 West Russell Road, Suite 330
Las Vegas, Nevada 89148
Telephone: (702) 538-9074
Facsimile: (702) 538-9113

Attorneys for Plaintiff

DISTRICT COURT

CLARK COUNTY, NEVADA

NEVADA POWER COMPANY, a Nevada corporation, d/b/a NV ENERGY,

Plaintiff,

vs.

HQ METRO, LLC, an Arizona limited liability company; LAS VEGAS METROPOLITAN POLICE DEPARTMENT, a metropolitan police department; PROJECT ALTA, LLC, a Nevada limited liability company; PROJECT ALTA II, LLC, a Nevada limited liability company; PROJECT ALTA III, LLC, a Nevada limited liability company; PROJECT ALTA LIQUIDATING TRUST U/A/D 12/31/09, by and through MARK L. FINE & ASSOCIATES, a Nevada corporation, individually and as Trustee; WELLS FARGO BANK, NATIONAL ASSOCIATION, a Delaware corporation; NEVADA TITLE COMPANY, a Nevada corporation; CENTRAL TELEPHONE COMPANY, a Delaware corporation; COX COMMUNICATIONS LAS VEGAS, INC., a Delaware corporation; LAS VEGAS VALLEY WATER DISTRICT, a quasi-municipal corporation; CITY OF LAS VEGAS, a municipal corporation; CLARK COUNTY, a political subdivision of the State of Nevada; all other persons unknown claiming any right, title, estate, lien or interest in the real property described in the Complaint; DOES I through X; and ROE CORPORATIONS XI through XX, inclusive.

Defendants.

Case No.: A-13-681632-C

Dept. No.: I

SUMMONS - CIVIL

LEACH JOHNSON SONG & GRUCHOW
8945 West Russell Road, Suite 330, Las Vegas, Nevada 89148
Telephone: (702) 538-9074 – Facsimile (702) 538-9113

LEACH JOHNSON SONG & GRUCHOW
8945 West Russell Road, Suite 330, Las Vegas, Nevada 89148
Telephone: (702) 538-9074 -- Facsimile (702) 538-9113

SUMMONS - CIVIL

TO: PROJECT ALTA, LLC, a Nevada limited liability company

NOTICE! YOU HAVE BEEN SUED. THE COURT MAY DECIDE AGAINST YOU WITHOUT YOUR BEING HEARD UNLESS YOU RESPOND WITHIN 30 DAYS. READ THE INFORMATION BELOW.

TO THE DEFENDANT: A Verified Complaint in Eminent Domain (the "**Complaint**") has been filed by Plaintiff against you for the relief set forth in the Complaint.

1. If you intend to defend this lawsuit, pursuant to NRCP 12(a), and NRS §§37.075 and 37.083, within thirty (30) days after this Summons is served on you, exclusive of the day of service, you must do the following:

   (a) File with the Clerk of this Court, whose address is shown below, a formal written response to the Complaint in accordance with the rules of the Court, with the appropriate filing fee.

   (b) Serve a copy of your response upon the attorney whose name and address is shown below.

2. Unless you respond within thirty (30) days after this Summons is served on you exclusive of the date of service, Plaintiff will be entitled to a judgment of condemnation by default.

3. If you intend to seek the advice of any attorney in this matter, you should do so promptly so that your response may be filed on time.

Issued at direction of:

LEACH JOHNSON SONG & GRUCHOW

By: _____ 5/21/13
KIRBY C. GRUCHOW, JR., ESQ.
Nevada Bar No. 6663
MICHAEL W. MCKELLEB, ESQ.
Nevada Bar No. 12040
8945 West Russell Road, Suite 330
Las Vegas, Nevada 89148
Phone: (702) 538-9074
Attorneys for Plaintiff Nevada Power Company d/b/a NV Energy

CLERK OF THE COURT

By: _____ MAY 21 2013
WALTER ABREGO-BONILLA
Deputy Clerk Date
Regional Justice Center
200 Lewis Avenue
Las Vegas, Nevada 89155

NOTE: When service is by publication, add a brief statement of the object of the action. See Nevada Rules of Civil Procedure 4(b).

LEACH JOHNSON SONG & GRUCHOW
8945 West Russell Road, Suite 330, Las Vegas, Nevada 89148
Telephone: (702) 538-9074 - Facsimile (702) 538-9113

AFFIDAVIT OF SERVICE

STATE OF Nevada)
) ss.
COUNTY OF Clark)

Jessica Graham, being duly sworn says: That at all times herein affiant was and is a citizen of the United States, over 18 years of age, not a party to or interested in the proceeding in which this affidavit is made. That affiant received copies of the **Summons, Verified Complaint in Eminent Domain, Motion for Immediate Occupancy and Notice of Lis Pendens** on the 22nd day of May, 2013, and served the same on the 23rd day of May, 2013, by:

(affiant must complete the appropriate paragraph)

1. Delivering and leaving a copy with the defendant **PROJECT ALTA, LLC**, at (state address) _____

2. Serving the defendant **PROJECT ALTA, LLC**, by personally delivering and leaving a copy with _____, a person of suitable age and discretion residing at the defendant's usual place of abode located at (state address) _____

[Use paragraph 3 for service upon agent, completing (a) or (b)]

3. Serving the defendant **PROJECT ALTA, LLC** by personally delivering and leaving a copy at 330 South Rancho Drive, Las Vegas, Nevada 89106

(a) with _____ as _____, an agent lawfully designated by statute to accept service of process;

(b) with Jessica Graham, pursuant to NRS 14.020 as a person of suitable age and discretion at the above address, which address is the address of the resident agent as shown on the current certificate of designation filed with the Secretary of State.

4. Personally delivering a copy in a mail box of the United States Post Office, enclosed in a sealed envelope postage prepaid (check appropriate method):

_____ ordinary mail

_____ certified mail, return receipt requested

_____ registered mail, return receipt requested

addressed to the defendant **PROJECT ALTA, LLC** at the defendant's last known address which is _____ (state address).

SUBSCRIBED and SWORN to
before me this 24th day of May, 2013 by Jessica Graham

NOTARY PUBLIC in and for said
County and State
My commission expires: 2-16-16
(SEAL)

Signature of person making service

JULIA L. GUILL
NOTARY PUBLIC
STATE OF NEVADA
My Commission Expires: 02-16-16
Certificate No: 08-7987-1

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CLERK OF THE COURT

ANSC
Matthew C. Addison, Esq. (NSBN 4201)
McDonald Carano Wilson LLP
100 W. Liberty Street, Tenth Floor
Reno, NV 89501
Telephone: (775) 788-2000
Facsimile: (775) 788-2020
maddison@mcdonaldcarano.com
Attorneys for Defendant
Central Telephone Company

DISTRICT COURT

CLARK COUNTY NEVADA

NEVADA POWER COMPANY, a Nevada corporation, d/b/a NV ENERGY,

Plaintiff,

vs.

HQ METRO, LLC, an Arizona limited liability company; LAS VEGAS METROPOLITAN POLICE DEPARTMENT, a metropolitan police department; PROJECT ALTA, LLC, a Nevada limited liability company; PROJECT ALTA II, LLC, a Nevada limited liability company; PROJECT ALTA III, LLC, a Nevada limited liability company; MARK L. FINE & ASSOCIATES, a Nevada corporation, individually and as Trustee; WELLS FARGO BANK, NATIONAL ASSOCIATION, a Delaware corporation; NEVADA TITLE COMPANY, a Nevada corporation; CENTRAL TELEPHONE COMPANY, a Delaware corporation; COX COMMUNICATIONS LAS VEGAS, INC., a Delaware corporation; LAS VEGAS VALLEY WATER DISTRICT, a quasi-municipal corporation; CITY OF LAS VEGAS, a municipal corporation; CLARK COUNTY, a political subdivision of the State of Nevada; all other persons unknown claiming any right, title, estate, lien or interest in the real property described in the Complaint; DOES I through X; and ROE CORPORATIONS XI through XX, inclusive,

Defendants.
_____/

CASE NO.: A-13-681632-C

DEPT. NO.: I

CENTRAL TELEPHONE COMPANY'S ANSWER TO COMPLAINT

McDONALD CARANO WILSON

COMES NOW, Defendant, Central Telephone Company d/b/a CenturyLink ("CTC" or "Defendant"), by and through its attorney, Matthew C. Addison, Esq., of McDonald Carano Wilson LLP, and hereby responds to the Verified Complaint ("Complaint") of Plaintiff, as follows:

1. Defendant is without information or knowledge sufficient to form a belief as to the truth of the allegations contained in paragraph 1 of the Complaint and therefore denies same.

2. Defendant is without information or knowledge sufficient to form a belief as to the truth of the allegations contained in paragraph 2 of the Complaint and therefore denies same.

3. Defendant admits the allegations contained in paragraph 3 of the Complaint.

4. Defendant is without information or knowledge sufficient to form a belief as to the truth of the allegations contained in paragraph 4 of the Complaint and therefore denies same.

5. Defendant is without information or knowledge sufficient to form a belief as to the truth of the allegations contained in paragraph 5 of the Complaint and therefore denies same.

6. Defendant is without information or knowledge sufficient to form a belief as to the truth of the allegations contained in paragraph 6 of the Complaint and therefore denies same.

7. Defendant is without information or knowledge sufficient to form a belief as to the truth of the allegations contained in paragraph 7 of the Complaint and therefore denies same.

8.A. Defendant is without information or knowledge sufficient to form a belief as to the truth of the allegations contained in paragraph 8.A. of the Complaint and therefore denies same.

8.B. Defendant is without information or knowledge sufficient to form a belief as

McDONALD·CARANO·WILSON

to the truth of the allegations contained in paragraph 8.B. of the Complaint and therefore denies same.

8.C. Defendant is without information or knowledge sufficient to form a belief as to the truth of the allegations contained in paragraph 8.C. of the Complaint and therefore denies same.

8.D. Defendant is without information or knowledge sufficient to form a belief as to the truth of the allegations contained in paragraph 8.D. of the Complaint and therefore denies same.

8.E. Defendant is without information or knowledge sufficient to form a belief as to the truth of the allegations contained in paragraph 8.E. of the Complaint and therefore denies same.

8.F. Defendant is without information or knowledge sufficient to form a belief as to the truth of the allegations contained in paragraph 8.F. of the Complaint and therefore denies same.

8.G. Defendant is without information or knowledge sufficient to form a belief as to the truth of the allegations contained in paragraph 8.G. of the Complaint and therefore denies same.

8.H. Defendant is without information or knowledge sufficient to form a belief as to the truth of the allegations contained in paragraph 8.H. of the Complaint and therefore denies same.

8.I. Defendant admits the allegations contained in paragraph 8.I. of the Complaint.

8.J. Defendant is without information or knowledge sufficient to form a belief as to the truth of the allegations contained in paragraph 8.J. of the Complaint and therefore denies same.

8.K. Defendant is without information or knowledge sufficient to form a belief as to the truth of the allegations contained in paragraph 8.K. of the Complaint and therefore denies same.

McDONALD CARANO WILSON

8.L. Defendant is without information or knowledge sufficient to form a belief as to the truth of the allegations contained in paragraph 8.L. of the Complaint and therefore denies same.

8.M. Defendant is without information or knowledge sufficient to form a belief as to the truth of the allegations contained in paragraph 8.M. of the Complaint and therefore denies same.

8.N. Defendant is without information or knowledge sufficient to form a belief as to the truth of the allegations contained in paragraph 8.N. of the Complaint and therefore denies same.

9. Defendant is without information or knowledge sufficient to form a belief as to the truth of the allegations contained in paragraph 9 of the Complaint and therefore denies same.

10. Defendant is without information or knowledge sufficient to form a belief as to the truth of the allegations contained in paragraph 10 of the Complaint and therefore denies same.

11. Defendant is without information or knowledge sufficient to form a belief as to the truth of the allegations contained in paragraph 11 of the Complaint and therefore denies same.

12. Defendant admits the allegations contained in paragraph 12 of the Complaint.

13. Defendant is without information or knowledge sufficient to form a belief as to the truth of the allegations contained in paragraph 13 of the Complaint and therefore denies same.

FIRST AFFIRMATIVE DEFENSE

Defendant has the right to the relocation of its facilities, if any, and/or just compensation for the taking of its interest in the condemned property.

SECOND AFFIRMATIVE DEFENSE

Defendant reserves the right to amend its answers to the Complaint and to add

McDONALD CARANO WILSON

additional affirmative defenses based upon facts learned during discovery.

WHEREFORE, Defendant prays as follows:

1. That Plaintiff takes nothing by virtue of its Complaint on file herein, without payment of just compensation to this Answering Defendant and that the same be dismissed with prejudice;

2. For an award of attorneys' fees and costs incurred in the defense of this action; and

3. For such other and further relief as the Court deems just and proper under all the circumstances of this matter.

I hereby affirm that this document does not contain the social security number of any person.

Dated this 13th day of June, 2013.

MCDONALD CARANO WILSON LLP

By: /s/ Matthew C. Addison
Matthew C. Addison, Esq., SBN 4201
100 W. Liberty Street, Tenth Floor
Reno, NV 89501
Telephone: (775) 788-2000
Facsimile: (775) 788-2020
maddison@mcdonaldcarano.com
Attorneys for Defendant
Central Telephone Company

McDONALD CARANO WILSON LLP

CERTIFICATE OF SERVICE

Pursuant to NRCP 5(b), I certify that I am an employee of McDonald Carano Wilson LLP and that on this 13th day of June, 2013 I served the foregoing **CENTRAL TELEPHONE COMPANY'S ANSWER TO COMPLAINT** on the parties set forth below by:

X	Placing an original or true copy thereof in a sealed envelope placed for collection and mailing in the United States mail, at Reno, NV, postage prepaid, following ordinary business practices
	Legally serving via Wiznet e-mail
	Courtesy copy via Wiznet e-mail
	Personal delivery
	Facsimile (FAX)
	Federal Express or other overnight delivery
	Messenger Service

addressed as follows:

Kirby C. Gruchow, Jr., Esq.
Michael W. McKelleb, Esq.
Leach Johnson Song & Gruchow
8945 West Russell Road, Suite 330
Las Vegas, NV 89148

/s/ Nancy A. Hoy
Nancy A. Hoy

367596.1

McDONALD CARANO WILSON LLP

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CLERK OF THE COURT

ANSC
BRADFORD R. JERBIC
City Attorney
Nevada Bar No. 1056
By: PHILIP R. BYRNES
Deputy City Attorney
Nevada Bar No. 166
495 South Main Street, Sixth Floor
Las Vegas, NV 89101
(702) 229-6629
(702) 386-1749 (fax)
Email: pbyrnes@lasvegasnevada.gov
Attorneys for CITY OF LAS VEGAS

DISTRICT COURT

CLARK COUNTY, NEVADA

NEVADA POWER COMPANY, a Nevada corporation, d/b/a NV ENERGY,

Plaintiff,

vs.

HQ METRO, LLC, an Arizona limited liability company; LAS VEGAS METROPOLITAN POLICE DEPARTMENT, a metropolitan police department; PROJECT ALTA, LLC, a Nevada limited liability company; PROJECT ALTA II, LLC, a Nevada limited liability company; PROJECT ALTA III, LLC, a Nevada limited liability company; PROJECT ALTA LIQUIDATING TRUST U/A/D 12/31/09, by and through MARK E. FINE & ASSOCIATES, a Nevada corporation, individually and as Trustee; WELLS FARGO BANK, NATIONAL ASSOCIATION, a Delaware corporation; NEVADA TITLE COMPANY, a Nevada corporation; CENTRAL TELEPHONE COMPANY, a Delaware corporation; COX COMMUNICATIONS LAS VEGAS, INC., a Delaware corporation; LAS VEGAS VALLEY WATER DISTRICT, a quasi-municipal corporation; CITY OF LAS VEGAS, a municipal corporation; CLARK COUNTY, a political subdivision of the State of Nevada; all other persons unknown claiming any right title, estate, lien or interest in the real property described in the Complaint; DOES I through X; and ROE CORPORATIONS XI through XX, inclusive,

Defendants.

CASE NO. A-13-681632-C
DEPT. NO. I

CITY OF LAS VEGAS' ANSWER TO COMPLAINT IN EMINENT DOMAIN

Defendant CITY OF LAS VEGAS, through its attorneys, BRADFORD R. JERBIC, City Attorney, by PHILIP R. BYRNES, Deputy City Attorney, files its Answer to Plaintiff's Verified Complaint in Eminent Domain as follows:

1. Defendant CITY OF LAS VEGAS admits the allegations contained in Paragraph 8(L) of Plaintiff's Complaint in Eminent Domain to the extent it alleges Defendant CITY OF LAS VEGAS may have an interest in the subject property. However, the City states it does, in fact, have an interest in the acquisition area since it affirmatively alleges it is the owner of a streetlight easement [APN 139-33-202-009 (recorded September 25, 2009) with document number 20090925-02933], a pedestrian walkway easement [APN 139-33-202-009 (recorded September 25, 2009) with document number 20090925-02934], a traffic easement [APN 139-33-202-009 (recorded September 25, 2009) with document number 20090925-02935] which are currently being utilized and will be so utilized into the future.

2. Defendant CITY OF LAS VEGAS is without sufficient knowledge and information sufficient to form a belief as to the truth of the allegations contained in the remaining paragraphs of Plaintiff's Verified Complaint in Eminent Domain, and therefore denies them in their entirety.

3. Any allegations of Plaintiff's Verified Complaint in Eminent Domain which have not been expressly answered above or inadvertently omitted are hereby denied in their entirety.

DATED this 8th day of July, 2013.

BRADFORD R. JERBIC
City Attorney

By: _____
PHILIP R. BYRNES
Deputy City Attorney
Nevada Bar No. 166
495 South Main Street, Sixth Floor
Las Vegas, NV 89101
Attorneys for CITY OF LAS VEGAS

CERTIFICATE OF SERVICE

I hereby certify that on July 8, 2013, I served a true and correct copy of the foregoing CITY OF LAS VEGAS' ANSWER TO COMPLAINT IN EMINENT DOMAIN by depositing the same in the United States Mail at Las Vegas, Nevada, postage fully prepaid and addressed to:

Michael W. McKelleb, Esq.
LEACH JOHNSON SONG & GRUCHOW
8945 West Russell Road, #330
Las Vegas, NV 89148

Cindy Kelly
AN EMPLOYEE OF THE CITY OF LAS VEGAS

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CLERK OF THE COURT

ANS
STEVEN B. WOLFSON
District Attorney
CIVIL DIVISION
State Bar No. 001565
By: **LESLIE A. NIELSEN**
Deputy District Attorney
State Bar No. 002764
500 South Grand Central Pkwy.
P. O. Box 552215
Las Vegas, Nevada 89155-2215
(702) 455-4761
Fax (702) 382-5178
E-Mail: Leslie.Nielsen@ClarkCountyDA.com
Attorneys for Defendant
Clark County

DISTRICT COURT

CLARK COUNTY, NEVADA

NEVADA POWER COMPANY, a Nevada corporation d/b/a NV ENERGY,

Plaintiff,

vs.

HQ METRO, LLC, an Arizona Limited liability company; LAS VEGAS METROPOLITAN POLICE DEPARTMENT, a metropolitan police department; PROJECT ALTA, LLC, a Nevada limited liability company; PROJECT ALTA LIQUIDATING TRUST U/A/D 12/31/09, by and through MARK L. FINE & Company, a Nevada corporation, individually and as Trustee; WELLS FARGO BANK, NATIONAL ASSOCIATION, a Delaware corporation; NEVADA TITLE COMPANY, a Nevada corporation; CENTRAL TELEPHONE COMPANY, a Delaware corporation; COX COMMUNICATIONS LAS VEGAS, INC., a Delaware corporation; LAS VEGAS VALLEY WATER DISTRICT, a quasi-municipal corporation; CITY OF LAS VEGAS, a municipal corporation; CLARK COUNTY, a political subdivision of the State of Nevada; all other persons unknown claiming any right, title, estate, lien or interest in the real property

Case No: A-13-681632-C
Dept No: 28

DEFENDANT CLARK COUNTY'S ANSWER TO COMPLAINT

described in the Complaint; DOES I Through X; and ROE CORPORATIONS XI through XX, inclusive,

Defendants.

COMES NOW, Defendant, CLARK COUNTY, by and through its attorneys, STEVEN B. WOLFSON, District Attorney, by LESLIE A. NIELSEN, Deputy District Attorney, and files its Answer to Plaintiff's Verified Complaint in Eminent Domain as follows:

1. Answering the allegations contained in Paragraphs 1, 2 and 3, Defendant CLARK COUNTY admits the allegations contained therein.

2. Answering the allegations contained in Paragraphs 4, 5, 6, 7 and 13, Defendant CLARK COUNTY is without sufficient knowledge or information upon which to base a belief as to the truth of the allegations contained therein, and upon said ground, denies those allegations.

3. Answering the allegations contained in Paragraph 8(M), Defendant CLARK COUNTY admits that it is a political subdivision of the State of Nevada, and that it has an interest in the real property sought to be condemned as evidenced by, among other documents, the Memorandum of Lease and Purchase Option recorded September 2, 2009, in Book No. 20090902, as Instrument No. 0000688, of the Official Records of the Clark County Recorder. Defendant CLARK COUNTY is without sufficient knowledge or information upon which to base a belief as to the truth of the allegations contained in the remainder pf Paragraph 8, and upon said ground, denies each and every of those allegations.

4. Answering the allegations contained in Paragraph 9, Defendant CLARK COUNTY admits that the Acquisition Area is part of a larger parcel, but is without sufficient knowledge or information upon which to base a belief as to the truth of the remaining allegations, and upon said ground, denies the remaining allegations.

5. Answering the allegations contained in Paragraphs 10 and 12, these allegations constitute statements of law and/or statements of Plaintiff's intent, therefore, no answer or

denial is required. To the extent any response is required, Defendant CLARK COUNTY denies each and every allegation contained in those paragraphs.

6. Answering the allegations contained in Paragraph 11, Defendant CLARK COUNTY denies the allegations contained therein.

AFFIRMATIVE DEFENSES

1. Plaintiff has failed to state a claim upon which relief can be granted.

2. Plaintiff has failed to join a party under NRCP 19.

3. Plaintiff's claims for relief are barred, in whole or in part, by the equitable doctrines of waiver, estoppel and laches.

4. Plaintiff has failed to satisfy the conditions precedent to entry of judgment of condemnation as set forth in NRS 37.040.

5. Defendant CLARK COUNTY is entitled to compensation as allowed and required by the Federal and Nevada Constitutions and all related federal and Nevada statutes and regulations relating to the taking of the subject property, including, but not limited to, reimbursement of Defendant's relocation expenses and any damages caused by Plaintiff's interference with Defendant's operations.

6. Defendant CLARK COUNTY is entitled to recover the fair market value of its interest in the subject property.

7. The amount deposited by Plaintiff with the Court is insufficient to compensate all Defendants for the value of the subject property, plus damages.

8. Defendant CLARK COUNTY alleges that the fair market value of its interest in the subject real property has yet to be ascertained, and Defendant CLARK COUNTY therefore requests that compensation be determined and awarded according to law.

9. All possible affirmative defenses may not have been alleged herein insofar as sufficient facts were not available after reasonable inquiry upon the filing of this Answer and, therefore, Defendant CLARK COUNTY reserves all rights to amend this Answer and to allege additional affirmative defenses if subsequent investigation so warrants.

WHEREFORE, having fully answered the Complaint, Defendant CLARK COUNTY respectfully demands judgment in its favor as follows:

A. If the Court determines that Plaintiff is entitled to take the subject property by eminent domain, Defendant CLARK COUNTY be awarded damages, including, but not limited to, the costs and expenses associated with any damages caused by Plaintiff's project.

B. Defendant CLARK COUNTY be awarded interest, its costs of suit herein incurred, and attorney's fees reasonably incurred in the defense of Plaintiff's action.

C. For such other and further relief as the Court may deem just and proper.

DATED this 8th day of July, 2013.

STEVEN B. WOLFSON
DISTRICT ATTORNEY

By: Leslie A. Nielsen
LESLIE A. NIELSEN
District Attorney
State Bar No. 002764
500 South Grand Central Pkwy. 5th Flr.
P. O. Box 552215
Las Vegas, Nevada 89155-2215
Attorney for Defendant
Clark County

CERTIFICATE OF MAILING

I hereby certify that on the 8th day of July, 2013, I mailed a copy of the foregoing Defendant Clark County's Answer to Complaint in a sealed envelope, to the following counsel of record and that postage was fully prepaid thereon:

Kirby C. Gruchow, Esq.
Michael W. McKeller, Esq.
Leach Johnson Song & Gruchow
8945W. Russell Road, Suite 330
Las Vegas, NV 89148
Attorneys for Plaintiff Nevada Power Company d/b/a NV Energy

Brian C. Padgett, Esq.
Law Offices of Brian C. Padgett
611 South Sixth Street
Las Vegas, NV 89101
Attorney for Defendant HQ Metro, LLC

Michael D. Rawlins, Esq.
Bradley S. Slighting, Esq.
Durham Jones & Pinegar, P.C.
10785 West Twain Avenue, Suite 200
Las Vegas, NV 89135
Attorneys for Defendant Las Vegas Metropolitan Police Department

An Employee of the Clark County District Attorney's Office – Civil Division

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CLERK OF THE COURT

ANSW
MICHAEL RAWLINS, ESQ.
Nevada Bar No. 5467
BRADLEY S. SLIGHTING, ESQ.
Nevada Bar No. 10225
DURHAM JONES & PINEGAR
10785 W. Twain Ave., Suite 200
Las Vegas, Nevada 89135
Telephone: (702) 870-6060
Facsimile: (702) 870-6090
mrawlins@djplaw.com
bslighting@djplaw.com
Attorneys for Las Vegas Metropolitan Police Dept.

DISTRICT COURT
CLARK COUNTY, NEVADA

NEVADA POWER COMPANY, a Nevada corporation, d/b/a NV ENERGY,

Plaintiff,

vs.

HQ METRO, LLC, an Arizona limited liability company; LAS VEGAS METROPOLITAN POLICE DEPARTMENT, a metropolitan police department; PROJECT ALTA, LLC, a Nevada limited liability company; PROJECT ALTA II, LLC, a Nevada limited liability company; PROJECT ALTA III, LLC, a Nevada limited liability company; PROJECT ALTA LIQUIDATING TRUST U/A/D 12/31/09, by and through MARK L. FINE & ASSOCIATES, a Nevada corporation, individually and as Trustee; WELLS FARGO BANK, NATIONAL ASSOCIATION, a Delaware corporation; NEVADA TITLE COMPANY, a Nevada corporation; CENTRAL TELEPHONE COMPANY, a Delaware corporation; COX COMMUNICATIONS LAS VEGAS, INC., a Delaware corporation; LAS VEGAS VALLEY WATER DISTRICT, a quasi-municipal corporation; CITY OF LAS VEGAS, a municipal corporation; CLARK COUNTY, a political subdivision of the State of Nevada; all other persons unknown claiming any right, title, estate, lien or interest in the real property described in the Complaint; DOES I through X; and ROE CORPORATIONS XI through XX, inclusive,

Defendants.

Case No.: A-13-681632-C

Dept. No.: XXVIII

ANSWER OF LAS VEGAS METROPOLITAN POLICE DEPARTMENT

Las Vegas Metropolitan Police Department ("Metro"), through its undersigned counsel, answers PLAINTIFF'S VERIFIED COMPLAINT IN EMINENT DOMAIN as follows:

1. Metro lacks knowledge or information sufficient to form a belief as to the truth of the allegations in paragraphs 1, 2, 4, 5, 6, 7, 8A, 8C, 8D, 8E, 8F, 8G, 8H, 8I, 8J, 8K, 8L, 8M, 8N, 9, 11, and 13, and therefore denies each of those allegations.

2. Metro admits the allegations of paragraphs 3 and 8B.

3. Paragraphs 10 and 12 call for legal conclusions, and Metro denies those allegations to the extent they are incomplete or inconsistent with controlling law.

4. Except as expressly admitted above, Metro denies each of the allegations of Plaintiff's Verified Complaint in Eminent Domain.

AFFIRMATIVE DEFENSES

1. Metro is entitled to just compensation for any taking of its property.

2. To the extent the property sought to be taken is not for necessary for a public use and a more necessary public use than that to which it has been already appropriated, plaintiff has failed to state a claim upon which relief can be granted.

3. To the extent the property sought to be taken has not been located in the manner most compatible with the greatest public good and the least private injury, plaintiff has failed to state a claim upon which relief can be granted.

WHEREFORE, Las Vegas Metropolitan Police Department prays as follows:

1. That Plaintiff take nothing by way of its complaint;

2. For just compensation;

3. For an award of attorneys' fees and costs incurred in the defense of this action;

///

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///

///

4. For such other and further relief the Court deems proper.

DURHAM JONES & PINEGAR, PC

By: _____
MICHAEL D. RAWLINS, ESQ.

Attorneys for Defendant, Las Vegas Metropolitan Police Department

CERTIFICATE OF SERVICE

I certify that on July 9, 2013, a copy of the foregoing **ANSWER OF LAS VEGAS METROPOLITAN POLICE DEPARTMENT** was delivered to the following by:

[ ] Hand Delivery

[X] Facsimile

[X] U.S. Mail, postage prepaid

[ ] Federal Express

[ ] Certified Mail, Receipt No. ____, return receipt requested

[ ] Email/Electronic Delivery

Kirby C. Gruchow, Jr. Esq.
Michael W. McKelleb, Esq.
LEACH JOHNSON SONG & GRUCHOW
8945 West Russell Road, Suite 330
Las Vegas, Nevada 89148
702.538.9113 Fax
Attorneys for Plaintiff Nevada Power Company d/b/a NV Energy

Brian C. Padgett, Esq.
LAW OFFICES OF BRAIN C. PADGETT
611 South Sixth Street
Las Vegas, Nevada 89101
702.368.0123 Fax
Attorneys for Defendant HQ Metro, LLC

Leslie A. Nielsen, Esq.
Laura C. Rehfeldt, Esq.
OFFICE OF THE DISTRICT ATTORNEY
CIVIL DIVISION
500 South Grand Central Parkway
P.O. Box 552215
Las Vegas, Nevada 89155
702.382.5178 Fax
Attorney for Defendant Clark County

Matthew C. Addison, Esq.
McDONALD CARANO WILSON LLP
100 W. Liberty Street, Tenth Floor
Reno, Nevada 89501
775.788.2020 Fax
Attorneys for Defendant Central Telephone Company

Cindy Simmons
An Employee of Durham Jones & Pinegar, P.C.

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CLERK OF THE COURT

AACC
LAW OFFICES OF BRIAN C. PADGETT
Brian C. Padgett, Bar No. 7474
Amy L. Sugden, Bar No. 9983
John P. Shannon, Of Counsel, Bar No. 7906
611 South Sixth Street
Las Vegas, Nevada 89101
Telephone: (702) 304-0123
Facsimile: (702) 368-0123

Attorneys for Plaintiffs HQ Metro, LLC Project Alta, LLC, Project Alta II, LLC, Project Alta III, LLC, Project Alta Liquidating Trust U/A/D 12/31/09, Wells Fargo Bank, N.A., as trustee

DISTRICT COURT

CLARK COUNTY, NEVADA

*****

NEVADA POWER COMPANY, a Nevada corporation d/b/a NV ENERGY,

Plaintiff

vs.

HQ METRO, LLC, an Arizona limited liability company; LAS VEGAS METROPOLITAN POLICE DEPARTMENT, a metropolitan police department; PROJECT ALTA, LLC, a Nevada limited liability company; PROJECT ALTA II, LLC, a Nevada limited liability company; PROJECT ALTA III, LLC, a Nevada limited liability company; PROJECT ALTA LIQUIDATING TRUST U/A/D 12/31/09, by and through MARK L. FINE & ASSOCIATES, a Nevada corporation, individually and as Trustee; WELLS FARGO BANK, NATIONAL ASSOCIATION, a Delaware corporation; NEVADA TITLE COMPANY, a Nevada corporation; CENTRAL TELEPHONE COMPANY, a Delaware corporation; COX COMMUNICATIONS LAS VEGAS, INC., a Delaware corporation; LAS VEGAS VALLEY WATER DISTRICT, a quasi-municipal corporation; CITY OF LAS VEGAS, a municipal corporation; CLARK COUNTY, a political subdivision of the State of Nevada; all other persons unknown claiming any right, title, estate, lien or interest in the real property described in the Complaint; DOES I through X; and ROE CORPORATIONS XI through XX, inclusive

Defendants.

Case No.: A-13-681632-C

Dept. No.: I

DEFENDANTS HQ METRO, LLC, PROJECT ALTA, LLC, PROJECT ALTA II, LLC, PROJECT ALTA III, LLC , PROJECT ALTA LIQUIDATING TRUST U/A/D 12/31/09 BY AND THRU MARK L. FINE & ASSOCIATES, AND WELLS FARGO BANK, NATIONAL ASSOCIATION, AS TRUSTEE'S ANSWER TO PLAINTIFF'S VERIFIED COMPLAINT IN EMINENT DOMAIN; DEFENDANT HQ METRO, LLC'S COUNTERCLAIMS

Arbitration Exempt:
Action Concerning Title To Real Property

LAW OFFICES OF BRIAN C. PADGETT
611 SOUTH 6TH STREET
LAS VEGAS, NEVADA 89101
PHONE (702) 304-0123
FACSIMILE (702) 368-0123

LAW OFFICES OF BRIAN C. PADGETT
611 SOUTH 6TH STREET
LAS VEGAS, NEVADA 89101
PHONE (702) 304-0123
FACSIMILE (702) 368-0123

DEFENDANTS HQ METRO, LLC, PROJECT ALTA, LLC, PROJECT ALTA II, LLC, PROJECT ALTA III, LLC , PROJECT ALTA LIQUIDATING TRUST U/A/D 12/31/09 BY AND THRU MARK L. FINE & ASSOCIATES, AND WELLS FARGO BANK, NATIONAL ASSOCIATION, AS TRUSTEE'S ANSWER TO PLAINTIFF'S VERIFIED COMPLAINT IN EMINENT DOMAIN; DEFENDANT HQ METRO, LLC'S COUNTERCLAIMS

COMES NOW DEFENDANTS HQ METRO, LLC (hereinafter referred to as the "Landowner"), PROJECT ALTA, LLC; PROJECT ALTA II, LLC; PROJECT ALTA III, LLC; PROJECT ALTA LIQUIDATING TRUST U/A/D 12/31/09 BY AND THRU MARK L. FINE & ASSOCIATES, and WELLS FARGO BANK, NATIONAL ASSOCIATION, AS TRUSTEE (collectively referred to as "Defendants") by and through their attorneys, the Law Offices of Brian C. Padgett, and for their Answer to Plaintiff's Verified Complaint in Eminent Domain ("Complaint"), answer and aver as follows:

1. Answering Paragraphs 1, 2, 3, 4, 5, 6, 7, 8H, 8I, 8J, 8K, 8L, 8M, 8N, 9, 10, and 11 of Plaintiff's Complaint, the Defendants are without sufficient information and/or knowledge upon which to form a reasonable belief as to the allegations in this paragraph and therefore deny the same.

2. Answering Paragraph 8A of Plaintiff's Complaint, Defendants admit that HQ Metro, LLC is the record owner of the Acquisition Area; as to the remainder of the paragraph, Defendants are without sufficient information and/or knowledge upon which to form a reasonable belief as to any remaining allegations in this paragraph and therefore deny the same.

3. Answering Paragraph 8B of the Plaintiff's Complaint, Defendants admit that Las Vegas Metropolitan Police Department has an interest in the Property pursuant to an unrecorded lease; as to the remainder of the paragraph, Defendants are without sufficient information and/or knowledge upon which to form a reasonable belief as to any remaining allegations in this paragraph and therefore deny the same.

4. Answering Paragraph 8C of Plaintiff's Complaint, Defendants admit that Project Alta, LLC, a Nevada limited liability company, has an interest in the Property; as to the remainder of this paragraph, Defendants are without sufficient information and/or knowledge

upon which to form a reasonable belief as to the remaining allegations in this paragraph and therefore deny the same.

5. Answering Paragraph 8D of Plaintiff's Complaint, Defendants admit that Project Alta II, LLC, a Nevada limited liability company, has an interest in the Property; as to the remainder of this paragraph, Defendants are without sufficient information and/or knowledge upon which to form a reasonable belief as to the remaining allegations in this paragraph and therefore deny the same.

6. Answering Paragraph 8E of Plaintiff's Complaint, Defendants admit that Project Alta III, LLC, a Nevada limited liability company, has an interest in the Property; as to the remainder of this paragraph, Defendants are without sufficient information and/or knowledge upon which to form a reasonable belief as to the remaining allegations in this paragraph and therefore deny the same.

7. Answering Paragraph 8F of Plaintiff's Complaint, Defendants admit that Project Alta Liquidating Trust U/A/D 12/31/09, by and through Mark L. Fine & Associates, a Nevada corporation, has an interest in the Property; as to the remainder of this paragraph, Defendants are without sufficient information and/or knowledge upon which to form a reasonable belief as to the remaining allegations in this paragraph and therefore deny the same.

8. Answering Paragraph 8G of Plaintiff's Complaint, Defendants admit that Wells Fargo Bank, National Association, as trustee, has an interest in the Property; as to the remainder of this paragraph, Defendants are without sufficient information and/or knowledge upon which to form a reasonable belief as to the remaining allegations in this paragraph and therefore deny the same.

9. Answering Paragraphs 10, 12 and 13 of Plaintiff's Complaint, the allegations in these paragraphs call for legal conclusions and therefore no response is necessary; to the extent the allegations in these paragraphs are factual allegations, the Defendants are without sufficient information and/or knowledge upon which to form a reasonable belief as to the remaining allegations in this paragraph and therefore deny the same.

LAW OFFICES OF BRIAN C. PADGETT
611 SOUTH 6TH STREET
LAS VEGAS, NEVADA 89101
PHONE (702) 304-0123
FACSIMILE (702) 368-0123

LAW OFFICES OF BRIAN C. PADGETT
611 SOUTH 6TH STREET
LAS VEGAS, NEVADA 89101
PHONE (702) 304-0123
FACSIMILE (702) 368-0123

AFFIRMATIVE DEFENSES

FIRST AFFIRMATIVE DEFENSE

Plaintiff's Complaint fails to state a claim upon which relief can be granted and/or fails to state ultimate facts sufficient to constitute a claim for relief against these Defendants.

SECOND AFFIRMATIVE DEFENSE

Plaintiff's claims are barred by the doctrines of laches, waiver and estoppel.

THIRD AFFIRMATIVE DEFENSE

Plaintiff has failed to join all parties that are necessary and/or indispensable to this action.

FOURTH AFFIRMATIVE DEFENSE

These Defendants hereby incorporate by reference those Affirmative Defenses enumerated in NRCP 8(c) as if fully set forth herein. Some of the foregoing Affirmative Defenses have been pled for purposes of non-waiver in accordance with NRCP 8(c). These Defendants have not fully conducted discovery in this matter and specifically reserve the right to amend this Answer to amend their Affirmative Defenses and/or allege additional Affirmative Defenses if further investigation or discovery of the facts so warrants.

FIFTH AFFIRMATIVE DEFENSE

Pursuant to NRCP 11, all possible Affirmative Defenses may not have been alleged herein insofar as sufficient facts are not available after reasonable inquiry upon the filing of this Answer, and therefore these Defendants reserve the right to amend this Answer to amend its Affirmative Defenses and/or allege additional Affirmative Defenses if further investigation or discovery of the facts so warrants.

WHEREFORE, these Defendants pray that this Honorable Court enter an order and/or judgment as follows:

1. An award of just compensation according to proof for the taking and/or damaging of their real and/or personal property, or property rights, by inverse condemnation,

2. An award for precondemnation damages;

3. An award for any and all other category of damages recognized by law;

4. Attorney fees, litigation costs, and expert/appraisal fees actually or reasonably incurred in this action;

5. An award for prejudgment interest; and

6. Such other relief as this Court deems just and proper.

DEFENDANT HQ METRO, LLC'S COUNTERCLAIMS

Defendant HQ METRO, LLC, (hereinafter the "Landowner") by and through their attorneys, the LAW OFFICES OF BRIAN C. PADGETT, as and for its Counterclaims allege as follows:

1. Plaintiff, Nevada Power Company d/b/a NV Energy (hereinafter "NV Energy") is a Nevada corporation, having its principal place of business in the County of Clark, State of Nevada, and operating as a public utility under an exclusive franchise granted by the State of Nevada.

2. At all times herein alleged, Landowner was the owner in fee simple of property situated in the City of Las Vegas, County of Clark, State of Nevada, more fully described in the Plaintiff's Complaint in this action. The property is identified as Assessor's parcel number is 139-33-202-009. This property is hereinafter referred to as the "Landowner's Property" or the "Property".

3. Nevada law requires a condemnor to file a condemnation action within a reasonable time once the condemnor officially announces its intent to acquire property. Any delay beyond this reasonable time entitles the owner of the property to damages to his property which result from the unreasonable delay.

LAW OFFICES OF BRIAN C. PADGETT
611 SOUTH 6TH STREET
LAS VEGAS, NEVADA 89101
PHONE (702) 304-0123
FACSIMILE (702) 368-0123

LAW OFFICES OF BRIAN C. PADGETT
611 SOUTH 6TH STREET
LAS VEGAS, NEVADA 89101
PHONE (702) 304-0123
FACSIMILE (702) 368-0123

4. Six months is a reasonable time within which to file a condemnation action once a condemnor officially announces its intent to acquire property.

5. In this case, Plaintiff unreasonably delayed filing its condemnation complaint.

6. As a result of the Plaintiff's unreasonable delay the Landowner has suffered damages to which it is entitled in addition to pre-judgment interest and compensation for the property taken, and the resultant damage to the Landowner's remaining Property.

7. Based upon information and belief, the Plaintiff's construction project adjacent to the Landowner's Property will occur over an extended period of time which is presently unknown.

8. A cloud which will negatively affect the value of the Landowner's Property will be placed over the Landowner's Property during this construction period or construction delay.

9. This cloud over the Landowner's Property resulting from the Plaintiff's construction project reduces the appeal of the Property to prospective buyers, lowers the market value of the Property, freezes the development potential and investment value of the Property, and creates a real and present taking and/or damage to the Property.

10. The Plaintiff is required to pay just compensation for this taking and/or all resultant damages to the Landowner's Property from this acquisition pursuant to the Nevada State Constitution and the United States Constitution.

11. The Plaintiff, however, has declined to pay just compensation for the damages suffered by the Landowner for the delay, taking and damaging of its Property.

WHEREFORE, the Landowner prays for:

1. An award of just compensation according to proof for the taking and/or damaging of their real and/or personal property, or property rights, by inverse condemnation,
2. An award for precondemnation damages;

3. An award for any and all other category of damages recognized by law;

4. Attorney fees, litigation costs, and expert/appraisal fees actually or reasonably incurred in this action;

5. An award for prejudgment interest; and

6. Such other relief as this Court deems just and proper.

DATED this 9th day of July, 2013.

LAW OFFICES OF BRIAN C. PADGETT

Brian C. Padgett
Nevada Bar No. 7[illegible]4
Amy L. Sugden
Nevada Bar No. 9983

Attorneys for Defendants HQ Metro, LLC Project Alta, LLC, Project Alta II, LLC, Project Alta III, LLC, Project Alta Liquidating Trust U/A/D 12/31/09, Wells Fargo Bank, N.A., as trustee

LAW OFFICES OF BRIAN C. PADGETT
611 SOUTH 6TH STREET
LAS VEGAS, NEVADA 89101
PHONE (702) 304-0123
FACSIMILE (702) 368-0123

LAW OFFICES OF BRIAN C. PADGETT
611 SOUTH 6TH STREET
LAS VEGAS, NEVADA 89101
PHONE (702) 304-0125
FACSIMILE (702) 368-0125

VERIFICATION

STATE OF NEVADA)
) :ss
COUNTY OF CLARK)

E. Joe Cain, as Vice President of Mark L. Fine & Associates, LLC, being first duly sworn, upon oath, deposes and says: that he has read the foregoing, **DEFENDANTS HQ METRO, LLC, PROJECT ALTA, LLC, PROJECT ALTA II, LLC, PROJECT ALTA III, LLC, PROJECT ALTA LIQUIDATING TRUST U/A/D 12/31/09, AND WELL FARGO BANK'S ANSWER TO PLAINTIFF'S VERIFIED COMPLAINT IN EMINENT DOMAIN AND DEFENDANT HQ METRO, LLC'S COUNTERCLAIMS** and knows the contents thereof; that the same is true of his own knowledge, except as to those matters stated on information and belief, and as to those matters he believes them to be true.

I declare under penalty of perjury under the laws of the State of Nevada that the foregoing is true and correct.

Executed this 8th day of July, 2013.

Name: _____
Title: Vice President

SUBSCRIBED and SWORN to before me
this 8th day of July, 2013.

LISA HOLDING
NOTARY PUBLIC
STATE OF NEVADA
Non Resident
Appt. No. 04-88200-1
MY APPT. EXPIRES MAY 11, 2015

_____
NOTARY REPUBLIC, in and for the
County of Clark, State of Nevada

LAW OFFICES OF BRIAN C. PADGETT
611 SOUTH 6TH STREET
LAS VEGAS, NEVADA 89101
PHONE (702) 304-0123
FACSIMILE (702) 368-0123

VERIFICATION

STATE OF CALIFORNIA)
) :ss
COUNTY OF LOS ANGELES)

Kathryn Valdivia, a vice president in the Corporate Trust Services department of defendant Wells Fargo Bank, National Association, as trustee ("Wells Fargo Bank"), being first duly sworn, upon oath, deposes and says: that she has read the foregoing, **DEFENDANTS HQ METRO, LLC, PROJECT ALTA, LLC, PROJECT ALTA II, LLC, PROJECT ALTA III, LLC, PROJECT ALTA LIQUIDATING TRUST U/A/D 12/31/09, AND WELL FARGO BANK'S ANSWER TO PLAINTIFF'S VERIFIED COMPLAINT IN EMINENT DOMAIN AND DEFENDANT HQ METRO, LLC'S COUNTERCLAIMS** and knows the contents thereof; that the same as it relates to defendant Wells Fargo Bank is true of her own knowledge, except as to those matters stated on information and belief, and as to those matters she believes them to be true.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed this 3 day of July, 2013.

Name: _____
Title: Vice President

SUBSCRIBED and SWORN to before me
this 3 day of July, 2013.

GRACIE RUDIS CUICO
NOTARY PUBLIC - CALIFORNIA
LOS ANGELES COUNTY
COMMISSION # 1944457
MY COMM. EXPIRES JULY 16, 2015

_____
NOTARY REPUBLIC, in and for the
County of Los Angeles, State of California

LAW OFFICES OF BRIAN C. PADGETT
611 SOUTH 6TH STREET
LAS VEGAS, NEVADA 89101
PHONE (702) 304-0123
FACSIMILE (702) 368-0123

CERTIFICATE OF SERVICE/RECEIPT OF COPY

I certify that I am an employee of the Law Offices of Brian C. Padgett, and that I served the foregoing document(s): **DEFENDANT HQ METRO, LLC, PROJECT ALTA, LLC, PROJECT ALTA II, LLC, PROJECT ALTA III, LLC, PROJECT ALTA LIQUIDATING TRUST U/A/D 12/31/09, AND WELL FARGO BANK'S ANSWER TO PLAINTIFF'S VERIFIED COMPLAINT IN EMINENT DOMAIN AND DEFENDANT HQ METRO, LLC'S COUNTERCLAIMS** on the parties set forth below by:

[x] Placing an original or true copy thereof in a sealed envelope placed for collection and mailing the United States mail, at Las Vegas, Nevada, postage prepaid, following ordinary business practices.

[ ] Personal delivery

[ ] Facsimile and/or e-mail

[ ] Federal Express or other overnight delivery

[x] Odyssey E-File and Serve System

Addressed as follows:
LEACH JOHNSON SONG & GRUCHOW
Attn: Kirby Gruchow, Esq.
8945 West Russell Road, Suite 330
Las Vegas, Nevada 89148
Phone: (702) 538-9074
Attorneys for Plaintiff Nevada Power Company d/b/a NV Energy

Executed this 9th day of July, 2013.

Law Offices of Brian C. Padgett

IAFD
LAW OFFICES OF BRIAN C. PADGETT
Brian C. Padgett, Bar No. 7474
Amy L. Sugden, Bar No. 9983
John P. Shannon, Of Counsel, Bar No. 7906
611 South Sixth Street
Las Vegas, Nevada 89101
Telephone: (702) 304-0123
Facsimile: (702) 368-0123

Attorneys for Defendants HQ Metro, LLC Project Alta, LLC, Project Alta II, LLC, Project Alta III, LLC, Project Alta Liquidating Trust U/A/D 12/31/09, Wells Fargo Bank, N.A., as trustee

LAW OFFICES OF BRIAN C. PADGETT
611 SOUTH 6TH STREET
LAS VEGAS, NEVADA 89101
PHONE (702) 304-0123
FACSIMILE (702) 368-0123

DISTRICT COURT

CLARK COUNTY, NEVADA

NEVADA POWER COMPANY, a Nevada corporation d/b/a NV ENERGY,

Plaintiff

vs.

HQ METRO, LLC, an Arizona limited liability company; LAS VEGAS METROPOLITAN POLICE DEPARTMENT, a metropolitan police department; PROJECT ALTA, LLC, a Nevada limited liability company; PROJECT ALTA II, LLC, a Nevada limited liability company; PROJECT ALTA III, LLC, a Nevada limited liability company; PROJECT ALTA LIQUIDATING TRUST U/A/D 12/31/09, by and through MARK L. FINE & ASSOCIATES, a Nevada corporation, individually and as Trustee; WELLS FARGO BANK, NATIONAL ASSOCIATION, a Delaware corporation; NEVADA TITLE COMPANY, a Nevada corporation; CENTRAL TELEPHONE COMPANY, a Delaware corporation; COX COMMUNICATIONS LAS VEGAS, INC., a Delaware corporation; LAS VEGAS VALLEY WATER DISTRICT, a quasi-municipal corporation; CITY OF LAS VEGAS, a municipal corporation; CLARK COUNTY, a political subdivision of the State of Nevada; all other persons unknown claiming any right, title, estate, lien or interest in the real property described in the Complaint; DOES I through X; and ROE CORPORATIONS XI through XX, inclusive

Defendants.

Case No.: A-13-681629-C

Dept. No.: I

INITIAL APPEARANCE FEE DISCLOSURE

Arbitration Exempt: Action Concerning Title To Real Property

Pursuant to NRS Chapter 19, as amended by Senate Bill 106, filing fees are submitted for the party appearing in the above-entitled action as indicated below:

HQ Metro, LLC	$223.00
Project Alta, LLC	$ 30.00
Project Alta II, LLC	$ 30.00
Project Alta III, LLC	~~$ 30.00~~
Project Alta Liquidating Trust U/A/D 12/31/09	$ 30.00
Wells Fargo Bank, National Association	$ 30.00
TOTAL SUBMITTED: (Required)	~~$373.00~~ $343.00

DATED this 9th day of July, 2013.

LAW OFFICES OF BRIAN C. PADGETT

/s/Brian C. Padgett
Brian C. Padgett
Nevada Bar No. 7474
Amy L. Sugden
Nevada Bar No. 9983

Attorneys for Defendants HQ Metro, LLC Project Alta, LLC, Project Alta II, LLC, Project Alta III, LLC, Project Alta Liquidating Trust U/A/D 12/31/09, Wells Fargo Bank, N.A., as trustee

LAW OFFICES OF BRIAN C. PADGETT
611 SOUTH 6TH STREET
LAS VEGAS, NEVADA 89101
PHONE (702) 304-0123
FACSIMILE (702) 368-0123

ORIGINAL

ORDR
LEACH JOHNSON SONG & GRUCHOW
KIRBY C. GRUCHOW, JR., ESQ.
Nevada Bar No. 6663
MICHAEL W. MCKELLEB, ESQ.
Nevada Bar No. 12040
8945 West Russell Road, Suite 330
Las Vegas, Nevada 89148
Telephone: (702) 538-9074
Facsimile: (702) 538-9113

Attorneys for Plaintiff

APN: 139-33-202-009

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10/15/2013 09:36:00 AM

CLERK OF THE COURT

DISTRICT COURT

CLARK COUNTY, NEVADA

NEVADA POWER COMPANY, a Nevada corporation, d/b/a NV ENERGY,

Plaintiff,

vs.

HQ METRO, LLC, an Arizona limited liability company; LAS VEGAS METROPOLITAN POLICE DEPARTMENT, a metropolitan police department; PROJECT ALTA, LLC, a Nevada limited liability company; PROJECT ALTA II, LLC, a Nevada limited liability company; PROJECT ALTA III, LLC, a Nevada limited liability company; PROJECT ALTA LIQUIDATING TRUST U/A/D 12/31/09, by and through MARK L. FINE & ASSOCIATES, a Nevada corporation, individually and as Trustee; WELLS FARGO BANK, NATIONAL ASSOCIATION, a Delaware corporation; NEVADA TITLE COMPANY, a Nevada corporation; CENTRAL TELEPHONE COMPANY, a Delaware corporation; COX COMMUNICATIONS LAS VEGAS, INC., a Delaware corporation; LAS VEGAS VALLEY WATER DISTRICT, a quasi-municipal corporation; CITY OF LAS VEGAS, a municipal corporation; CLARK COUNTY, a political subdivision of the State of Nevada; all other persons unknown claiming any right, title, estate, lien or interest in the real property described in the Complaint; DOES I through X; and ROE CORPORATIONS XI through XX, inclusive,

Defendants.

Case No.: A-13-681632-C

Dept. No.: XXVIII

ORDER GRANTING IMMEDIATE OCCUPANCY PENDING ENTRY OF JUDGMENT

Date of Hearing: **October 10, 2013**

Time of Hearing: **9:00 A.M.**

LEACH JOHNSON SONG & GRUCHOW
8945 West Russell Road, Suite 330, Las Vegas, Nevada 89148
Telephone: (702) 538-9074 · Facsimile (702) 538-9113

10/15/13 (28)

ORDER GRANTING IMMEDIATE OCCUPANCY PENDING ENTRY OF JUDGMENT

Plaintiff NEVADA POWER COMPANY d/b/a NV ENERGY ("**NV Energy**"), Defendants HQ METRO, LLC, PROJECT ALTA, LLC, PROJECT ALTA II, LLC, PROJECT ALTA III, LLC, PROJECT ALTA LIQUIDATING TRUST U/A/D 12/31/09, MARK L. FINE & ASSOCIATES and WELLS FARGO BANK, N.A., LAS VEGAS METROPOLITAN POLICE DEPARTMENT, and CLARK COUNTY have entered into a Stipulation and Order for Immediate Occupancy ("**Stipulation**"), which Stipulation was presented contemporaneously with this Order for entry by the Court and has been entered by the Court.

All remaining Defendants having not filed any Opposition to NV Energy's Motion for Immediate Occupancy ("**Motion**"), pursuant to EDCR 2.20(e), and not being parties to the Stipulation, the Court hereby grants NV Energy's Motion as to all remaining Defendants pursuant to the same terms as identified in Paragraphs 1-8 of the Stipulation.

DATED this 7 day of October, 2013.

DISTRICT COURT JUDGE

Prepared and respectfully submitted by:

LEACH JOHNSON SONG & GRUCHOW

By: _____

KIRBY C. GRUCHOW, JR., ESQ.
Nevada Bar No. 6663
MICHAEL W. MCKELLEB, ESQ.
Nevada Bar No. 10240
8945 West Russell Road, Suite 330
Las Vegas, Nevada 89148
Phone: (702) 538-9074
Attorneys for Plaintiff Nevada Power Company d/b/a NV Energy

LEACH JOHNSON SONG & GRUCHOW
8945 West Russell Road, Suite 330, Las Vegas, Nevada 89148
Telephone: (702) 538-9074 – Facsimile (702) 538-9113

ORIGINAL

SAO
LEACH JOHNSON SONG & GRUCHOW
KIRBY C. GRUCHOW, JR., ESQ.
Nevada Bar No. 6663
MICHAEL W. MCKELLEB, ESQ.
Nevada Bar No. 12040
8945 West Russell Road, Suite 330
Las Vegas, Nevada 89148
Telephone: (702) 538-9074
Facsimile: (702) 538-9113

Attorneys for Plaintiff

APN: 139-33-202-009

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10/15/2013 09:34:47 AM

CLERK OF THE COURT

DISTRICT COURT

CLARK COUNTY, NEVADA

NEVADA POWER COMPANY, a Nevada corporation, d/b/a NV ENERGY,

Plaintiff,

vs.

HQ METRO, LLC, an Arizona limited liability company; LAS VEGAS METROPOLITAN POLICE DEPARTMENT, a metropolitan police department; PROJECT ALTA, LLC, a Nevada limited liability company; PROJECT ALTA II, LLC, a Nevada limited liability company; PROJECT ALTA III, LLC, a Nevada limited liability company; PROJECT ALTA LIQUIDATING TRUST U/A/D 12/31/09, by and through MARK L. FINE & ASSOCIATES, a Nevada corporation, individually and as Trustee; WELLS FARGO BANK, NATIONAL ASSOCIATION, a Delaware corporation; NEVADA TITLE COMPANY, a Nevada corporation; CENTRAL TELEPHONE COMPANY, a Delaware corporation; COX COMMUNICATIONS LAS VEGAS, INC., a Delaware corporation; LAS VEGAS VALLEY WATER DISTRICT, a quasi-municipal corporation; CITY OF LAS VEGAS, a municipal corporation; CLARK COUNTY, a political subdivision of the State of Nevada; all other persons unknown claiming any right, title, estate, lien or interest in the real property described in the Complaint; DOES I through X; and ROE CORPORATIONS XI through XX, inclusive,

Defendants.

Case No.: A-13-681632-C

Dept. No.: XXVIII

STIPULATION AND ORDER FOR IMMEDIATE OCCUPANCY

Date of Hearing: **October 10, 2013**

Time of Hearing: **9:00 A.M.**

LEACH JOHNSON SONG & GRUCHOW
8945 West Russell Road, Suite 330, Las Vegas, Nevada 89148
Telephone: (702) 538-9074 – Facsimile (702) 538-9113

10/4/13 (38)

LEACH JOHNSON SONG & GRUCHOW
8945 West Russell Road, Suite 330, Las Vegas, Nevada 89148
Telephone: (702) 538-9074 Facsimile (702) 538-9113

STIPULATION AND ORDER FOR IMMEDIATE OCCUPANCY

Plaintiff, NEVADA POWER COMPANY d/b/a NV ENERGY ("**Plaintiff**" or "**NV Energy**"), by and through its undersigned counsel, of the law firm LEACH JOHNSON SONG & GRUCHOW, Defendants HQ METRO, LLC, PROJECT ALTA, LLC, PROJECT ALTA II, LLC, PROJECT ALTA III, LLC, PROJECT ALTA LIQUIDATING TRUST U/A/D 12/31/09, MARK L. FINE & ASSOCIATES and WELLS FARGO BANK, N.A. (collectively, "**Landowner Defendants**"), by and through their undersigned counsel, of THE LAW OFFICES OF BRIAN C. PADGETT, LAS VEGAS METROPOLITAN POLICE DEPARTMENT ("**LVMPD**"), by and through its undersigned counsel, of the law firm DURHAM JONES & PINEGAR, PC, and CLARK COUNTY, by and through its undersigned counsel, hereby stipulate and agree as follows:

1. NV Energy commenced this eminent domain action to acquire certain easement interests on a portion of the property generally located at 400 South Martin L. King Boulevard, Las Vegas, Nevada 89106, and recognized by the Clark County Recorder's Office as APN 139-33-202-009 (the "**Property**").

2. In this action, NV Energy is acquiring a permanent easement on the Property (the "**PE**"), as well as a temporary construction easement on the Property (the "**TCE**") (collectively, the "**Easements**"), as identified in NV Energy's Verified Complaint in Eminent Domain ("**Complaint**") on file herein. The PE and TCE, including the legal descriptions of the area to be encumbered by the Easements (the "**Easement Areas**"), are respectively attached to NV Energy's Complaint as **Exhibits "2"** and **"3"**. The PE is attached to this Stipulation as **Exhibit "1"**.

3. The terms of the TCE, attached as **Exhibit "3"** to the Complaint, have been addressed in negotiations between the parties, which negotiations have resulted in modifications to the TCE that NV Energy will be acquiring in this action. As such, the parties stipulate that NV Energy shall amend NV Energy's Complaint to replace the TCE attached to the Complaint as **Exhibit "3"** with the modified TCE that is attached hereto as **Exhibit "2"**.

. . .

4. NV Energy requires the Easements for the public use and purpose of permitting, construction, operation and maintenance of 230kV/138kV/69kV transmission lines, and associated facilities, which will be generally located in the area of Interstate 15 and Charleston Boulevard, in the County of Clark, State of Nevada, as identified in NV Energy's Complaint (the "**Project**").

5. Pursuant to NRS 37.100(4) and NRS 37.010(1)(g), Plaintiff is acquiring the Easements for a public use for public utilities purposes.

6. Pursuant to NRS 37.100, NV Energy is hereby granted occupancy of the Easement Areas for the purposes described in paragraph 4 above.

7. Pursuant to NRS 37.100(6), this Stipulation and Order for Occupancy is conditioned upon NV Energy depositing with the Clerk of the Court the sum of TWO HUNDRED EIGHTY-ONE THOUSAND and NO/100 DOLLARS ($281,000.00) (the "**Deposit**"). Defendants do not waive and specifically retain all rights to contest the amount of compensation due for the Easements.

8. Pursuant to NRS 37.100(8), upon entry of this Stipulation and Order by the Court, Defendants herein are restrained and enjoined from hindering or interfering with the occupation and performance of the work required for the easements in and upon the Easement Areas.

9. NV Energy shall require its authorized agents, including employees and contractors, who perform work on the Property within the Easement Areas to abide by the terms of the TCE attached hereto as **Exhibit "2"**, as well as the following paragraphs:

(a) During construction, appropriate safety measures, including flaggers, will be employed in compliance with all local, state, and federal laws.

(b) Thirty (30) days prior to commencing work, unless this provision is waived by LVMPD and Landowner Defendants in writing, a designated representative of NV Energy ("**NVE Designated Representative**") shall hold a pre-construction meeting with a designated representative of LVMPD and Landowner Defendants (each, a "**Designated Representative**") to discuss the timing and sequence of construction

LEACH JOHNSON SONG & GRUCHOW
8945 West Russell Road, Suite 330, Las Vegas, Nevada 89148
Telephone: (702) 538-9074 – Facsimile (702) 538-9113

work, access, traffic controls, and restoration work.

(c) During the course of construction, NV Energy's Designated Representative shall at least on a weekly basis notify the Designated Representative of LVMPD and Landowner Defendants, by phone or e-mail of the sequence, timing, and progress of construction work, and NV Energy, LVMPD, and Landowner Defendants shall take reasonable steps to cooperate with each other to accomplish the work.

(d) No later than the pre-construction meeting described above, NV Energy shall provide LVMPD and Landowner Defendants with the identity of NV Energy's Designated Representative and his or her contact information, including mobile phone number, so that LVMPD and Landowner Defendants can reach NV Energy's Designated Representative or superintendent(s) on a 24/7 basis.

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8945 West Russell Road, Suite 330, Las Vegas, Nevada 89148
Telephone: (702) 538-9074 – Facsimile (702) 538-9113

(e) No later than the pre-construction meeting described above, LVMPD and Landowner Defendants shall provide NV Energy the identity of the Designated Representative for LVMPD and Landowner Defendants and his or her contact information, including mobile phone number, so that NV Energy can reach each Designated Representative on a 24/7 basis. Unless another Designated Representative has been identified by LVMPD, the LVMPD Designated Representative shall be Ken Thomas. Unless another Designated Representative has been identified by Landowner Defendants, the Landowner Defendants' Designated Representative shall be Joe Cain.

DATED this 1st day of ~~September~~ October, 2013.

LEACH JOHNSON SONG & GRUCHOW

By: _____
KIRBY C. GRUCHOW, JR., ESQ.
Nevada Bar No. 6663
MICHAEL W. MCKELLEB. ESQ.
Nevada Bar No. 12040
8945 West Russell Road, Suite 330
Las Vegas, Nevada 89148
Phone: (702) 538-9074
Attorneys for Plaintiff Nevada Power Company d/b/a NV Energy

DATED this 23rd day of September, 2013.

LAW OFFICES OF BRIAN C. PADGETT

By: _____
BRIAN C. PADGETT, ESQ.
Nevada Bar No. 7474
611 South Sixth Street
Las Vegas, Nevada 89101
Phone: (702) 304-0123
Attorneys for Defendants HQ Metro, LLC, Project Alta, LLC, Project Alta II, LLC, Project Alta III, LLC, Project Alta Liquidating Trust U/A/D 12/31/09, Mark L. Fine & Associates and Wells Fargo Bank, National Association

DATED this _____ day of September, 2013.

DURHAM JONES & PINEGAR, PC

By: _____
MICHAEL D. RAWLINS, ESQ.
Nevada Bar No. 5467
BRADLEY S. SLIGHTING, ESQ.
Nevada Bar No. 10225
10785 West Twain Avenue, Suite 200
Las Vegas, Nevada 89135
Phone: (702) 870-6060
Attorneys for Defendant Las Vegas Metropolitan Police Department

DATED this _____ day of September, 2013.

OFFICE OF THE DISTRICT ATTORNEY – CIVIL DIVISION

By: _____
LESLIE A. NIELSEN, ESQ.
Nevada Bar No. 2764
LAURA C. REIFFELDT, ESQ.
Nevada Bar No. 5101
500 South Grand Central Parkway
P.O. Box 552215
Las Vegas, Nevada 89155
Phone: (702) 455-4761
Attorney for Defendant Clark County

LEACH JOHNSON SONG & GRUCHOW
8945 West Russell Road, Suite 330, Las Vegas, Nevada 89148
Telephone: (702) 538-9074 – Facsimile (702) 538-9113

(c) No later than the pre-construction meeting described above, LVMPD and Landowner Defendants shall provide NV Energy the identity of the Designated Representative for LVMPD and Landowner Defendants and his or her contact information, including mobile phone number, so that NV Energy can reach each Designated Representative on a 24/7 basis. Unless another Designated Representative has been identified by LVMPD, the LVMPD Designated Representative shall be Ken Thomas. Unless another Designated Representative has been identified by Landowner Defendants, the Landowner Defendants' Designated Representative shall be Joe Cain.

DATED this 24th day of ~~September~~ October, 2013.

LEACH JOHNSON SONG & GRUCHOW

By: _____
KORY C. GRUCHOW, JR., ESQ.
Nevada Bar No. 6663
MICHAEL W. MCKELLEB, ESQ.
Nevada Bar No. 12040
8945 West Russell Road, Suite 330
Las Vegas, Nevada 89148
Phone: (702) 538-9074
Attorneys for Plaintiff Nevada Power Company d/b/a NV Energy

DATED this _____ day of September, 2013.

LAW OFFICES OF BRIAN C. PADGETT

By: _____
BRIAN C. PADGETT, ESQ.
Nevada Bar No. 7474
611 South Sixth Street
Las Vegas, Nevada 89101
Phone: (702) 304-0123
Attorneys for Defendants HQ Metro, LLC, Project Alta, LLC, Project Alta II, LLC, Project Alta III, LLC, Project Alta Liquidating Trust U/A/D 12/31/09, Mark L. Fine & Associates and Wells Fargo Bank, National Association

DATED this 24 day of September, 2013.

DURHAM JONES & PINEGAR, PC

By: _____
MICHAEL D. RAWLINS, ESQ.
Nevada Bar No. 5467
BRADLEY S. SLIGHTING, ESQ.
Nevada Bar No. 10225
10785 West Twain Avenue, Suite 200
Las Vegas, Nevada 89135
Phone: (702) 870-6060
Attorneys for Defendant Las Vegas Metropolitan Police Department

DATED this _____ day of September, 2013.

OFFICE OF THE DISTRICT ATTORNEY – CIVIL DIVISION

By: _____
LESLIE A. NIELSEN, ESQ.
Nevada Bar No. 2764
LAURA C. REHFELDT, ESQ.
Nevada Bar No. 5101
500 South Grand Central Parkway
P.O. Box 552215
Las Vegas, Nevada 89155
Phone: (702) 455-4761
Attorney for Defendant Clark County

LEACH JOHNSON SONG & GRUCHOW
8945 West Russell Road, Suite 330, Las Vegas, Nevada 89148
Telephone: (702) 538-9074 Facsimile: (702) 538-9113

(e) No later than the pre-construction meeting described above, LVMPD and Landowner Defendants shall provide NV Energy the identity of the Designated Representative for LVMPD and Landowner Defendants and his or her contact information, including mobile phone number, so that NV Energy can reach each Designated Representative on a 24/7 basis. Unless another Designated Representative has been identified by LVMPD, the LVMPD Designated Representative shall be Ken Thomas. Unless another Designated Representative has been identified by Landowner Defendants, the Landowner Defendants' Designated Representative shall be Joe Cain.

DATED this 17th day of September, 2013.

LEACH JOHNSON SONG & GRUCHOW

By: _____
KIRBY C. GRUCHOW, JR., ESQ.
Nevada Bar No. 6663
MICHAEL W. MCKELLEB, ESQ.
Nevada Bar No. 12040
8945 West Russell Road, Suite 330
Las Vegas, Nevada 89148
Phone: (702) 538-9074
Attorneys for Plaintiff Nevada Power Company d/b/a NV Energy

DATED this _____ day of September, 2013.

LAW OFFICES OF BRIAN C. PADGETT

By: _____
BRIAN C. PADGETT, ESQ.
Nevada Bar No. 7474
611 South Sixth Street
Las Vegas, Nevada 89101
Phone: (702) 304-0123
Attorneys for Defendants HQ Metro, LLC, Project Alta, LLC, Project Alta II, LLC, Project Alta III, LLC, Project Alta Liquidating Trust U/A/D 12/31/09, Mark L. Fine & Associates and Wells Fargo Bank, National Association

DATED this _____ day of September, 2013.

DURHAM JONES & PINEGAR, PC

By: _____
MICHAEL D. RAWLINS, ESQ.
Nevada Bar No. 5467
BRADLEY S. SLIGHTING, ESQ.
Nevada Bar No. 10225
10785 West Twain Avenue, Suite 200
Las Vegas, Nevada 89135
Phone: (702) 870-6060
Attorneys for Defendant Las Vegas Metropolitan Police Department

DATED this 24th day of September, 2013.

OFFICE OF THE DISTRICT ATTORNEY – CIVIL DIVISION

By: _____
LESLIE A. NIELSEN, ESQ.
Nevada Bar No. 2764
LAURA C. REHFELDT, ESQ.
Nevada Bar No. 5101
500 South Grand Central Parkway
P.O. Box 552215
Las Vegas, Nevada 89155
Phone: (702) 455-4761
Attorney for Defendant Clark County

LEACH JOHNSON SONG & GRUCHOW
8945 West Russell Road, Suite 330, Las Vegas, Nevada 89148
Telephone (702) 538-9074 – Facsimile (702) 538-9113

ORDER

The Court having considered the foregoing and good cause appearing:

IT IS HEREBY ORDERED that the Stipulation and Order for Immediate Occupancy is APPROVED and GRANTED.

IT IS SO ORDERED this 7 day of September, 2013.

DISTRICT COURT JUDGE

Prepare and respectfully submitted by:

LEACH JOHNSON SONG & GRUCHOW

By: _____
KIRBY C. GRUCHOW, JR., ESQ.
Nevada Bar No. 6663
MICHAEL W. MCKELLEB, ESQ.
Nevada Bar No. 12040
8945 West Russell Road, Suite 330
Las Vegas, Nevada 89148
Phone: (702) 538-9074
Attorneys for Plaintiff Nevada Power Company d/b/a NV Energy

LAW OFFICES OF BRIAN C. PADGETT

By: _____
BRIAN C. PADGETT, ESQ.
Nevada Bar No. 7474
611 South Sixth Street
Las Vegas, Nevada 89101
Phone: (702) 304-0123
Attorneys for Defendants HQ Metro, LLC, Project Alta, LLC, Project Alta II, LLC, Project Alta III, LLC, Project Alta Liquidating Trust U/A/D 12/31/09, Mark L. Fine & Associates and Wells Fargo Bank, National Association

DURHAM JONES & PINEGAR, PC

By: _____
MICHAEL D. RAWLINS, ESQ.
Nevada Bar No. 5467
BRADLEY S. SLIGHTING, ESQ.
Nevada Bar No. 10225
10785 West Twain Avenue, Suite 200
Las Vegas, Nevada 89135
Phone: (702) 870-6060
Attorneys for Defendant Las Vegas Metropolitan Police Department

OFFICE OF THE DISTRICT ATTORNEY – CIVIL DIVISION

By: _____
LESLIE A. NIELSEN, ESQ.
Nevada Bar No. 2764
LAURA C. REHFELDT, ESQ.
Nevada Bar No. 5101
500 South Grand Central Parkway
P.O. Box 552215
Las Vegas, Nevada 89155
Phone: (702) 455-4761
Attorney for Defendant Clark County

LEACH JOHNSON SONG & GRUCHOW
8945 West Russell Road, Suite 330, Las Vegas, Nevada 89148
Telephone: (702) 538-9074 – Facsimile (702) 538-9113

ORDER

The Court having considered the foregoing and good cause appearing:

IT IS HEREBY ORDERED that the Stipulation and Order for Immediate Occupancy is APPROVED and GRANTED.

IT IS SO ORDERED this 9th day of September, 2013.

DISTRICT COURT JUDGE

Prepare and respectfully submitted by:

LEACH JOHNSON SONG & GRUCHOW

By: _____
KIRBY C. GRUCHOW, JR., ESQ.
Nevada Bar No. 6663
MICHAEL W. MCKELLEB, ESQ.
Nevada Bar No. 12040
8945 West Russell Road, Suite 330
Las Vegas, Nevada 89148
Phone: (702) 538-9074
Attorneys for Plaintiff Nevada Power Company d/b/a NV Energy

LAW OFFICES OF BRIAN C. PADGETT

By: _____
BRIAN C. PADGETT, ESQ.
Nevada Bar No. 7474
611 South Sixth Street
Las Vegas, Nevada 89101
Phone: (702) 304-0123
Attorneys for Defendants HQ Metro, LLC, Project Alta, LLC, Project Alta II, LLC, Project Alta III, LLC, Project Alta Liquidating Trust U/A/D 12/31/09, Mark L. Fine & Associates and Wells Fargo Bank, National Association

DURHAM JONES & PINEGAR, PC

By: _____
MICHAEL D. RAWLINS, ESQ.
Nevada Bar No. 5467
BRADLEY S. SLIGHTING, ESQ.
Nevada Bar No. 10225
10785 West Twain Avenue, Suite 200
Las Vegas, Nevada 89135
Phone: (702) 870-6060
Attorneys for Defendant Las Vegas Metropolitan Police Department

OFFICE OF THE DISTRICT ATTORNEY – CIVIL DIVISION

By: _____
LESLIE A. NIELSEN, ESQ.
Nevada Bar No. 2764
LAURA C. REHFELDT, ESQ.
Nevada Bar No. 5101
500 South Grand Central Parkway
P.O. Box 552215
Las Vegas, Nevada 89155
Phone: (702) 455-4761
Attorney for Defendant Clark County

LEACH JOHNSON SONG & GRUCHOW
8945 West Russell Road, Suite 330, Las Vegas, Nevada 89148
Telephone: (702) 538-9074 – Facsimile (702) 538-9113

ORDER

The Court having considered the foregoing and good cause appearing:

IT IS HEREBY ORDERED that the Stipulation and Order for Immediate Occupancy is APPROVED and GRANTED.

IT IS SO ORDERED this 16th day of September, 2013.

DISTRICT COURT JUDGE

Prepare and respectfully submitted by:

LEACH JOHNSON SONG & GRUCHOW

By: _____
KIRBY C. GRUCHOW, JR., ESQ.
Nevada Bar No. 6663
MICHAEL W. MCKELLEB, ESQ.
Nevada Bar No. 12040
8945 West Russell Road, Suite 330
Las Vegas, Nevada 89148
Phone: (702) 538-9074
Attorneys for Plaintiff Nevada Power Company d/b/a NV Energy

LAW OFFICES OF BRIAN C. PADGETT

By: _____
BRIAN C. PADGETT, ESQ.
Nevada Bar No. 7474
611 South Sixth Street
Las Vegas, Nevada 89101
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Attorneys for Defendants HQ Metro, LLC, Project Alta, LLC, Project Alta II, LLC, Project Alta III, LLC, Project Alta Liquidating Trust U/A/D 12/31/09, Mark L. Fine & Associates and Wells Fargo Bank, National Association

DURHAM JONES & PINEGAR, PC

By: _____
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10785 West Twain Avenue, Suite 200
Las Vegas, Nevada 89135
Phone: (702) 870-6060
Attorneys for Defendant Las Vegas Metropolitan Police Department

OFFICE OF THE DISTRICT ATTORNEY – CIVIL DIVISION

By: _____
LESLIE A. NIELSEN, ESQ.
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LAURA C. REHFELDT, ESQ.
Nevada Bar No. 5101
500 South Grand Central Parkway
P.O. Box 552215
Las Vegas, Nevada 89155
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Attorney for Defendant Clark County

LEACH JOHNSON SONG & GRUCHOW
8945 West Russell Road, Suite 330, Las Vegas, Nevada 89148
Telephone: (702) 538-9074 – Facsimile (702) 538-9113

EXHIBIT "1"

EXHIBIT "1"

APN: 139-33-202-009

PERPETUAL EASEMENT

Nevada Power Company, a Nevada corporation, d/b/a NV Energy and its successors and assigns ("**NV Energy**"), for use by them and their employees and contractors, hereby acquire a perpetual right and easement:

1. to construct, operate, add to, modify, maintain and remove aboveground and/or underground communication facilities and electric line systems for the distribution and transmission of electricity, consisting of poles, other structures, wires, cables, conduit, duct banks, manholes, vaults, transformers, service boxes/meter panels, cabinets, bollards, anchors, guys, and other equipment, fixtures, apparatus, and improvements ("**Utility Facilities**") upon, over, under and through the property described in **Exhibit "A"** hereto (the "**Easement Area**");

2. for the unrestricted passage of vehicles and pedestrians within, on, over and across the Easement Area and the property described in **Exhibit "B"** hereto (the "**Property**");

3. for the ingress of vehicles and pedestrians to and the egress of vehicles and pedestrians from the Easement Area and the Property; and

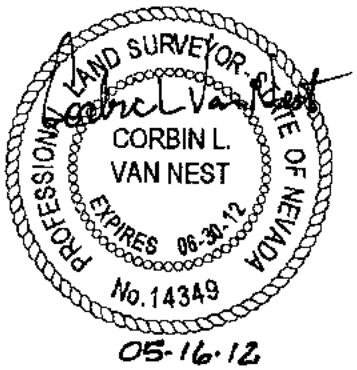
4. to remove, clear, cut or trim any obstruction or material (including trees, other vegetation and structures) from the surface or subsurface of the Easement Area as NV Energy may deem necessary or advisable for the safe and proper use and maintenance of the Utility Facilities in the Easement Area.

NV Energy will be responsible for any damages, proximately caused by NV Energy negligently constructing, operating, adding to, maintaining, or removing the Utility Facilities, to any tangible, personal property or improvements owned by the property owners and located on the Easement Area after the date that NV Energy obtains occupancy of the Easement Area pursuant to NRS Chapter 37. However, this paragraph does not apply to, and NV Energy is not responsible for, any damages caused when NV Energy exercises its rights under numbered Paragraph 4 above.

The property owner covenants for the benefit of NV Energy, its successors and assigns, that no building, structure or other real property improvements will be constructed or placed on or within the Easement Area without the prior written consent of NV Energy (which NV Energy will not unreasonably withhold), such structures and improvements to include, but not be limited to, drainage, trees, bridges, signage, roads, fencing, storage facilities, parking canopies, and other covered facilities. NV Energy and the property owner must document NV Energy's consent by both NV Energy and the property owner signing NV Energy's standard, recordable use agreement. The property owner retains, for its benefit, the right to maintain, use and otherwise landscape the Easement Area for its own purposes; provided, however, that all such purposes and uses do not interfere with NV Energy's rights herein and are in all respects consistent with NV Energy's rights herein, NV Energy's electrical practices, and the National Electrical Safety Code.

NVEnergy

EXHIBIT A



PROJECT ID: LR697NJLR2
PROJECT NEON
APN: 139-33-202-009
14 MAY, 2012
PREPARED BY: CV
CHECKED BY: SD

LAND DESCRIPTION:

A PORTION OF THE LAND DESCRIBED IN THAT CERTAIN "GRANT BARGAIN AND SALE DEED" RECORDED SEPTEMBER 2, 2009 IN BOOK 20090902 AS INSTRUMENT NO. 01863 OF OFFICIAL RECORDS IN THE COUNTY RECORDER'S OFFICE, CLARK COUNTY, NEVADA, SITUATE IN THE SOUTHEAST QUARTER (SE 1/4) OF THE NORTHWEST QUARTER (NW 1/4) OF SECTION 33, TOWNSHIP 20 SOUTH, RANGE 61 EAST, M.D.M., CITY OF LAS VEGAS, CLARK COUNTY, NEVADA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID SOUTHEAST QUARTER (SE 1/4); THENCE NORTH 00°01'49" EAST, ALONG THE EAST LINE OF SAID SOUTHEAST QUARTER (SE 1/4), A DISTANCE OF 267.13 FEET; THENCE NORTH 89°58'11" WEST, DEPARTING SAID EAST LINE, 34.50 FEET TO THE **POINT OF BEGINNING**, SAME BEING THE WESTERLY RIGHT-OF-WAY OF MARTIN LUTHER KING BOULEVARD (WIDTH VARIES) DESCRIBED IN THAT CERTAIN "GRANT DEED" RECORDED AUGUST 26, 2009 IN BOOK 20090826 AS INSTRUMENT NO. 02171 OF OFFICIAL RECORDS IN THE COUNTY RECORDER'S OFFICE, CLARK COUNTY, NEVADA; THENCE ALONG SAID RIGHT-OF-WAY AND THE UNBROKEN TRANSITION THEREOF ONTO AND ALONG THE NORTHERLY RIGHT-OF-WAY OF ALTA DRIVE, BEING DESCRIBED IN THOSE CERTAIN 'GRANT DEEDS' RECORDED AUGUST 26, 2009 IN BOOK 20090826 AS INSTRUMENT NUMBERS 02169, 02170 AND 02172 OF SAID OFFICIAL RECORDS, THE FOLLOWING EIGHT (8) COURSES: 1) SOUTH 00°01'49" WEST, 108.38 FEET TO THE BEGINNING OF A CURVE, CONCAVE NORTHWESTERLY, HAVING A RADIUS OF 54.00 FEET; 2) SOUTHWESTERLY ALONG SAID CURVE, 84.67 FEET THROUGH A CENTRAL ANGLE OF 89°50'12"; 3) SOUTH 89°52'01" WEST, 70.41 FEET TO THE BEGINNING OF A CURVE, CONCAVE NORTHEASTERLY, HAVING A RADIUS OF 20.00 FEET; 4) NORTHWESTERLY ALONG SAID CURVE, 3.30 FEET THROUGH A CENTRAL

ANGLE OF 09°27'51"; 5) NORTH 80°40'08" WEST, 44.51 FEET TO THE BEGINNING OF A CURVE, CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 30.00 FEET, 6) NORTHWESTERLY ALONG SAID CURVE, 4.96 FEET THROUGH A CENTRAL ANGLE OF 09°27'51"; 7) SOUTH 89°52'01" WEST, 125.84 FEET TO THE BEGINNING OF A CURVE, CONCAVE SOUTHERLY, HAVING A RADIUS OF 30.00 FEET; 8) SOUTHWESTERLY ALONG SAID CURVE, 5.22 FEET THROUGH A CENTRAL ANGLE OF 09°58'09"; THENCE DEPARTING SAID RIGHT-OF-WAY, NORTH 00°12'40" WEST, 40.93 FEET; THENCE NORTH 88°02'57" EAST, 262.90 FEET; THENCE NORTH 23°03'40" EAST, 104.67 FEET TO THE **POINT OF BEGINNING**, AS SHOWN ON THE "EXHIBIT MAP TO ACCOMPANY LAND DESCRIPTION" ATTACHED HERETO AND MADE A PART HEREOF.

CONTAINING 16,861 SQUARE FEET.

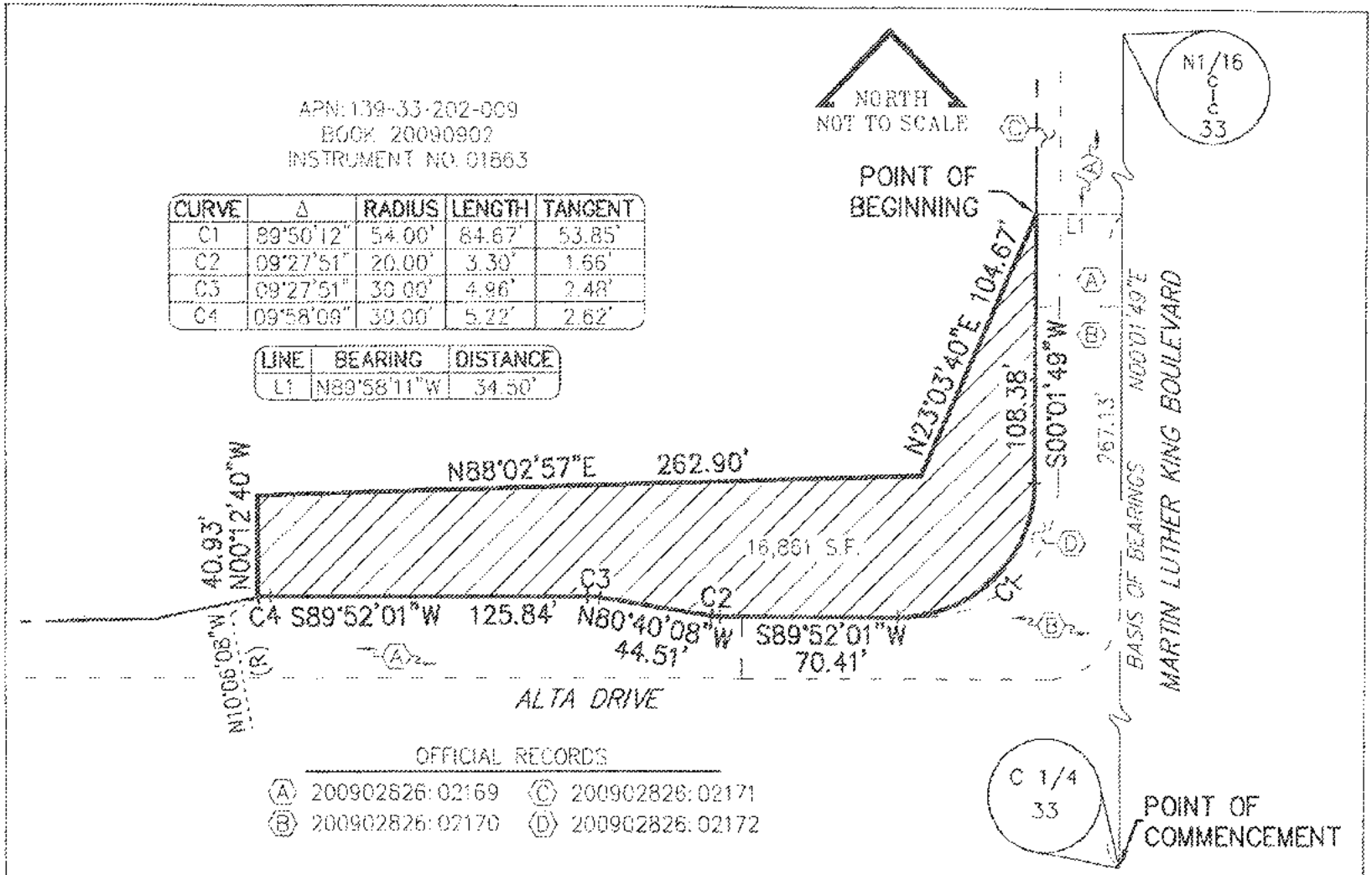
BASIS OF BEARINGS:

NORTH 00°01'49" EAST BEING THE BEARING OF THE EAST LINE OF THE SOUTHEAST QUARTER (SE 1/4) OF THE NORTHWEST QUARTER (NW 1/4) OF SECTION 33, TOWNSHIP 20 SOUTH, RANGE 61 EAST, M.D.M., CITY OF LAS VEGAS, CLARK COUNTY, NEVADA, MEASURED IN THE NEVADA EAST ZONE (2701) STATE PLANE COORDINATE SYSTEM, NORTH AMERICAN DATUM 1983 (NAD 83)

END OF LAND DESCRIPTION.

NOTE: THIS LAND DESCRIPTION IS NOT INTENDED FOR THE PURPOSE OF SUBDIVIDING LAND NOT IN CONFORMANCE WITH NEVADA REVISED STATUTES.

CORBIN L, VAN NEST, PLS
STATE OF NEVADA NO. 14349
FOR AND AT THE INSTANCE OF NV ENERGY



CURVE	Δ	RADIUS	LENGTH	TANGENT
C1	89°50'12"	54.00'	84.67'	53.85'
C2	09°27'51"	20.00'	3.30'	1.66'
C3	09°27'51"	30.00'	4.96'	2.48'
C4	09°58'09"	30.00'	5.22'	2.62'

LINE	BEARING	DISTANCE
L1	N89°58'11"W	34.50'

NVEnergy

PROJECT:
PROJECT NEON
APN: 139-33-202-009
EXHIBIT A

EXHIBIT MAP TO ACCOMPANY LAND DESCRIPTION

SEC: 33 T:20 S., R:61 E. DATE: 14 MAY 2012 PAGE: 3 OF 3
SURVEYOR: GS/SB
DRAWN BY: CV CHECKED BY: PROJECT ID: LR697NJLR2

9690

Exhibit B

Situate in the City of Las Vegas, County of Clark, State of Nevada is that portion of the Northwest Quarter (NW ¼) of Section 33, Township 20 South, Range 61 East, M.D.M., Clark County, Nevada, described as follows:

That parcel of land as described in Grant Bargain and Sale Deed recorded September 2, 2009 in Book 20090902, as Instrument No, 01863, Official Records, Clark County, Nevada.

EXHIBIT "2"

EXHIBIT "2"

APN: 139-33-202-009

TEMPORARY CONSTRUCTION EASEMENT

Nevada Power Company, a Nevada corporation, d/b/a NV Energy and its successors and assigns ("**NV Energy**"), for use by them and their employees and contractors, hereby acquire a temporary right and easement on the real property situated in Clark County, Nevada, identified on **Exhibit "A"** hereto, and commonly known as APN 139-33-202-009 (the "**Property**"):

1. to use and restore an area approximately one hundred (100) feet by one hundred eighty-one (181) feet and one hundred eleven (111) feet by one hundred eighty-one (181) feet for construction staging (including but not limited to parking vehicles and storing materials), pulling cable, and wire tensioning in the location identified on **Exhibit "B"** hereto ("**Temporary Easement Area**");

2. to perform final cleanup of and restore to its before condition the Temporary Easement Area;

3. except as described below, for the unrestricted passage of vehicles and pedestrians within, on, over and across the Temporary Easement Area; and

4. except as described below, for the unrestricted, continuous access of vehicles and pedestrians along and through the Property to the Temporary Easement Area, for the ingress of vehicles and pedestrians to the Temporary Easement Area from the Property, and for the egress of vehicles and pedestrians from the Temporary Easement Area over the Property.

Additional Terms of Temporary Construction Easement

1. NV Energy has the right to remove or clear any and all materials, trees, brush, debris, signs, and any other obstruction from the Temporary Easement Area that in NV Energy's reasonable judgment may interfere with or endanger NV Energy's use of or activities on the Temporary Easement Area.

2. After NV Energy obtains occupancy of the Temporary Easement Area pursuant to NRS Chapter 37, NV Energy will be responsible for any damages, proximately caused by NV Energy's negligent use of or activities on the Temporary Easement Area, to any tangible, personal property or improvements owned by the property owner and located on or adjacent to the Temporary Easement Area prior to the date that NV Energy obtains occupancy of the Temporary Easement Area pursuant to NRS Chapter 37. NV Energy further agrees that, if NV Energy performs work that damages the Temporary Easement Area, NV Energy will restore the Temporary Easement Area to as close to its before condition as is commercially reasonable as soon as is practicable upon completion of the construction activities, even if such construction activities conclude before the expiration of the term of the Temporary Construction Easement.

3. The Temporary Easement Area is roughly bisected by a curved driveway leading from Alta Drive on the South toward the building to the North and parking garage to the Northwest (the "**Driveway**"). Along the eastern edge of the Driveway, separated by a strip of landscaping, is a sidewalk (the "**Sidewalk**"). The Driveway and Sidewalk are highlighted on the map attached hereto as **Exhibit "C"**. NV Energy shall, throughout the duration of the Temporary Construction Easement, keep the Driveway and Sidewalk continuously open and free from obstruction, so that vehicles and pedestrians can pass through the Driveway and Sidewalk in the ordinary course, except as follows:

   a. NV Energy may intermittently close the Driveway and Sidewalk to vehicular and pedestrian traffic as is necessary for safety purposes for a period not to exceed a total of 15 days (which may be non-consecutive) in duration (the "**Wire Pulling Period**"), during which NV Energy is pulling wires through either of the two poles being erected on the perpetual easement that NV Energy is acquiring contemporaneously herewith ("**Perpetual Easement**"). The location of the Perpetual Easement is shown in Exhibit "1" attached to NV Energy's Verified Complaint in Eminent Domain filed May 10, 2013, a copy of which is attached hereto as **Exhibit "D"**. The approximate location of the poles are shown on page 96 of the March 11, 2013, Summary Appraisal Report by Glenn Anderson provided by NV Energy, which page is attached hereto as **Exhibit "E"**.

   b. The intermittent closures allowed in the preceding paragraph shall not last for more than 30 minutes per hour during Peak Hours. Peak Hours include the following times: Monday thru Friday from 6:30 a.m. to 8:30 a.m., 11:00 a.m. to 1:00 p.m., and 3:30 p.m. to 5:00 p.m. During such intermittent closures, NV Energy shall provide safety personnel to notify vehicles and pedestrians of the closures, and to keep them at a safe distance.

   c. In cases of emergency, such as a need for the Las Vegas Metropolitan Police Department to mobilize police personnel and utilize the Driveway during such an intermittent closure, NV Energy shall suspend its wire pulling operations as soon as can safely be accomplished so as to be able to allow passage of vehicles through the Driveway.

4. The northernmost edge of the Temporary Easement Area overlaps a drive area whereby vehicles pass between the building and the row of parking to the south (the "**Drive Area**"). The Drive Area is highlighted on **Exhibit "F"**, attached hereto. Except during the Wire Pulling Period, NV Energy shall, throughout the duration of the Temporary Construction Easement, keep the Drive Area continuously open and free from obstruction, so that

vehicles and pedestrians can pass through the Drive Area in the ordinary course.

5. At any time during the Temporary Construction Easement when NV Energy has any heavy vehicles or heavy equipment on the Property, whether or not within the Temporary Easement Area or the Perpetual Easement, NV Energy shall not leave such vehicles or equipment unattended, and shall provide reasonable security measures to prevent such vehicles from being used by unauthorized persons.

This Temporary Construction Easement terminates on June 30, 2015, and, upon termination, has no further effect.

EXHIBIT "A"

EXHIBIT "A"

Exhibit A

The above referred to parcel of land, situate in the City of Las Vegas, County of Clark, State of Nevada, is that portion of the Northwest Quarter (NW ¼) of Section 33, Township 20 South, Range 61 East, M.D.M., Nevada, described as follows:

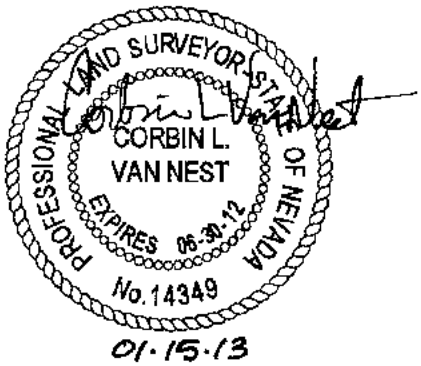
That parcel of land as described in Grant Bargain and Sale Deed recorded September 2, 2009 in Book 20090902, as Instrument No. 01863, Official Records, Clark County, Nevada.

EXHIBIT “B”

EXHIBIT “B”

NVEnergy

EXHIBIT B



PROJECT ID: LR697NJLR2
PROJECT NEON
APN: 139-33-202-009-TE
15 JANUARY, 2012
PREPARED BY: CV
CHECKED BY: SD

LAND DESCRIPTION:

A PORTION OF THE LAND DESCRIBED IN THAT CERTAIN "GRANT BARGAIN AND SALE DEED" RECORDED SEPTEMBER 2, 2009 IN BOOK 20090902 AS INSTRUMENT NO. 01863 OF OFFICIAL RECORDS IN THE COUNTY RECORDER'S OFFICE, CLARK COUNTY, NEVADA, SITUATE IN THE SOUTHEAST QUARTER (SE 1/4) OF THE NORTHWEST QUARTER (NW 1/4) OF SECTION 33, TOWNSHIP 20 SOUTH, RANGE 61 EAST, M.D.M., CITY OF LAS VEGAS, CLARK COUNTY, NEVADA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID SOUTHEAST QUARTER (SE 1/4); THENCE SOUTH 89°52'01" WEST ALONG THE SOUTH LINE OF SAID SOUTHEAST QUARTER (SE 1/4), A DISTANCE OF 522.43 FEET; THENCE NORTH 00°07'59" WEST, DEPARTING SAID SOUTH LINE, 100.94 FEET TO THE SOUTHWEST CORNER OF SAID LAND, SAME BEING THE **POINT OF BEGINNING**; THENCE NORTH 00°07'59" WEST ALONG THE WEST LINE OF SAID LAND,111.74' FEET; THENCE NORTH 89°52'01"EAST DEPARTING SAID WEST LINE, 160.97' FEET; THENCE NORTH 00°07'59" WEST 125.32 FEET; THENCE NORTH 89°52'01"EAST 100.00 FEET; THENCE SOUTH 00°07'59"EAST 181.98 FEET; THENCE SOUTH 88°02'57" WEST 80.25 FEET; THENCE SOUTH 00°12'40" EAST 40.93 FEET TO A POINT ON THE SOUTH BOUNDARY OF SAID LAND, SAID POINT BEING THE BEGINNING OF A NON-TANGENT CURVE, CONCAVE SOUTHERLY, HAVING A RADIUS OF 30.00 FEET, A RADIAL LINE TO SAID BEGINNING BEARS NORTH 10°06'08" WEST; THENCE ALONG SAID SOUTHERLY BOUNDARY THE FOLLOWING THREE (3) COURSES: 1) SOUTHWESTERLY 1.08 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 02°03'32"; 2) SOUTH 77°50'20" WEST 39.69 FEET; 3) SOUTH 88°35'42" WEST, 140.97 FEET TO THE **POINT OF BEGINNING,** AS SHOWN ON THE "EXHIBIT MAP TO ACCOMPANY LAND DESCRIPTION" ATTACHED HERETO AND MADE A PART HEREOF.

CONTAINING 36,863 SQUARE FEET.

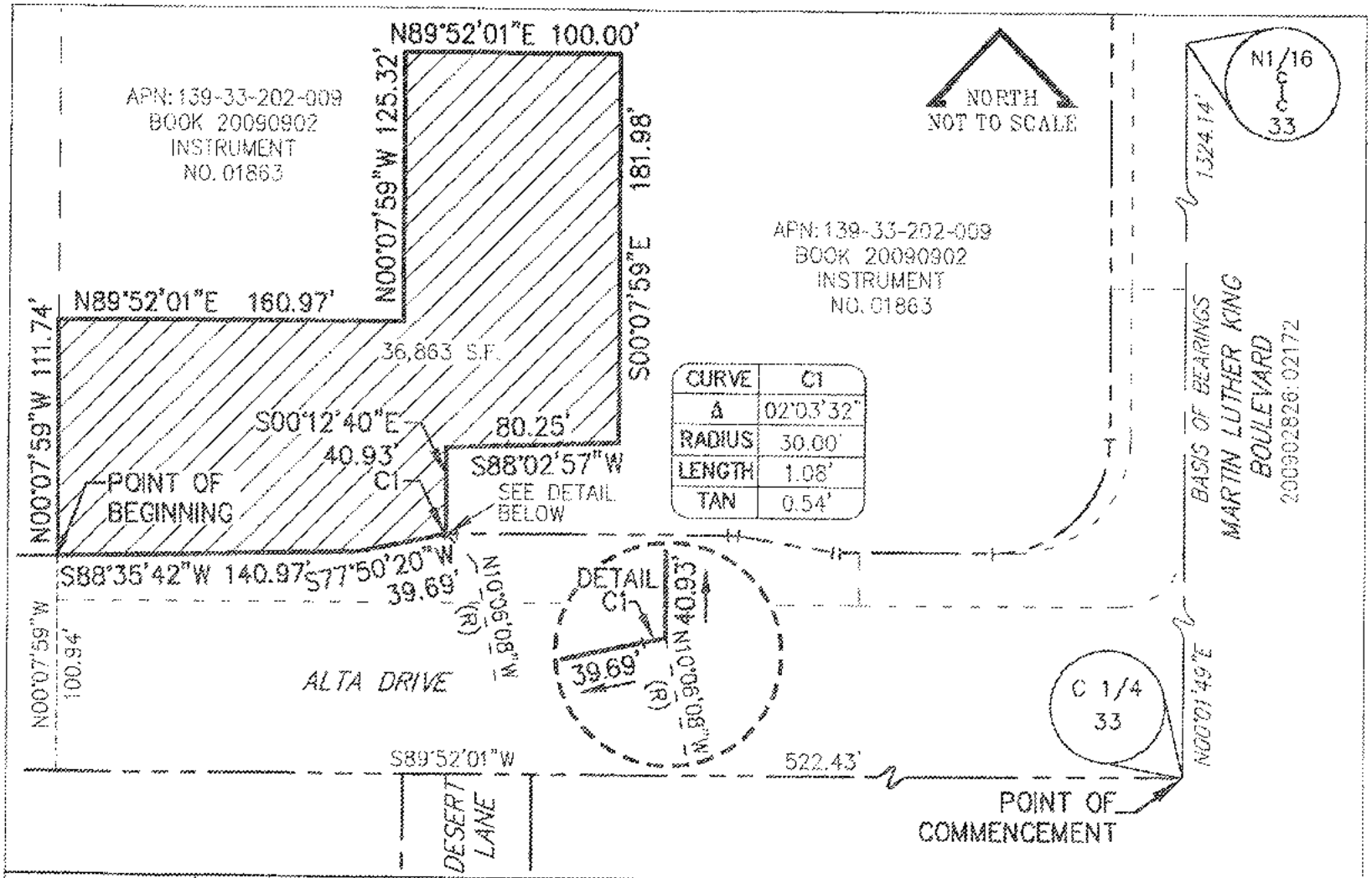
BASIS OF BEARINGS:

NORTH 00°01'49" EAST BEING THE BEARING OF THE EAST LINE OF THE SOUTHEAST QUARTER (SE 1/4) OF THE NORTHWEST QUARTER (NW 1/4) OF SECTION 33, TOWNSHIP 20 SOUTH, RANGE 61 EAST, M.D.M., CITY OF LAS VEGAS, CLARK COUNTY, NEVADA, MEASURED IN THE NEVADA EAST ZONE (2701) STATE PLANE COORDINATE SYSTEM, NORTH AMERICAN DATUM 1983 (NAD 83).

END OF LAND DESCRIPTION.

NOTE: THIS LAND DESCRIPTION IS NOT INTENDED FOR THE PURPOSE OF SUBDIVIDING LAND NOT IN CONFORMANCE WITH NEVADA REVISED STATUTES.

CORBIN L, VAN NEST, PLS
STATE OF NEVADA NO. 14349
FOR AND AT THE INSTANCE OF NV ENERGY



NVEnergy

PROJECT:
PROJECT NEON
APN: 139-33-202-009-TE

EXHIBIT MAP TO ACCOMPANY LAND DESCRIPTION

SEC: 33 T:20 S., R:61 E. DATE: 15 JAN, 2013 PAGE: 3 OF 3
SURVEYOR: GE/SB
DRAWN BY: CV CHECKED BY: SD PROJECT ID: LR697NJLR2

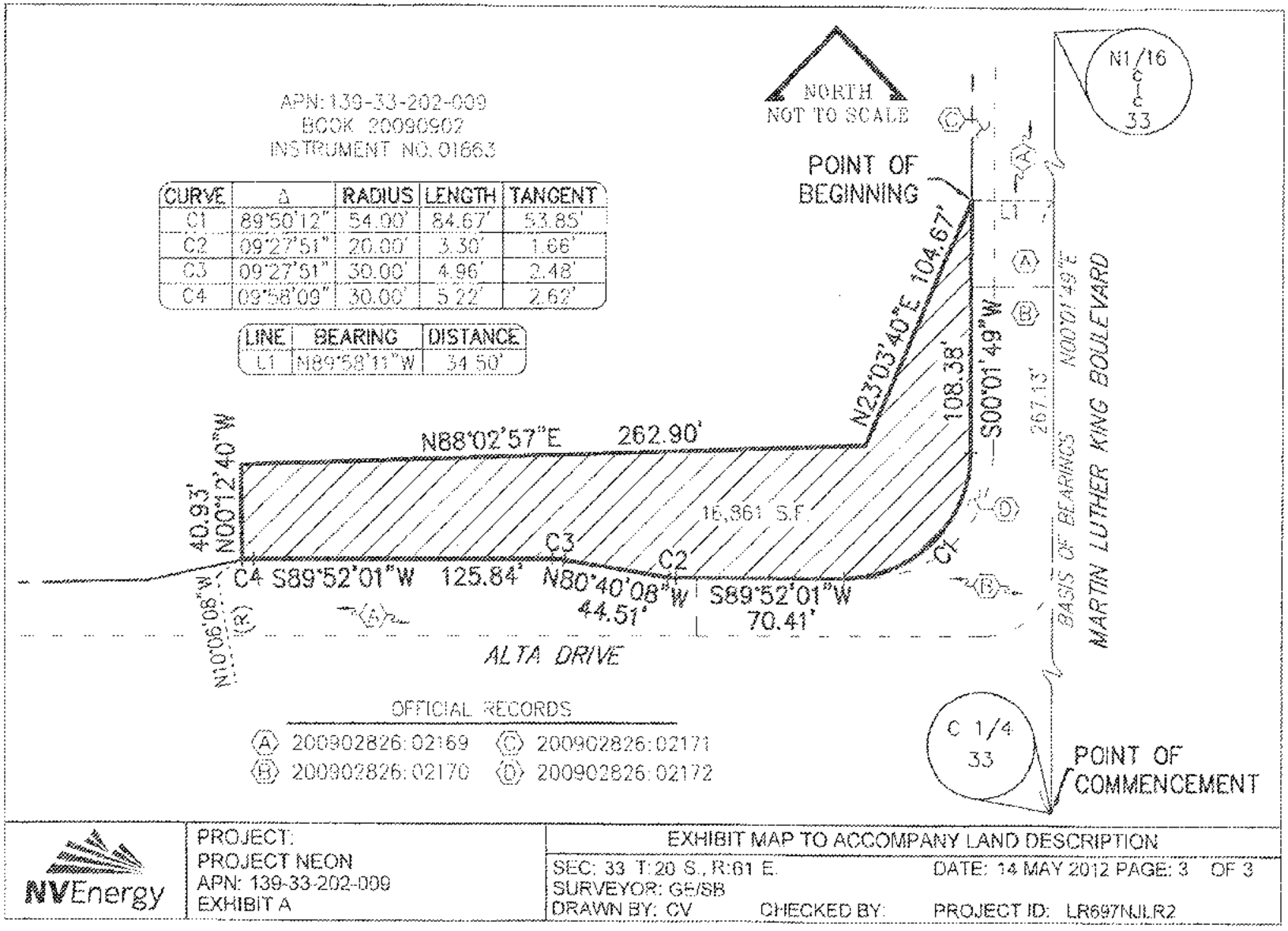
EXHIBIT "C"

EXHIBIT "C"

Ex 1

EXHIBIT "D"

EXHIBIT "D"



CURVE	Δ	RADIUS	LENGTH	TANGENT
C1	89°50'12"	54.00'	84.67'	53.85'
C2	09°27'51"	20.00'	3.30'	1.66'
C3	09°27'51"	30.00'	4.96'	2.48'
C4	09°58'09"	30.00'	5.22'	2.62'

LINE	BEARING	DISTANCE
L1	N89°58'11"W	34.50'

NVEnergy

PROJECT:
PROJECT NEON
APN: 139-33-202-009
EXHIBIT A

EXHIBIT MAP TO ACCOMPANY LAND DESCRIPTION

SEC: 33 T:20 S., R:61 E. DATE: 14 MAY 2012 PAGE: 3 OF 3
SURVEYOR: GE/SB
DRAWN BY: CV CHECKED BY: PROJECT ID: LR697NJLR2

EXHIBIT "E"

EXHIBIT "E"

Pole Placement Map:

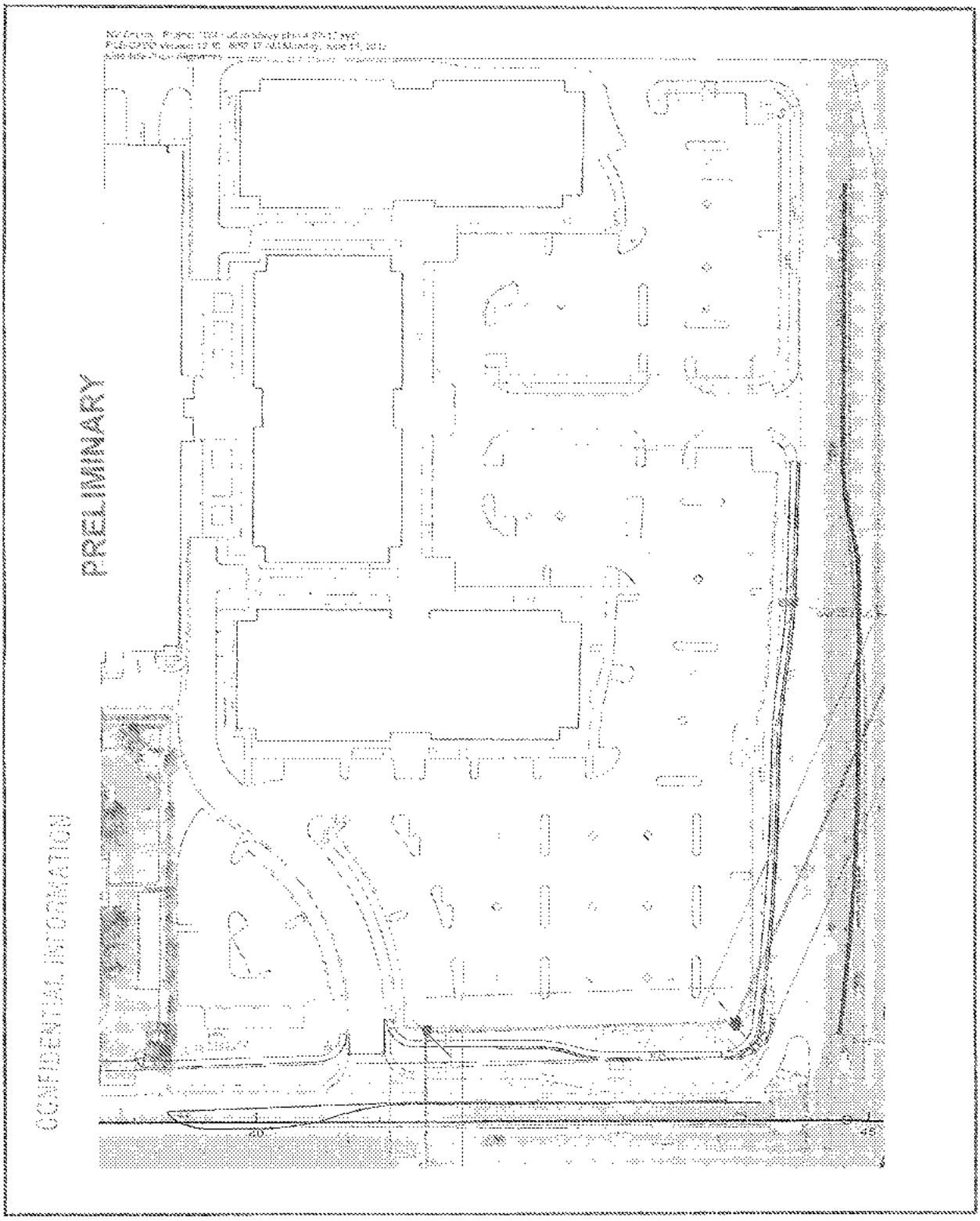


EXHIBIT "F"

EXHIBIT "F"

Ex. 2

ORIGINAL

Electronically Filed
10/17/2013 10:43:20 AM

CLERK OF THE COURT

CRTF
LEACH JOHNSON SONG & GRUCHOW
KIRBY C. GRUCHOW, JR., ESQ.
Nevada Bar No. 6663
MICHAEL W. MCKELLEB, ESQ.
Nevada Bar No. 12040
8945 West Russell Road, Suite 330
Las Vegas, Nevada 89148
Telephone: (702) 538-9074
Facsimile: (702) 538-9113

Attorneys for Plaintiff

DISTRICT COURT

CLARK COUNTY, NEVADA

NEVADA POWER COMPANY, a Nevada corporation, d/b/a NV ENERGY,

Plaintiff,

vs.

HQ METRO, LLC, an Arizona limited liability company; LAS VEGAS METROPOLITAN POLICE DEPARTMENT, a metropolitan police department; PROJECT ALTA, LLC, a Nevada limited liability company; PROJECT ALTA II, LLC, a Nevada limited liability company; PROJECT ALTA III, LLC, a Nevada limited liability company; PROJECT ALTA LIQUIDATING TRUST U/A/D 12/31/09, by and through MARK L. FINE & ASSOCIATES, a Nevada corporation, individually and as Trustee; WELLS FARGO BANK, NATIONAL ASSOCIATION, a Delaware corporation; NEVADA TITLE COMPANY, a Nevada corporation; CENTRAL TELEPHONE COMPANY, a Delaware corporation; COX COMMUNICATIONS LAS VEGAS, INC., a Delaware corporation; LAS VEGAS VALLEY WATER DISTRICT, a quasi-municipal corporation; CITY OF LAS VEGAS, a municipal corporation; CLARK COUNTY, a political subdivision of the State of Nevada; all other persons unknown claiming any right, title, estate, lien or interest in the real property described in the Complaint; DOES I through X; and ROE CORPORATIONS XI through XX, inclusive,

Defendants.

Case No.: A-13-681632-C

Dept. No.: XXVIII

CERTIFICATE OF CASH DEPOSIT

LEACH JOHNSON SONG & GRUCHOW
8945 West Russell Road, Suite 330, Las Vegas, Nevada 89148
Telephone: (702) 538-9074 – Facsimile (702) 538-9113

CERTIFICATE OF CASH DEPOSIT

1. I, MICHAEL W. MCKELLEB, ESQ., of the law firm LEACH JOHNSON SONG & GRUCHOW, and one of the attorneys of records for Plaintiff, NEVADA POWER COMPANY d/b/a NV ENERGY, hereby tenders to the Clerk of the Court for deposit into the Account of this Court one (1) check, attached hereto, for a total amount of $281,000.00.

2. This cash deposit is tendered on behalf of the Plaintiff pursuant to NRS 37.100(6) in connection with the Plaintiff's right to immediate occupancy pursuant to the Court's Stipulation and Order for Immediate Occupancy.

3. Pursuant to NRS 37.100(6), Plaintiff acknowledges that the Court may order such distribution of the deposit as the facts warrant.

4. The name and address of the Legal Owner of the cash tendered herewith to whom a refund (if applicable) shall be made is:

Nevada Power Company d/b/a NV Energy
Attn: Brandon M. Barkhuff, Associate General Counsel
6226 West Sahara Avenue, MS #3A
Las Vegas, Nevada 89146

DATED this 17 day of October, 2013.

LEACH JOHNSON SONG & GRUCHOW

By: _____
KIRBY C. GRUCHOW, JR., ESQ.
Nevada Bar No. 6663
MICHAEL W. MCKELLEB, ESQ.
Nevada Bar No. 12040
8945 West Russell Road, Suite 330
Las Vegas, Nevada 89148
Phone: (702) 538-9074
Attorneys for Plaintiff Nevada Power Company d/b/a NV Energy

LEACH JOHNSON SONG & GRUCHOW
8945 West Russell Road, Suite 330, Las Vegas, Nevada 89148
Telephone: (702) 538-9074 Facsimile (702) 538-9113

LEACH JOHNSON SONG & GRUCHOW
8945 West Russell Road, Suite 330, Las Vegas, Nevada 89148
Telephone (702) 538-9074 – Facsimile (702) 538-9113

CERTIFICATE OF SERVICE

Pursuant to NRCP 5(b), the undersigned, an employee of LEACH JOHNSON SONG & GRUCHOW, hereby certified that on the 17th day of October, 2013, she served a true and correct copy of the foregoing, **CERTIFICATE OF CASH DEPOSIT**, by:

✓ Depositing for mailing, in a sealed envelope, U.S. postage prepaid, at Las Vegas, Nevada

____ Personal Delivery

____ Facsimile

____ Federal Express/Airborne Express/Other Overnight Delivery

____ Las Vegas Messenger Service

addressed as follows:

Brian C. Padgett, Esq. Law Offices of Brian C. Padgett 611 South Sixth Street Las Vegas, Nevada 89101 Attorneys for Defendants HQ Metro, LLC, Project Alta, LLC, Project Alta II, LLC, Project Alta III, LLC, Project Alta Liquidating Trust U/A/D 12/31/09, Mark L. Fine & Associates and Wells Fargo Bank, National Association	Michael D. Rawlins, Esq. Bradley S. Slighting, Esq. Durham Jones & Pinegar, PC 10785 West Twain Avenue, Suite 200 Las Vegas, Nevada 89135 Attorneys for Defendant Las Vegas Metropolitan Police Department
Matthew C. Addison, Esq. McDonald Carano Wilson LLP 100 West Liberty Street, Tenth Floor Reno, Nevada 89501 Attorneys for Defendant Central Telephone Company	Philip R. Byrnes, Esq. City of Las Vegas – Office of the City Attorney 495 South Main Street, Sixth Floor Las Vegas, Nevada 89101 Attorney for Defendant City of Las Vegas
Leslie A. Nielsen, Esq. Office of the District Attorney – Civil Division 500 South Grand Central Parkway P.O. Box 552215 Las Vegas, Nevada 89155 Attorney for Defendant Clark County	

Heather D. Kelly

An employee of LEACH JOHNSON SONG & GRUCHOW

Check Date: May/24/2013

Check No. 1000278203

Invoice Number	Invoice Date	Voucher ID	Gross Amount	Discount Available	Paid Amount
ACR3DE707BBD5DK1280	05/22/2013	00591504	281,000.00	0.00	281,000.00

Please send to DeeAm at MS 69

Visit us at invoices.nvenergy.com for payment status

Vendor Number	Name			Total Discounts	
0000041951	Eighth Judicial District			$0.00	
Check Number	Date		Total Amount	Discounts Taken	Total Paid Amount
1000278203	05/24/2013		$281,000.00	$0.00	$281,000.00

NEVADA POWER COMPANY
DBA: NV Energy
6226 West Sahara Avenue
Las Vegas, NV 89146

Wells Fargo Bank, N.A.
115 Hospital Drive
Van Wert, OH 45891

Date 05/24/2013

1000278203
5643827412
9600127703

****TWO HUNDRED EIGHTY-ONE THOUSAND AND XX / 100 DOLLARS****

$281,000.00***

PAY TO THE ORDER OF
EIGHTH JUDICIAL DISTRICT
COURT CLERK
300 South 3rd St
Las Vegas, NV 89101-6002

IN THE SUPREME COURT OF THE STATE OF NEVADA

CLARK COUNTY, A POLITICAL SUBDIVISION OF THE STATE OF NEVADA,
Appellant,
vs.
HQ METRO, LLC, AN ARIZONA LIMITED LIABILITY COMPANY; PROJECT ALTA, LLC, A NEVADA LIMITED LIABILITY COMPANY; PROJECT ALTA II, LLC, A NEVADA LIMITED LIABILITY COMPANY PROJECT ALTA III, LLC, A NEVADA LIMITED LIABILITY COMPANY; AND PROJECT ALTA LIQUIDATING TRUST U/A/D 12/31/09, BY AND THROUGH MARK L. FINE & ASSOCIATES, A NEVADA CORPORATION, INDIVIDUALLY AND AS TRUSTEE,
Respondents.

Supreme Court No. 71877
District Court Case No. A681632

JOINT APPENDIX

Volume 2

Pages 0251-0500

STEVEN B. WOLFSON
District Attorney
CIVIL DIVISION
State Bar No. 001565
By: **LESLIE A. NIELSEN**
Deputy District Attorney
State Bar No. 002764
By: **LAURA C. REHFELDT**
Deputy District Attorney
State Bar No. 005101
500 South Grand Central Pkwy.
P. O. Box 552215
Las Vegas, Nevada 89155-2215
Telephone: (702) 455-4761
Fax: (702) 382-5178
Attorneys for Appellant Clark County

LAW OFFICES OF BRIAN C. PADGETT
BRIAN C. PADGETT, ESQ.
State Bar No. 007474
AMY L. SUGDEN, ESQ.
State Bar No. 009983
611 South Sixth Street
Las Vegas, NV 89101
Telephone: (702) 304-0123
Fax: (702) 368-0123
Attorneys for Respondents

Docket 71877 Document 2017-21769

NEVADA POWER COMPANY V. HQ METRO, LLC, ET AL
Case No: A-13-681632-C
Dept No: 28

Document	Filed	Volume	Bates No.
Answer of Las Vegas Metropolitan Police Department	7/9/2013	3	0664-0667
Central Telephone Company's Answer to Complaint	6/13/2013	3	0650-0655
Certificate of Cash Deposit	10/17/2013	3	0716-0719
City of Las Vegas' Answer to Complaint in Eminent Domain	7/8/2013	3	0656-0658
City of Las Vegas' Answer to First Amended Complaint in Eminent Domain	2/4/2016	7	1445-1447
Defendant Clark County's Answer to Complaint	7/8/2013	3	0659-0663
Defendant Clark County's Answer to First Amended Complaint in Eminent Domain	2/8/2016	7	1448-1452
Defendant Clark County's Notice of Appeal	11/29/2016	8	1719-1720
Defendant Clark County's Opposition to Defendant Landowners' Motion for Summary Judgment and Countermotion for Partial Summary Judgment and Application for Withdrawal of Funds Deposited for the Permanent Easement	1/13/2016	5 6	0855-1104 1105-1296
Defendant Clark County's Opposition to HQ Metro, LLC's Motion for Apportionment of Funds	10/4/2016	8	1698-1703
Defendant HQ Metro LLC's Motion for Apportionment of Funds Pursuant to NRS 37.115 and February 25, 2016 Court Order	9/20/2016	8	1604-1697

Defendant HQ Metro, LLC's Reply to Motion for Apportionment of Funds Pursuant to NRS 37.115 and February 25, 2016 Court Order	10/19/2016	8	1704-1709
Defendant Landowner’s Motion for Summary Judgment	12/30/2015	4	0720-0854
Defendant Landowners' Opposition to Clark County's Countermotion for Partial Summary Judgment & Application for Withdrawal of Funds Deposited for the Permanent Easement	2/1/2016	6	1339-1350
Defendants HQ Metro, LLC, Project Alta, LLC, Project Alta II, LLC, Project Alta III, LLC, Project Alta Liquidating Trust U/A/D 12/31/09 by and Thru Mark L. Fine & Associates, and Wells Fargo Bank, National Association, as Trustee's Answer to Plaintiff's Verified Complaint in Eminent Domain; Defendant HQ Metro, LLC's Counterclaims	7/9/2013	3	0668-0679
Defendants HQ Metro, LLC, Project Alta, LLC, Project Alta II, LLC, Project Alta III, LLC, Project Alta Liquidating Trust U/A/D 12/31/09 by and thru Mark L. Fine & Associates' Answer to Plaintiff's First Amended Verified Complaint in Eminent Domain; Defendant HQ Metro, LLC's Counterclaims	7/11/2016	7	1518-1524
Errata to Defendant Landowners Opposition to Clark County's Countermotion for Partial Summary Judgment and Application for Withdrawal for Funds Deposited for the Permanent Easement	2/4/2016	7	1407-1444
Judgment and Final Order of Condemnation	9/20/2016	8	1570-1603

Las Vegas Metropolitan Police Department's Answer to First Amended Complaint	2/8/2016	7	1453-1457
Notice of Entry of Order RE: Defendant HQ Metro LLC's Motion for Apportionment of Funds Pursuant to NRS 37.115 and February 25, 2016 Court Order	11/9/2016	8	1713-1718
Order 2.25.16	2/25/2016	7	1465-1469
Order Granting Immediate Occupancy Pending Entry of Judgment	10/15/2013	3	0680-0681
Order RE: Defendant HQ Metro LLC's Motion for Apportionment of Funds Pursuant to NRS 37.115 and February 25, 2016 Court Order	11/9/2016	8	1710-1712
Plaintiff Nevada Power Company d/b/a NV Energy's Limited Opposition(s) to: (1) Defendant Las Vegas Metropolitan Police Department's Counter-Motion for Partial Summary Judgment and Application for Distribution of Funds Allocable to Temporary Construction Easement; and (2) Defendant Clark County's Counter-Motion for Partial Summary Judgment and Application for Withdrawal of Funds Deposited for the Permanent Easement	2/2/2016	7	1351-1406
Plaintiff's First Amended Verified Complaint in Eminent Domain	1/15/2016	6	1297-1338
Plaintiff's Motion for Immediate Occupancy	5/20/2013	1 2 3	0030-0250 0251-0500 0501-0625
Plaintiff's Verified Complaint in Eminent Domain	5/10/2013	1	0001-0029

Reply Points and Authorities in Support of Clark County's Countermotion for Partial Summary Judgment and Application for Withdrawal of Funds Deposited for the Permanent Easement	2/11/2016	7	1458-1464
Stipulated Judgment and Order	9/20/2016	7	1525-1569
Stipulation and Order for Immediate Occupancy	10/15/2013	3	0682-0715
Summons – Civil (Clark County)	6/6/2013	3	0644-0646
Summons – Civil (HQ Metro, LLC)	6/6/2013	3	0626-0628
Summons – Civil (Mark L. Fine and Associates)	6/6/2013	3	0638-0640
Summons – Civil (Project Alta II)	6/6/2013	3	0629-0631
Summons – Civil (Project Alta III)	6/6/2013	3	0632-0634
Summons – Civil (Project Alta Liquidating Trust U/A/D 12/31/09)	6/6/2013	3	0635-0637
Summons – Civil (Project Alta, LLC)	6/6/2013	3	0647-0649
Summons – Civil (Wells Fargo Bank, National Association)	6/6/2013	3	0641-0643
Transcript of Proceedings All Pending Motion February 16, 2016	3/21/2016	7	1470-1517

Over the next few decades, Las Vegas experienced a decline due in part to prohibition and suspended railway operations. In was not until the development of the Hoover Dam, between 1928 and 1935 that Las Vegas began to experience significant growth. With the construction of Hoover Dam and the creation of Lake Mead, inexpensive power and water came to Las Vegas. Lake Mead became a tourist destination spurring the development of hotels and casinos in anticipation of this recreational destination. It was also around this time that the gaming industry became notable, centered on the "Glitter Gulch" (now the Fremont Street Experience) in the downtown area. This would eventually evolve into the major tourist, convention, and resort industry that now serves as the primary economic force in the area.

Development of the Las Vegas "Strip" began in the 1940's with the construction of the El Rancho Hotel/Casino and other casinos such as the Thunderbird, Frontier, and the Flamingo. Since that time, properties along this world famous gaming corridor have been developed with a variety of modern amenities and themed appearances to attract visitors. Amenities, such as shopping malls, salons, spas, nightclubs, golfing, and concert arenas are not uncommon in today's hotel/casinos. Away from the Strip, Las Vegas has seen an increase in "neighborhood hotel/casinos." These establishments are generally located away from the established tourist corridors and offer amenities such as bowling centers, movie theaters, day care, restaurant dining, showrooms, night clubs and fast food chain outlets.

Climate

The greater Las Vegas valley resides at an altitude generally ranging from 1,500 to 3,200 feet above sea level. The four seasons are relatively well defined in Las Vegas. Summers experience daily high temperatures typically exceeding 100 degrees with nightly lows in the 70's and extremely low humidity. However, it is not uncommon for humidity to increase markedly for several weeks each summer in association with a moist "monsoonal flow" from the south, typically during July and August. Winter temperatures average near 50 degrees during the day and nightly temperatures rarely drop below freezing. Pacific storms occasionally produce rainfall in Las Vegas. But in general, the Sierra Nevada Mountains of eastern California and the Spring Mountains immediately west of the Las Vegas valley act as effective barriers to moisture.

Population

The Las Vegas valley has historically grown at a rapid rate. From 1997 when the population was 1,170,118 to present day, Las Vegas has seen an approximate 68.07% increase in total population.

The 2011 Clark County population was 1,966,630, a 3.4% decrease from the 2010 population of 2,036,358. A mere 3.2% of the Las Vegas population are native Nevadans, 96.8% were born outside of Nevada.

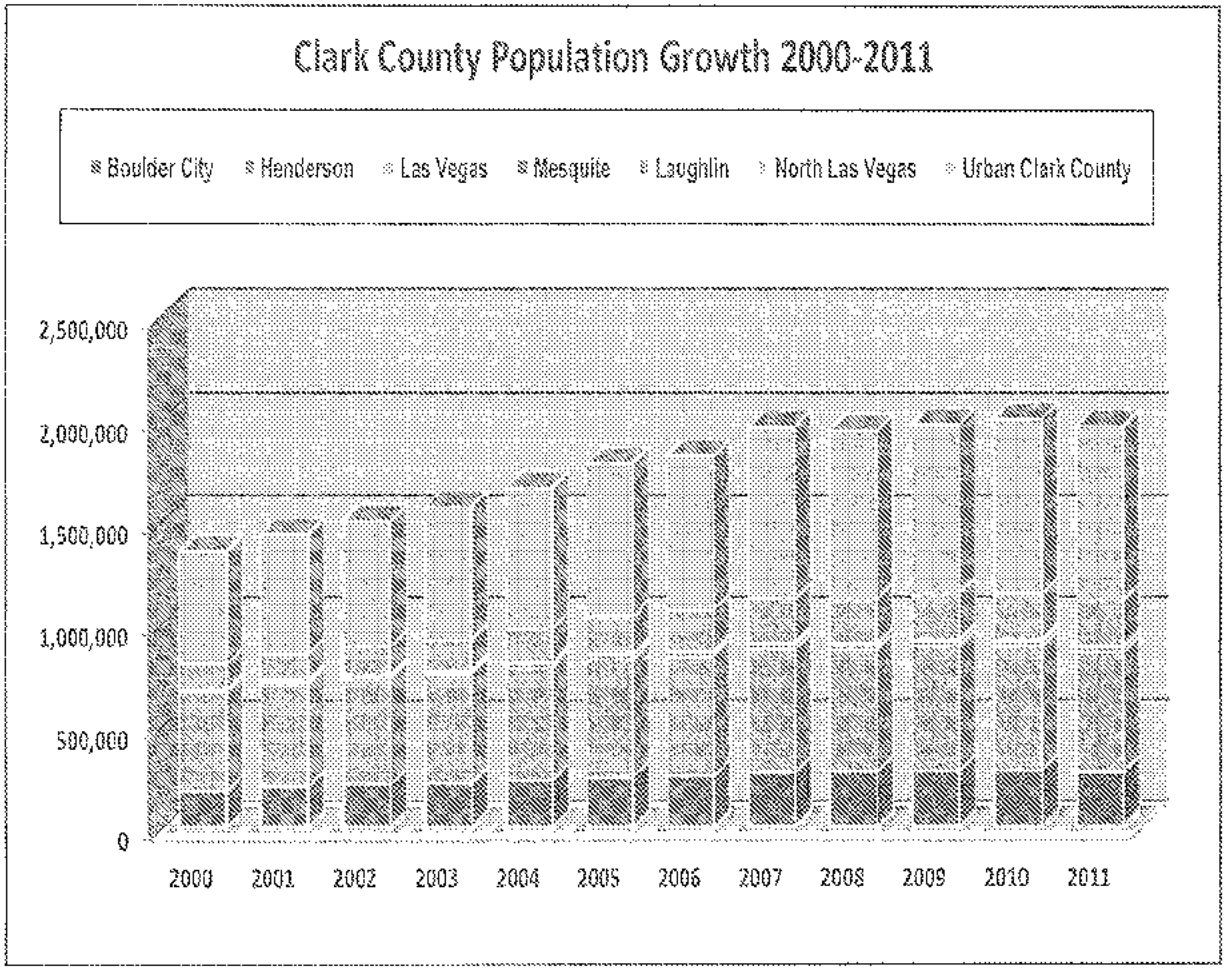
Population Distribution (2010)	
City/Area	**Population**
Henderson	267,088
Las Vegas	586,356
North Las Vegas	227,155
Unincorporated Clark County	851,390
Boulder City	15,502
Mesquite	19,139
Total Clark County Population 2011	1,966,630

Source: Clark County Comprehensive Planning

Over 98% of county residents are located in the greater Las Vegas Area. In contrast with historic growth patterns, it is projected that very limited population growth will occur in 2012, however, long-term prospects indicate that average annual growth should continue at an approximate 1% to 3% annual rate into the foreseeable future. The projected rate of growth is anticipated to be slightly lower than over the recent past. However, historical projections by the Nevada State Demographer's office have been conservative with actual growth generally outpacing projections.

Clark County Population 2000-2011												
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Boulder City	14,906	14,760	14,842	14,934	15,058	15,367	15,478	16,206	16,684	16,511	15,886	15,502
Henderson	179,144	196,780	209,486	217,448	229,984	243,730	251,321	265,790	269,538	275,134	276,428	267,088
Las Vegas	482,389	503,188	514,640	528,617	549,571	575,973	579,840	603,093	593,528	607,876	606,656	586,356
Mesquite	10,101	11,940	13,216	13,895	15,881	16,600	17,656	19,194	19,754	21,253	21,142	19,139
Laughlin	6,286	6,181	6,403	6,952	8,105	8,315	8,458	8,998	8,843	8,134	8,136	8,136
North Las Vegas	117,650	127,897	135,967	146,005	164,971	182,159	198,516	215,026	214,661	221,003	224,940	227,155
Urban Clark County	550,020	583,967	615,028	650,379	687,650	750,378	759,148	841,352	828,615	832,310	857,925	851,390

Source: Nevada State Demographer


Clark County Population Growth 2000-2011
Boulder City
Henderson
Las Vegas
Mesquite
Laughlin
North Las Vegas
Urban Clark County
2,500,000
2,000,000
1,500,000
1,000,000
500,000
0
2000
2001
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011

Demographics (Las Vegas Valley): **Source: 2012 Las Vegas Perspective**

POPULATION DISTRIBUTION	
Gender	
Male	50.5%
Female	49.5%
Male/Female Ratio	1.02
Education	
Less than 9th Grade	7.0%
Some High School, No Diploma	9.9%
High School Graduate (or GED)	28.6%
Some College, No Degree	24.7%
Associate Degree	7.2%
Bachelor's Degree	14.4%
Master's Degree	4.9%
Professional School Degree	1.6%
Doctorate Degree	0.6%
Housing Unit Types	
Single Family:	58.4%
Condominiums	10.3%
Townhouses	4.9%
Plexes (2-4 Units)	2.4%
Mobile Homes	3.3%
Apartments	20.7%
Marital Status	
Never Married	30.8%
Married, Spouse Present	45.1%
Married, Spouse Absent	6.0%
Widowed	4.9%
Divorced	13.3%
Age	
Under 18	25.5%
18 to 24	9.0%
25 to 34	15.5%
35 to 44	14.7%
45 to 54	13.4%
55 to 64	10.8%
65 and Over	11.1%
Average Age	35.6
Median Age	34.5
Household Income	
Income Less than $15,000	10.0%
Income $15,000 - $24,999	9.8%
Income $25,000 - $34,999	11.0%
Income $35,000 - $49,999	15.7%
Income $50,000 - $74,999	21.1%
Income $75,000 - $99,999	13.1%
Income $100,000 - $149,999	12.7%
Income $150,000 - $249,999	3.4%
Income $250,000 and Over	3.2%
Average Household Income	$68,197
Median Household Income	$54,255

Demographics (Las Vegas Valley): **Source: 2012 Las Vegas Perspective**

POPULATION DISTRIBUTION

Persons per Household	
1	22.4%
2	33.7%
3	18.2%
4	12.7%
5	7.0%
6	3.6%
7 or More	2.5%
Average Persons per Household	2.74

HOUSING

2011 Home Sales Price	
Median New Home	$198,297
Median Resale Home	$112,271

2011 Recorded Homes Sales	
New Homes	3,894
Resale Homes	48,822
Total	52,716

Type of Home Purchased	
New Homes*	7.4%
Resale Homes	92.6%

2011 New Home Sale Price	
Under $200,000	49.7%
$200,000 - $299,999	36.9%
$300,000 - $399,999	9.7%
$400,000 or More	3.7%

Source: Home Builders Research, Inc.
*New home sales include 135 high/mid-rise units

APARTMENT HOUSING

Rental Market (Year-end)	
Average Asking Rent per Unit	$743
Average Rent Growth	-1.7%
Average Unit Size (in square feet)	908
Average Asking Rent per square foot	$0.82
Average Occupancy Rate	91.1%

Source: Applied Analysis

Demographics (Las Vegas Valley): **Source: 2012 Las Vegas Perspective**

OWNER/RENTER PROFILE

Marital Status	**Own**	**Rent**
Never Married	24.7%	39.4%
Married, Spouse Present	55.6%	30.1%
Married, Spouse Absent	2.9%	10.3%
Widowed	5.0%	4.6%
Divorced	11.8%	15.6%

Household Income	**Own**	**Rent**
Income Less than $15,000	6.3%	14.7%
Income $15,000 - $24,999	6.7%	13.9%
Income $25,000 - $34,999	7.7%	15.1%
Income $35,000 - $49,999	13.2%	19.0%
Income $50,000 - $74,999	21.1%	21.2%
Income $75,000 - $99,999	15.2%	10.3%
Income $100,000 and Over	29.9%	5.7%
Average Household Income	$76,706	$46,856
Median Household Income	$62,599	$35,702

Type of Home	**Own**	**Rent**
Single Family	83.8%	32.2%
Apartment/Condo/Townhouse	9.9%	63.0%
Plex (2-4 Units)	1.1%	3.6%
Mobile Home	5.1%	1.2

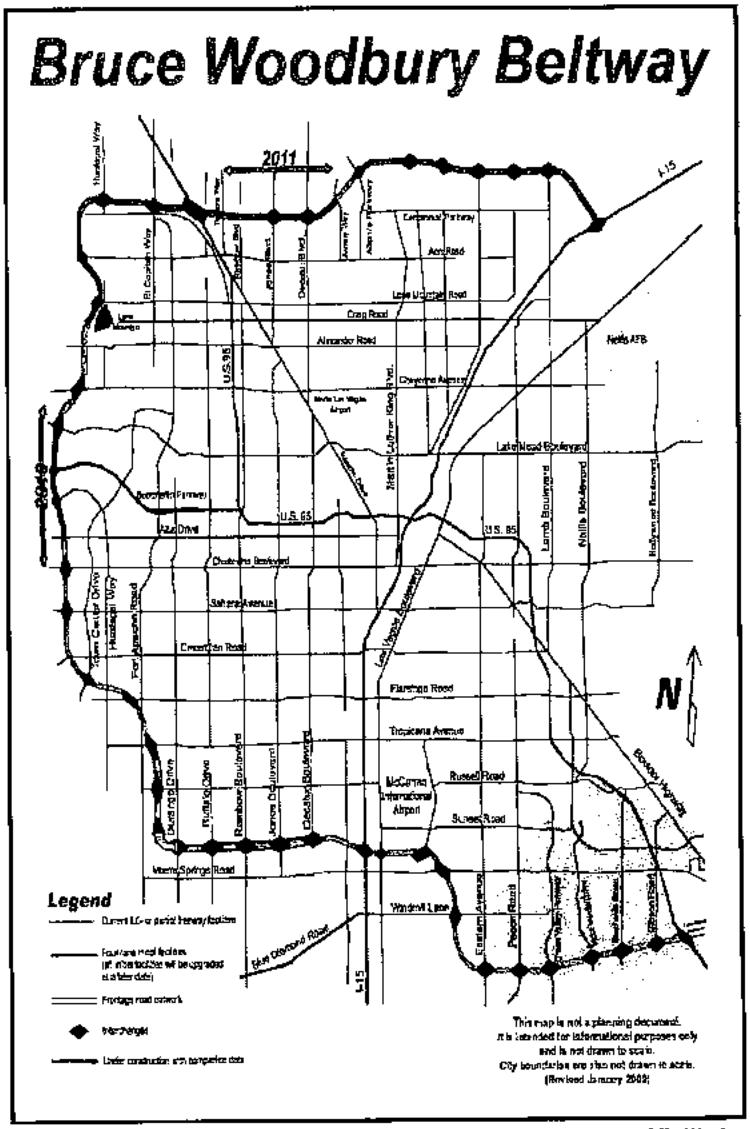
Length of Residence	**Own**	**Rent**
Newcomer	0.9%	7.3%
1 Year or Longer	99.1%	92.7%

Persons per Household	**Own**	**Rent**
1	18.6%	27.6%
2	37.5%	28.4%
3	19.0%	17.0%
4	13.2%	12.1%
5 or More	11.7%	14.9%
Average Household Size (Persons)	2.78	2.71

Transportation

Located in the extreme southern portion of Nevada, Las Vegas is one the country's most remote cities. However, its geographical location places it in the center of California, Nevada, Arizona and Utah which provides Las Vegas with direct routes to several of the Southwest's largest cities. Located 285 miles southeast on U.S. 95/Interstate 515 is Phoenix, Arizona, the 6th largest city in the United States. Traveling west on Interstate 15 provides access to Los Angeles (272 miles) and the southern California Basin. Traveling east on Interstate 15 provides access to Salt Lake City, Utah. North on U.S. 95, is Reno (445 miles) and San Francisco (570 miles). In addition to Interstate freeway systems, the Las Vegas Metropolitan area is serviced by the Union Pacific Railroad which provides direct rail distribution from Los Angeles and Salt Lake City. The railway bisects the city, with various rail spurs connecting to outlying areas of the Las Vegas valley.

Clark County Highway 215 (or the Bruce Woodbury Beltway) is an outer loop expressway which generally encircles the city, originating in the Henderson area at U.S. Highway 95 and terminating at Interstate 15 in the northeast quadrant of the city. This 53 mile stretch of roadway encircles three quarters of the Las Vegas valley. A significant portion of this project was built out in early 2009, including the completion of the widening project between Interstate 15 and Decatur Boulevard to three lanes, including the enhancement of bridge structures. Generally, this expressway is complete to freeway status between U.S. Highway 95 in Henderson to Cheyenne Avenue in the north-west quadrant of the city. Some at-grade interchanges remain in the northwest and north quadrants of the city. The ultimate scheduled completion for the larger Beltway is anticipated by approximately 2014. The facing map provides an overview of this Beltway system.



Source: Clark County Public Works

The Regional Transportation Commission of Southern Nevada (RTC) owns and operates the public mass transit system for Southern Nevada known as Citizens Area Transit, or CAT. This bus system began in December 1992 and over recent years has been upgraded to include new transportation systems such as the Metropolitan Area Express or the Max Line in 2004, and in 2005, the Deuce Double Deck Bus Service was initiated, primarily on the Las Vegas "Strip." In 2010, the RTC launched the Ace Rapid Transit System. The Ace System includes a sleek modern service that will ultimately connect all corners of the valley with the look and feel of a light rail system.

The initial Ace Rapid Transit Line services the Las Vegas "Strip" area. The Ace buses have rail-like features, including multiple doors for easy loading and stations which will have level platform boarding. The bus stops include comfortable and modern shelters. Phase 1 of the Ace Line was completed in the downtown area, and this continues through to the Las Vegas "Strip." New transit centers have been constructed at Bonneville Street in the downtown district, Gillespie Street in the south valley, Westcliff Avenue in the western portion of the valley and, to alleviate congestion on U.S. 95, in the suburb of Centennial Hills on Grand Montecito Parkway in the northwestern portion of the valley. Planned is a transit center at the University of Nevada Las Vegas campus.

In general, the entire RTC Transit System consists of 67 routes served by 402 vehicles carrying more than 177,000 passengers per weekday in the greater Las Vegas valley. More than 3,700 active bus stops exist in the Las Vegas valley and the fixed route monthly ridership is approximately 4.8 million passengers. The coming years will reveal a transition in the RTC CAT bus service in the form of these new Ace Bus Lines.

Recently, the Nevada Department of Transportation has upgraded the Interstate 15 Expressway generally between Craig Road south to the U.S. Highway 95. Also recently, new travel lanes and upgraded interchanges were constructed between the central business district and Craig Road. Express lanes are currently being added to the Interstate 15 corridor between the Las Vegas Spaghetti Bowl south to the 215 Beltway to accommodate the increased traffic flow along this corridor. Construction is also underway on new travel lanes on the U.S. Highway 95 corridor north of Lake Mead Boulevard. Work is progressing on the northern portion of the Clark County 215 Beltway between Tenaya Way and Decatur Boulevard to include new bridges at Tenaya Way and at Bradley Road and new interchanges at Jones Boulevard and Decatur in the northern portion of the valley.

McCarran International Airport is a primary point of entry for most visitors and tourists to the Las Vegas metropolitan area. Expansion has occurred in this facility over the years to accommodate the rapid growth in passenger traffic which has occurred through approximately 2007. More recently, the passenger traffic has declined as a result of the downturn in the economy, as fewer tourists are visiting the Las Vegas area. In 2011, this declining trend reversed with the first increase in passenger traffic since 2007. Air passenger traffic was recorded at 41,479,814 by McCarran Airport for 2011. The Clark County Commission voted to proceed with the completion of Terminal 3 in anticipation of long-term growth. Terminal 3 is expected to open this year to accommodate both domestic and international flights.

McCarran International Airport Air Passenger Traffic

Year	Passengers	% Change
1997	30,315,094	-0.5%
1998	30,227,287	-0.3%
1999	33,715,129	11.5%
2000	36,865,866	9.3%
2001	35,203,808	-4.5%
2002	35,009,011	-0.5%
2003	36,265,932	3.6%
2004	41,441,531	14.3%
2005	44,267,352	6.8%
2006	46,193,329	4.4%
2007	47,728,414	3.3%
2008	44,074,707	-7.7%
2009	40,469,012	-8.2%
2010	39,757,359	-1.8%
2011	41,479,814	4.3%

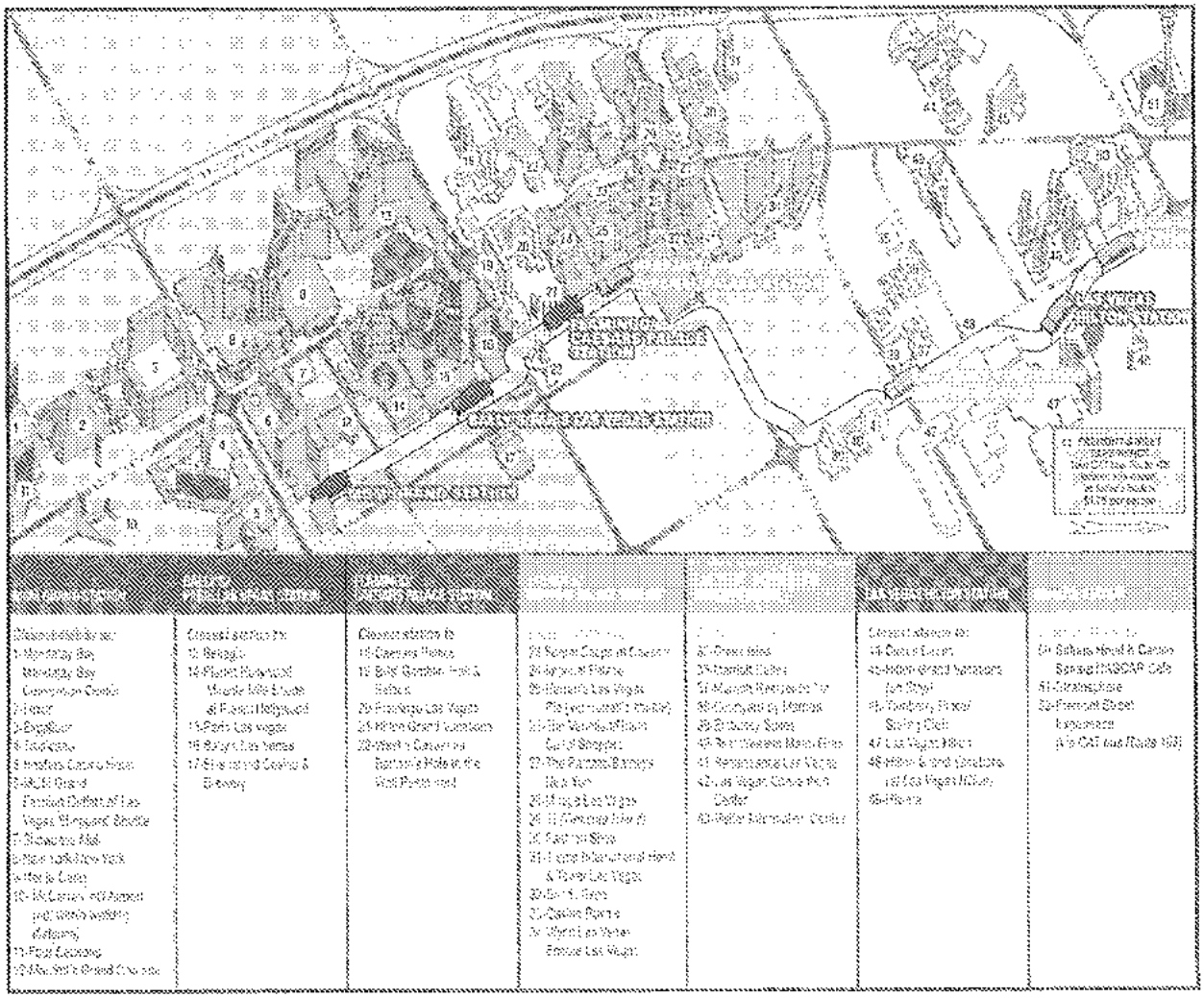
Source: Las Vegas Convention & Visitors Authority

Terminal 3 is nearly one-half mile in length and includes a 6,000 space 8-story parking garage, essential utility plant and 14 new gates, including 6 gates reserved for international air service with updated customs processing which will exist in this new terminal. The total cost of Terminal 3 is anticipated to amount to $2.4 billion.

Other projects underway at McCarran International Airport include improved transportation and circulation routes, which will generally be completed in conjunction with the opening of Terminal 3. This will include new electronic signage into and around the airport, rental car parking lot renovations, gate ramp renovations and remodeling of Concourse C. Further, the FAA is building a new state of the art control tower to service McCarran which, when complete in early 2015, will be the 2nd tallest tower in the U.S. behind Atlanta's Hartsfield tower.

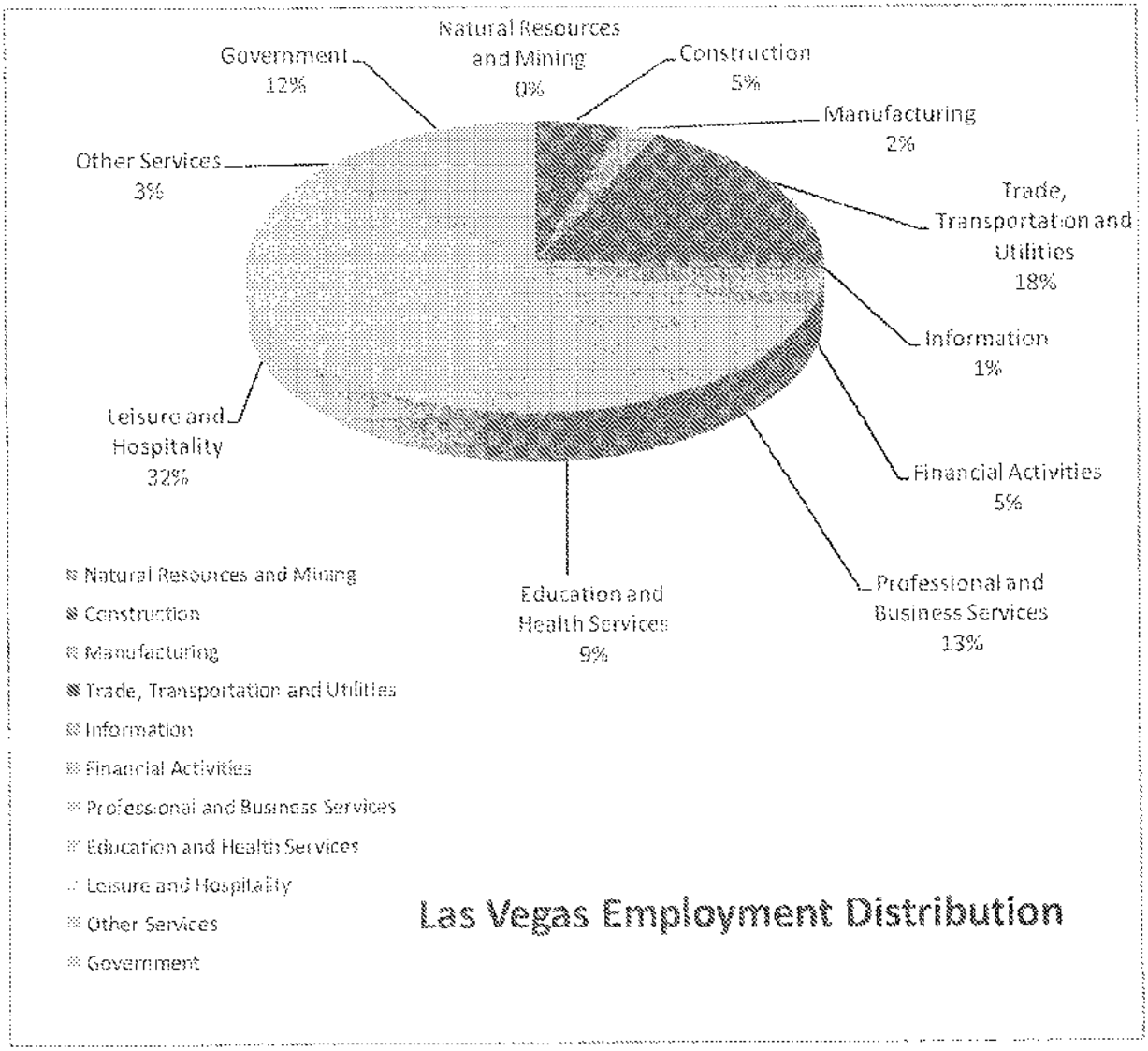
Private and charter aircraft also contribute to tourist volume, with North Las Vegas Airport, Henderson Executive Airport, as well as McCarran providing private aircraft services. Tourist flights to the Grand Canyon and similar destinations, as well as sightseeing flights around the Las Vegas area are available at McCarran Airport and at the smaller airports.

The Las Vegas Monorail began operating in 2004 and is a state-of-the-art driverless rail system that extends approximately 3.9 miles on the east side of the Las Vegas "Strip." The monorail includes 7 stations, completes the total route within 15 minutes, is capable of reaching speeds of up to 50 miles per hour, and operates 365 days a year. The monorail has experienced financial difficulties, filing for bankruptcy protection in January 2010, partly due to limitations on ridership, which is somewhat dependent upon convention attendance. One of the main stations within the 3.9 mile route is the Las Vegas Convention Center, providing conventioneers easy access the various hotels on the Las Vegas "Strip." Decreased convention attendance has resulted in lower ridership on the monorail system. Plans exist for an extension of the monorail to McCarran International Airport which most agree would significantly boost ridership on the system, yet difficulty in obtaining financing for this expansion has stalled this development. Despite the setbacks in lower ridership, this remains an important method of transporting tourists and conventioneers around the Las Vegas "Strip." The following illustrates the route map for this state-of-the-art monorail.



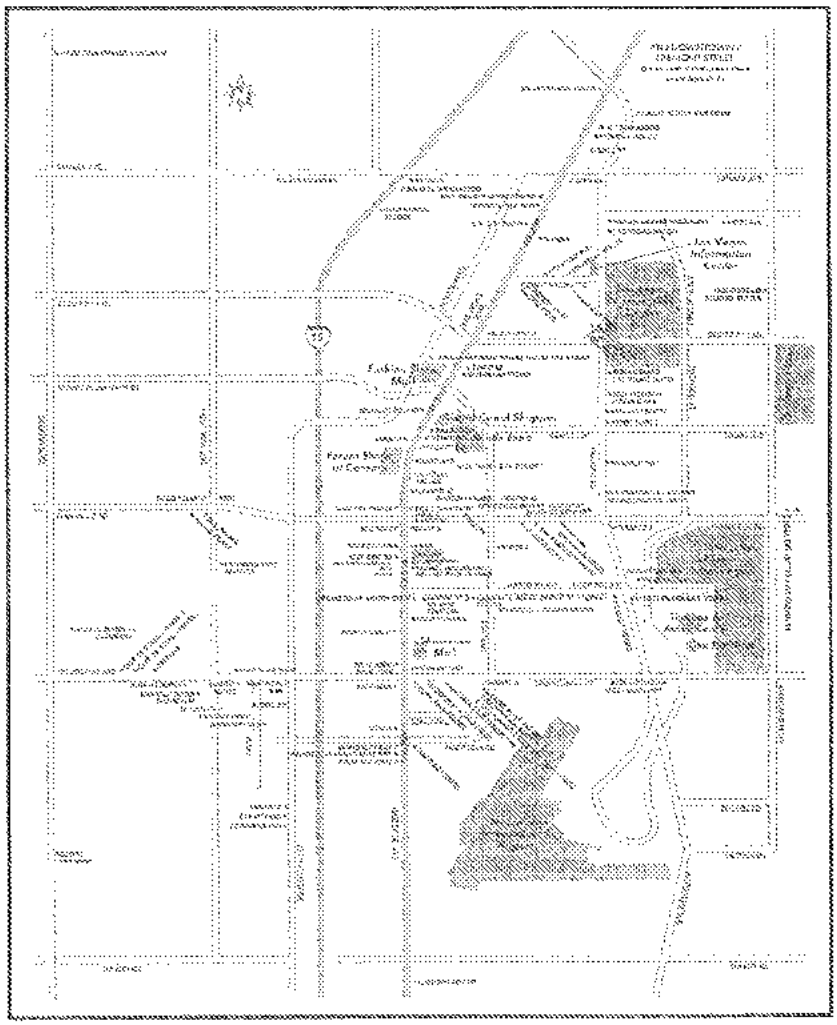
Economy

The economic base of the Las Vegas area is dominated by the tourist/service industries, trade industries, professional services, construction industry, and governmental/municipal agencies, including substantial military base employment. The total Clark County labor force reported for 2011 is 944,838; a decrease of 2.50% from the total labor force of 969,100 in 2010. The largest employment sector is the leisure and hospitality industry which includes the most tourism related employment. This sector includes jobs related to arts and entertainment, hotel/gaming and recreation, food service and accounts for 32% of the total employment in Las Vegas. Currently Las Vegas-Paradise MSA unemployment is approximately 11%. Employment distribution is illustrated in the following chart:



Source: Nevada Workforce Informer, NV Dept. of Employment

Tourism



Generally recognized as Las Vegas Boulevard, between Sahara Avenue and Russell Road, the Las Vegas "Strip" includes fourteen of the fifteen largest hotels in the United States. The dawn of the mega-resort era was trumpeted by the development of The Mirage Hotel and Casino, built in 1989, and generally recognized as the first major hotel and casino in Las Vegas. Featuring a $40 million "volcano", this resort demonstrated demand for world class type resorts in Las Vegas. Since then, many major hotel/casinos have opened in the Las Vegas Area.

Developed as the first private one billion dollar construction project in Nevada, the MGM Grand introduced the world's largest hotel in 1993 with 5,034 rooms. Today, the MGM Grand includes the 16,800 seat Grand Garden Arena which hosts a variety of sporting events and concerts. Convention/meeting space is available at the MGM and a 171,000 square foot gaming floor, all located on 112 acres at the Tropicana Avenue intersection - diagonally across from the former world's largest hotel, The Excalibur (4,008 rooms built in 1990).

At the south end of Las Vegas "Strip," Circus Circus Corporation opened Mandalay Bay (1999), a 3,211 room hotel/casino and Luxor (1995), a prominent pyramid-shaped facility on the former site of the Hacienda Hotel. Luxor, (4,400+ rooms) with all its rooms in the pyramid along outside walls, includes the world's largest atrium, containing a large indoor entertainment complex. Mandalay Bay includes a world-renowned Four Seasons Hotel located on the top of the tower, House of Blues, shark aquarium, auditorium and restaurant facilities.

The acquisition of the Desert Inn Hotel and its golf course (encompassing 200± acres) by Steve Wynn, former Mirage CEO, occurred in 2000 and was subsequently

demolished for a planned 2,716 room resort hotel/casino. This hotel/casino, simply named Wynn Las Vegas opened in April 2005, on the 55th anniversary of the opening of the original Desert Inn. The cost Wynn Casino was estimated at approximately $2.6 billion. Since the opening of Wynn, Encore has been completed and opened December 22, 2008. The Encore was completed at a cost of approximately $2.3 million and includes 2,034 rooms, a 72,000 square foot casino, 11 retail outlets, showroom, multiple restaurants, and other facilities. Encore and Wynn are operated in conjunction with one another directly across from the Fashion Show Mall.

Hotel and Motel Occupancy Levels

Year	Hotel %	Motel %	Combined %
1997	90.3%	68.8%	86.4%
1998	90.3%	67.3%	85.8%
1999	92.1%	68.6%	88.0%
2000	92.5%	71.9%	89.1%
2001	88.9%	63.8%	84.7%
2002	88.8%	60.2%	84.0%
2003	89.6%	60.5%	85.0%
2004	92.0%	68.7%	88.6%
2005	91.8%	72.0%	89.2%
2006	93.2%	65.2%	89.7%
2007	94.0%	64.5%	90.4%
2008	89.8%	57.8%	86.0%
2009	85.3%	50.1%	81.5%
2010	83.5%	52.0%	80.4%
2011	86.9%	56.0%	83.8%

Source: Las Vegas Convention & Visitors Authority

Other notable projects which have been completed of late include the Palazzo, adjacent to the Venetian. This development by the Sands Corporation cost upwards of $1.8 billion. One hundred five thousand square feet of gaming area exists, as well as 3,068 all-suite rooms. A theater, spa, night club, various restaurants, as well as retail outlets also exist in the Palazzo development.

The largest hotel/casino project opened in recent times is the new CityCenter development. Opened in December 2009, this was the completion of one of the largest privately-funded construction projects in the nation. CityCenter includes multiple properties, such as the ARIA Resort and Casino, the Mandarin Oriental, Vdara Hotel and Spa, the Cosmopolitan as well as Veer Towers. The ARIA Resort and Casino is the main facility, which includes a full service resort and casino. The Mandarin Oriental, as well as Vdara, are boutique-type properties which include a full complement of services such as restaurants and spas. Veer Towers is primarily a condominium-type complex. The Harmon Hotel, located along the Las Vegas "Strip" frontage, has been plagued by construction defects and this part of the project may be demolished and rebuilt. CityCenter also boasts Crystals, a retail and entertainment complex similar to other upscale Las Vegas Boulevard Malls, such as Caesar's Forum Shops, the Canal Shoppes at the Venetian, and the Miracle Mile Shops at Planet Hollywood. This project was highly anticipated due to the amount of permanent employment represented by this project and the anticipation that the CityCenter Development by MGM Mirage would boost tourism in Las Vegas. Upwards to 12,000 permanent employment positions exist in the CityCenter Complex. The most recent opening on the Las Vegas "Strip" was the Cosmopolitan, a hotel/casino in CityCenter that opened in December 2010. This hotel has a 100,000 square foot casino, 1,198 hotel rooms, 968 hotel/condominium style units, multiple restaurants, convention space, showroom, and 60,000 square feet of retail space, among other amenities.

Although some of the aforementioned developments have been completed and opened, others have stalled due to the downturn in the economy. For example, Boyd Gaming ceased construction on the new Echelon development which was being erected at the former Stardust site. In mid-2008, Boyd Gaming elected to cease construction activities until economic conditions warrant the completion of the development. Likewise, Turnberry was in the process of constructing Fontainebleau on the North "Strip," however, the project was never completed due to difficulty in obtaining the balance of the financing to complete construction. This project has recently been sold at auction for $150 million, and the buyer, Carl Icahn, has not announced plans for the completion of improvement at the present time. Reportedly, Fontainebleau is nearly 80% complete, and upwards to $2 billion has been spent to date on the project.

General declines in the tourism industry have been noted over the past three years; however, with the opening of CityCenter, and modest improvement in national indicators, trends in tourism were positive in 2011 and it is expected that growth will likewise occur in 2012.

Clark County Visitor Volume		
Year	Total Visitors	% Change
1997	30,464,635	2.8%
1998	30,605,128	0.5%
1999	33,809,134	10.5%
2000	35,849,691	6.0%
2001	35,017,317	-2.3%
2002	35,071,504	0.2%
2003	35,540,126	1.3%
2004	37,388,781	5.2%
2005	38,566,717	3.2%
2006	38,914,889	.9%
2007	39,197,000	.7%
2008	37,481,552	-4.4%
2009	36,351,461	-2.68%
2010	37,335,436	2.71%
2011	38,928,708	4.3%

Source: Las Vegas Convention & Visitors Authority

The Palms, owned and operated by the Maloof family, opened in November 2001. Despite being located off the Strip, the Palms has remained a popular destination for many, including Hollywood celebrities. The Palms includes 702 rooms and contains 95,000 square feet of casino space, a recording studio, and a 2,200 seat showroom. In October 2005, the second tower, the "Fantasy Tower" opened at a cost of $600 million. This new tower includes a two-story 10,000 square foot suite with a basketball court. This tower is also home to The Playboy club entertainment venue and nightclub. Opened in February 2008 was Palms Place, a 47-story condo/hotel which is located on the west end of the project.

The Fremont Street Experience was developed in 1994 at a cost of $70 million in the Downtown Central Business District. The experience includes a computer-controlled, 12.5 million LED Module color light display which forms a nearly ½-mile long canopy over Fremont Street. As part of a comprehensive pedestrian mall (closing vehicular traffic) along what has historically been called "Glitter Gulch," this project revitalized the older downtown casino district. In August 2007, Fremont East was completed for a reported $5.5 million. Workers widened sidewalks, improved the landscaping, and created an arched gateway that is lighted. The downtown area has been improved with the construction of various neon signs from the Neon Museum along the Fremont east area, as well as the north part of Las Vegas Boulevard. The Gold Nugget Hotel/Casino recently expanded with the introduction of a new hotel tower and additional public spaces.

Historically, tourism has increased consistently as measured by total visitor volume, gaming revenues and other indicators. The introduction of new hotel rooms in Las Vegas historically has resulted in increases in visitor volume; however, the downturn in the national economy has resulted in a reduction of total visitors in Las Vegas in recent years. Conversely, over the last year, this trend has reversed. More visitors traveled to Las Vegas last year than previous years and this resulted in increased average hotel occupancies and a 10.7% increase in average daily room rates. This trend is expected to continue in 2012.

Convention Attendance		
Year	**Volume**	**Change**
1996	3,305,507	
1997	3,519,424	6.47%
1998	3,301,705	-6.19%
1999	3,772,726	14.27%
2000	3,853,363	2.14%
2001	5,014,240	30.13%
2002	5,105,450	1.82%
2003	5,657,796	10.82%
2004	5,724,864	1.19%
2005	6,166,194	7.71%
2006	6,307,961	2.30%
2007	6,209,253	-1.56%
2008	5,899,725	-5.00%
2009	4,492,275	-23.09%
2010	4,473,134	-0.43%
2011	4,865,272	8.8%

Source: Las Vegas Convention & Visitors Authority

Another important aspect of the Las Vegas economy and the tourism industry is convention attendance. Las Vegas has a large convention facility, the Las Vegas Convention Center, which includes over 3,200,000 square feet of convention space under a single roof. Other large convention facilities exist around the city, including the Mandalay Place, MGM Grand Garden and Sands Convention Center. Many of the "Strip" hotel/casinos offer some convention venues, but the economic downturn had resulted in significant decline in overall convention attendance through 2009. Stabilization was noted in 2010 and in 2011, more conventions returned to Las Vegas, resulting in an increase in convention attendance of 8.8%, further contributing to positive trends in the tourism sector of the economy.

Housing

The housing market in Nevada while suffering significantly over recent years saw a slight improvement toward the end of 2011 as there were fewer foreclosures due to a new law which took effect in October 2011 stiffening bank foreclosure processing requirements. However, according to the 3rd Quarter 2011 *Las Vegas Housing Market Conditions* Report, it is noted that first time default notices were up locally and statewide. Further, the Las Vegas metropolitan area continued to lead the nation, 61.0%, in negative equity mortgages; down slightly from the previous quarter. At the end of 3rd Quarter 2011, there were approximately 50,000 vacant housing units in the Las Vegas metropolitan area, a slight decrease compared to 2nd Quarter 2011.

The Las Vegas median price for a new single-family home as of January 2012 was $207,000, according to Home Builders Research, Inc. The median price of an existing home stood at $108,000. Resales of distressed properties count for most of the sales activity as distressed properties continue to be cleaned from the market. According to Applied Analysis, existing home inventory is down, declining year over year from peak highs. The table on the following page, as prepared by Applied Analysis in September 2011, shows this positive trend.

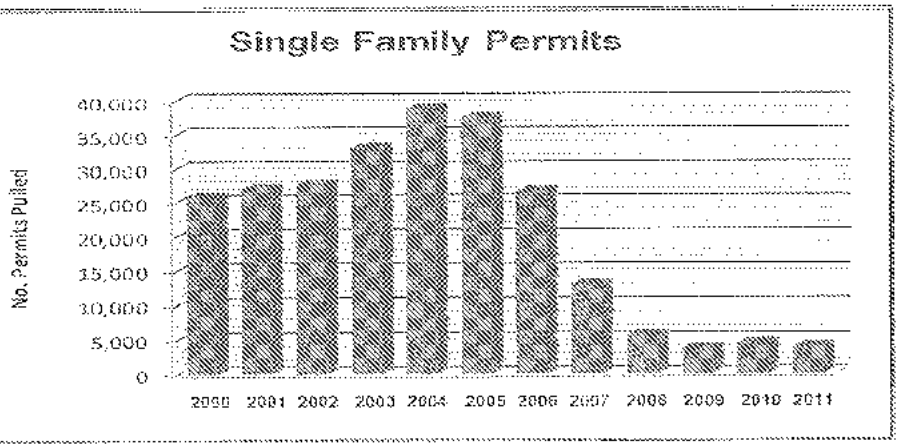
Trends of "Available" Homes by Occupancy Status

	Owner-Occupied			Tenant-Occupied			Vacant			Total Availability		
	Value	Share	Trend	Value	Share	Trend	Value	Share	Trend	Value	Share	Trend
2006	9,383	44.7%		2,202	10.5%		9,419	44.8%		21,004	100.0%	
2007	9,651	38.4%		2,730	10.9%		12,765	50.8%		25,146	100.0%	
2008	6,455	28.0%		1,965	8.5%		14,594	63.3%		23,014	100.0%	
2009	3,757	33.1%		1,296	11.4%		6,304	55.5%		11,359	100.0%	
2010	5,443	33.4%		1,768	10.9%		9,080	55.7%		16,291	100.0%	
2011 YTD	6,671	36.7%		1,481	10.6%		7,292	52.7%		13,850	100.0%	

Until unemployment improves and consumer demand strengthens, the housing market will continue to be a relatively weak sector of the market.

Building permits have decreased markedly from peak years as shown below. In 2010, a total of 4,509 single-family permits were issued in Clark County, which is an 18.25% increase from the number of permits issued in all of 2009, when 3,813 permits were reported. However, in 2011, 4,002 permits were issued which is a modest decrease compared to 2010 of 11.24%.

Year	Number of Single Family Permits Pulled
2000	25,723
2001	27,005
2002	27,634
2003	33,090
2004	38,914
2005	37,546
2006	26,722
2007	13,020
2008	5,740
2009	3,813
2010	4,509
2011	4,002



The apartment market, likewise, has suffered, although it appears to be stabilizing as an approximate 10% to 11% vacancy in the apartment market has been sustained for the past three years. As of the 4th Quarter 2011, the overall apartment vacancy rate valley wide was 10.4%; and rental rates appear to be stabilizing. At the end of 2011, the average apartment rental rate was $755.00 per month, only a nominal decline from the monthly rental rate at the end of 2010 of $757.00. Nevada ranks high on the list of states with the highest rate of foreclosure; however, despite this ranking, sales of single-family homes are beginning to accelerate, which may be a leading indication of recovery, albeit restrictions in the credit market and therefore difficulty in obtaining conventional financing may slow this rate of recovery. Regardless, it is unlikely that a significant amount of demand will return for new home construction in the coming 12 months.

Office, Industrial and Retail

Occupancy levels in the office market have declined in 2011 as a result of significant historic construction during an era of declining demand. Construction of new space generally outpaced demand in the recent past and significant vacant inventory remains available. A total inventory of over 51 million square feet of space existed at the end of 2011. Occupancy rates have plummeted from nearly 90% in 2006 for the total office market, to less than 75% in 2011.

A collapse of the housing market and the lingering recession has resulted in a supply of available office space that exceeds demand at a rate that far exceeds historic levels. Commensurate office rent levels have also deteriorated to levels which are often inadequate to service debt. Concessions have also become common. An improvement in the condition in the office market is dependent on an improvement in the national economy and an improvement in the housing market. The office market will likely improve only trailing an overall recovery.

Average Annual Occupancy Levels - Greater Las Vegas Area

Year	Apartment Occupancy	Office Occupancy	Industrial Occupancy	Retail Occupancy
1999	94.0%	88.0%	88.4%	96.5%
2000	94.3%	89.5%	92.4%	96.9%
2001	93.8%	87.8%	89.3%	95.9%
2002	92.2%	86.1%	88.6%	96.9%
2003	92.9%	89.4%	89.4%	96.5%
2004	94.6%	89.7%	91.3%	96.2%
2005	95.1%	91.6%	97.0%	97.6%
2006	94.0%	89.5%	96.9%	97.5%
2007	92.3%	87.6%	94.0%	96.8%
2008	92.0%	82.7%	91.1%	92.6%
2009	89.0%	77.0%	86.3%	90.0%
2010	89.2%	75.8%	83.1%	89.8%
2011	90.3%	74.7%	81.5%	89.4%

Source: Applied Analysis and UNLV

Occupancy levels in the industrial market decreased from 2010 to 2011. Occupancy levels in 2010 were reported to be 83.1%, while in 2011 occupancy declined to 81.5%. No new construction was underway at the end of 2011; and only 155,064 square feet was planned. The average industrial lease rate as of December 2011 was reported at $0.52 per square foot, per month (NNN). This is only a modest decrease from the reported average lease rate in December 2010, which was reportedly $0.56 per square foot, per month (NNN). A significant negative absorption occurred in the industrial market during 2011 due to recessionary conditions. The deterioration of the construction industry has resulted in a considerable amount of vacant industrial space formally occupied by companies that were associated with new development. Therefore, much of the currently vacant industrial space will likely remain vacant until a general economic recovery occurs and consumers once again begin demanding goods and services.

There is a limited amount of "heavy" industry in the Las Vegas area, with much of it located in Henderson, at or near the location of the former World War II munitions plants (aka BMI - an acronym for the consortium of companies that established Henderson) and includes such companies as Stauffer Chemical, American Potash

and Chemical, Flintkote, Titanium Metals of America, and Kerr-McGee Chemical Corporation. Several large facilities, many of which process mineral products, are also located just outside the valley. These include the Apex industrial area and a new/developing heavy industrial master plan located just north of Apex on land recently acquired from the BLM where a new, natural gas fueled electric power plant have been built. Companies located in the Apex area include, Chemstar, Georgia Pacific, NV Energy and US Avestor. Furthermore, Citicorp, Levi Strauss, GE Capital, IT&T Info Systems, Legg's, Nabisco, Pepsi Cola, Ethel M. Chocolates, Household Financial, Ocean Spray and Coors have all developed major facilities in the Las Vegas valley.

The retail segment of the real estate market expanded last year and now has a total inventory of 51,401,427 square feet. Retail vacancies remained similar between 2010 (at 89.8%) and 2011 (at 89.4%). Average lease rates only moderately declined from the 2010 average lease rate of $1.56 per square foot, per month (NNN) to $1.51 per square foot, per month (NNN) for 2011, indicating a 3.21% decrease. This illustrates some market stabilization. As with the industrial and office segments of the market, the retail real estate market is dependent on the larger economy. During times of recession, consumer confidence is low due to limited disposable income. As such, retailers struggle and to compensate, many retailers downsize and consolidate to maintain profitability. Others close and this results in lower demand for retail space. It is noted, however, that some new retail construction has occurred during 2011, including build-to-suit transactions for freestanding outlets such as fast food stores, dollar stores, bank branches, tire stores, auto parts stores, etc. Additionally, new national brands have begun to move into the area including WinCo, a discount grocer, with two new locations expected to open in 2012. Considering the generally stable rent levels and stable occupancy levels exhibited during 2011, it is reasonable to expect stabilization and possible signs of improvement in the retail segment of the market during 2012.

The chart on the following page provides an overview of new inventory and net absorption for the office, industrial and retail segments of the real estate market in the Las Vegas valley.

Inventory and Absorption (Leased/For Lease Space, Only; In Square Feet)									
Year	Office			Industrial			Retail*		
	Total Inventory	New Inventory	Net Absorpt'n	Total Inventory	New Inventory	Net Absorpt'n	Total Inventory	New Inventory	Net Absorpt'n
2000	22,160,446	1,453,327	1,503,497	60,364,888	3,110,444	5,573,774	26,343,956	1,692,744	1,850,291
2001	23,551,042	1,499,048	968,208	65,325,586	4,710,676	2,050,507	28,305,307	2,357,664	1,909,018
2002	25,181,209	1,119,495	794,443	68,548,229	3,166,078	3,547,628	28,164,315	794,592	937,057
2003	30,985,552	1,188,150	1,399,782	76,718,263	2,598,531	2,714,855	38,178,422	2,630,089	2,692,629
2004	33,366,011	1,866,204	1,748,179	78,916,350	2,264,505	3,269,831	40,848,840	3,184,019	3,021,872
2005	37,398,389	4,032,378	3,238,180	82,435,938	3,519,588	5,355,282	42,184,810	1,335,970	1,076,906
2006	41,003,968	3,605,579	2,549,857	87,901,081	5,465,143	5,147,197	44,316,060	2,131,250	1,743,043
2007	44,681,664	3,677,696	2,354,913	96,413,819	8,512,738	4,809,905	48,728,503	4,412,443	4,102,143
2008	46,661,573	2,741,062	425,745	102,421,433	3,215,779	2,905,094	50,471,090	1,900,053	383,869
2009	49,505,158	956,880	-1,946,066	103,559,187	1,043,890	-3,538,935	51,811,333	1,329,176	49,988
2010	49,739,251	105,814	-557,878	103,621,757	350,905	-2,213,770	51,196,016	164,584	228,807
2011	51,550,199	781,316	-44,965	104,405,551	142,000	-1,526,985	51,464,427	260,000	244,572

*Includes Power Centers, "Anchored" Community and Neighborhood Centers, only. *Source: Applied Analysis*

Construction

Construction in the Las Vegas area, as noted earlier, provides for approximately 5% of the employment base. Many of the construction jobs are involved in residential housing, which had generated record or near record new home sales up until approximately 2006.

Clark County New Construction - Building Permits Summary				
Year	Permits Issued	% Change	Total Valuation	% Change
1996	28,232	6.6%	$4,325,820,000	33.1%
1997	21,687	-23.2%	$3,526,995,000	-18.5%
1998	22,257	2.6%	$3,708,329,000	5.1%
1999	21,582	-3.0%	$3,291,183,000	-11.2%
2000	22,891	6.1%	$3,657,613,000	11.1%
2001	23,860	4.2%	$3,307,646,000	-9.6%
2002	23,702	-0.7%	$5,362,512,000	62.1%
2003	29,637	25.0%	$6,275,493,000	17.0%
2004	34,144	15.2%	$6,938,625,000	10.6%
2005	32,288	-5.4%	$6,679,487,000	-3.7%
2006	23,054	-28.6%	$7,462,231,000	10.4%
2007	14,974	-35.05%	$8,675,305,000	13.98%
2008	6,840	-54.32%	$5,162,109,000	-40.50%
2009	4,209	38.46%	$1,568,241,000	-69.62%
2010	4,853	15.3%	$ 916,788,000	-41.54%
2011	4,242	-12.38%	$ 872,202,000	-4.86%

Source: Las Vegas Perspective

The building permits summary table (at right) includes single-family construction, multifamily construction, public buildings, hotel and motel construction, as well as commercial buildings.

The permits reported do not include miscellaneous permits which may include garages, spas and pools, fences, patios and mobile homes, however, these are included in the Total Valuation category. The severe decline in permitting activity in 2011, when compared to preceding years, reflects the down turn in the economy which has resulted in deterioration in demand for all forms of real estate. Restrictions in the credit markets has exasperated the trend as little available financing has restricted developers' ability to fund new development. This trend is expected to continue through 2012.

Utilities

Water is supplied by the Las Vegas Valley Water District (Las Vegas and Clark County areas); electricity by NV Energy; natural gas by Southwest Gas Company and sewer is owned by respective municipalities. Public water is supplied by the city in both North Las Vegas and Henderson and telephone service is provided by Century Link. Utility services have proven adequate and dependable, with rates comparable to, or below those, in adjoining western states.

Schools

As of the 2011/2012 school years, the Clark County School District operates approximately 357 schools. To operate the 357 schools, the district employs an estimated 37,361 people, including 18,183 teachers. There are over 308,000 students enrolled in the Clark County School District, ranking it 5th largest in the nation. Development of new school facilities has been rapid in the past, 83 in the last ten years, successfully funded by major state bond issues and generally kept pace with local growth. However, as of 2012, no new schools are under

construction. The district instead has focused on rehabilitation/upgrading current facilities with $275 million set aside for this purpose. In addition to public schools, there are 65 private and church-sponsored schools with 40 having enrollments of 100 or more students. Higher education is provided by the Southern Nevada Vocational Technical Center, Area Technical Training Center, College of Southern Nevada, Nevada State College and the University of Nevada-Las Vegas to name a few. In addition, another 26 private colleges and universities exist.

The University of Nevada-Las Vegas (UNLV) is situated on 340 acres near the Las Vegas Strip. As of the Fall Semester 2011, UNLV had faculty and staff of over 2,800, UNLV offers more than 220 undergraduate, master's and doctoral degree programs. Since its opening in 1957, enrollment at UNLV has steadily increased with a current enrollment of over 27,364 students for the Fall Semester 2011.

Community Services

There are 16 full service hospitals licensed for 3,957 beds. In addition, Las Vegas has 27 specialty hospitals providing for services including long-term acute care, spinal cord and brain injury.

The Las Vegas area employs nearly 4,555 police officers, with departments in Las Vegas, Henderson, Boulder City, North Las Vegas and the Nevada Highway Patrol. Over 1,800 firefighting personnel are on staff in the area, manning 42 stations. Two ambulance companies serve the southern Nevada area, providing emergency and non-emergency transportation.

The Cashman Field complex offers 122,000 square feet of exhibit space, a 2,000 seat auditorium and a 10,000 seat baseball stadium for the 51's, a "Triple A" team. The Thomas and Mack Center and Sam Boyd Stadium are home to UNLV sports teams, as well hosting a wide variety concerts, sporting and other events. The National Finals Rodeo is held annually at the Thomas and Mack center and provides a substantial contribution to the area's economy with more than 175,000 fans, of which an estimated 90 percent are out of town visitors. Numerous concerts and shows are available for local residents and tourist alike, including a variety of long-running shows in the various hotel/casinos and special appearances by numerous celebrities, bands and other showmen in the numerous, varied, venues throughout the area. Some of the largest venues include the Thomas and Mack Center, the MGM Grand Garden, the Mandalay Bay Events Center among others.

The Las Vegas Motor Speedway (LVMS) is a motor sports entertainment complex encompassing over 1,000 acres just northwest of Nellis AFB. LVMS has 24 different racing venues, including a 1.5 mile super-speedway, 2.5 mile road course, 4,000 foot drag strip, paved and dirt short tracks, motor-cross circuits, stadium truck racing facilities, go-carts, BMX, etc. The main facility seats approximately 107,000 people along the 1.5 mile super speedway, has a 40,000 car parking area and 100-space RV park. Host to an annual NASCAR race, this $200 million facility opened in September 1996 for the Indy Racing League's Las Vegas 500, breaking all previous attendance records for a Nevada sporting event, with over 60,000 race fans in

attendance. Speedway Industrial Park, an adjacent part of the Las Vegas Motor Speedway facility, completed 1.4 million square feet of industrial/flex space in 1997/98.

In addition, an array of family attractions exists throughout the Las Vegas area including various attractions within the hotel and casinos: museums and art galleries, performing art centers as well as cultural organizations and events. Sixty one golf courses are interspersed throughout the valley as well as public parks, including public and private courses.

Taxes

Nevada does not have state taxes, personal or corporate income taxes, admissions taxes, inheritance or gift taxes, or franchise tax on income. Property tax rate in Nevada is limited to a total of $3.64 per $100 of assessed value. Assessment is at 35% of taxable value. The state sales tax is 8.1% for Clark County and does not apply to food products for home use. Nevada's Freeport Law, which exempts goods in transit and not to be delivered within the State from taxation, has caused a great influx of warehousing to the State. Primarily because of the state gaming taxes, Nevada has an individual tax load well below most states. However, state gaming tax is substantially below that of other states with any legal form of gaming, giving Nevada casinos a substantial edge over competing out-of-state gaming markets.

Government

The County operates as an independent political entity, administered by a County Manager who is supervised by an elected seven man Board of Commissioners. Unlike many counties in the nation where County government tends to control rural areas, with city governments controlling urbanized areas, the substantial urban areas (most notably the Las Vegas "Strip") located within unincorporated areas of the county give Clark County government substantial political and economic clout. Occasional political discussion of consolidation or expanded city incorporation has always been thwarted a trend which is likely to continue. The City of Las Vegas and the County do, however, share a common police force, The Las Vegas Metropolitan Police Department. The three cities within the area all have council-manager forms of government, with elected Mayor's having an equal vote on an elected council and a City Manager facilitating daily operations at the direction of the council.

Each city operates independent fire departments, jail and court systems with North Las Vegas and Henderson each having a police force. The County and City's administrations have proven to be effective in providing for, and protecting, public and private interests.

A number of major federal government facilities operate in the Las Vegas valley. This includes Nellis Air Force Base in the northeast part of the valley and the Indian Springs Auxiliary Air Base, located 25 miles northwest of the Las Vegas valley, and its surrounding bombing and gunnery range (operated by Nellis AFB). The Department of Energy's (DOE) operations office and the Nevada Test Site (NTS) is

located roughly 65 miles north of the Las Vegas city center and encompasses an area larger than the state of Rhode Island or approximately 1,350 square miles.

The Nevada Test Site, now known as the DOE Nevada National Security Site, was originally established as the Atomic Energy Commission's on-continent proving ground, with an initial primary function of testing nuclear weapons. Approximately 5,000 people are employed at the facility, including 50 military, with an additional 2,000 people in test site related employment in Las Vegas.

Nellis Air Force Base includes 12,000 square miles of air space, north of the Las Vegas valley, and approximately 3,000,000 acres of land. This is the largest installation in the Air Combat Command. Currently, Nellis AFB accounts for approximately 5% of Clark County's gross product. Nellis AFB is one of the largest employers in Southern Nevada with 9,500 military and civilian personnel. Additionally, the base averages about 1,000 temporary duty personnel. Its primary purpose is for Air Combat Training, hosting domestic as well as allied aircraft for this function. The world famous Thunderbirds Air Demonstration Squadron is also based at this facility. This base continues to grow as other facilities around the nation are downsized or closed.

Recreation Areas

Recognized primarily for its entertainment and gaming attractions, Las Vegas is centrally located to a wide variety of recreational opportunities. Las Vegas is located approximately 35 miles southeast of the Mt. Charleston ski and recreation area with neighboring trails and camping in the Toiyabe National Forest/Spring Mountains National Recreation Area. Just west of and visible from most of the valley are the shear red sandstone cliffs of Red Rock National Recreation Area, within which is the Spring Mountain Ranch State Park. Lake Mead National Recreation Area is approximately one-half-hour driving distance from most of the valley, and includes the largest man-made lake in the country. Lake Mead Recreational area offers activities for boaters and fisherman as well as hikers and photographers. Three of America's four desert ecosystems meet in this national recreation area. In addition, within daily driving distance are Hoover Dam, Valley of Fire State Park and Zion, Bryce, Grand Canyon and Death Valley National Parks.

Floyd Lamb State Park is located at the northern portion of the valley. These recreation areas are open year-round and offer a variety of government-supervised facilities. A large off-road recreation area is available in Las Vegas Dunes, at the northeast corner of the valley and numerous protected wilderness areas and various points of interest are in immediate surrounding areas. Located northwest of the Las Vegas area is the Southern Nevada Wildlife refuge which encompasses approximately 2,200 square miles of land.

Summary

The greater Las Vegas area has grown at a rapid rate throughout recent history, and should continue to do so into the long-term future. The long-term increase tends to indicate the long-term strength of the local economy and strong demand for Las Vegas' diversified tourist opportunities.

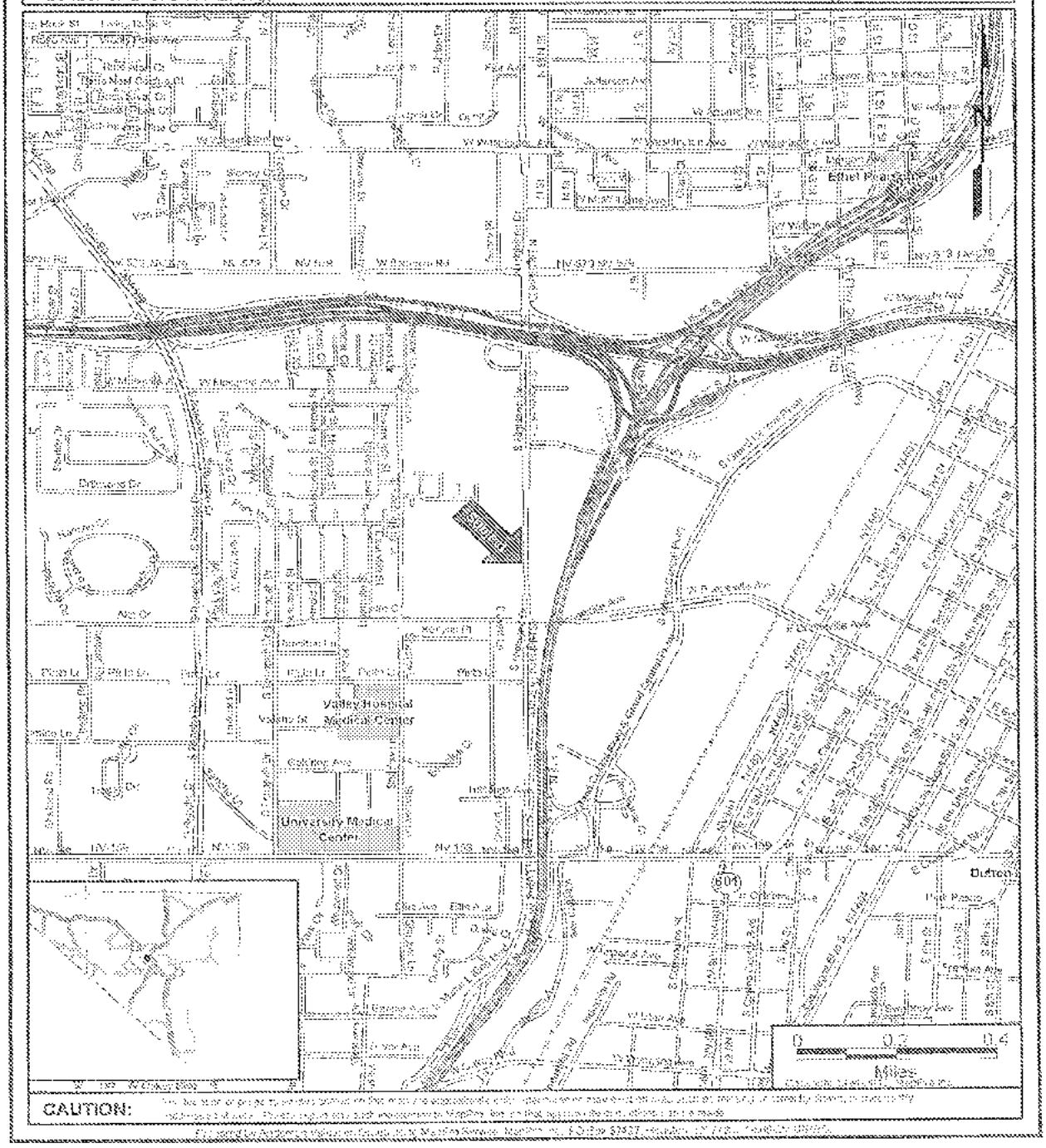
Recent improvement in the tourism industry should begin to resonate throughout the economy and given the significant investment in the infrastructure of the tourism industry, this short term trend should result in long-term growth.

Market Area Location Map

File No. 203-12

LOCATION MAP

Borrower or Owner: HQ Metro, LLC			
Subject Address: 400 S Martin L King Blvd		Census Tract: 2.03	
City: Las Vegas	County: Clark	State: NV	Zip Code: 89106
Lender or Client: NV Energy		Lat: 36.168054	Long: -115.160977



CAUTION:

Market Area Description

The subject property resides at 400 South Martin Luther King Boulevard, which is north of Alta Drive and west of Interstate 15. Neighborhood boundaries would include Maryland Parkway to the east, U.S. Highway 95 to the north, Decatur Boulevard to the west and Sahara Avenue to the south.

Access into the subject's market area is provided by way of U.S. Highway 95 and Interstate 15. U.S. Highway 95 forms the northern boundary of the market area and is a major freeway in the metropolitan area. Full interchanges exist at Martin Luther King Boulevard, Rancho Drive, and Decatur Boulevard in the subject's market area. Additionally, this freeway connects with Interstate 15 just north of the subject. Interstate 15 is located just east of the subject and is a major interstate extending south into Los Angeles and north into Utah. Access to Interstate 15 is available east of the subject property by way of Charleston Boulevard, south of the subject at Sahara Avenue; or, as stated, north of the subject by way of U.S. Highway 95.

The subject is located just north of a planned land use area identified as the Las Vegas Medical District. The Las Vegas Medical district is defined as areas west of Martin Luther King Boulevard, north of Charleston Boulevard, east of Rancho Drive, and south of Alta Drive; encompassing a total of 214 acres. Since the development of the University Medical Center in 1945 this area has been slowly transitioning from a residential area to a medical district. University Medical Center is generally located at the northwest corner of Charleston Boulevard and Shadow Lane. University Medical Center is the only Level I trauma center in the state of Nevada and is also the only hospital in southern Nevada which is run by Clark County. This facility includes 564 beds, a burn unit, as well as a children's hospital. Valley Hospital, located on Shadow Lane also exists in this medical district. This facility offers a maternity center, stroke center, certified chest pain center, as well as a surgery center.

According to the Las Vegas Medical District Land Use plan, properties within the district have been designated for uses which include high density residential, medical support, major medical, professional office, and service commercial. Any use not previously mentioned will be prohibited unless approved upon appeal to the Director of Planning and Development. The plan was last amended August 2008 and the purpose is to create a regional medical district which will provide a complete range of medically related services.

Charleston Boulevard is located ±one mile south of the subject and is identified as a major east/west thoroughfare in the Las Vegas valley. Development along Charleston Boulevard includes a variety of uses including medical office, professional office, as well as some retail uses. The University of Nevada School of Medicine is also located along the north side of Charleston Boulevard at Shadow Lane. This campus focuses on the clinical studies for students attending the medical school.

Retail development in the subject's market area can be found at the Meadow's Mall, located along the west side of Valley View Drive, just south of U.S. Highway 95. This mall is anchored by Dillard's, JC Penney, Macy's and Sears and includes an additional 140 specialty shops and eateries. This mall was originally developed in 1978; however, was renovated in 1995 and again in 2003.

The Las Vegas Central Business District is located just east of Interstate 15, generally centered around the area near Fremont Street and Main Street. Fremont Street is home to the downtown tourist district. This street is closed to vehicular traffic between Main Street and approximately Las Vegas Boulevard. This pedestrian mall now offers a venue for outdoor entertainment, retail kiosks and other events. The majority of the street is covered with a metal barrel vault which serves as the source for nightly light and sound shows.

Immediately surrounding the Fremont Street tourist district are various high rise professional buildings as well as municipal facilities such as the Regional Justice Center, the Federal Courthouse, and the Las Vegas City Hall. Recently opened is the new Las Vegas City Hall along Main Street between Lewis and Clark Streets. This seven story structure contains approximately 310,000 square feet and had a construction budget of nearly $146 million dollars. The former existing City Hall located at Stewart Avenue and Las Vegas Boulevard will be acquired by Zappo's, an affiliate of Amazon.com. Currently, Zappo's occupies commercial space in the City of Henderson, however, will move the operations to the old City Hall to accommodate upwards to 1,000 employees. In addition, Zappo's will also acquire approximately seven acres directly east of the City Hall to allow for future growth. As many as 3,000 employees may work in the Zappo's complex within the next ten years. Zappo's will remodel the old City Hall and plans to move into that facility by 2014.

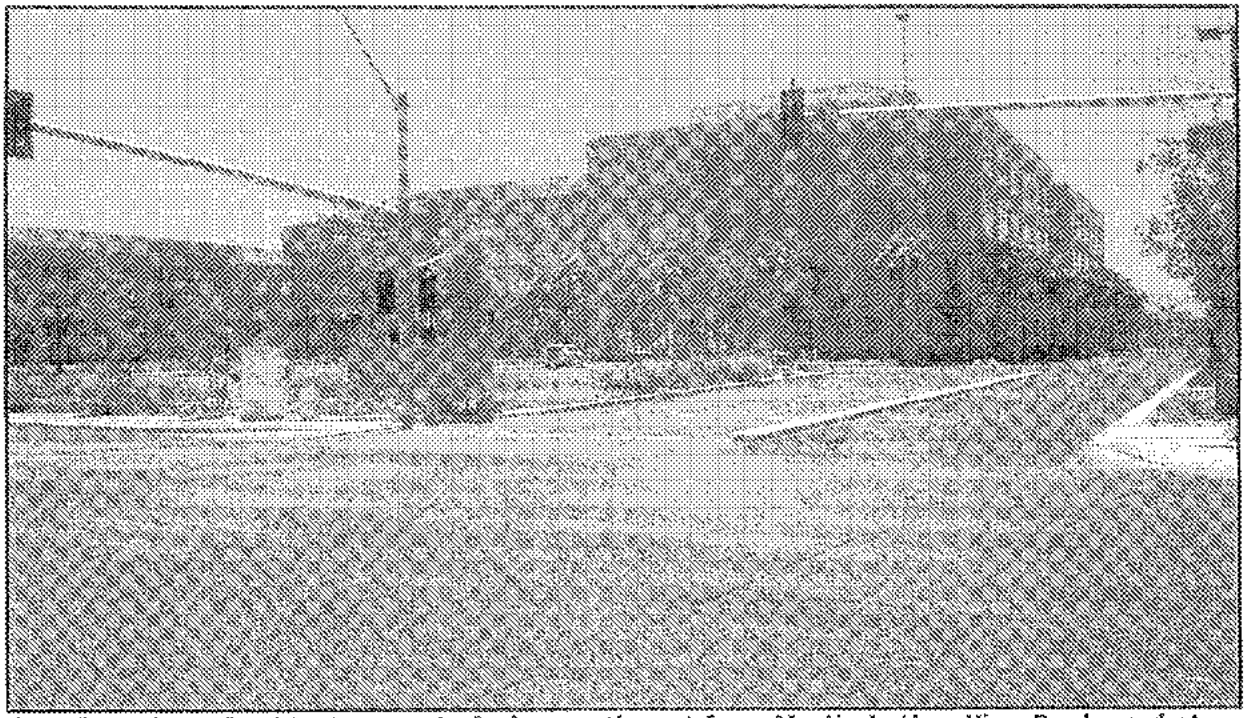
Located just west of the Central Business District is the Parkway Center and Symphony Park. These commercial subdivisions are home to the Las Vegas Outlet Mall which has recently undergone a significant expansion including the addition of numerous stores as well as parking structures. Recently announced is a new addition which will further expand the mall. To the north of the Las Vegas Outlet Mall is the World Market Center, a furniture wholesale display facility, which was originally planned to include upwards to 12 million square feet of space. The first several phases have been completed; however, construction has stalled due to the downturn in the economy. The Lou Ruvo Brain Institute, an affiliate of the Cleveland Clinic, has also recently opened in the Symphony Park subdivision as the first phase of the larger medical district planned for this area. A LEED Certified office building known as the Molasky high rise is also located in the downtown Symphony Park area adjacent to the recently constructed new Internal Revenue Service building. The Clark County Government Center anchors the Parkway Center area and is located adjacent to the Regional Transportation Commission office building. Finally, the new Smith Center recently opened. This is a

performing arts center which features the 2,050 seat main auditorium known as Reynolds Hall. In addition, the Smith Center has a 300 seat cabaret theatre, a 200 seat studio theatre, educational venues and will also host the Lied Children's Museum. Symphony Park is immediately accessible by Alta Drive which passes under Interstate 15.

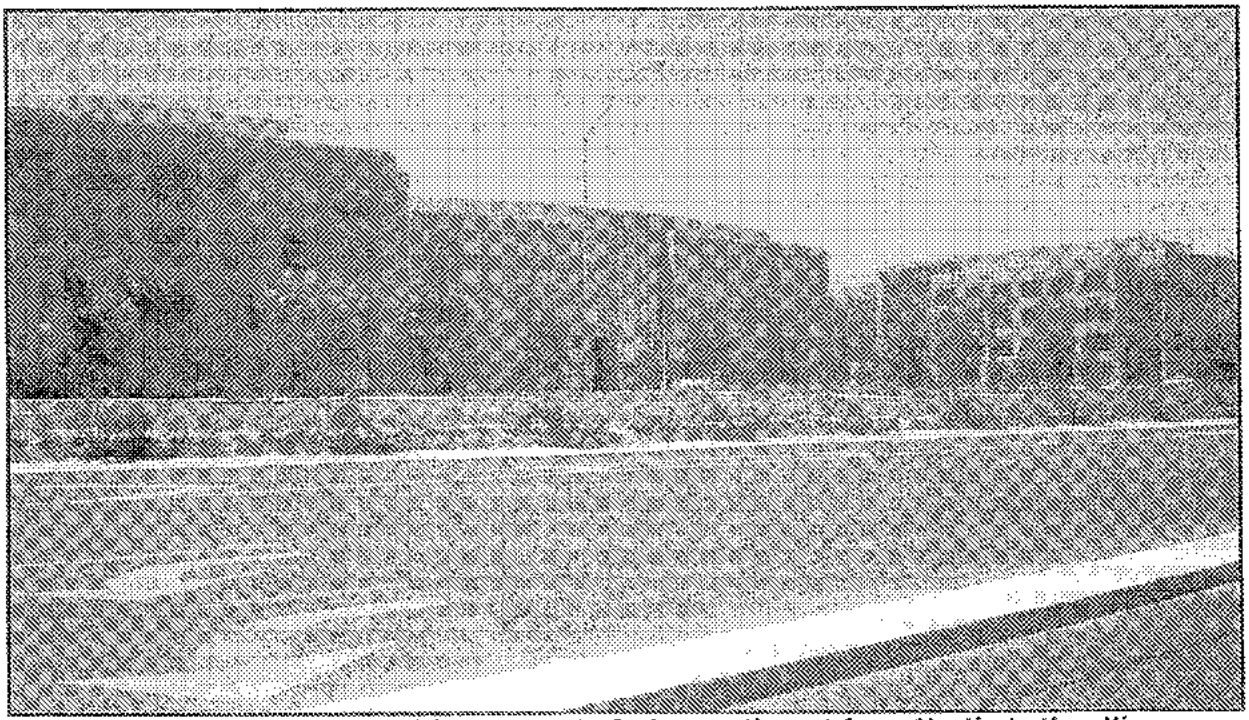
The subject's immediate neighborhood is characterized by development along the Martin Luther King Boulevard corridor generally between Charleston Boulevard and U.S. 95. A full interchange with U.S. 95 exists just north of the subject location which also provides indirect access to Interstate 15. To the south, an interchange exists within Interstate 15 at Charleston Boulevard. Walker Furniture, Ashley Furniture and other retail outlets such as a Costco exist in the immediate vicinity. Apartments and other miscellaneous commercial buildings are also noted. The interior portions of the neighborhood to the south and west of the subject include residential development as well as converted residences for office.

In the final analysis, the subject property is located just north of the Las Vegas Medical District, just west of the Las Vegas Central Business District, and is easily accessed by way of U.S. Highway 95 or Interstate 15. The immediate area is categorized as being in transition. I anticipate stable conditions in the area in the near future due to the centralized location.

Subject Photographs

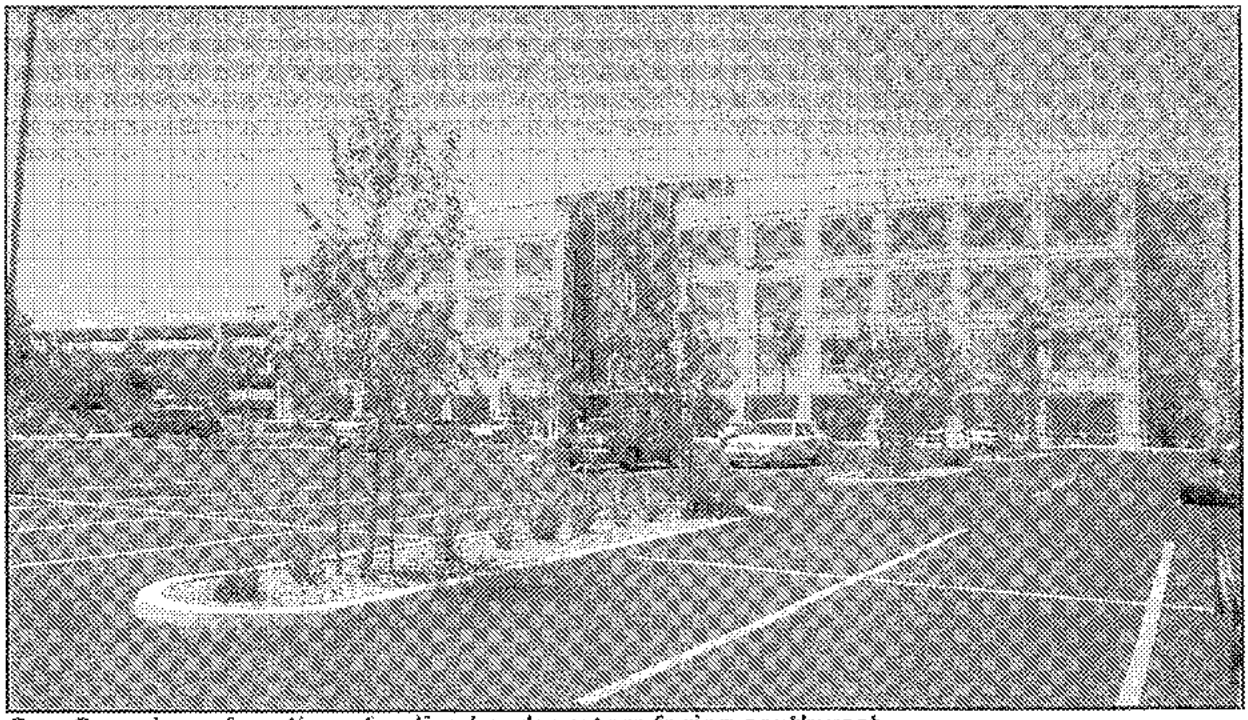


1. Overview of subject property facing southwest from Martin Luther King Boulevard at Metro Plaza Way.

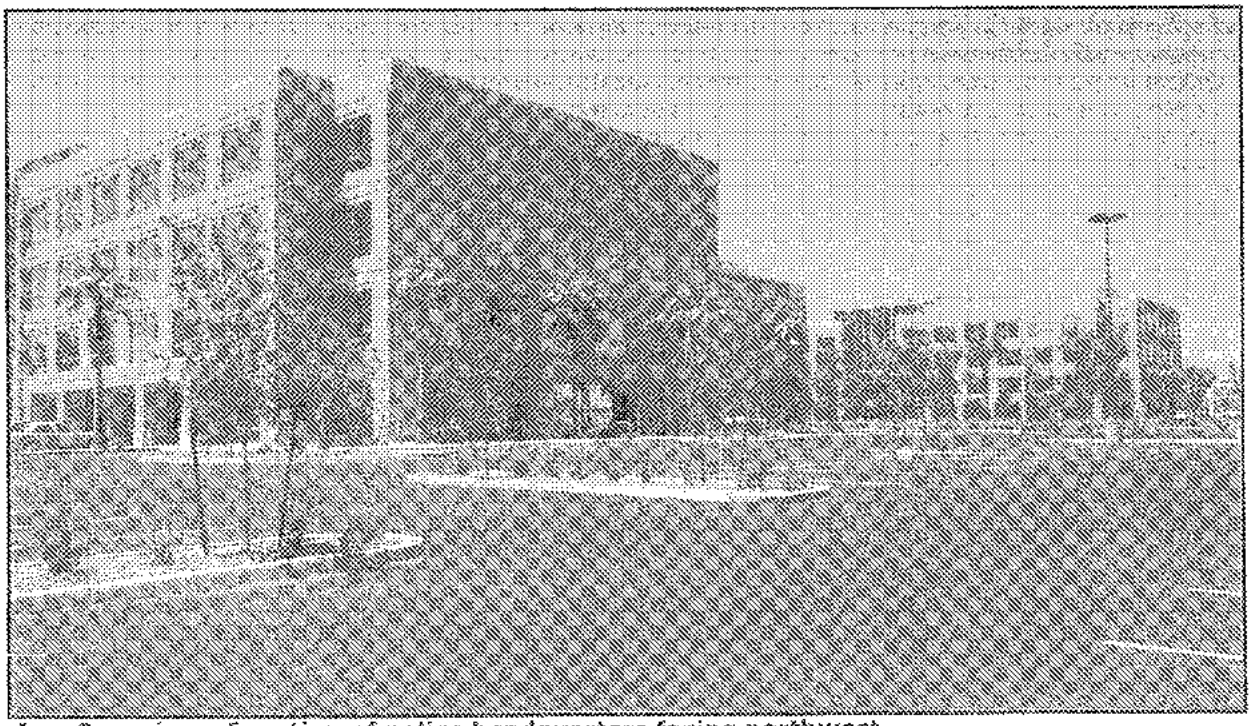


2. Additional overview of subject property facing northwest from Martin Luther King Boulevard.

Subject Photographs, continued

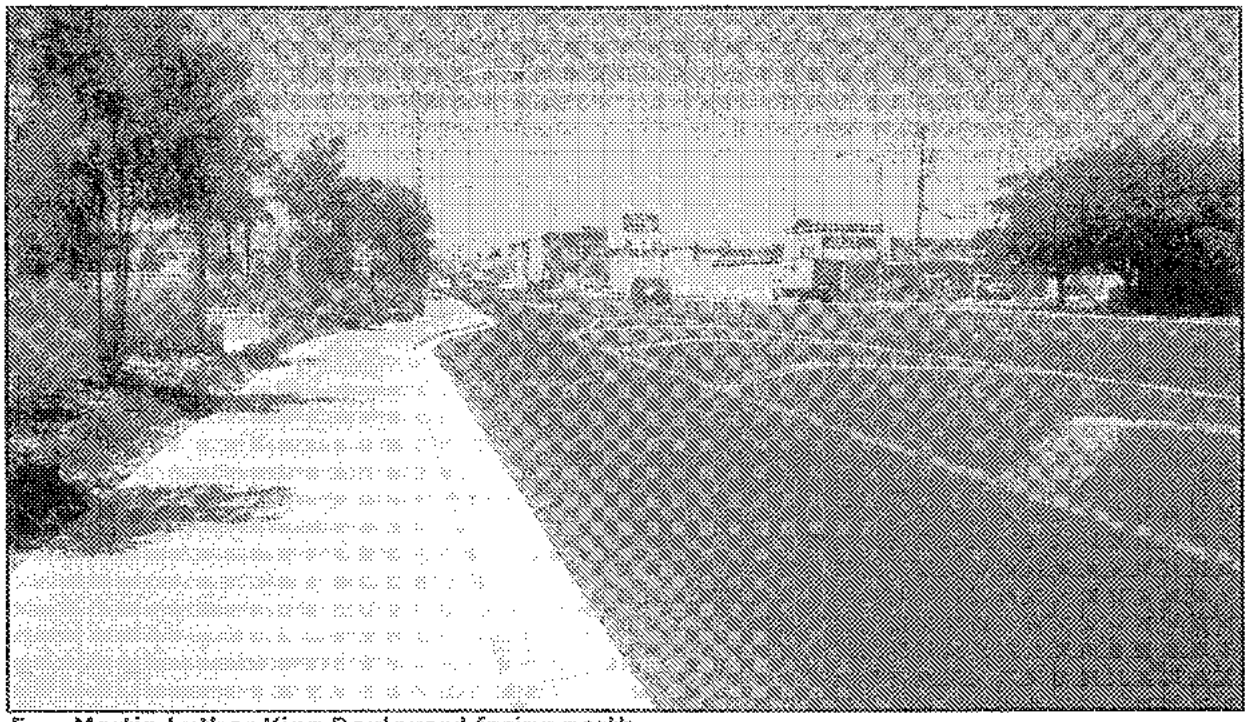


3. Overview of portion of police headquarters facing southwest.

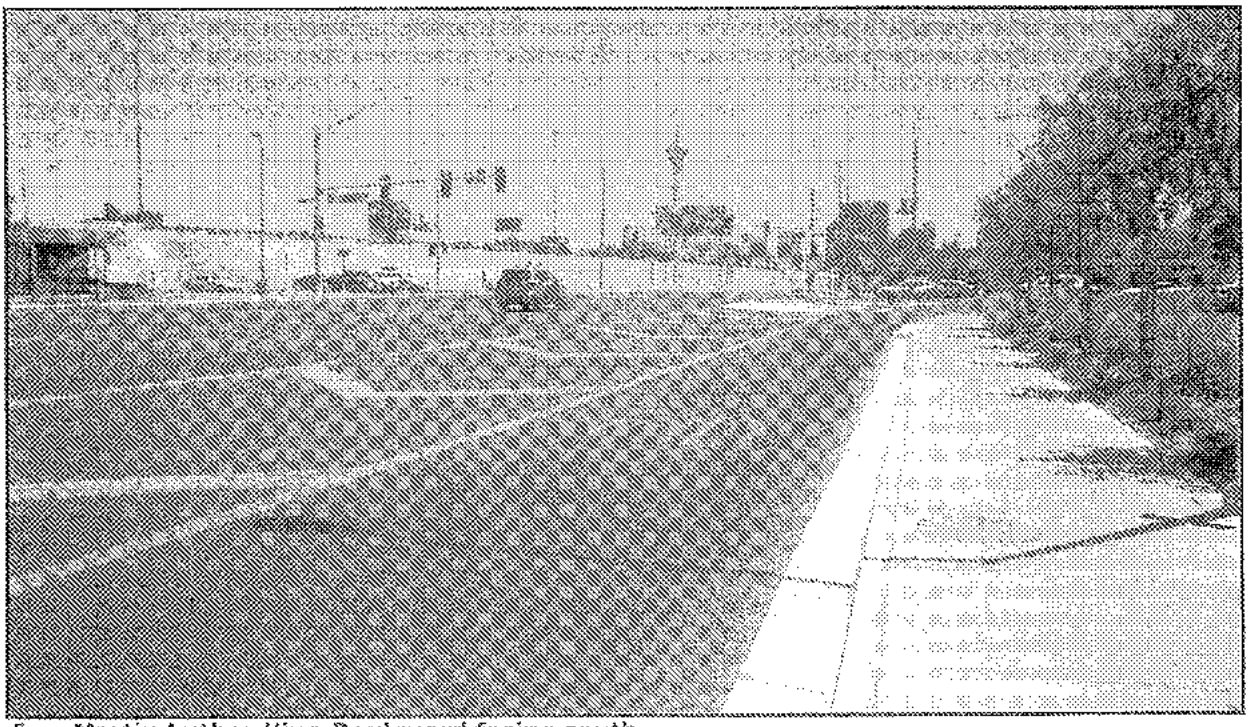


4. Overview of portion of police headquarters facing northwest.

Subject Photographs, continued

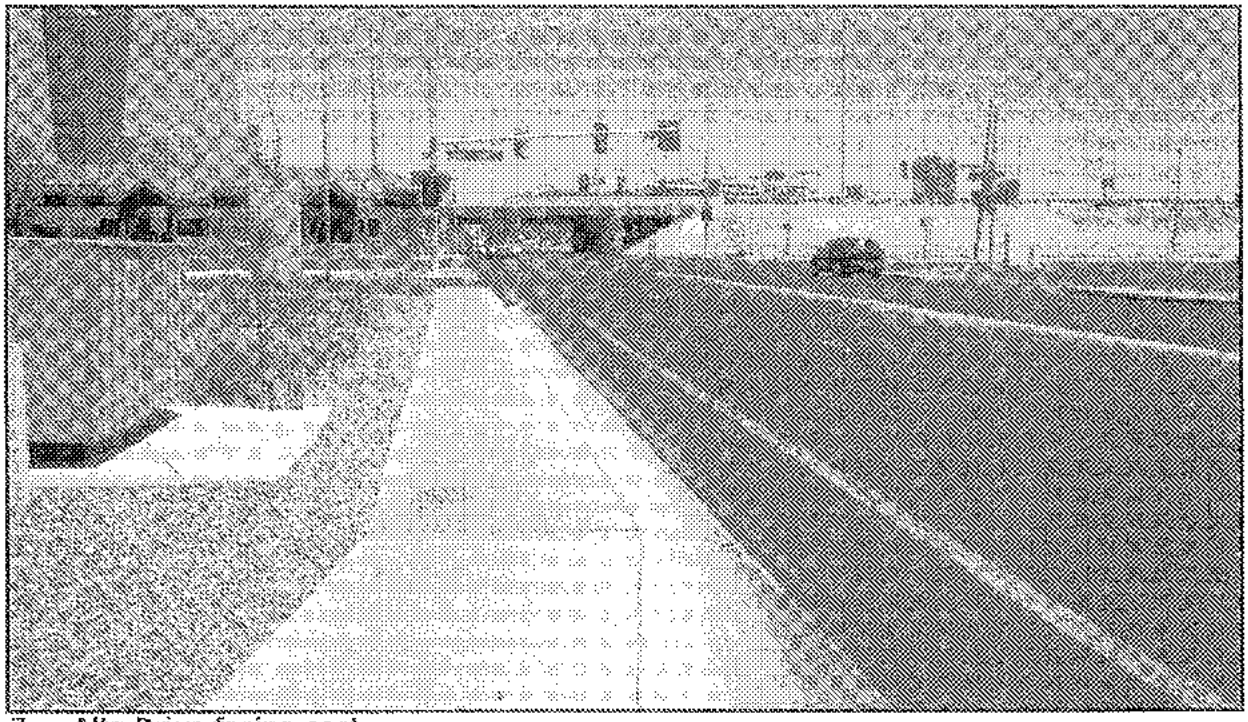


5. Martin Luther King Boulevard facing north.

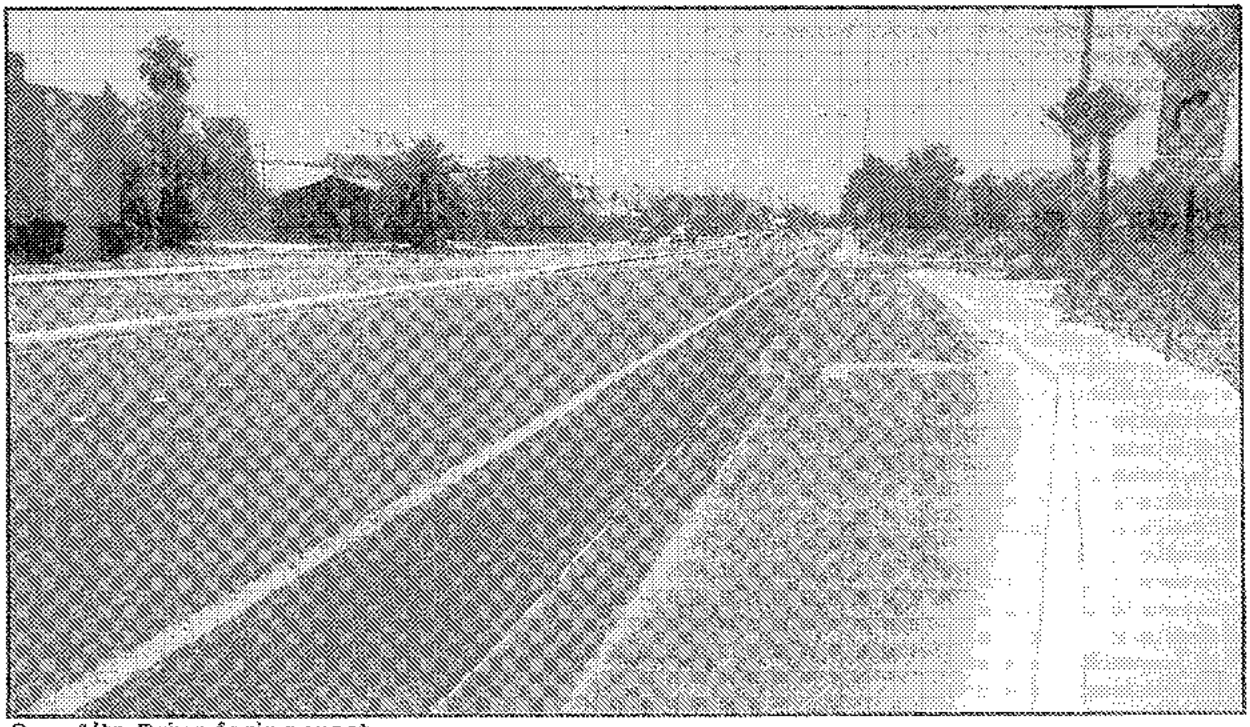


6. Martin Luther King Boulevard facing south.

Subject Photographs, continued

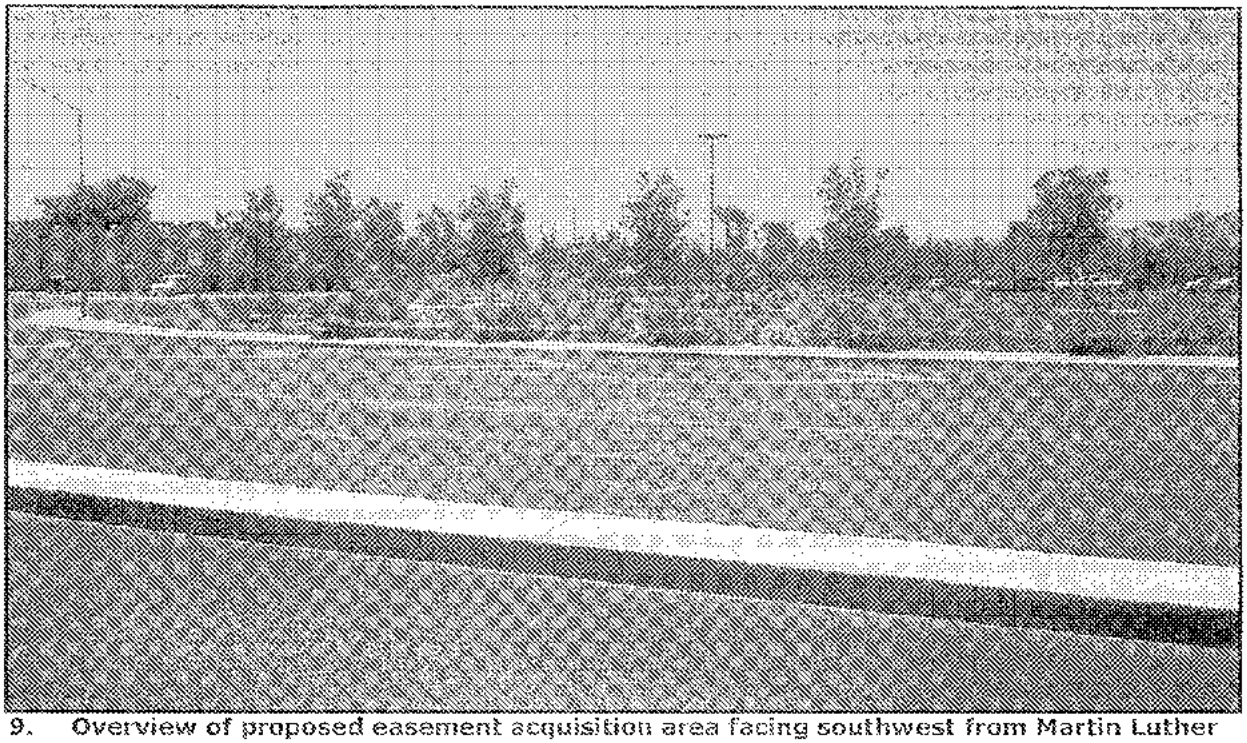


7. Alta Drive facing east.

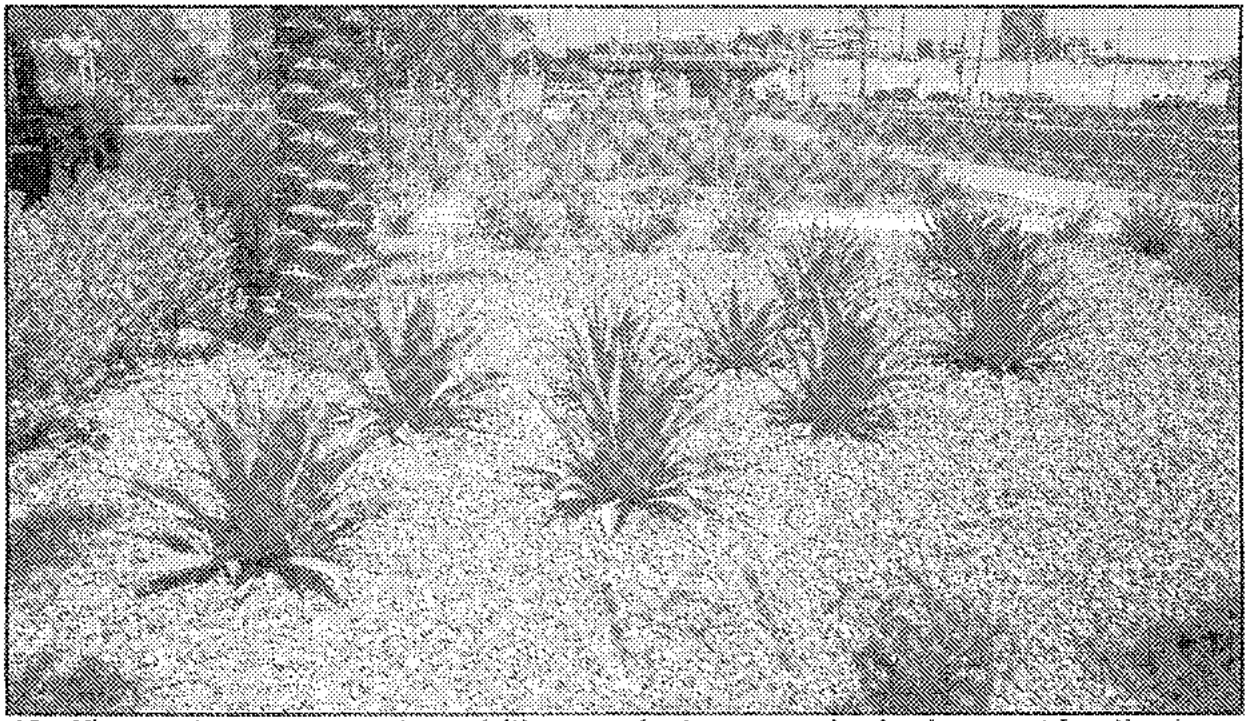


8. Alta Drive facing west.

Subject Photographs, continued

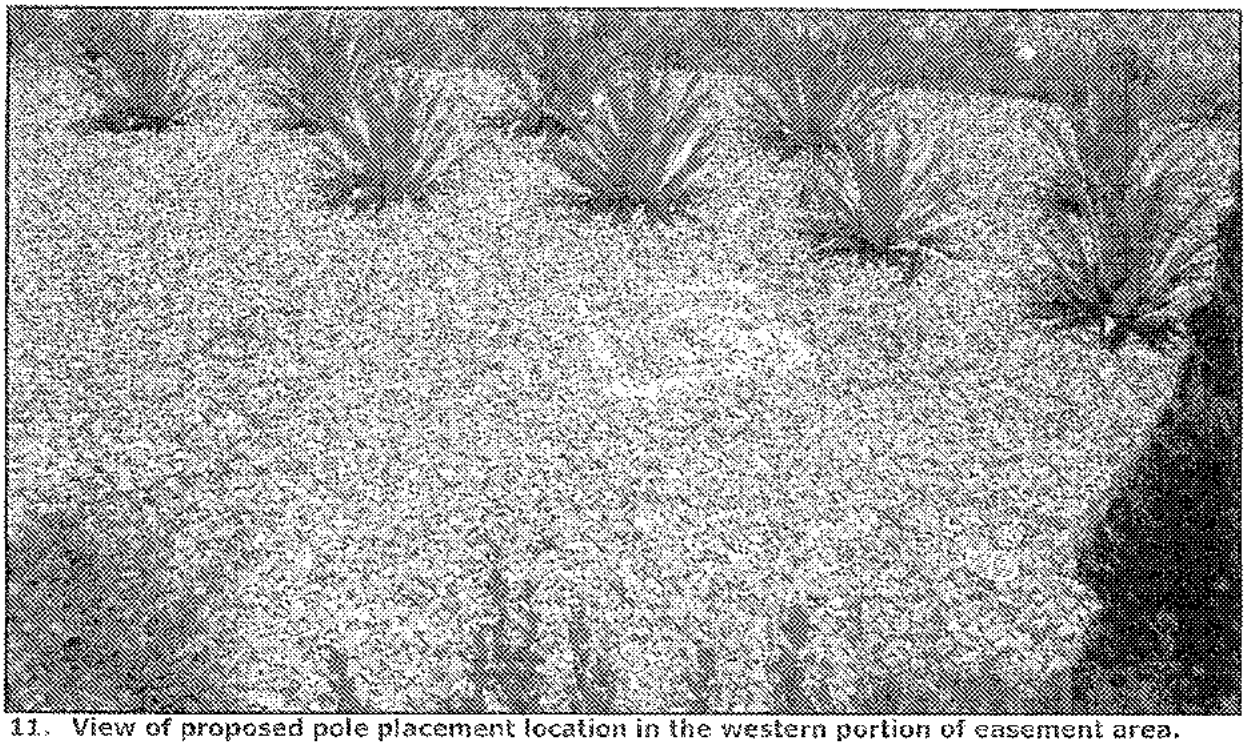


9. Overview of proposed easement acquisition area facing southwest from Martin Luther King Boulevard.

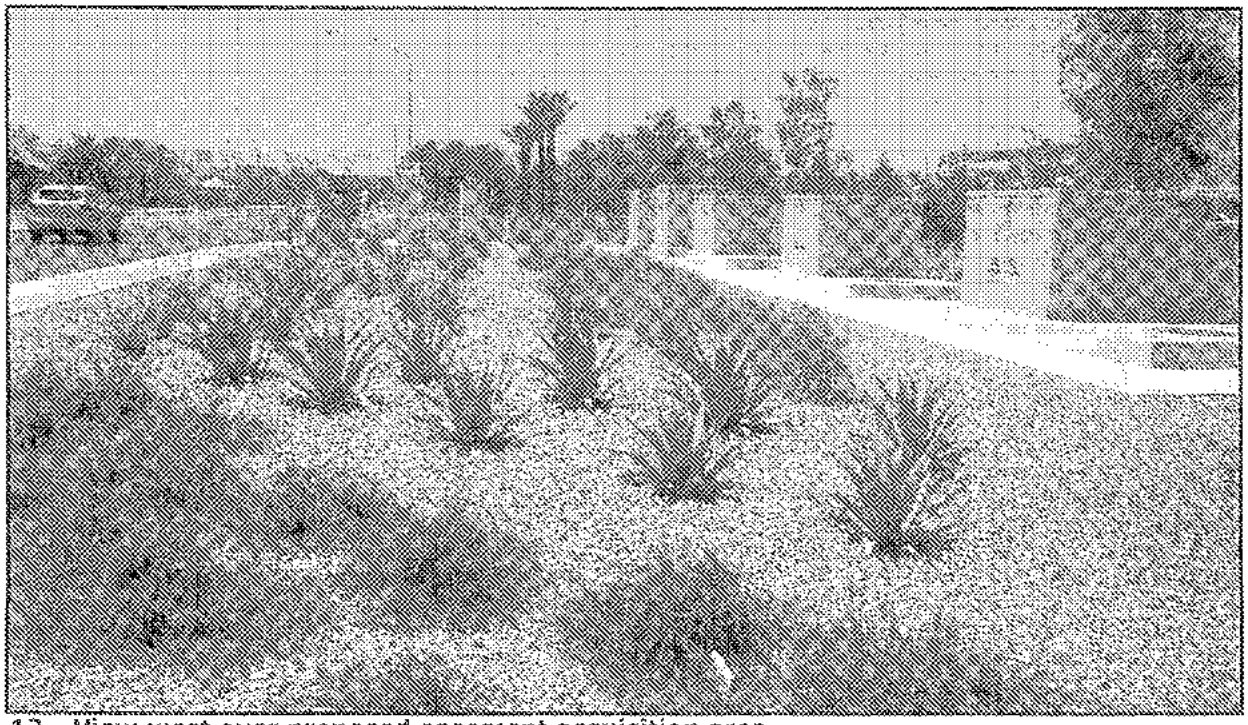


10. View east over easement acquisition area (note proposed pole placement location in foreground).

Subject Photographs, continued

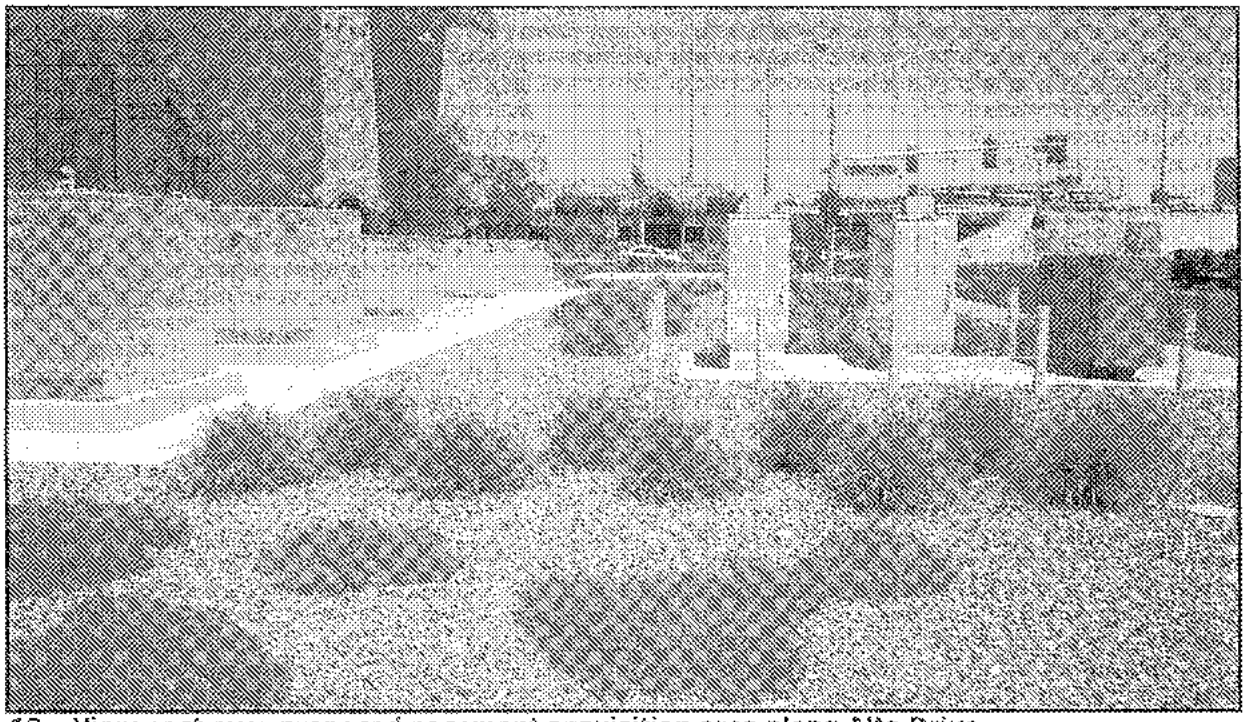


11. View of proposed pole placement location in the western portion of easement area.

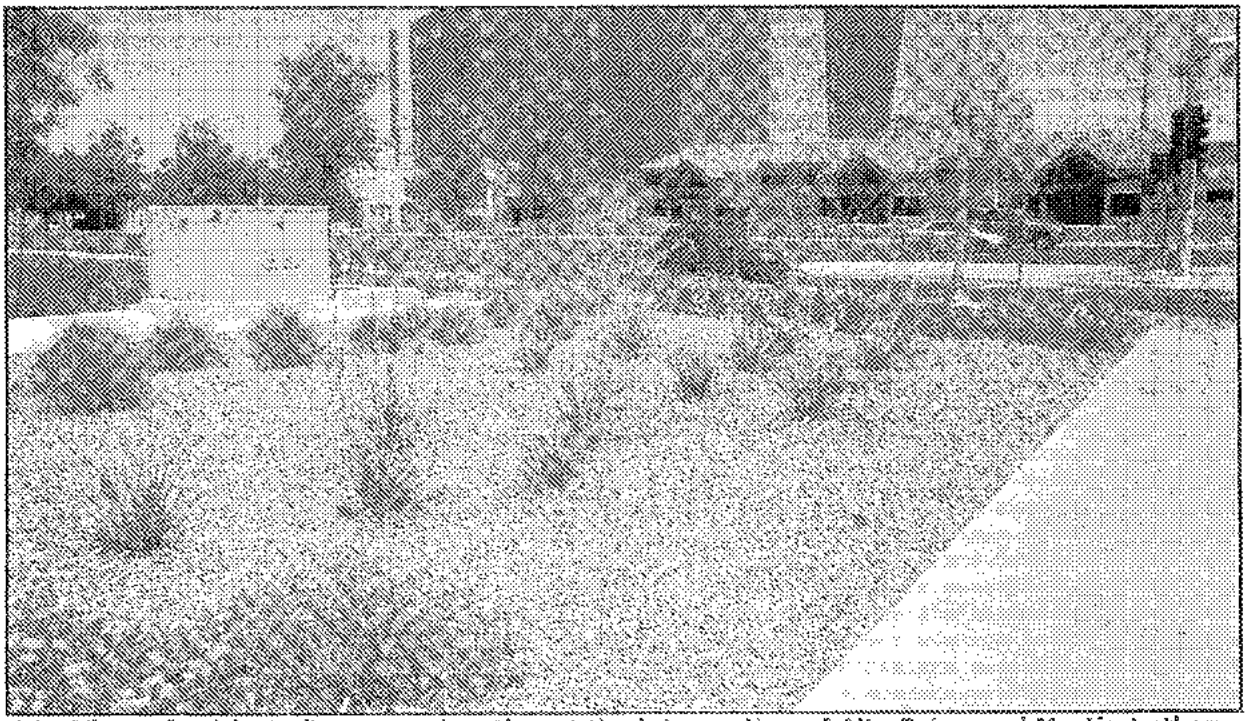


12. View west over proposed easement acquisition area.

Subject Photographs, continued

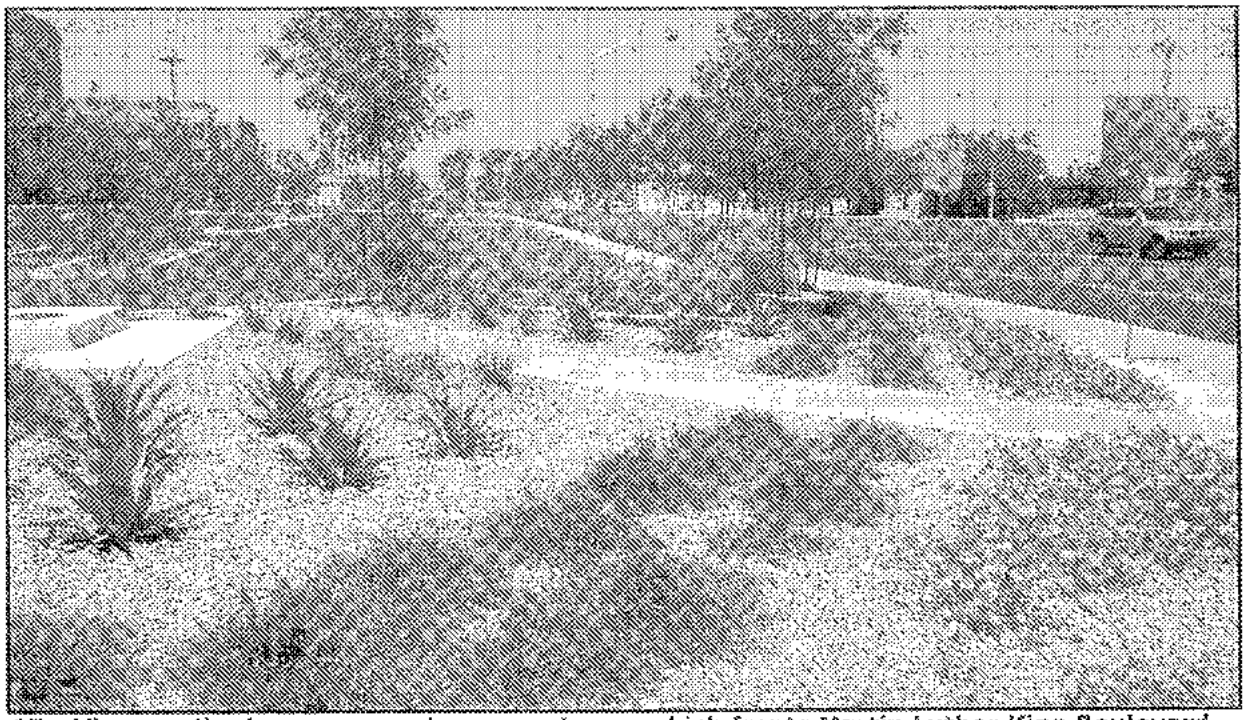


13. View east over proposed easement acquisition area along Alta Drive.

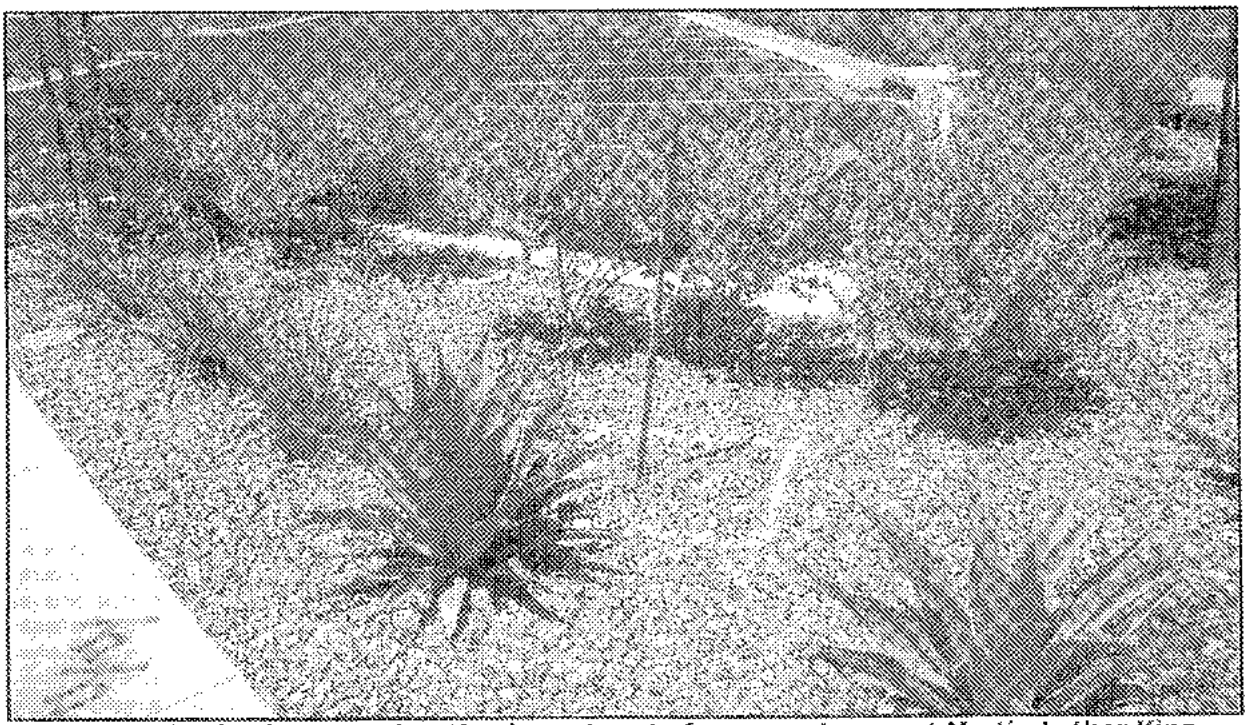


14. View of subject site corner location at the intersection of Alta Drive and Martin Luther King Boulevard which will be a portion of the new easement area.

Subject Photographs, continued

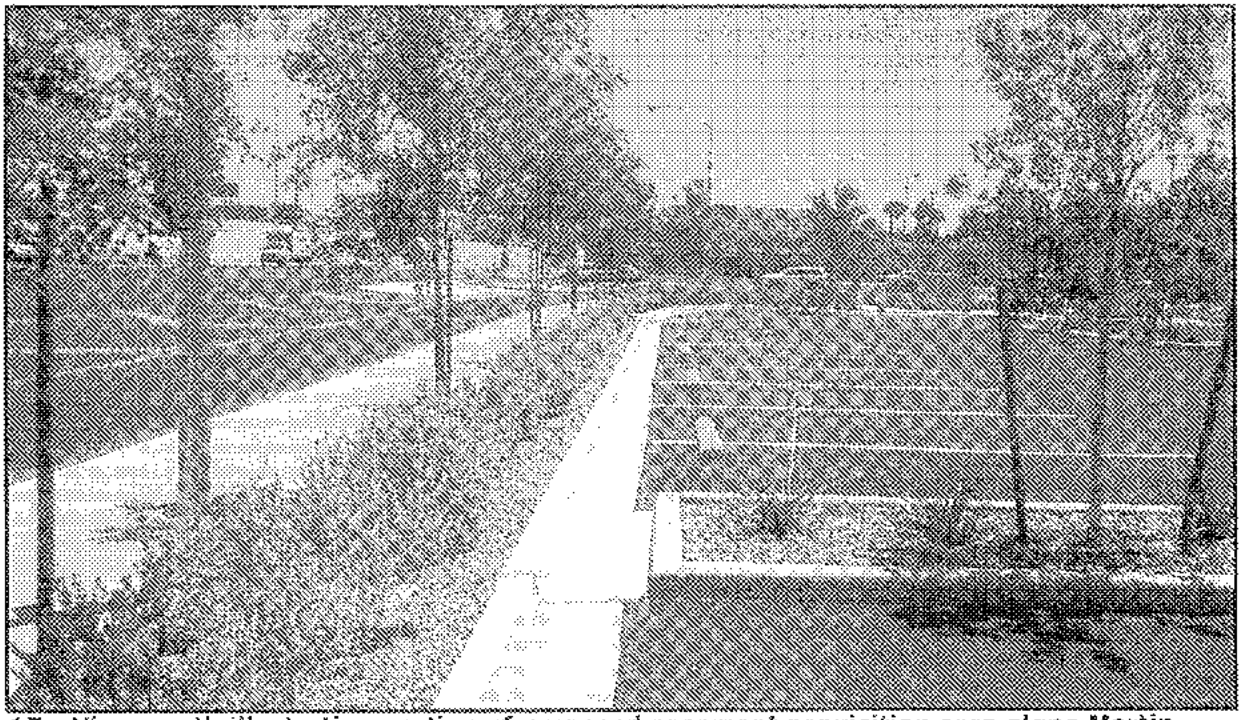


15. View north along proposed easement area which fronts Martin Luther King Boulevard (note pole placement location in center of photograph).



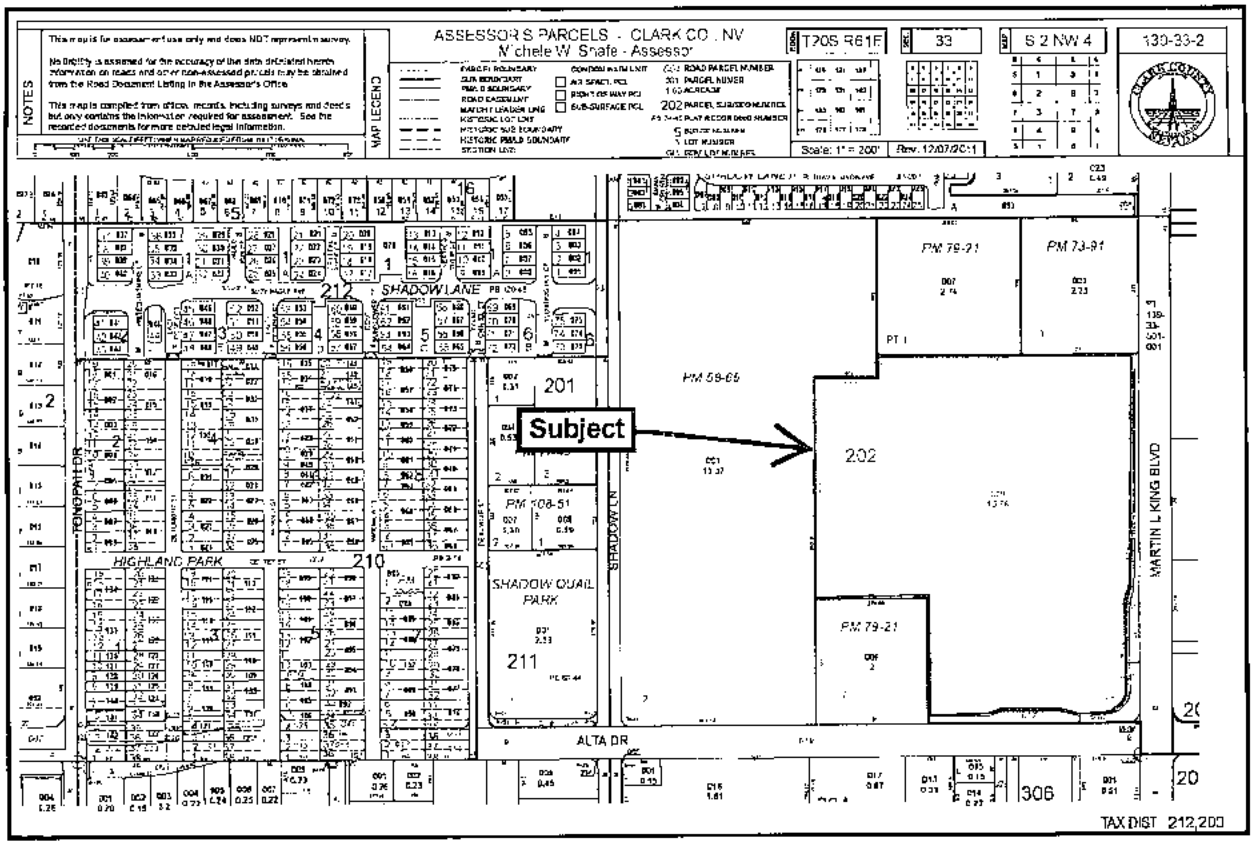
16. View of pole placement location in east part of easement nearest Martin Luther King Boulevard.

Subject Photographs, continued



17. View south illustrating portion of proposed easement acquisition area along Martin Luther King Boulevard.

Clark County Assessor's Parcel Map

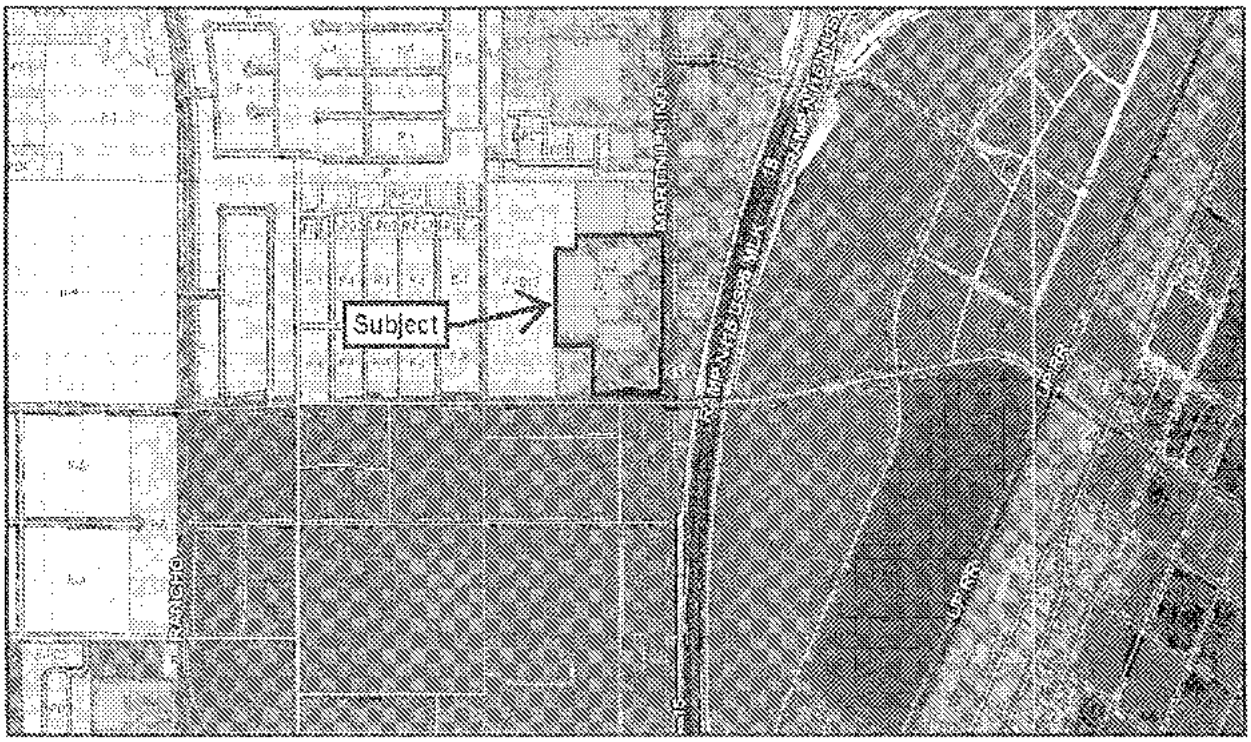


Description of Subject Property - Site

Shape, Dimensions and Area:

In accordance with the preceding Assessor's Parcel Map, the subject property has a modestly irregular configuration; however, based on the overall size of the site is suitable to accommodate a wide range of development. The subject contains a total of 13.76 acres which equates to 599,386 square feet.

Zoning:

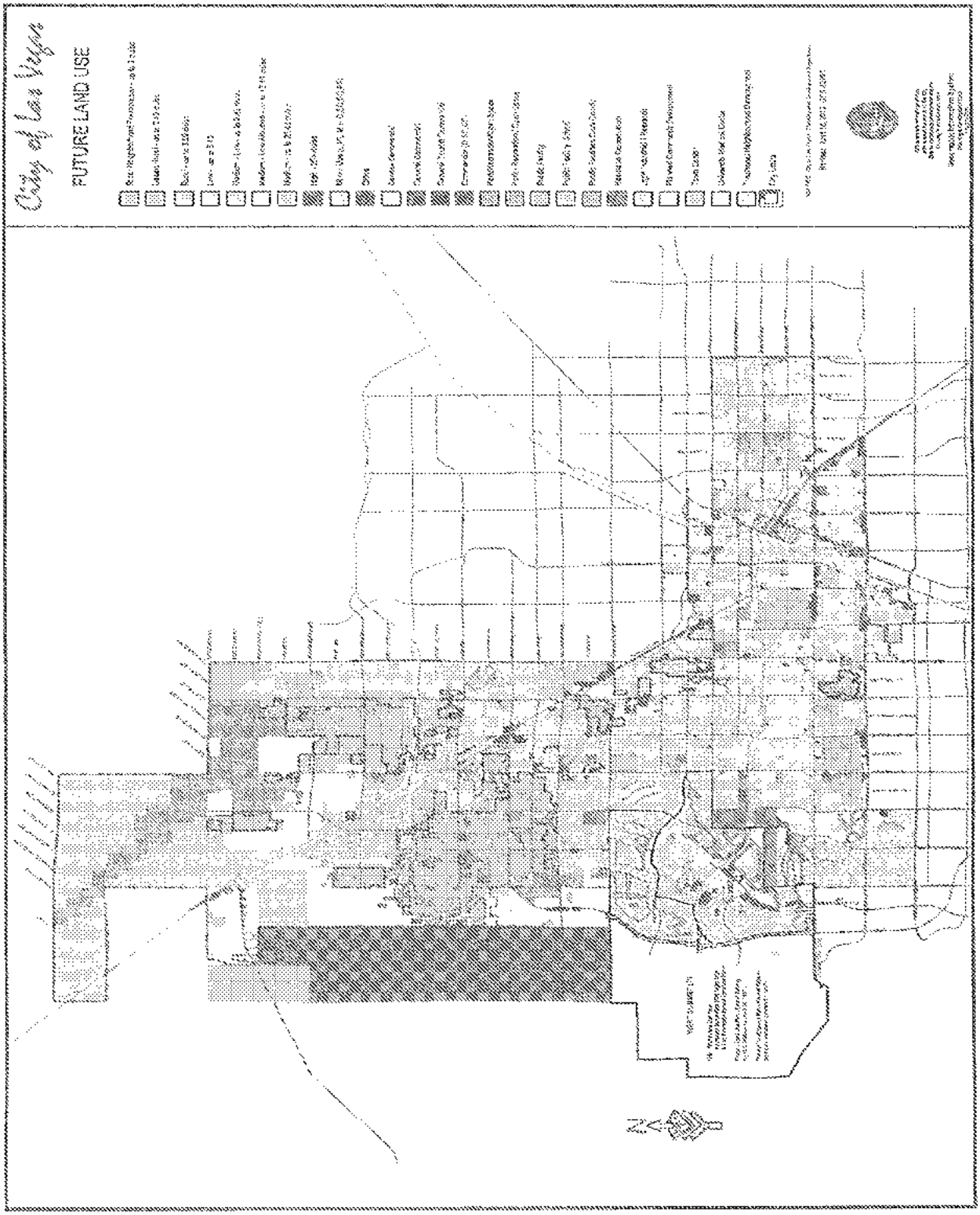


The subject site resides in an area zoned C-1 (Limited Commercial District) as defined by the City of Las Vegas. This district is intended to provide most retail shopping and personal services and may be appropriate for mixed use development. An excerpt from the C-1 Limited Commercial District Zoning Code is made as an attachment to this report in the Addenda. It should be noted that the City of Las Vegas Zoning Code has recently been updated, now known as the City of Las Vegas Unified Development Code under Title 19. This zoning code became effective in approximately May 2011. According to the current zoning code,

minimum front yard and side yard setbacks are now 10 feet as opposed to the older version of the zoning code which had a 20 foot setback requirement. Therefore, this is a significant reduction in the required setback from the previous zoning code. This affects the estimate of just compensation for the proposed easement acquisition. This will be further described in the context of the valuation of the easement later in this analysis.

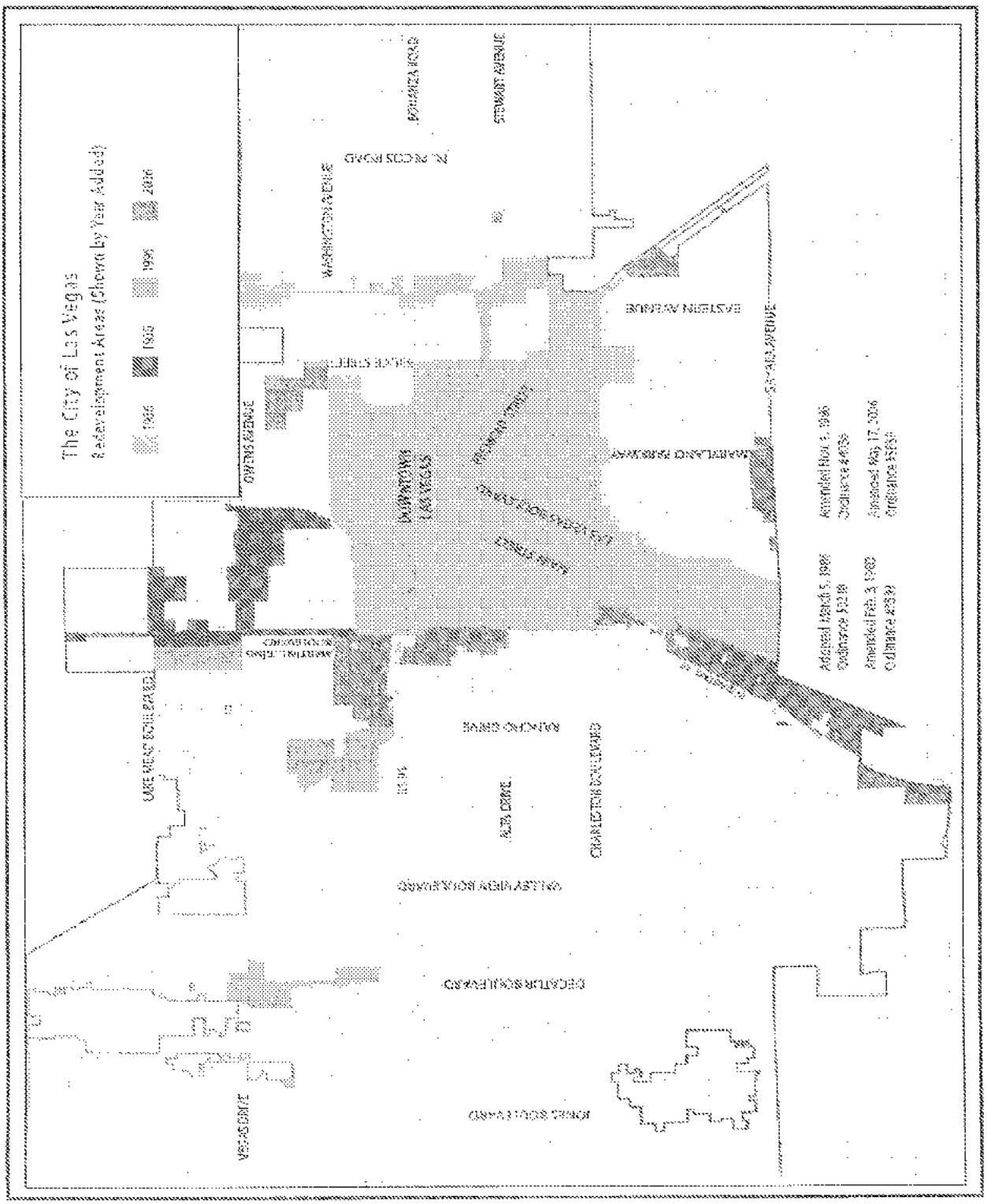
Master plan overlays also affect this property. The subject is located within a land use designation known as Mixed Use and the following map illustrates future land use designations throughout the City of Las Vegas.

City of Las Vegas Future Land Use:



Finally, the subject property is also located in the redevelopment area as defined by the City of Las Vegas. This redevelopment area designation was added in 2006. The following map illustrates redevelopment areas around the Las Vegas metropolitan area and the year in which they were designated as such.

City of Las Vegas Redevelopment Areas:



Utilities and Street Improvements:

The subject site has corner orientation at Martin Luther King Boulevard and Alta Drive. Martin Luther King Boulevard is an asphalt paved north/south arterial thoroughfare, and concrete curbs and sidewalks exist along the subject's frontage. Alta Drive forms the subject's southerly boundary and likewise is an arterial thoroughfare which is an east/west roadway. Alta Drive provides direct access east under Interstate 15 to Symphony Park, connecting with Bonneville and extending into the Las Vegas Central Business District. Martin Luther King Boulevard extends north where an interchange with U.S. Highway 95 exists, and south, Martin Luther King Boulevard connects with Charleston Boulevard where an interchange with Interstate 15 exists. A stoplight controls the intersection of Alta Drive and Martin Luther King Boulevard. Likewise, a stoplight has been installed at Metro Plaza Drive which is the new primary access into the Metropolitan Police Department complex. This stoplight intersection exists near the northeast corner of the larger site, far removed from the intersection of Alta Drive and Martin Luther King Boulevard. The reader is referred to the preceding photographs which further illustrate the characteristics of these streets and the offsite infrastructure.

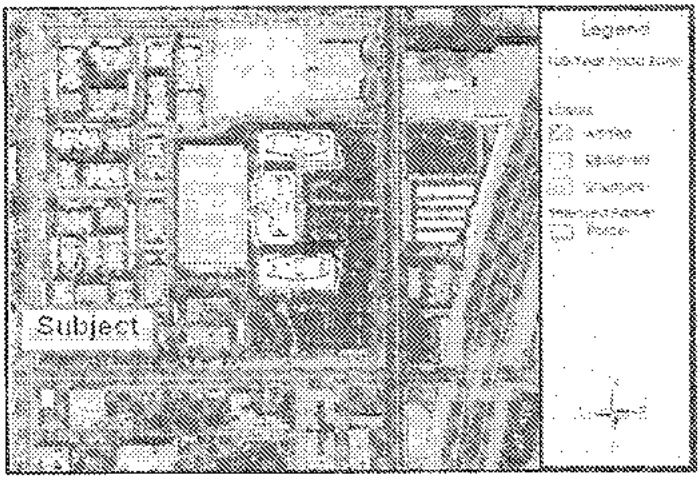
All utilities are available to the subject property. This includes electricity by NV Energy, gas by Southwest Gas Corporation, telephone by Century Link, water services by the Las Vegas Valley Water District and sewer by Clark County Sanitation.

Topography and Soils Conditions:

I have not been provided with a study made to determine the surface or subsurface soil conditions at the subject property. From visual observation, the site has an even topography and is generally at grade to adjacent thoroughfares. Recently developed is the new Metropolitan Police Department headquarters, and as such, I presume adequate soils studies were conducted to insure suitability for the new development. I did not observe any signs of toxic contamination at the time of inspection, and again, as the subject property was recently developed, I presume

the site was tested for any potential toxic contamination and any necessary remediation occurred. For purposes of the valuation, I presume no adverse soil conditions exist.

Flood Hazard Designation:



According to the Federal Emergency Management Agency, Flood Insurance Rate Map, Community Panel Number 32003C2170 E, the subject property is located in Zone X, or areas outside of the 100 year flood zone.

Legal Description:

The subject property is a part of the South ½ of the Northwest ¼ of Section 33, Township 20 South, Range 61 East, M.D.B.&M. A more extensive legal description is provided as part of the Title Report retained in the Addenda for the reader's review.

Tax Data:

The Clark County Assessor identifies the subject property as Parcel 139-33-202-009. The current assessed value for the underlying land is $1,048,926.00. The supplemental assessed value for the improvements is identified as $32,219,228.00. The tax rate per $100.00 assessed in this district is 3.2782 and the current taxes, as assessed, are reported to be $34,385.89. The property tax, however, for new construction supplemental property tax is reported to be $264,052.68 annually. As

the subject property improvements were only recently completed, the Clark County Assessor has not yet fully assessed the subject property and established the long term property assessment, and therefore, stabilized taxes. A copy of the Treasurer's Information regarding this property is retained in the Addenda for the reader's review.

Improvements:

According to available information, the Metropolitan Police Department Headquarters located on the subject property totals approximately 370,000 square feet, including two four-story buildings and a single-story building making up the larger complex. In addition, a secured 1,600 space parking structure for employees also exists, adjacent west of the office building campus. The project is generally complete and is now open; however, I am unaware of the status of occupancy, as it is likely overall move-ins for all employees will occur on a staggered basis. The building was recently completed and is a good quality office complex. As the proposed easement will not directly or indirectly affect these improvements, I have not fully inspected the subject buildings. Furthermore, I have not been provided with plans or other information regarding these recently completed structures.

The easement acquisition will cross over a portion of the site which is used for primarily surface parking. Reportedly, approximately 500 surface parking spaces exist and this at grade area is located along the eastern and southern perimeters of the site. Landscape buffers, lighting standards and ingress/egress points along both Alta Drive to the south and Martin Luther King Boulevard to the east, also exist. A stoplight intersection has been installed for access to the complex known as Metro Plaza Drive. This signalized intersection is located at the northeast corner of the property. Therefore, the areas located within the proposed easement area consist of asphalt paved parking and drought tolerant desert type landscape. Photographs of these characteristics were identified earlier.

Highest and Best Use Analysis

Preface:

The highest and best use for a property, such as the subject, is determined through the application of four tests; the legally permissible, physically possible, economically feasible and that use, among alternative uses, which provides the highest net return to the owner. These tests were applied from a vacant and from an improved perspective. *As is*, the subject property consists of a 13.76 acre parcel of land which has recently been improved with an approximate 370,000 square foot office campus which is occupied by the Metropolitan Police Department. In addition, a 1,600 space parking structure was developed and the balance of the property includes surface parking. The site is zoned C-1 by the City of Las Vegas and has corner orientation at Alta Drive and Martin Luther King Boulevard.

Legally Permissible Use:

Zoned C-1, Limited Commercial, by the City of Las Vegas, a variety of commercial type uses would be allowable in accordance with the zoning code. Furthermore, the property is master planned by the City of Las Vegas for mixed use and is further located in a redevelopment area. Recently, the subject site was improved with the new Metropolitan Police Department Headquarters, a multi-building office campus with associated parking structure. This is considered to be a legally permissible use of the subject property and satisfies the legally permissible test of highest and best use.

Physically Possible Use:

The subject site contains 13.76 acres and has corner orientation on two primary thoroughfares just west of the Las Vegas Central Business District. Martin Luther King Boulevard forms the easterly boundary of the site and an interchange with U.S. Highway 95 exists to the north. Martin Luther King Boulevard intersects with Charleston Boulevard to the south, where an additional interchange with Interstate 15 exists. Alta Drive extends east into the Las Vegas Central Business District. The

subject site is serviced by all normal utilities and is at grade to the adjacent thoroughfares. Based on the overall size, corner orientation at two major thoroughfares, proximity to freeway interchanges and the proximity to the Las Vegas Central Business District, numerous uses could be accommodated on the site. Recently developed is the new Metropolitan Police Department Headquarters which is considered a physically possible use of the site. The development includes approximately 370,000 square feet of office space and a 1,600 space parking structure. A considerable amount of surface parking also resides on the eastern and southern portions of the site. As developed, the new office campus satisfies the physically possible test of highest and best use.

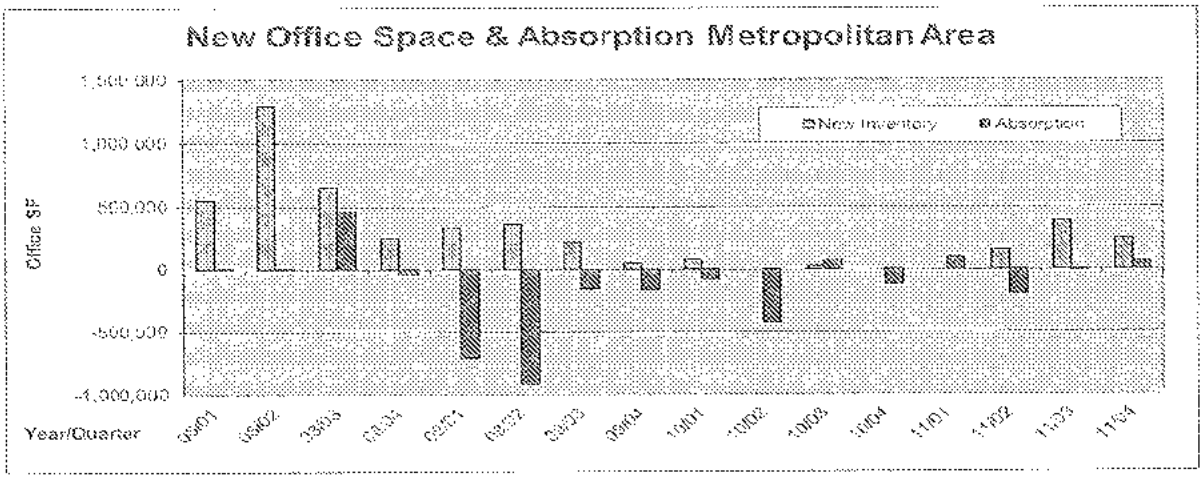
Economically Feasible and Maximally Productive Use:

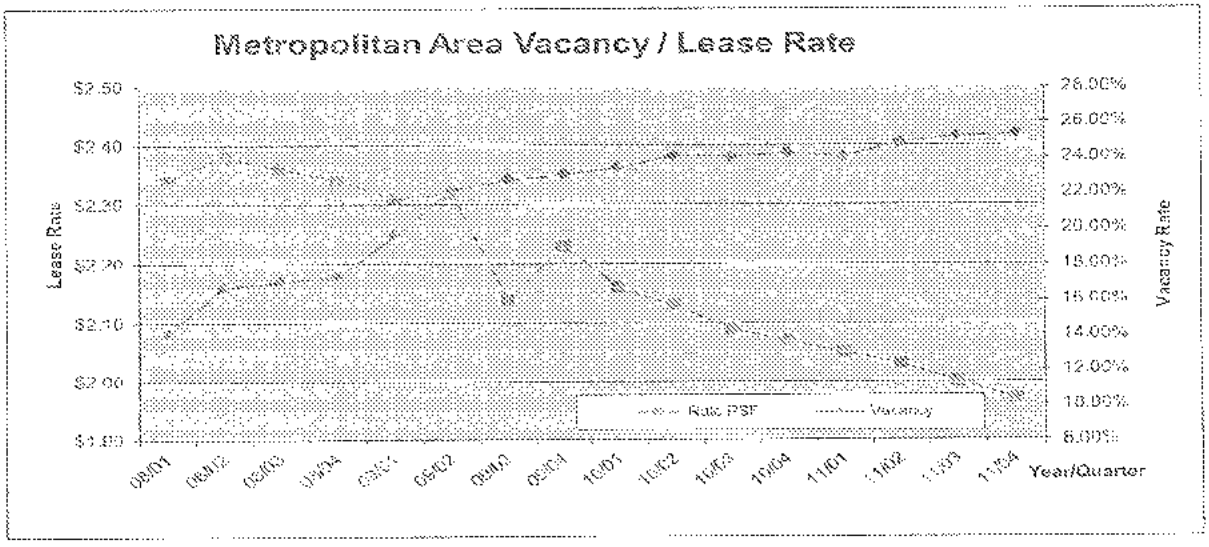
From the preceding two tests of highest and best use, the most likely candidate for development of the subject property would be some form of mixed use property. Likewise, the overlying zoning code of C-1 would dictate that some form of commercial improvement would be constructed. As developed, the property has been improved with a governmental use, the Metropolitan Police Department Headquarters. This is primarily an office development and has been constructed on a build-to-suit basis. As a build-to-suit improvement, the facility was customized to accommodate this tenant who would be unable to duplicate this space in the existing speculative market.

To determine if office development is a feasible use of the property, presuming the site vacant, I have considered to condition of the office market in the Las Vegas metropolitan area. The following graphic provides a summary of trends in the office market as reported by Applied Analysis. Applied Analysis publishes a survey known as the *Las Vegas Quarterly Office Market Report*, which is a summary of information provided by property owners, property brokers, as well as property managers. The following provides trends in the office market through the most recent survey which is 4th Quarter 2011.

Office Market Conditions-Metropolitan Area:

Historical Absorption and New Inventory Metropolitan Las Vegas Valley						
Year/Qtr	New Inventory	Absorption	Avail. Inventory	Total Inventory	Vacancy	Rate PSF
08/01	551,350	9,410	6,326,461	45,468,810	14.00%	$2.34
08/02	1,291,553	1,413	7,902,538	47,339,341	16.70%	$2.36
08/03	651,386	457,505	8,150,117	48,009,799	17.00%	$2.36
08/04	246,773	-42,583	8,412,409	48,561,573	17.30%	$2.34
09/01	329,375	-708,134	9,584,930	48,908,971	19.60%	$2.31
09/02	364,830	-920,557	10,836,782	49,275,001	22.10%	$2.32
09/03	214,628	-154,557	11,211,014	49,455,229	22.70%	$2.14
09/04	49,047	-163,718	11,406,779	49,505,158	23.00%	$2.23
10/01	81,814	-81,169	11,629,800	49,717,931	23.40%	$2.16
10/02	0	-426,824	11,995,997	49,718,251	24.10%	$2.13
10/03	21,000	68,860	11,937,552	49,739,251	24.00%	$2.09
10/04	0	-118,745	12,056,297	49,739,251	24.20%	$2.07
11/01	0	97,344	12,019,288	50,075,138	24.00%	$2.05
11/02	153,155	-199,202	12,494,487	50,435,138	24.80%	$2.03
11/03	390,000	-9,135	12,848,550	51,034,128	25.20%	$2.00
11/04	238,161	66,028	13,020,683	51,550,199	25.30%	$1.97
AVG	*286,557*	*-132,754*			*21.7%*	*$2.18*





As illustrated on the previous graphic, the office market has deteriorated significantly over recent times. This is measured by a significant increase in overall vacancy and a decline in lease rates. Negative net absorption has occurred in 10 of the last 16 quarters and much of the positive net absorption has been in built-to-suit complexes. The current valley wide vacancy rate, therefore, stands at 25.3%, which would indicate a substantial amount of inventory remains available and should serve the needs of the speculative office market in the coming years, presuming little new inventory is added.

According to the Applied Analysis survey, the subject property is located in the Central North submarket which generally exists north of Charleston Boulevard between Rancho Drive and Pecos Road, south of Lake Mead Boulevard. The exception would be the Central Business District, which is excluded from this area. The Central North submarket has a vacancy rate of 6.9%; however, a limited amount of total office inventory exists within this submarket. The average lease rate in this submarket is $1.76 per square foot, per month, based on gross terms.

The subject property is best aligned with the Downtown District due to the proximity to the Central Business District. As discussed, Alta Drive provides direct access into the Central Business District as an underpass exists under Interstate 15, just east of this location. The Central Business District has a current vacancy rate of 10.2% and an average lease rate of $2.37 per square foot, per month. This higher average occupancy is due to the legal community which resides in the downtown area. The Federal, State and District Courthouses all exist in the downtown area, and therefore, many legal firms have occupied space in the Downtown District. Other professional firms have also located in the downtown area, which has resulted in an office market which has a much lower vacancy rate when compared to the average vacancy throughout the metropolitan area.

In the final analysis, the subject site is suitable for mixed use and/or office development. This would include professional office due to the proximity to the

Central Business District and easy accessibility by way of Alta Drive. The site could also accommodate various form of medical office development due to the proximity to the medical district, as described earlier. The University Medical Center and Valley Hospital are located nearby, and numerous other medical office facilities reside in the area.

Overall, a significant amount of available office inventory exists valley wide. A greater demand for office exists in the Central Business District; however, the difficulty in obtaining financing for new development and the perceived risk in the market for speculative improvements would make a speculative development at the subject risky. Therefore, these factors combined would result in a likely holding period prior to development. A prospective buyer would likely hold the property for some undetermined period prior to development of a likely mixed use primarily office development. The site could also potentially accommodate other forms of construction, such as commercial/retail properties, in conjunction with office development. It is noted furniture stores and Costco exist nearby.

As improved, the build-to-suit Metropolitan Police Department Headquarters satisfies the economically feasible test of highest and best use. If the site were vacant, it is unlikely that a speculative improvement would be developed at the present time. Therefore, a speculative developer would likely hold the property until market conditions improve. Alternatively, the site could accommodate various owner users or build-to-suit transactions; however, the size of the property severely limits the number of potential users in today's economic environment.

Highest and Best Use Conclusion:

The highest and best use of the subject property, as currently improved with the Metropolitan Police Department Headquarters, satisfies the highest and best use definition. As vacant, the site would likely be held as a speculative investment prior to any potential speculative development. Conversely, the site could accommodate an owner user or a build-to-suit transaction, yet a limited number of users exist in the marketplace given the overall size of the property.

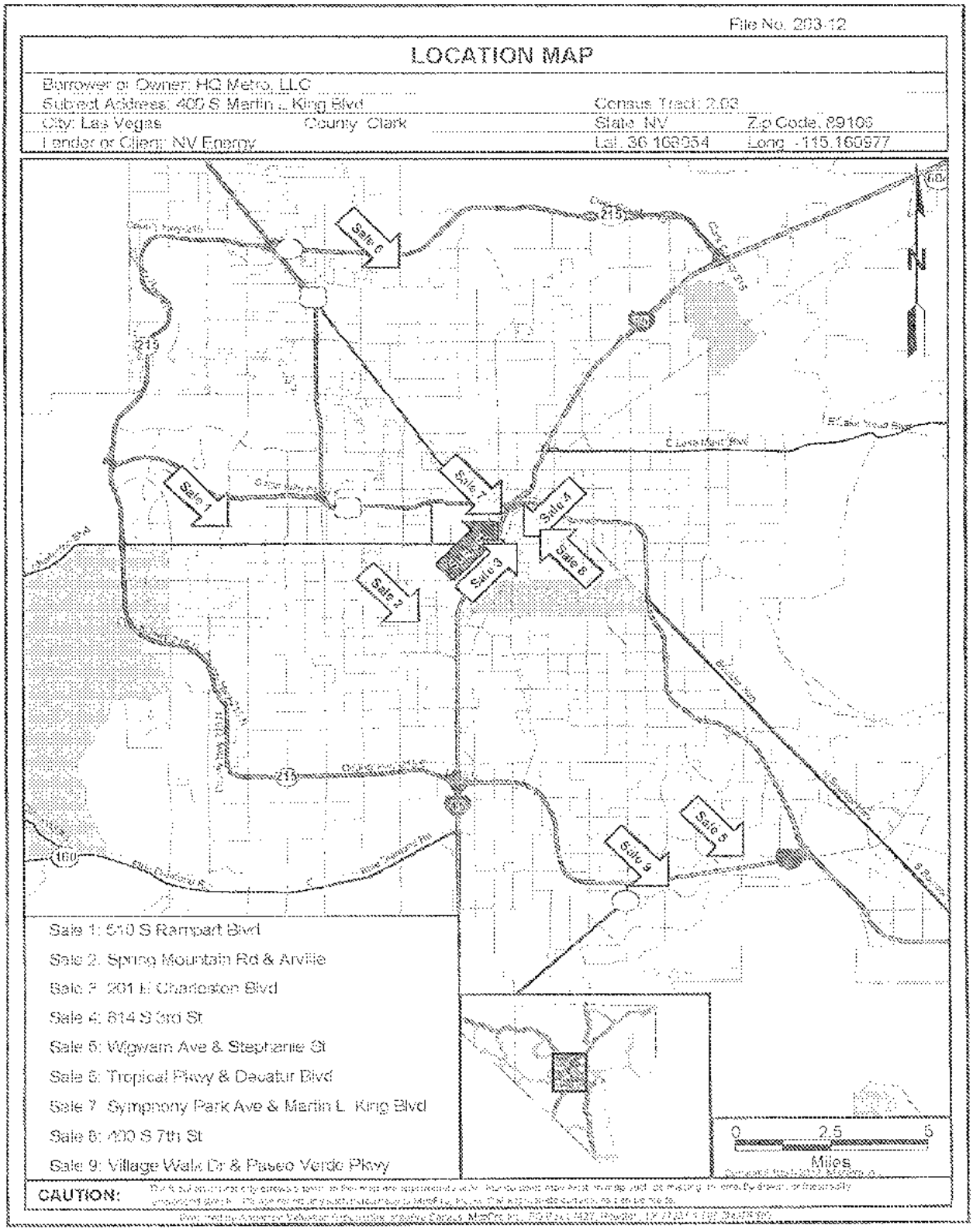
Land Valuation

In accordance with the highest and best use conclusion on the preceding page, the existing Metropolitan Police Department Headquarters satisfies the highest and best use definition, as improved. Alternately, the site could accommodate other forms of mixed use development such as office and/or commercial development; however, some speculative holding period would likely be necessary unless a build-to-suit tenant existed or the property was being developed by an owner user. To arrive at an indication of the market value of the subject site, as vacant, I have researched the marketplace and found sales with similar physical attributes, locational characteristics, and highest and best use characteristics. The sales found included some transactions which occurred in relative close proximity to the subject, including properties in the Central Business District and the periphery of that in the immediate area. As a limited amount of data exists available for review in the immediate area, I have expanded the search for larger commercially orientated sites which have recently sold. Again, as vacant, the site could accommodate various forms of commercial development. The following pages, therefore, contain a summary of the sales considered, a map which illustrates the location of each relative to the subject, as well as abstracts with plot plans for further identification of these transactions.

Land Sales Summary Chart

Land Sales Summary Chart						
Sale No.	**Location/APN**	**Sales Date**	**Sales Price**	**Size Sq. Ft.**	**Price/ Sq. Ft.**	**Description**
1	510 South Rampart Boulevard APN: 138-32-723-001	10/10	$11,750,000	1,021,046	$11.51	Zoned PD (Planned Development District) Las Vegas; Part of Boca Park; REO sale.
2	North side of Spring Mountain Road, east of Arville Street APN: 162-18-505-001 and -007	04/10	$ 2,700,000	188,179	$14.35	Zoned R-E (Rural Estates Residential) and M-1(Light Manufacturing) Clark County; ROI to C-2 (Commercial General) Clark County; REO sale.
3	201 and 251 East Charleston Boulevard APN: 139-34-410-057 and -257	04/10	$ 672,000	41,818	$16.07	Zoned C-2 (General Commercial District) Las Vegas; Originally planned as high rise; Buyer owns building in Arts District; REO sale.
4	814 South Third Street APN: 139-34-401-014	05/10	$ 810,000	34,848	$23.24	Zoned C-2 (General Commercial District) Las Vegas; Originally planned as Stan-Hi condo tower; Buyer approached seller; Property never listed.
5	Southeast corner of Wigwam Avenue and Stephanie Street APN: 178-15-310-008	02/11	$ 7,157,385	736,164	$ 9.72	Zoned CC (Community Commercial) Henderson; Grocery store site.
6	Northwest corner of Tropical Parkway and Decatur Boulevard APN: 125-25-614-001	04/11	$ 6,738,834	396,396	$17.00	Zoned C-1 (Neighborhood Commercial) Las Vegas; Grocery store site.
7	South side of Symphony Park Avenue east of Martin L. King Boulevard APN: 139-33-501-021	08/11	$ 587,155	55,757	$10.53	Zoned M (Industrial District) Las Vegas; Irregular shaped site assembled to Walker Furniture Campus.
8	400 South 7th St APN: 139-34-701-009	03/10	$ 750,000	28,000	$26.79	Zoned C-1 (Limited Commercial District) Las Vegas; Acquired for office development; Historic residence required relocation.
9	Village Walk Drive and Paseo Verde Parkway APN: 178-20-213-011 through -015	12/11	$10,200,000	876,862	$11.63	Zoned M-C (Corridor/Community Mixed Use) Henderson; Planned to be developed with multi-family development.

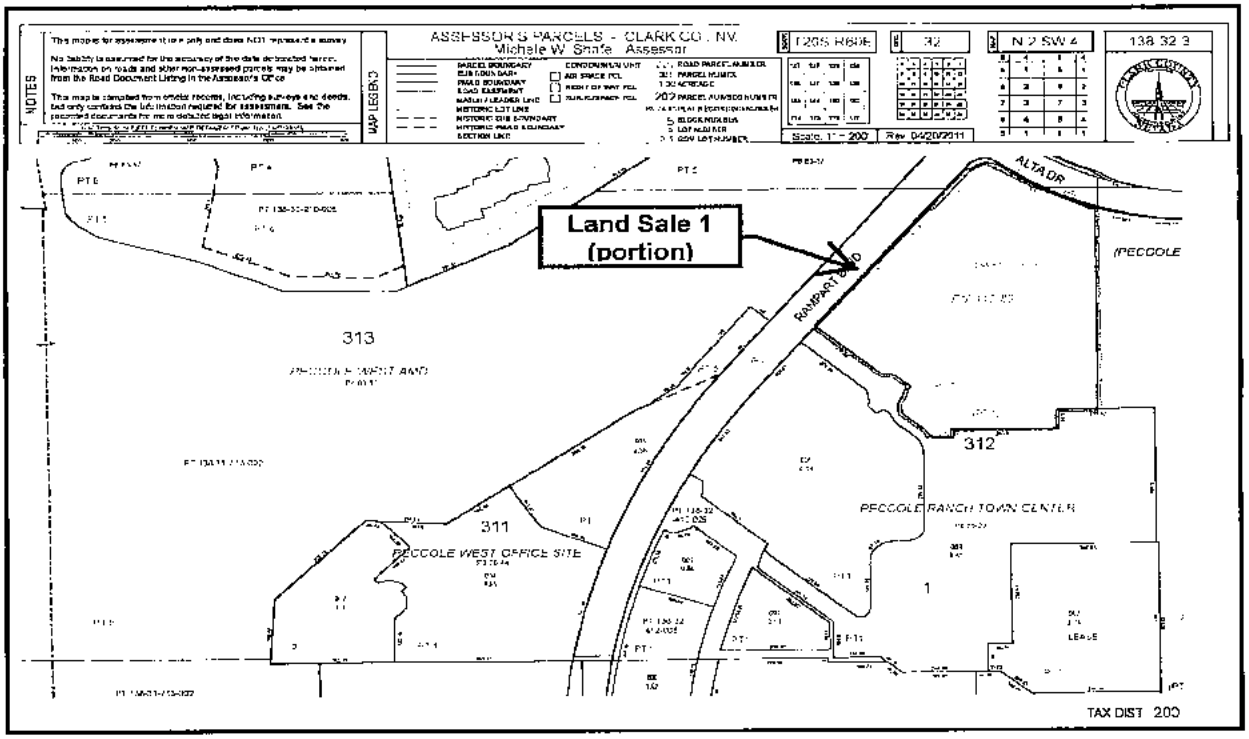
Land Sales Location Map

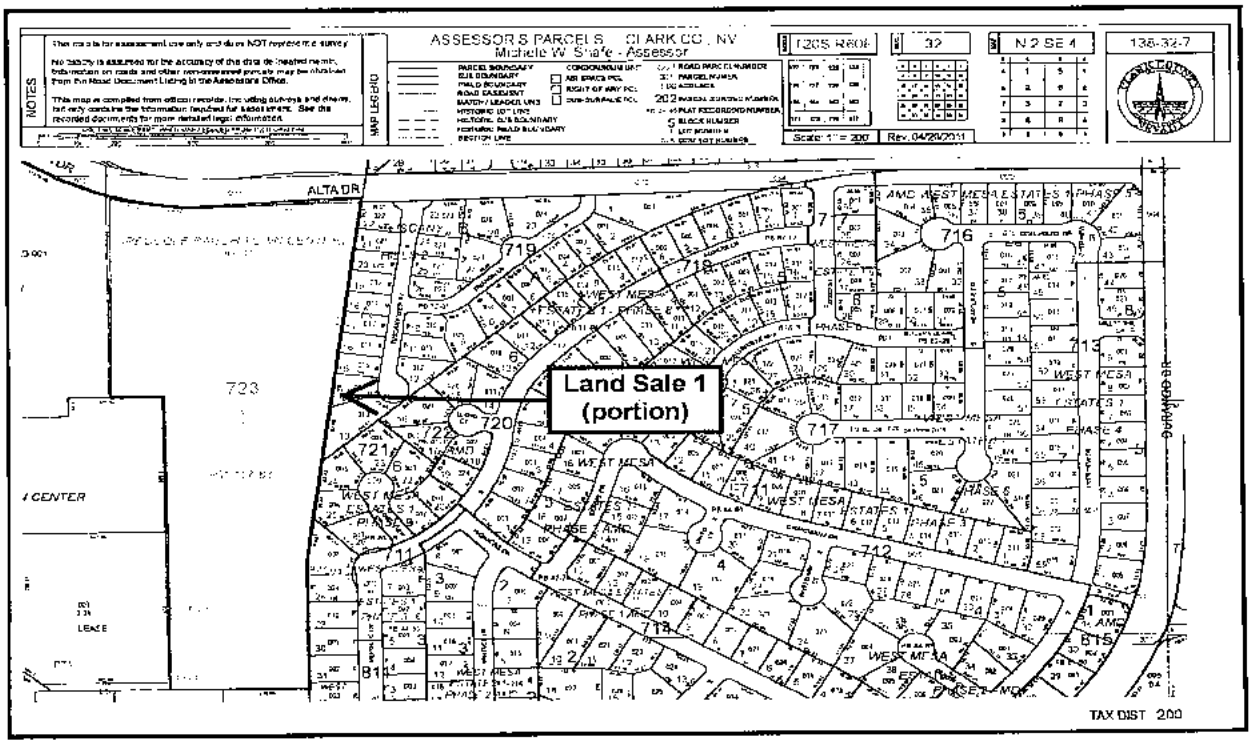


Comparable Land Sale Abstract Number 1

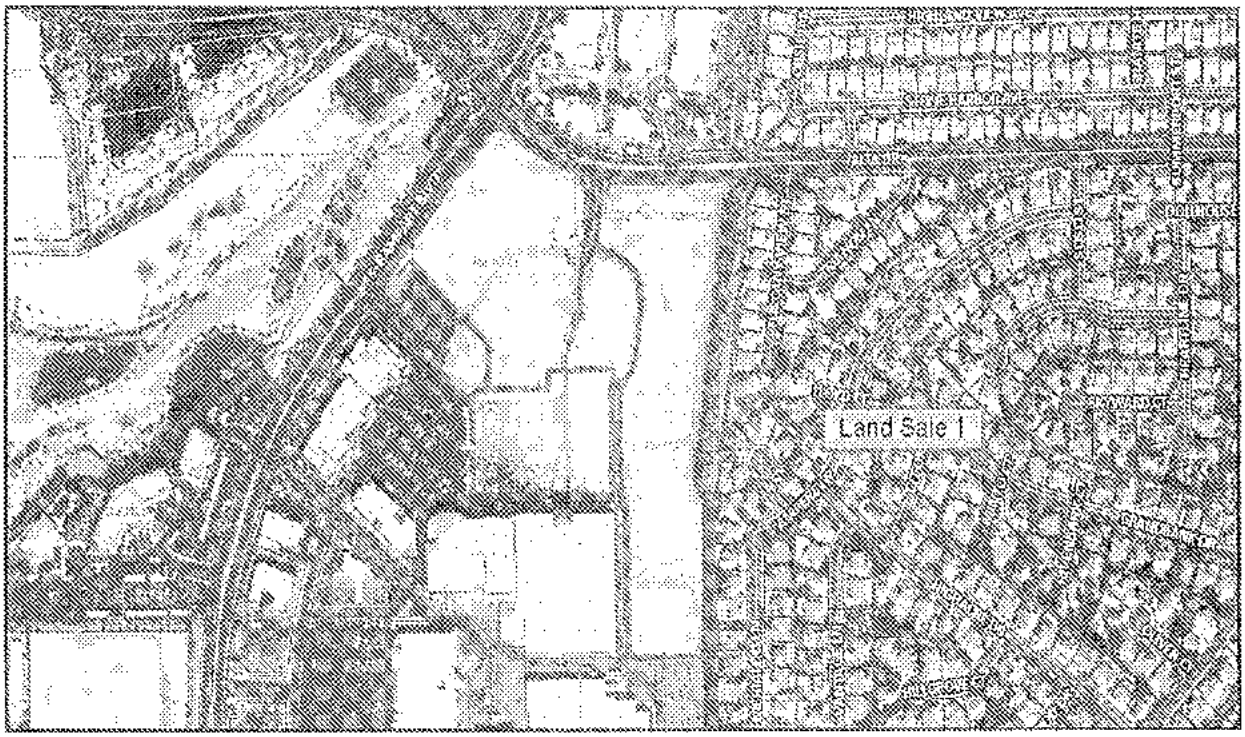
APN:	138-32-723-001
Location:	510 South Rampart Boulevard, Las Vegas, Clark County, Nevada
Grantor:	City National Bank
Grantee:	RA Southeast Land Company, LLC
Deed Date:	September 20, 2010
Recording Date:	October 4, 2010
RPTT:	$59,925.00
Document Number:	20101004/04030
Legal Description:	Lot 1, Block 1, Peccole Ranch Town Center, Plat Book 86, Page 23, Section 32, Township 20 South, Range 60 East
Size:	1,021,046 Sq. Ft.
Zoning:	PD (Las Vegas)
Land Use:	Mixed Use Commercial
Utilities:	Available at site
Access:	Rampart Boulevard and Alta Drive
Topography:	Even to sloping
Sale Price:	$11,750,000.00
Unit Price:	$11.51/Sq. Ft.
Financing:	Cash to Seller
Remarks:	This is a premium commercial lot located adjacent to Boca Park in the Summerlin area cattycorner from the Suncoast Hotel/Casino. This was an REO transaction and specific development plans are unknown.
Verified With:	Clark County Records, Deed, Seller's Representative Lynne Sullivan would only confirm price.
Verification Date:	December 2010
Appraiser:	Glenn M. Anderson, MAI, SRA, Certified General Appraiser

Comparable Land Sale Number 1 - Plot Plans





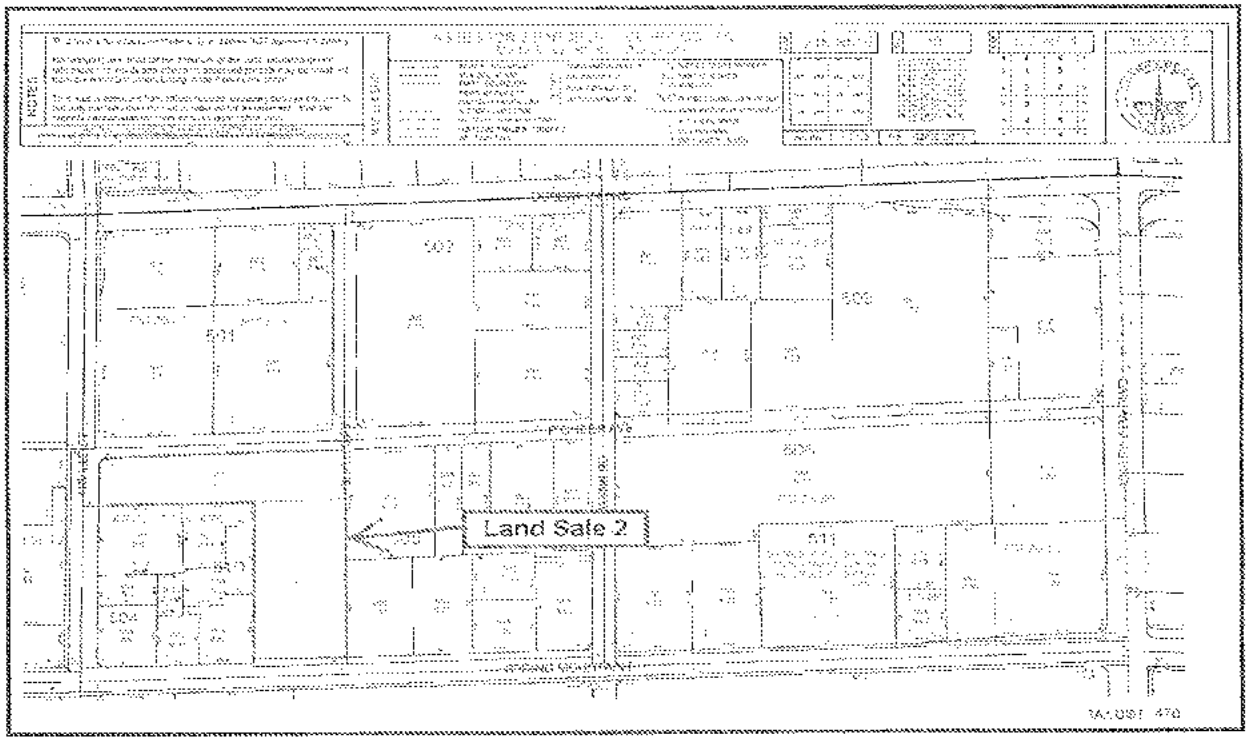
Comparable Land Sale Number 1 – Aerial Photograph

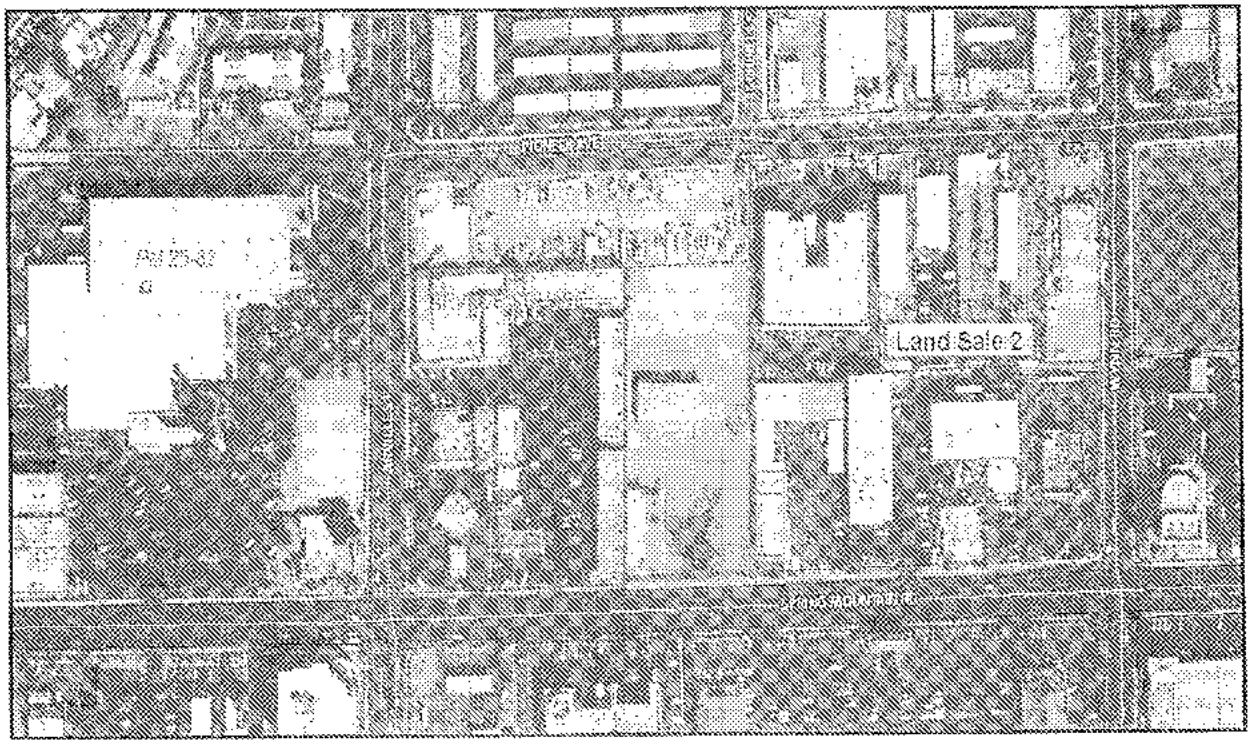


Comparable Land Sale Abstract Number 2

APN:	162-18-505-001 and -007
Location:	North side of Spring Mountain Road east of Arville Street, Las Vegas, Clark County, Nevada
Grantor:	Hammi Bank
Grantee:	567 Investment, LLC
Deed Date:	April 26, 2010
Recording Date:	April 28, 2010
RPTT:	$13,770.00
Document Number:	20100428/00579
Legal Description:	The South ½ of the Northwest ¼ of the Northeast ¼ of Section 18, Township 21 South, Range 61 East
Size:	188,179 Sq. Ft.
Zoning:	R-E and M-1 (Clark County), ROI to C-2 (Clark County)
Land Use:	Vacant, future commercial
Utilities:	At site
Access:	Spring Mountain Road, Arville Street and Pioneer Avenue
Topography:	Level
Sale Price:	$2,700,000.00
Unit Price:	$14.35/Sq. Ft.
Financing:	Cash to Seller
Remarks:	This was an REO transaction and multiple offers were made and the highest price was accepted. This site is suitable for retail type development along the Spring Mountain commercial corridor in the Chinatown District of Las Vegas.
Verified With:	County Records, Deed, Seller's Representative, Yosef Park
Verification Date:	May 2011
Appraiser:	Glenn M. Anderson, MAI, SRA, Certified General Appraiser

Comparable Land Sale Number 2 - Plot Plan and Aerial Photograph

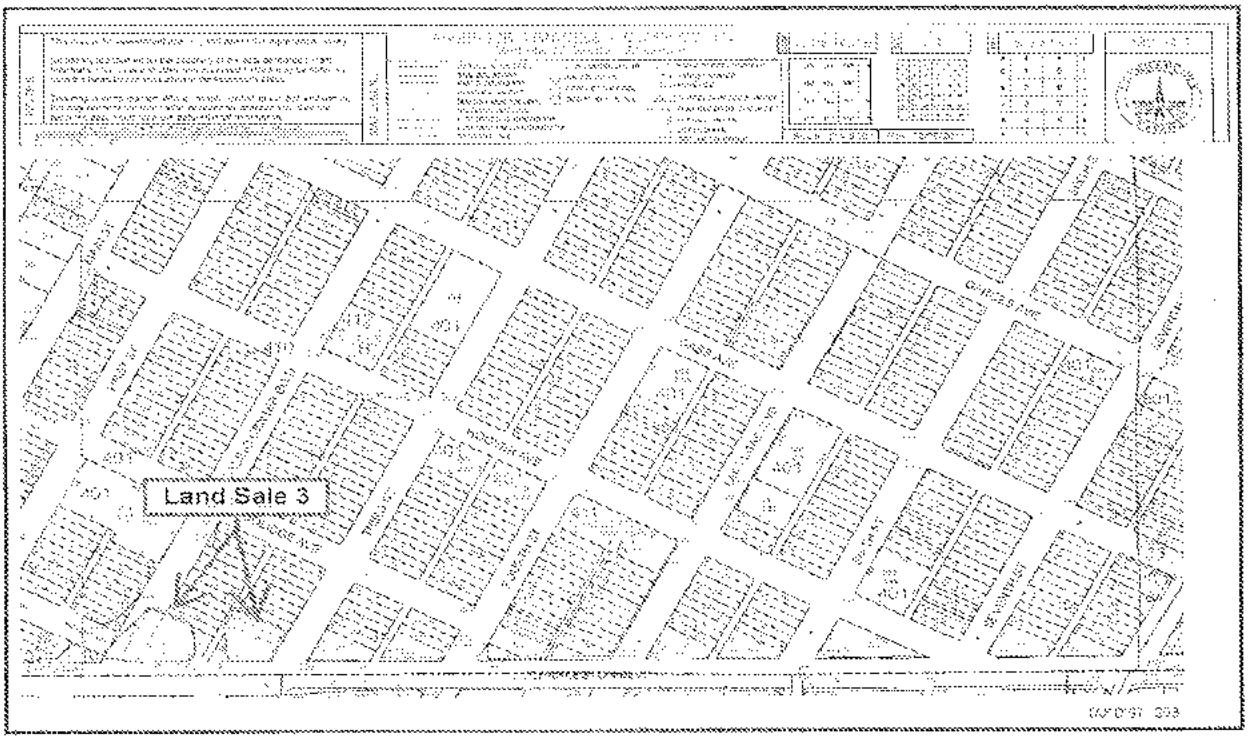


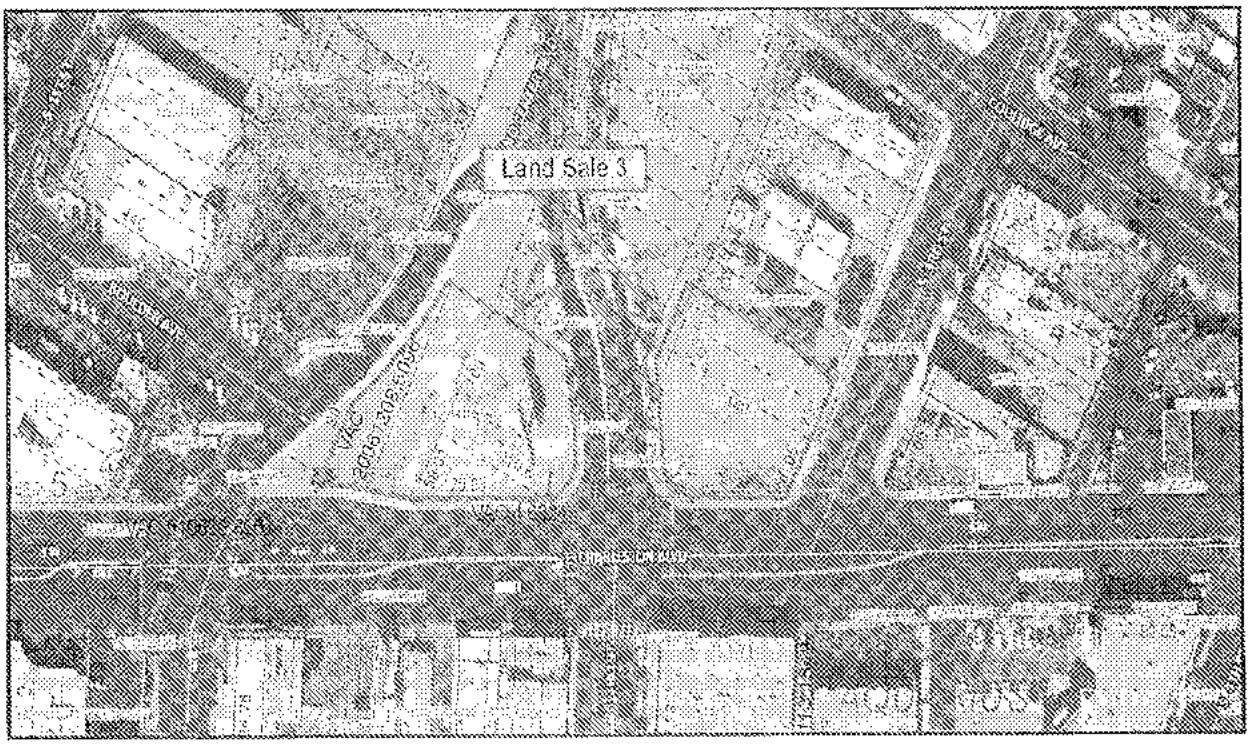


Comparable Land Sale Abstract Number 3

APN:	139-34-410-047 and -257
Location:	201 and 251 East Charleston Boulevard, Las Vegas, Clark County, Nevada
Grantor:	Irwin Union Collateral, Inc.
Grantee:	RE Group, LLC
Deed Date:	April 22, 2010
Recording Date:	April 22, 2010
RPTT:	$3,427.20
Document Number:	20100422/02922; 20100422/02937
Legal Description:	Lots 13 and 22, Block 14, South Addition, Clark County
Size:	41,818 Sq. Ft. (Combined)
Zoning:	C-2 (Las Vegas)
Land Use:	Vacant, future commercial
Utilities:	Available at site
Access:	Charleston Boulevard and Casino Center Boulevard
Topography:	Even
Sale Price:	$672,000.00 (Combined)
Unit Price:	$16.07/Sq. Ft.
Financing:	Cash to Seller
Remarks:	This represents the acquisition of two sites originally intended for high rise condominium development along the Charleston Boulevard corridor. Properties were foreclosed upon by the bank and this represents an REO transaction. Property is located in the Arts District and buyer owns an Arts District Building nearby. Sites remain vacant.
Verified With:	County Records, Deed, Declaration of Value
Verification Date:	May 2010
Appraiser:	Glenn M. Anderson, MAI, SRA, Certified General Appraiser

Comparable Land Sale Number 3 - Plot Plan and Aerial Photograph

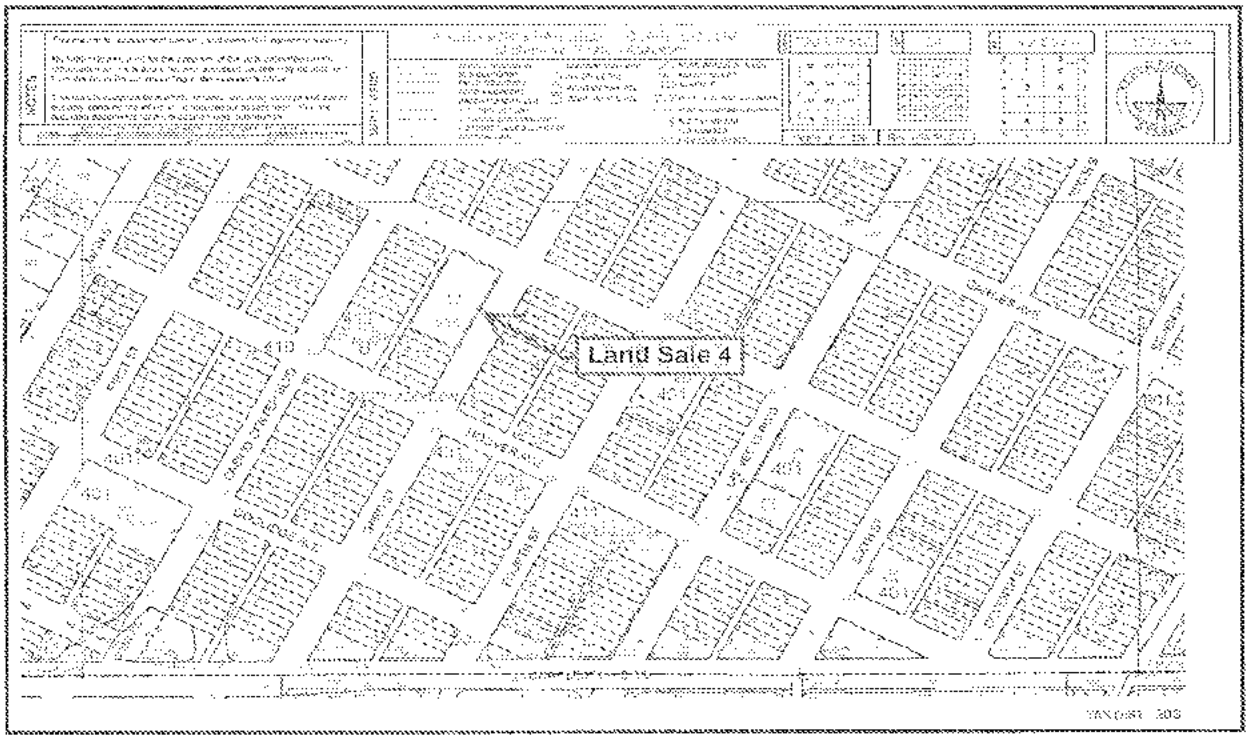


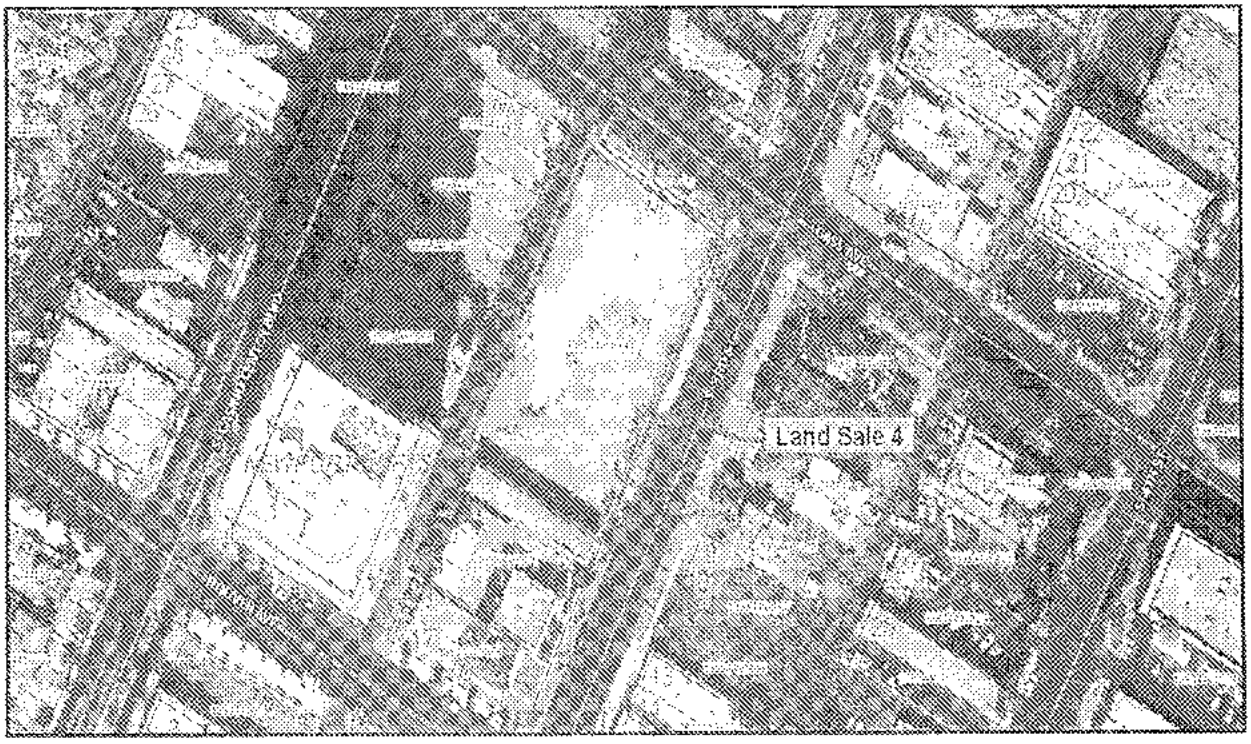


Comparable Land Sale Abstract Number 4

APN:	139-34-401-014
Location:	814 South Third Street, Las Vegas, Clark County, Nevada
Grantor:	StanHi, LLC
Grantee:	Sharet Davidyan
Deed Date:	May 12, 2010
Recording Date:	May 18, 2010
RPTT:	$4,131.00
Document Number:	20100518/03428
Legal Description:	Southwest ¼, Southwest ¼, Section 34, Township 20 South, Range 61 East, Lot 22 South Addition, Book 1 of Plats, Page 51, formerly Lots 23 through 32.
Size:	34,848 Sq. Ft.
Zoning:	C-2 (Las Vegas)
Land Use:	Vacant, future high rise condo site
Utilities:	Available at site
Access:	Third Street and Gass Avenue
Topography:	Level
Sale Price:	$810,000.00
Unit Price:	$23.24/Sq. Ft.
Financing:	Cash to Seller
Remarks:	Property was intended for development of the StanHi condominiums which was cancelled by the developer, Sam Cherry as a result of market declines. Sam Cherry also developed Newport Lofts. Reportedly, buyer approached the seller directly and property was never on open market for sale.
Verified With:	County Records, Deed, Seller Sam Cherry
Verification Date:	June 2010
Appraiser:	David J. Wrzesinski, Certified General Appraiser

Comparable Land Sale Number 4 - Plot Plan and Aerial Photograph

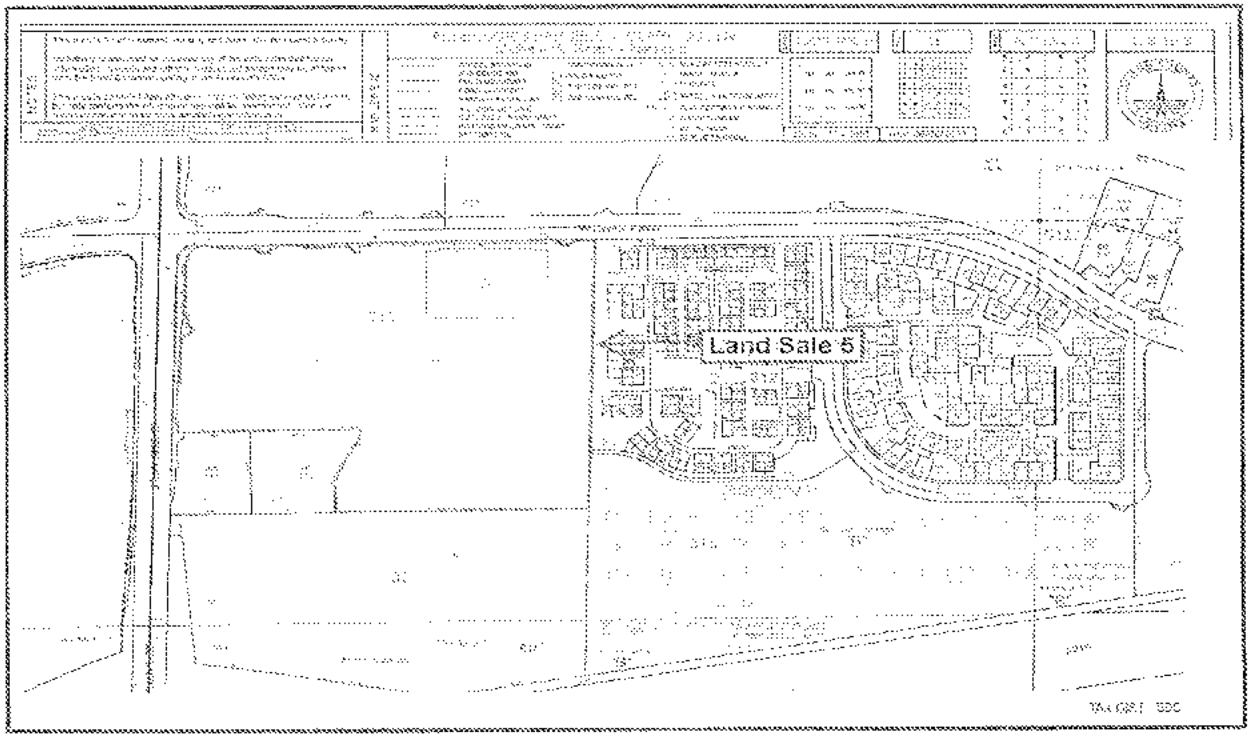


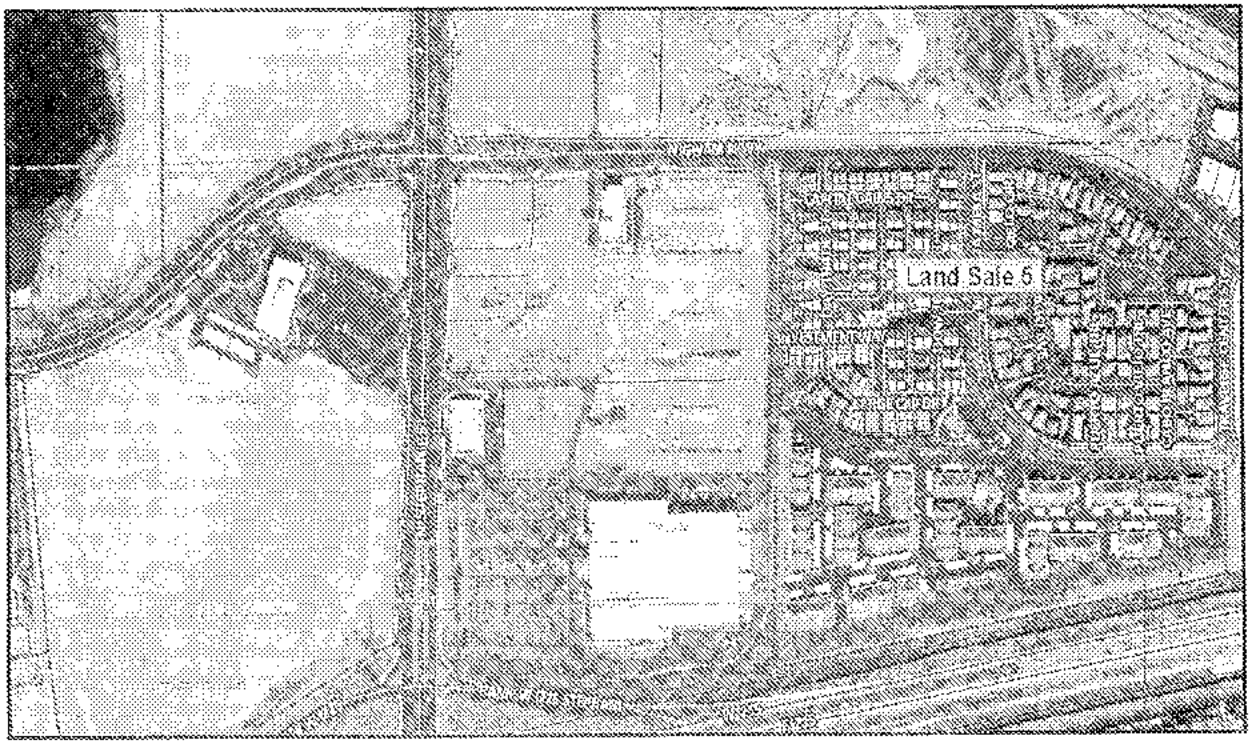


Comparable Land Sale Abstract Number 5

APN:	178-15-310-008 (portion)
Location:	78 North Stephanie Street, Henderson, Clark County, Nevada
Grantor:	WG Stephanie, LLC
Grantee:	Winco Foods, LLC
Deed Date:	February 14, 2011
Recording Date:	February 18, 2011
RPTT:	$36,406.35
Document Number:	20110218/01865
Legal Description:	A portion of the Southwest ¼ of Section 15, Township 22 South, Range 62 East, M.D.B.&M., City of Henderson, Clark County, Nevada.
Size:	736,164 Sq. Ft.
Zoning:	CC, Henderson
Land Use:	Vacant Commercial
Utilities:	Available at site
Access:	Wigwam Avenue and Stephanie Street
Topography:	Level
Sale Price:	$7,157,385.00
Unit Price:	$9.72/Sq. Ft.
Financing:	Cash to Seller
Remarks:	This site was acquired with the intention of developing a new grocery store. The property was originally entitled and planned for a mixed use mid-rise condominium community. The original sales office was developed and, at the date of transaction, existed on the property. The buyer will demolish the sales office in favor of the new retail center proposed to accommodate a WinCo Foods.
Verified With:	County Records, Deed, Jim Zeiter (seller representative)
Verification Date:	June 2011
Appraiser:	Glenn M. Anderson, MAI, SRA, Certified General Appraiser

Comparable Land Sale Number 5 - Plot Plan and Aerial Photograph

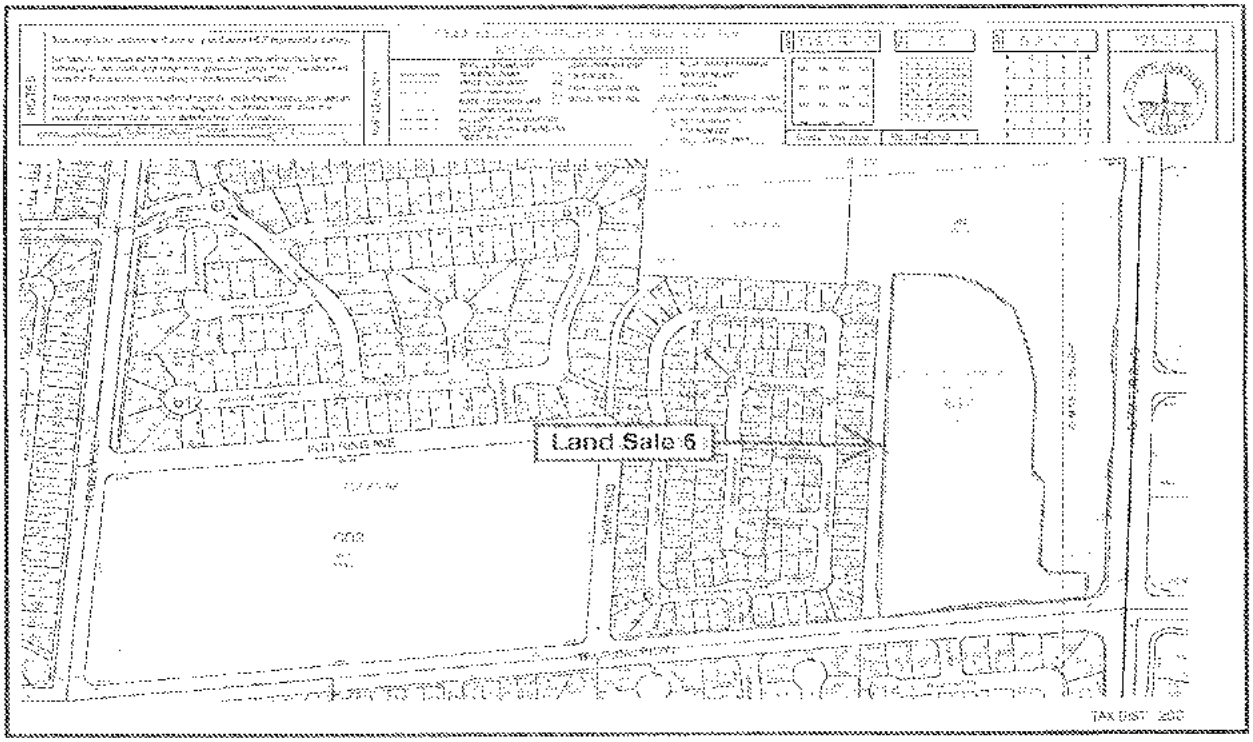


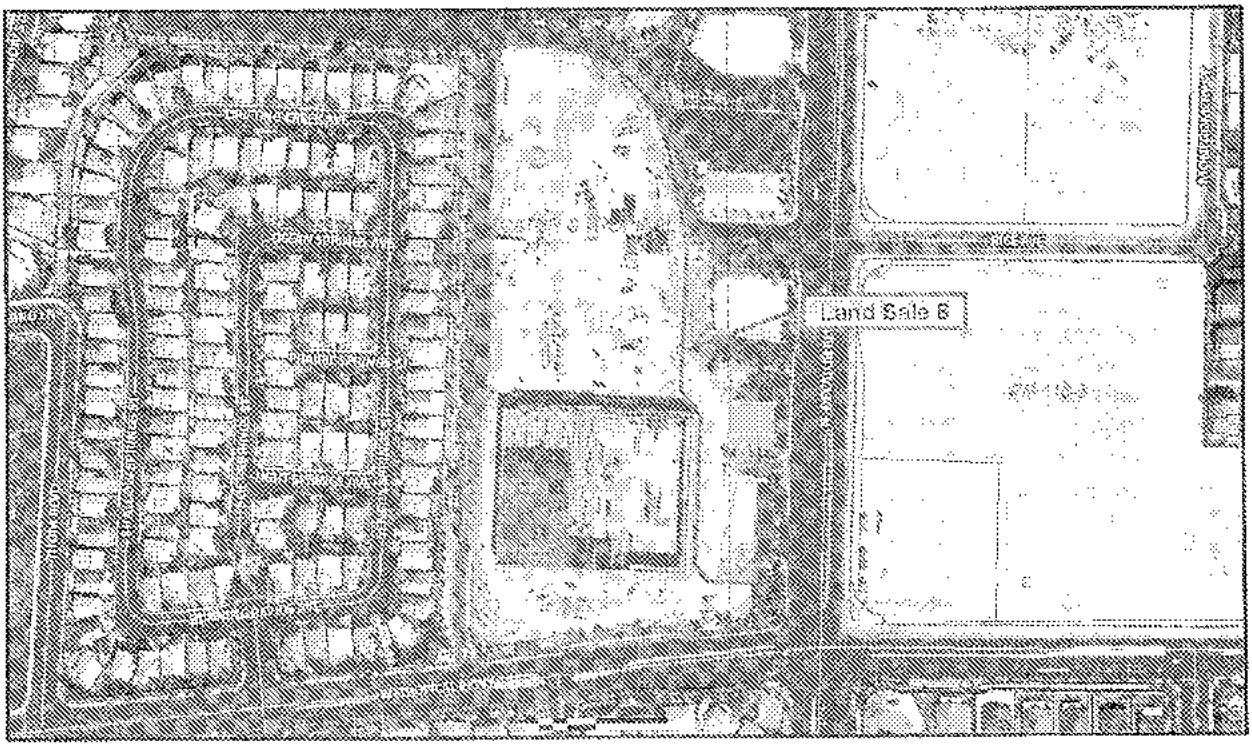


Comparable Land Sale Abstract Number 6

APN:	125-25-614-003
Location:	Northwest corner of Tropical Parkway and Decatur Boulevard, Las Vegas, Clark County, Nevada
Grantor:	WinCo Foods, LLC
Grantee:	Decatur 215, LLC
Deed Date:	April 13, 2011
Recording Date:	April 13, 2011
RPTT:	$34,368.90
Document Number:	201104130/02654
Legal Description:	Northeast ¼ of Section 25, Township 19 South, Range 60 East, M.D.B.&M, and Northwest ¼ of Section 30, Township 19 South, Range 61 East, M.D.B.&M, City of Las Vegas, Clark County, Nevada, being a portion of Lot 1 as shown in Book 140 of Plats, Page 0042, Clark County Official Records.
Size:	396,396 Sq. Ft.
Zoning:	C-1 (Limited Commercial District)
Land Use:	Vacant Retail Site
Utilities:	Available at site
Access:	Decatur Boulevard and Tropical Parkway
Topography:	Level
Sale Price:	$6,738,834
Unit Price:	$17.00/Sq. Ft.
Financing:	Cash to Seller
Remarks:	This site is located adjacent south to an existing Target store. This was the acquisition of a retail pad as part of a larger complex and therefore includes asphalt paved parking areas and a building envelope. The buyer intends to construct a new WinCo grocery store and will likely reconfigure the pad to include the building improvement at the south end of the site, and therefore, some additional paving and reconfiguration of the onsite improvements will be necessary.
Verified With:	County Records, Deed, Property Leasing Broker
Verification Date:	July 2011
Appraiser:	Glenn M. Anderson, MAI, SRA, Certified General Appraiser

Comparable Land Sale Number 6 - Plot Plan and Aerial Photograph

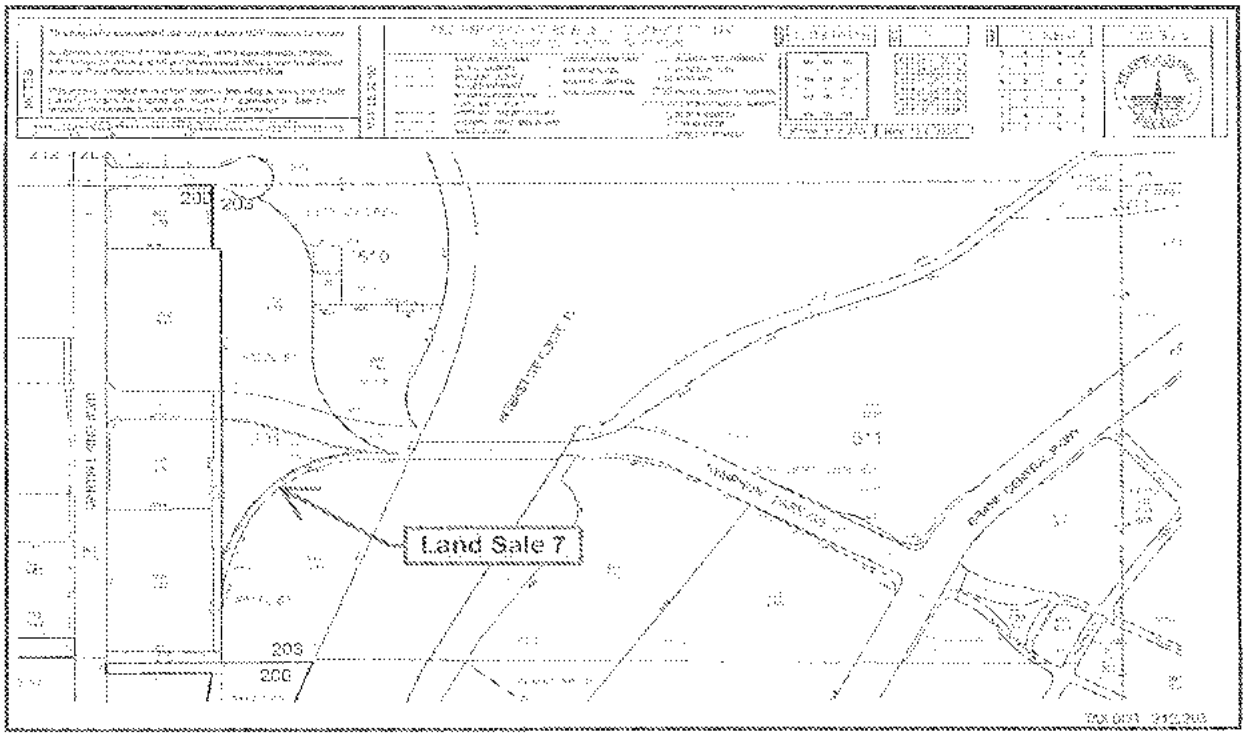


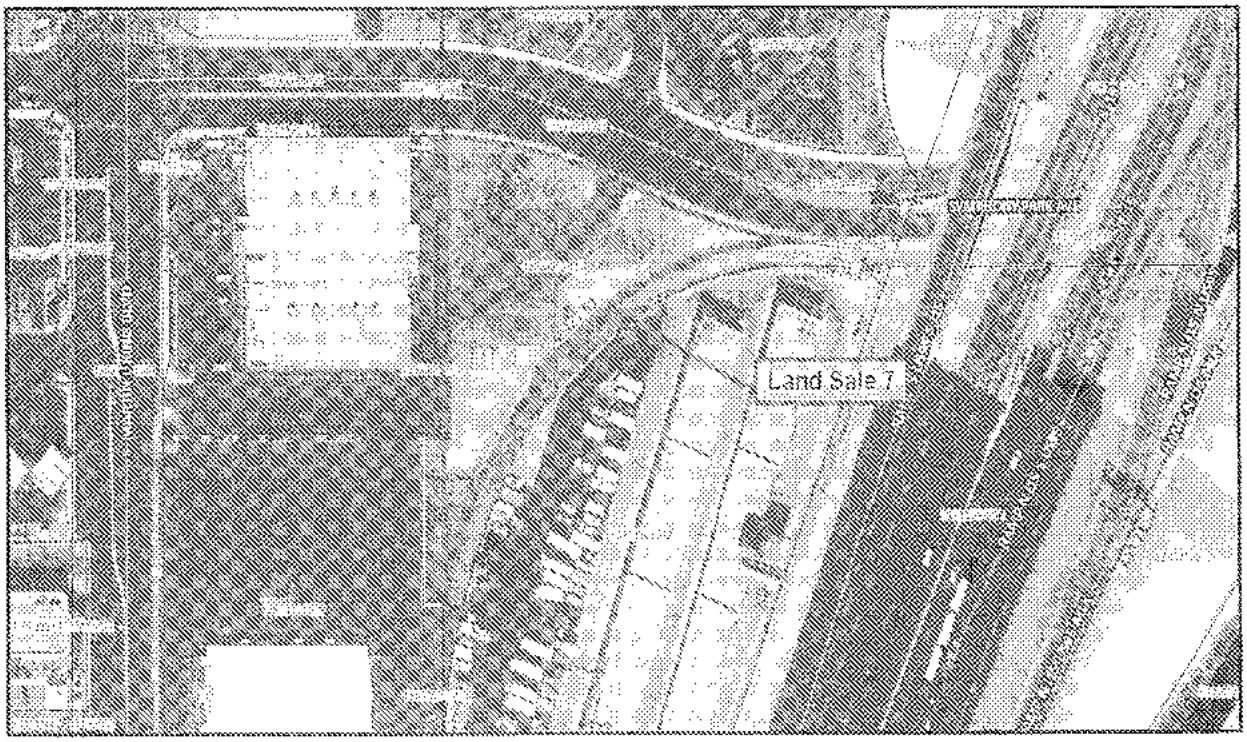


Comparable Land Sale Abstract Number 7

APN:	139-33-501-021
Location:	South side of Symphony Park Avenue, east of Martin Luther King Boulevard, Las Vegas, Clark County, Nevada
Grantor:	M.L.K. Holdings Limited Partnership, A Nevada LP
Grantee:	SPMLK, LLC, a Nevada Limited Liability Company
Deed Date:	August 30, 2011
Recording Date:	August 31, 2011
RPTT:	$2,996.25
Document Number:	20110831/0003132
Legal Description:	That portion of the Northwest ¼ of the Northeast ¼ of Section 33, Township 20 South, Range 61 East, M.D.B.&M.
Size:	55,757 Sq. Ft.
Zoning:	M (Industrial District)
Land Use:	Vacant
Utilities:	Available to Site
Access:	Symphony Park Avenue
Topography:	Level
Sale Price:	$587,155.00
Unit Price:	$10.53/Sq. Ft.
Financing:	Cash or cash equivalent
Remarks:	This site is located on the south side of Symphony Park. Acquired by Walker Furniture to assemble with the property adjacent west and south.
Verified With:	County Records, Deed, Buyer: Larry Alterwitz
Verification Date:	March 2012
Appraiser:	Glenn M. Anderson, Anderson Valuation Group

Comparable Land Sale Number 7 - Plot Plan and Aerial Photograph

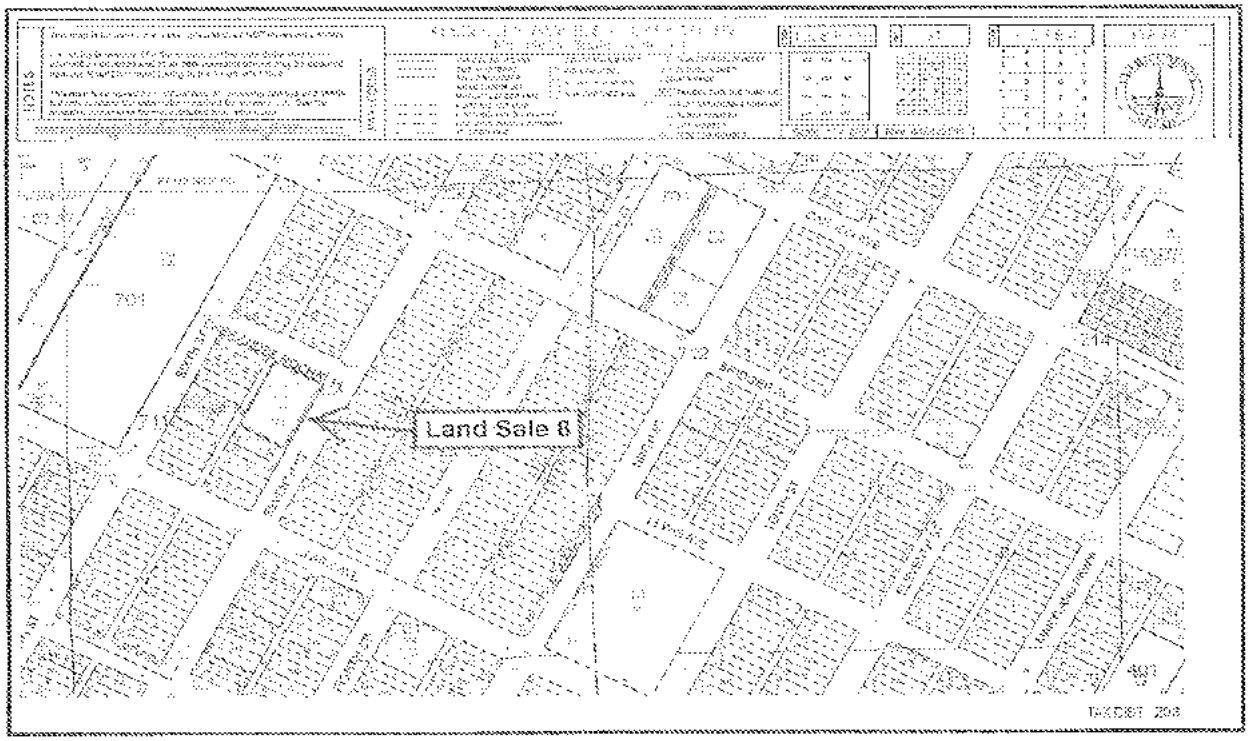


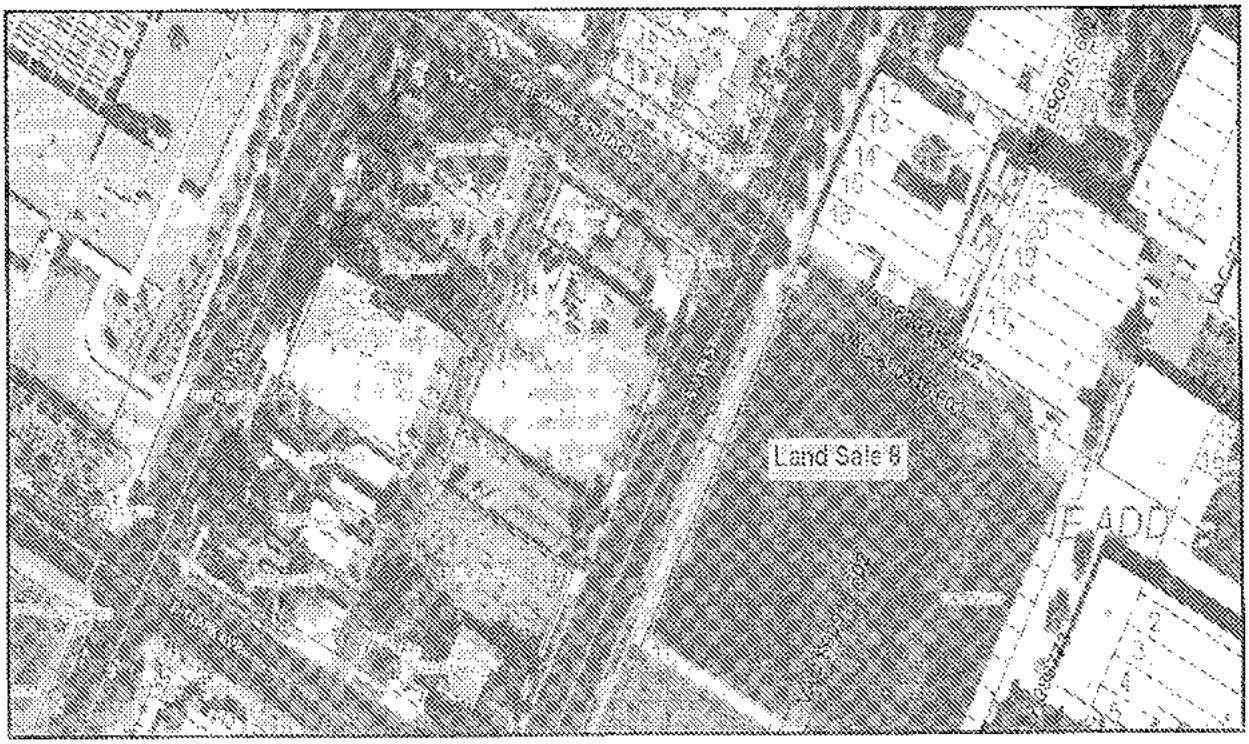


Comparable Land Sale Abstract Number 8

APN:	139-34-701-009
Location:	400 South 7th Street, Las Vegas, Clark County, Nevada
Grantor:	Clark County Credit Union
Grantee:	EVAPS, LLC
Deed Date:	February 26, 2010
Recording Date:	March 20, 2010
RPTT:	$3,825.00
Document Number:	201030200/03100
Legal Description:	Parcel Map 117, Page 58, Clark County
Size:	28,000 Sq. Ft.
Zoning:	C-1 (Limited Commercial), Las Vegas
Land Use:	Proposed Office
Utilities:	All available
Access:	Two streets
Topography:	Even
Sale Price:	$750,000.00
Unit Price:	$26.79/Sq. Ft.
Financing:	Cash or Cash Equivalent
Remarks:	This site was acquired with the intention of developing a multi-story law office. At the time of transaction, a historic residence existed on the site which required the buyer to physically move the house to a different location. This has been accomplished and the site is being developed with a multi-story office building.
Verified With:	County Records, Deed, Purchase Agreement, Buyer
Verification Date:	February, 2012
Appraiser:	Glenn M. Anderson, MAI, SRA, Certified General Appraiser

Comparable Land Sale Number 8 - Plot Plan and Aerial Photograph

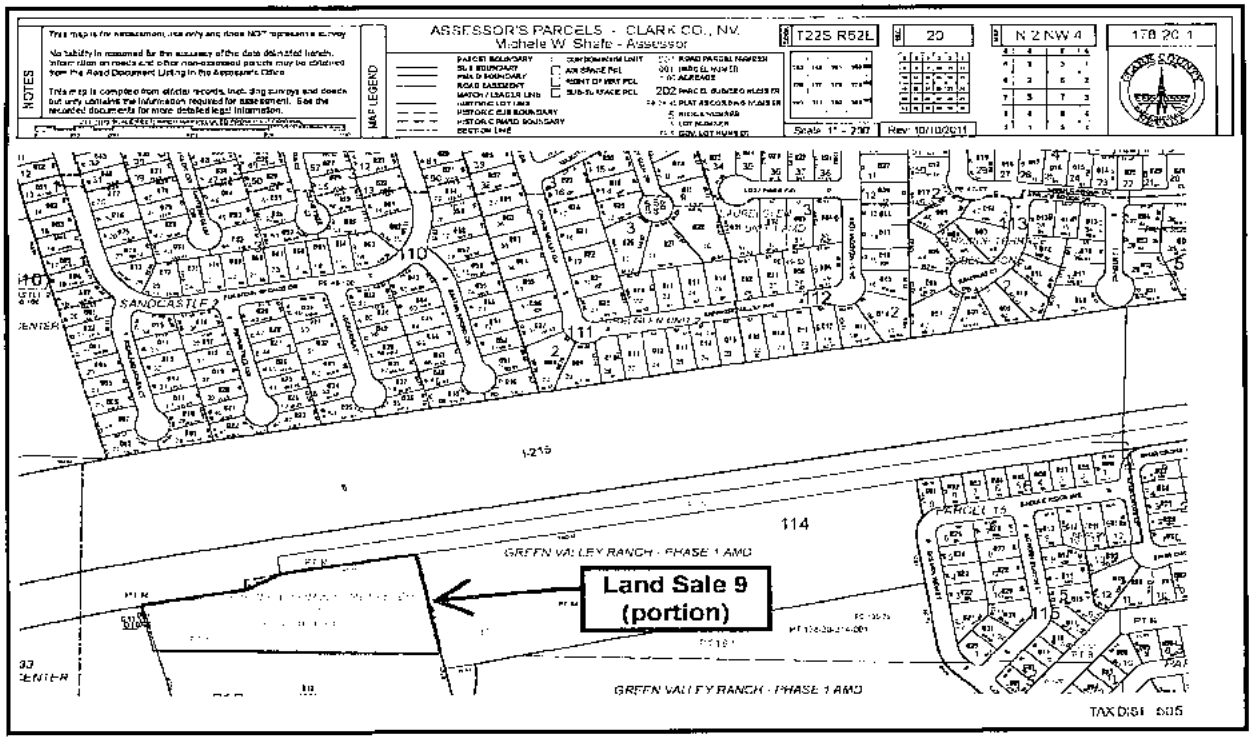


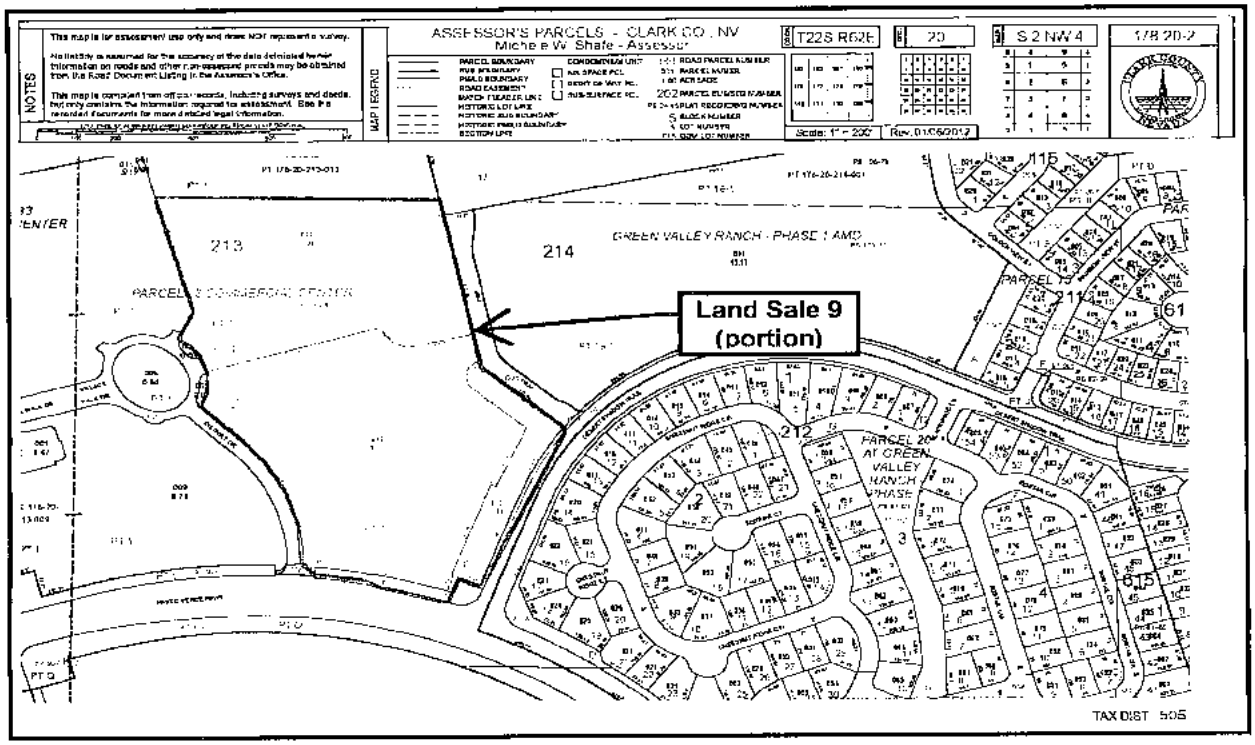


Comparable Land Sale Abstract Number 9

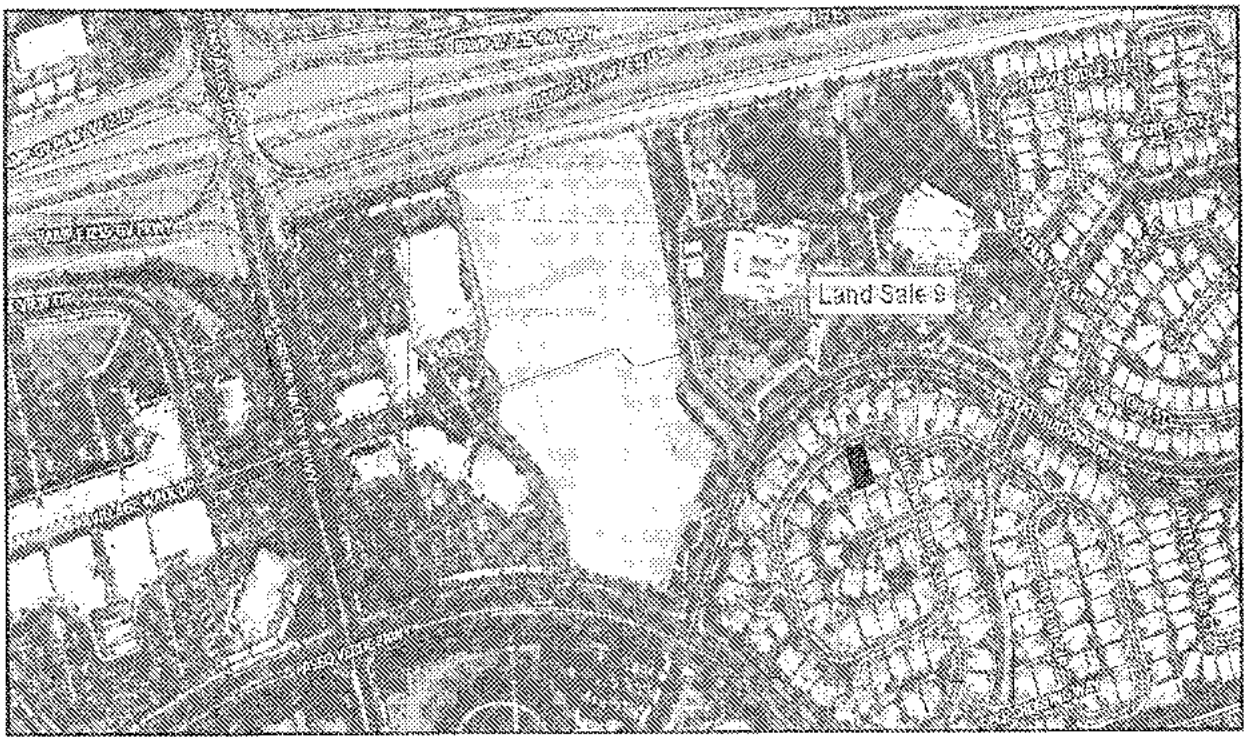
APN:	178-20-213-011, -013, -014 and -015
Location:	Village Walk Drive and Paseo Verde Parkway, Las Vegas, Clark County, Nevada
Grantor:	P33 East, Inc.
Grantee:	District Holdings, LLC
Deed Date:	December 27, 2011
Recording Date:	December 30, 2011
RPTT:	$52,020.00
Document Number:	20111230/02545
Legal Description:	Commercial Center Parcel 33, Plat Book 73, Page 48, Lot 1, South ½ of the Northwest ¼ Section 20, Township 22 Range 62
Size:	876,862 Sq. Ft.
Zoning:	M-C (Corridor/Community Mixed Use), Henderson
Land Use:	Vacant, proposed apartment
Utilities:	All to site
Access:	Village Walk Drive
Topography:	Even
Sale Price:	$10,200,000.00
Unit Price:	$11.63/Sq. Ft.
Financing:	Cash or Cash Equivalent
Remarks:	Finished development site adjacent to The District shopping center. Buyer intends to develop site with 468 unit apartment complex.
Verified With:	County Records, Deed, Buyer: Doug Eisner, Colida Group
Verification Date:	June 2012
Appraiser:	Glenn Anderson, MAI/SRA

Comparable Land Sale Number 9 - Plot Plans





Comparable Land Sale Number 9 – Aerial Photograph



Land Valuation – Analysis and Conclusion

Analysis:

Land Sale Number 1 is an REO transaction. After foreclosure, the bank sold this property which is adjacent to the Boca Park Shopping Center. Recently, the Tivoli Village mixed use shopping center was developed across Alta Drive from this comparable's location. Adjacent to this site in Boca Park is a large community sized shopping center with tenants that include Total Wine, Vons, Target, Cheesecake Factory, Kona Grill and other similar occupants. Reportedly, Fry's Electronics plans to occupy the former Great Indoors store. Furthermore, this site is near the Queensridge master planned community, Summerlin, and cattycorner to the Suncoast Hotel/Casino. The plan is a mixed use development. In comparison to the subject, I have made an upward adjustment for conditions of sale. This REO transaction occurred on an expedited schedule at a discounted price. An upward consideration is made for the larger size, which is offset by the superior location adjacent to Boca Park and the other amenities which exist nearby. A modest upward consideration is made for physical attributes. When compared to the subject, this comparable has an uneven topography and portions of the site reside behind the aforementioned shopping center, which make parts of the site less appealing than those portions which front the primary thoroughfares. Overall, this price paid per square foot is considered slightly less than the subject could command due primarily to the conditions of sale.

Land Sale Number 2 is a property located along the north side of Spring Mountain Road, east of Arville Street. This "L" shaped site also has frontage on Pioneer Avenue to the north. This is an REO transaction which occurred based on an expedited schedule at a reduced price. For this reason, upward adjustment is made under conditions of sale. The property is to be rezoned for commercial development and the site wraps around other retail improvements at the intersection of Arville Street and Spring Mountain Road. A limited amount of direct frontage exists on Spring Mountain Road, however, which is the primary

thoroughfare adjacent to the property. In comparison to the subject, a downward adjustment is made for smaller size. An upward adjustment is made for the inferior location. Other factors are similar and this price paid per square foot, prior to adjustments, is slightly less than the subject could command.

Land Sale Number 3 are two properties which are separated by 3rd Street, both with frontage along Charleston Boulevard. These two properties were entitled for high rise condominium development and this project was cancelled due to the downturn in the economy. The lender acquired the properties through foreclosure and subsequently sold the sites based on a reduced marketing schedule and reduced price for quick sale. An upward adjustment is therefore made for conditions of sale. Downward adjustments are made for the much smaller size and the superior location, with direct frontage on Charleston Boulevard at the recently re-aligned 3rd Street. An upward adjustment is made for the physical attributes, as the combined property is separated by a public thoroughfare. In comparison to the subject, the price paid per square foot is considered somewhat indicative of what the subject would command prior to adjustments.

Land Sale Number 4 is a property located in the Central Business District. This site was planned to be developed with the StanHi Lofts condominium development, a sister project to the Newport Lofts, which is generally caddy corner to this location. The project was cancelled as a result of the downturn in the economy. Reportedly, the buyer approached the grantor, and therefore, no marketing occurred on the site. This was a speculative acquisition and no immediate plans for development exist. In comparison to the subject, I have made downward adjustments under the categories of size due to the smaller size, superior location in the Central Business District, and the zoning, as the site was entitled for a high-rise condominium. This price paid is considered more than the subject could command.

Land Sale Number 5 is a relatively recent acquisition of a site which has been improved with a new WinCo grocery store. Located in Henderson along the Stephanie Street corridor, this is a location just north of an interchange with Highway 215. This site was originally planned to be developed with a mixed use mid-rise condominium development. A sales office was erected; however, the project was cancelled due to the downturn in the economy. The buyer demolished the existing sales office in favor of the new grocery store anchored retail complex for the Winco grocer. In comparison to the subject, I have made an upward adjustment for the larger size and the inferior location. Physical attributes likewise would warrant an upward adjustment as some demolition of the then existing improvements was necessary, and other site work will be required prior to development. In comparison to the subject, this price paid is considered less than the subject could command.

Land Sale Number 6 was the acquisition of a commercial pad as part of a larger shopping center complex near the intersection of Decatur Boulevard and Highway 215 in the northern portion of the Las Vegas area. Target anchors a larger center and various retail pads remain available for acquisition and development. WinCo acquired one of these pads and has developed a large grocery store. The pad site included onsite improvements such as asphalt paving, however, much of this site was reconfigured as the buyer built the store near the south end of the site, and therefore, additional paving and reconfiguration was necessary. In comparison to the subject, the only adjustment deemed necessary is for physical attributes. I have made a downward adjustment under this category, as onsite improvements exist as part of a larger retail complex. The size is similar, as is the general location at a premium retail site in the northern Las Vegas area near the 215 interchange. Overall, this provides a reasonably good indicator for the subject after consideration for the existing onsites.

Land Sale Number 7 is a property located in relatively close proximity to the subject on the south side of Symphony Park, just east of Martin Luther King

Boulevard. This was an assemblage acquisition by Walker Furniture increasing the size of the overall campus for this retail outlet. This is an irregularly shaped parcel and some asphalt paving exists. In comparison to the subject, the overall location, albeit in close proximity, does not have frontage along Martin Luther King Boulevard. As such, this is an inferior characteristic and an upward consideration is made. A further upward consideration is made for the unusual shape of this parcel. Although the property was assembled with the larger Walker Furniture campus, the buyer indicated that ongoing interest in the site over various years has occurred, however, only recently did the buyer decide to acquire the property. Therefore, little premium was paid due to the assemblage. Overall, this price paid is considered to be less than the subject could command.

Land Sale Number 8 is a site located in the Central Business District. This property is being improved with a new multi-story legal office building. At time of acquisition, an older historic residence existed at the site and according to the buyer, this residence was physically moved at their cost. An additional building also existed which required demolition. In comparison to the subject, I have made a downward adjustment for the overall location. This site is located in close proximity to the Federal courthouse as well as the District courthouse which is an important criteria for a law office. Furthermore, this location is within the area best characterized as the "legal district" just east of the Central Business District. This site is much smaller than the subject which would warrant a further downward consideration as smaller parcels tend to command higher unit values. Conversely, a modest upward consideration is made due to the cost burden which was placed on the buyer to demolish an existing building and move the historic residence. In the final analysis, this price paid is considered more than the subject could command.

Land Sale Number 9 is a site located in Henderson. This site was selected due to the overall size of the property and the similarities in highest and best use. Although the subject property is best suited for some form of commercial

development, as described in the Highest and Best Use section, the subject could also accommodate a multi-family development if rezoned. Land Sale Number 9 is a large finished site adjacent to Phase 2 of The District in Henderson in close proximity to Green Valley Parkway and the 215 Beltway interchange. Planned is a large multi-family development adjacent to this specialty shopping center. In comparison to the subject, I have made an upward adjustment for the location as the subject is located in close proximity to the Central Business District and the aforementioned medical district. A modest upward consideration is also made due to the zoning which allow primarily only multi-family uses at this location and, furthermore, the site does not have any commercial exposure. In the final analysis, the price paid for this site is considered to be less than the subject could command.

The nine land sales indicate a range in unit prices paid on similar commercial sites suitable for mixed use, office and/or retail development, ranging from $9.72 per square foot to $26.79 per square foot. I have accomplished adjustments to the various sales in a qualitative manner. Although quantitative adjustments are preferred, the lack of substantial amounts of data which could be used to extract paired sale adjustments limits the reliability of a quantitative analysis. As such, I have prepared a qualitative analysis which is considered appropriate in today's market. I have made adjustments under conditions of sale, size, location, offsites, zoning, as well as physical attributes. It is notable that I have not made any market condition adjustments or adjustments for time, given the relatively flat and stable market conditions. Although market conditions continue to deteriorate, land sales information would tend to indicate that little change in prices paid over the course of the past 12 to 18 months is noted in the marketplace. This adjustment grid can be found on the following page.

Adjustment Chart/Grid:

SALE #	1	2	3	4	5	6	7	8	9
SALES DATE	Oct-10	Apr-10	Apr-10	May-10	Feb-11	Apr-11	Aug-11	Mar-10	Dec-11
SALES PRICE	$11,750,000	$2,700,000	$672,000	$810,000	$7,157,385	$6,738,834	$587,155	$750,000	$10,200,000
SIZE (SF)	1,021,046	188,179	41,818	34,848	736,164	396,396	55,757	28,000	876,862
UNADJUSTED PRICE PER SF	$11.51	$14.35	$16.07	$23.24	$9.72	$17.00	$10.53	$26.79	$11.63
ADJUSTMENTS									
MARKET COND. (TIME)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
ADJUSTED PRICE / SQ. FT.	**$11.51**	**$14.35**	**$16.07**	**$23.24**	**$9.72**	**$17.00**	**$10.53**	**$26.79**	**$11.63**
CONDITIONS OF SALE	25.00%	25.00%	25.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
ADJUSTED PRICE / SQ. FT.	**$14.38**	**$17.94**	**$20.09**	**$23.24**	**$9.72**	**$17.00**	**$10.53**	**$26.79**	**$11.63**
SIZE	+	-	-	-	+	0	0	–	0
LOCATION	-	+	-	-	+	0	+	-	+
OFFSITES	0	0	0	0	0	0	0	0	0
ZONING	0	0	0	0	0	0	0	0	+
PHYSICAL ATTRIBUTES	+	0	+	-	+	-	+	+	0
TOTAL PERCENTAGE									
ADJUSTMENT	**++**	**0**	**-**	**--**	**++**	**-**	**++**	**--**	**+**

In the final analysis, therefore, I have carefully considered all of the sales contained in the preceding analysis and have reconciled the unit value which would apply to the subject property presuming the site vacant and available for development to its highest and best use at $16.00 per square foot. This provides an indication of the market value of the subject property, as vacant, in the "before" condition, as follows:

Land Valuation - Summarized

Total Site Area (Square Feet)	599,386
Value per Square Foot	$ 16.00
Indicated Market Value, As Vacant (rounded):	**$ 9,590,000.00**

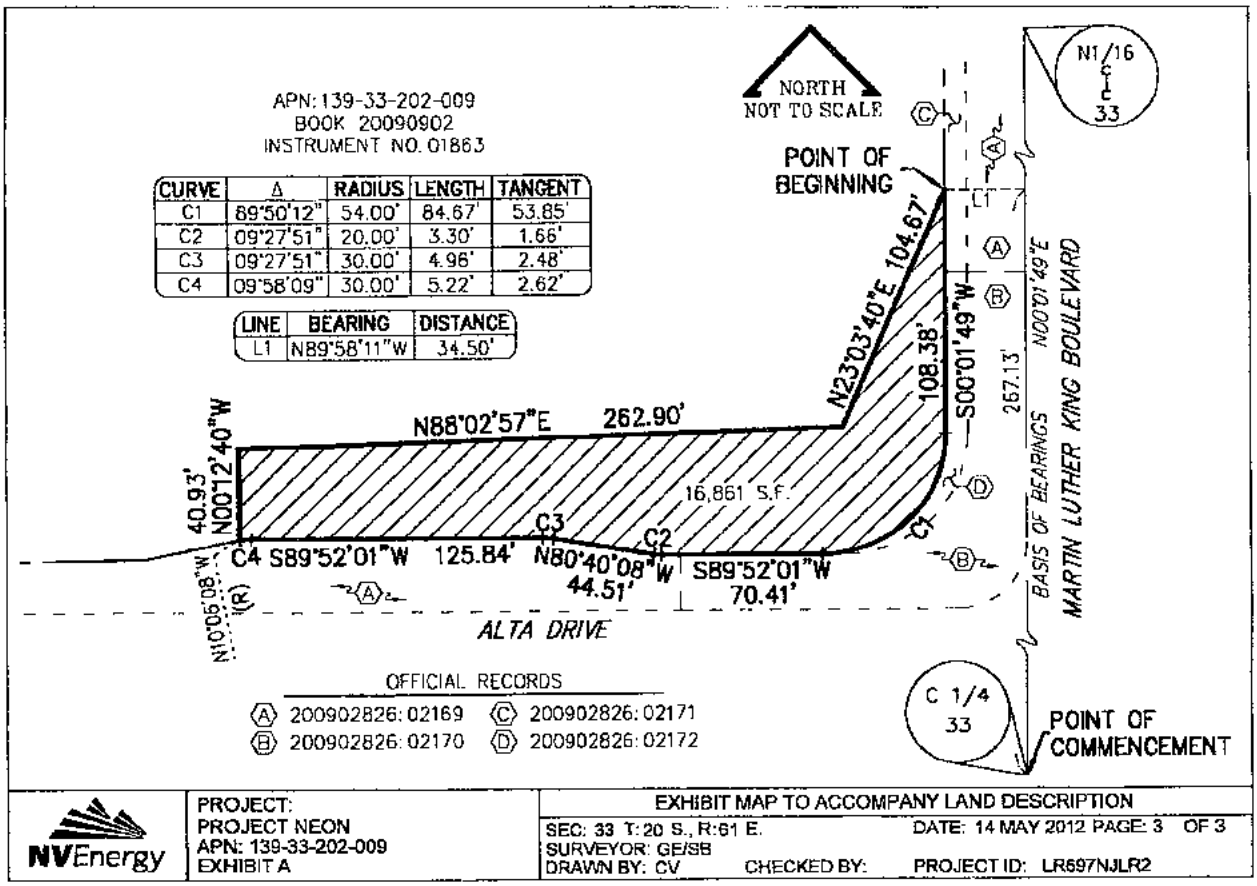
Estimate of the Value of the Rights to be Acquired in the Proposed Permanent Easement

Proposed is an acquisition of a permanent easement over a portion of the easterly and southern portions of the subject property. The total easement area to be acquired is proposed to contain 16,861 square feet and will be illustrated on the following pages. This permanent easement will be acquired to allow for the installation of electrical transmission lines over the subject. Two poles are proposed for the subject, which will range from 120 to 140 feet in height. These poles will be installed on the property to suspend multiple electrical transmission lines approximately 75 feet above the ground. According to information provided by NV Energy, it is my understanding that the poles will occupy approximately 50 square feet of site area each, for a combined total of 100 square feet to be occupied by these poles.

The easement can be allocated as residing in two areas including within the required 10 foot setback area, according to current City of Las Vegas C-1 zoning, while the balance will reside outside of the setback area in an area that is currently available for development by the property owner. As discussed, this easement will cross over the portion of the recently constructed police headquarters which is open asphalt paved parking and landscaped areas. A Grant of Easement, which specifically describes the use to which the easement area will be placed, is provided in the Addenda for the reader's review. Generally, no permanent building improvements are allowed within the easement area, as this area must remain open to accommodate access for the maintenance and repair of the aforementioned electrical transmission lines. In its current condition and after recent construction of the police headquarters, it is apparent that this portion of the site is used for open parking, landscape and ingress/egress, all uses which are compatible with the proposed easement.

Photographs which illustrate the characteristics of the proposed easement area were presented earlier in the report. Again, the following page includes exhibits which illustrate the proposed easement route and a map illustrating the proposed pole placement.

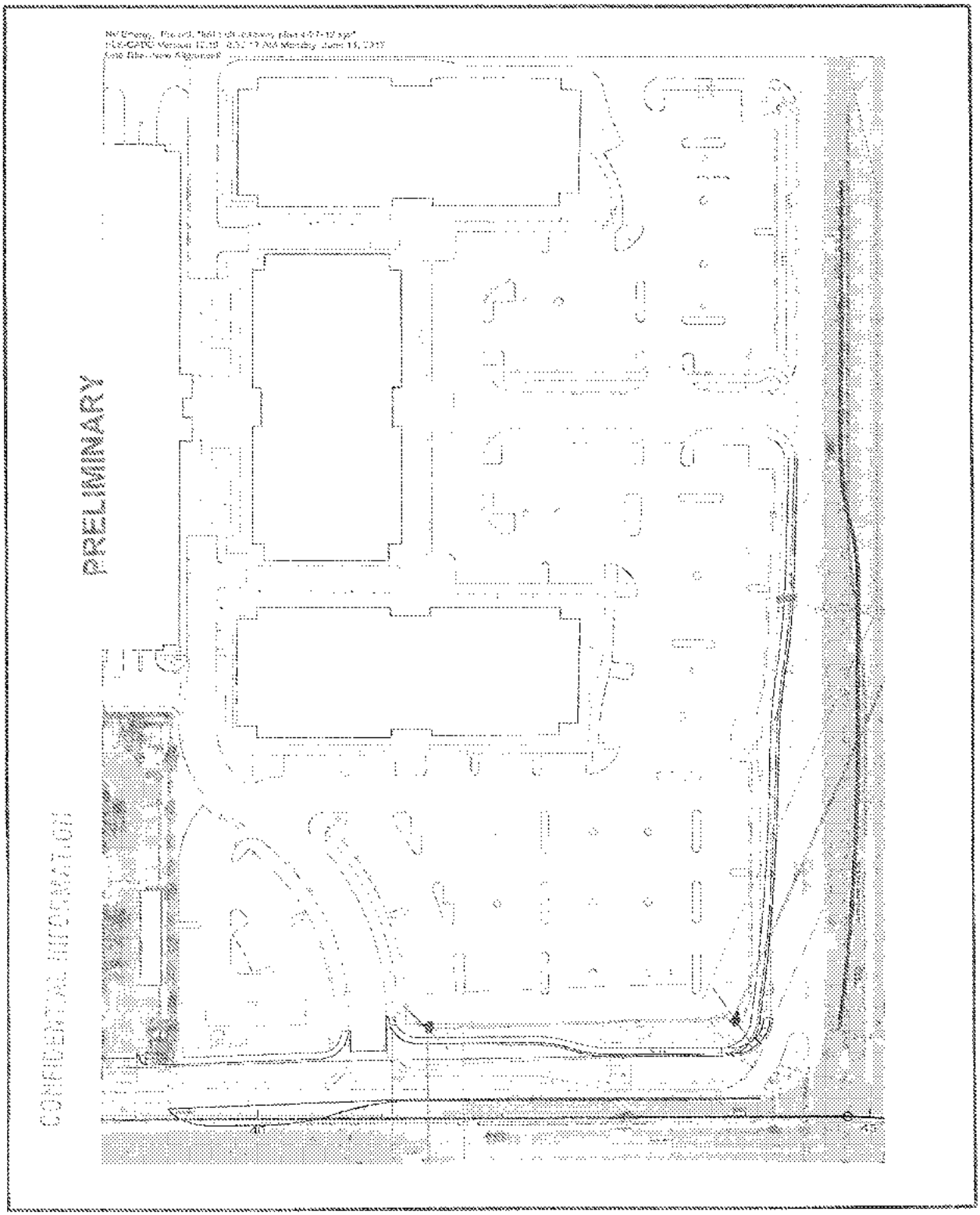
Proposed Easement Map:



Situate in the City of Las Vegas, County of Clark, State of Nevada is that portion of the Northwest Quarter (NW ¼) of Section 33, Township 20 South, Range 61 East, M.D.M., Clark County, Nevada, described as follows:

That parcel of land as described in Grant Bargain and Sale Deed recorded September 2, 2009 in Book 20090902, as Instrument No, 01863, Office Records, Clark County, Nevada.

Pole Placement Map:



The first step in developing an opinion of the just compensation value is to develop an opinion of the just compensation for the part taken. The part taken will include the acquisition of surface rights to accommodate the new electrical transmission line easement in accordance with the Grant of Easement which is retained in the Addenda for the reader's review. As discussed, this easement will include areas which are located within the required setback in accordance with the C-1 zoning code, while other portions of the easement will reside outside of the required setback. In addition, two poles were proposed to be placed on the property which will occupy approximately 50 square feet each for a combined total of 100 square feet. The easement and the poles will be located in a portion of the site which has been dedicated for open asphalt paved parking, landscape and ingress/egress points as part of the recently completed police headquarters facility.

To determine the value of the rights to be acquired in the easement, I have first considered the proposed easement acquisition area which resides within the required setback in accordance with the C-1 zoning code, per the City of Las Vegas. The City of Las Vegas has recently updated the City Zoning Code, which went into effect generally in May 2011. Historically, the setback area for the C-1 zoning code was 20 feet; however, this has been altered and is now a 10 foot setback. As such, I have estimated that the total area of the proposed easement which resides in the setback measures approximately 4,473 square feet. I have estimated the length of the easement, which directly fronts Martin Luther King Boulevard and Alta Drive, at approximately 447.29 lineal feet, and using a 10 foot setback would result in 4,473 square feet within the setback.

In the "before" condition, areas within the required setback according to the C-1, Limited Commercial Zoning Code per the City of Las Vegas, are generally required to remain open from ground to sky and the 10 foot area can be used only for landscape, parking, ingress and egress, areas to accommodate public utilities, and other similar uses which do not include any permanent improvements. As such, in the "before" condition, the available rights in this area are restricted by city zoning.

For this reason, it is my opinion that the acquisition of the easement will have minimal impact on the ability to use this portion of the site, as the easement acquisition will require similar restrictions. Therefore, it is my opinion that minimal rights will be lost by the property owner in this portion of the site due to the acquisition of the easement. Therefore, it is estimated that the just compensation for the easement acquisition in the setback area is equal to 10% of the underlying land value.

Two poles are proposed to be placed within the easement area, outside the setback. Again, based on information submitted for my review, the poles will occupy approximately 50 square feet of the site each, and two poles were proposed for a combined 100 square feet. As such, this area would be deducted from the area calculated to be outside the setback, as a different portion of the bundle of rights were acquired where the poles will be placed. It is my opinion that the poles will impact these portions of the site by 100%, as the property owner will lose all ability to use this component of the property. Again, the poles will occupy approximately 50 square feet each for a combined 100 feet for the two poles. One hundred percent of the underlying land value is considered a reasonable compensation amount for these portions of the site.

The balance of the easement resides outside of the setback area. As discussed earlier, the total easement area is 16,861 square feet, and deducting the total area calculated to be located within the setback of 4,473 square feet, would result in the portion of the proposed easement area which resides outside of the setback to contain 12,388 square feet. From this is deducted the area which will be encumbered by the poles or 100 square feet. Therefore, the remaining area outside the setback is 12,288 square feet. In the "before" condition, the property owner has full right of use of this portion of the site. As discussed, the recently constructed police headquarters facility includes substantial at grade open asphalt paved parking area which exists along Martin Luther King Boulevard and Alta Drive. Therefore, in the "before" condition, the use to which this component of the site has

been put as part of the recently completed development is compatible with the easement uses allowable uses. However, the property owner has the ability to use this area in an alternate manner in the future.

It is my opinion that the total portion of the bundle of rights acquired, therefore, in this unrestricted portion of the proposed easement area is 75%. Therefore, I have factored 75% against the total underlying land value to estimate of value of the total easement area outside of the setback to reflect my opinion of the value of the part taken for this component of the easement area.

The following page contains a summary of the value of the part taken calculation. The total value of the part taken has been estimated at $160,000.00 based on the narratively described formula used.

Value of the Part Taken

Value of the Part Taken in 10 Foot Setback:		
Easement		
4,473 sq. ft. @ $16.00/sq. ft. x 10%	**$**	**7,156.00**
Value of the Part Taken Outside Setback		
12,288 sq. ft. @ $16.00/sq. ft. x 75%:	$	147,456.00
Pole Placement		
100 sq. ft. @ $16.00/sq. ft. x 100%	$	1,600.00
Value of the Part Taken Outside 10 Foot Setback	**$**	**149,056.00**
Value of the Part Taken (Rounded):	**$**	**160,000.00**

To develop an opinion of the value of the remainder before the take, the value of the part taken is simply deducted from the value of the property in the "before" condition. Again, as the easement affects only the land component of the property, the land component of the property has been valued. The land value was estimated in the preceding section at $9,590,000.00. Deducting the value of the part taken from the underlying land value results in the value of the remainder as part of the whole at $9,430,000.00. This will be summarized at the end of the section. It should be noted that the acquisition of the easement will not affect site improvements, as the property owner will retain the ability to continue to use the property in the manner which it was designed. Again, the easement crosses over an asphalt paved and landscaped component of the recently completed police headquarters site.

Value in the "After" Condition

The next step in this process is to develop an opinion of the market value of the property in the "after" condition or after the acquisition of the permanent easement area for the purposes of the development of an electrical transmission line. As discussed, the uses allowable within the easement area are highly similar to the current uses which exist within the proposed easement area, including open asphalt paved parking, landscaped areas, as well as areas for ingress and egress. Therefore, the installation of the easement will not have a detrimental effect on the use of the property as a current Metropolitan Police Headquarters. Consideration must be given to any potential future use or to determine whether the installation of the electrical transmission lines will affect the value of the remainder.

To determine if any adverse effects apply to the balance of the remainder property, I have considered the location of the easement to determine any effect electrical transmission lines and pole placement will have on a property such as the subject. As illustrated on preceding maps, the easement will exist along the property perimeter along a portion of the Martin Luther King Boulevard and Alta Drive frontage over a portion of the site which has been dedicated for asphalt paved parking, landscaping and ingress/egress. Two poles are planned for the property, which will reside in landscaped buffers along the street thoroughfares. Therefore, the easement acquisition, the pole placement, as well as the installation of electrical transmission lines will not affect the owner or occupant's ability to use the property as it was recently designed and built.

Throughout the Las Vegas metropolitan area, electrical transmission lines are routinely erected and extended along arterial thoroughfares providing transmission of electricity to substations in neighborhoods throughout the valley where the electricity is then distributed for consumption. To determine if the existence of the referenced transmission lines will affect the unit value of the larger property in the "after" condition, we have considered a paired land sale analysis with the primary

difference between the land sales which will be sited on the following pages being the existence of a transmission line on some of the land sales and the absence of a transmission line on the other land sales. It is noted that some of these sales are dated having occurred in 2005; however, they are considered relevant as the real estate market was considered more stable at that time. We have also included a group of sales which occurred more recently.

The first group of sales we have analyzed is a group of land sales considered suitable for commercial, office and/or multi-family development in the southwest segment of the Las Vegas marketplace. The southwest market or the area generally in the vicinity of the 215 Beltway, between approximately Rainbow Boulevard and Flamingo Road, was an active land sale transaction area in 2005. We have selected sales from that general area which occurred in 2005, generally between April and December of that year. The relative sales selected are all similar with respect to highest and best use characteristics, general location, relative size and other factors. The primary difference between these sales is the existence or absence of a transmission line along the arterial frontage which abuts these properties.

Commercial Land Sales With Transmission Lines Summary Chart

Sale No.	Location	Sales Date/ Deed No.	Price	Size/Net Sq. Ft.	Price/ Sq. Ft.
1	Southeast corner of Rainbow Boulevard and Sunset Road APN: 176-02-101-001	10/05 20051025/03737	$ 4,650,000	155,074	$29.99
2	Northeast corner of Ft. Apache Road and Russell Road APN: 163-29-401-007	8/05 & 3/05 20050812/0389 20050317/01168	$ 9,900,000	363,283	$27.25
3	Northwest corner of Durango Drive and Russell Road APN: 163-29-801-018	8/05 20050815/04147	$ 4,000,000	180,774	$22.13
4	Northeast corner of Dapple Gray Road and Russell Road APN: 163-29-411-001	12/05 N/A	$11,800,000	402,494	$29.32
			Weighted Average		**$27.55**

Commercial Land Sales With No Transmission Lines Summary Chart

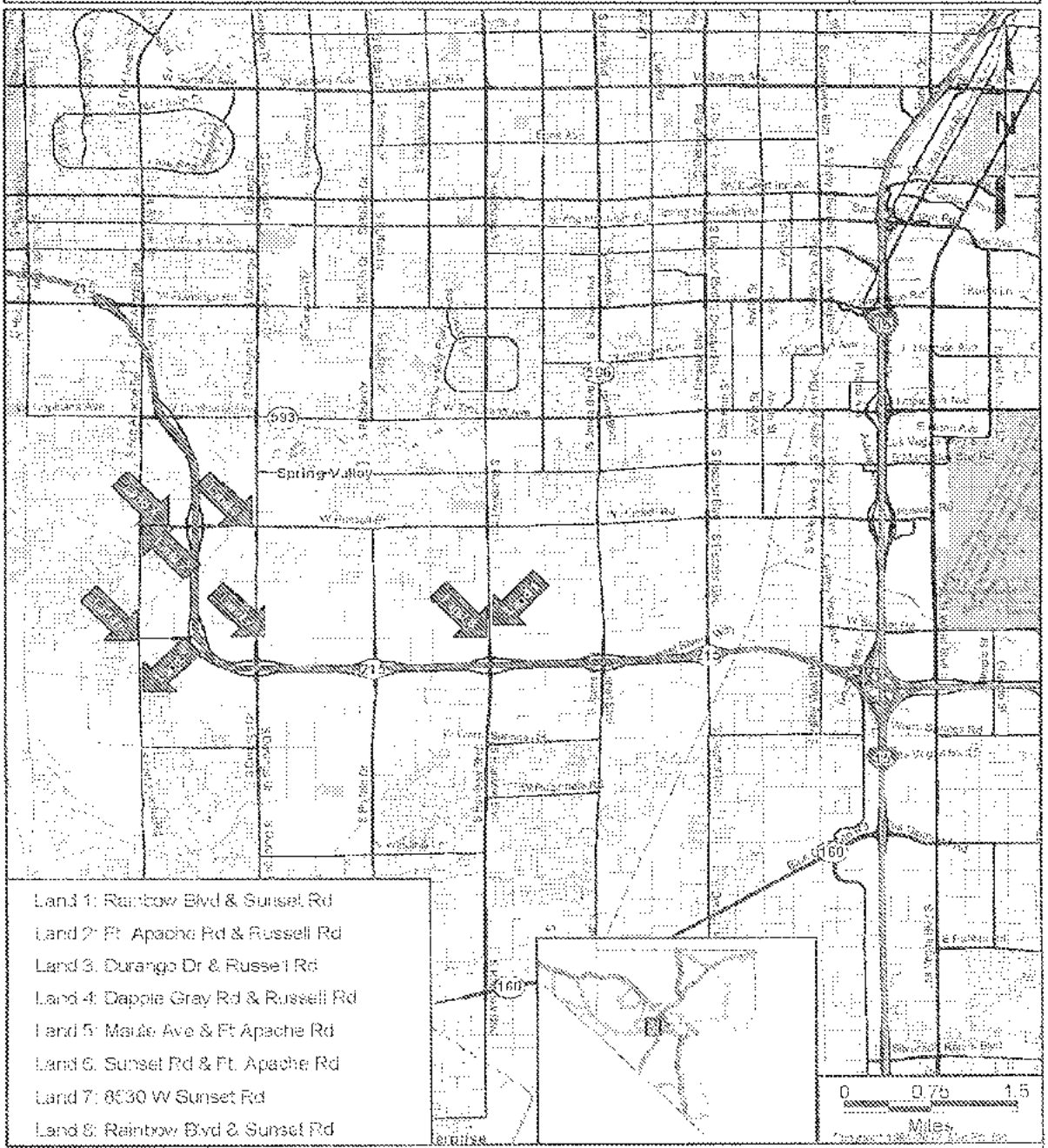
Sale No.	Location	Sales Date/ Deed No.	Price	Size/Net Sq. Ft.	Price/ Sq. Ft.
5	Northeast corner of Maule Avenue and Ft. Apache Road APN: 176-05-221-001	12/05 20051227/04545	$4,200,000	187,308	$22.42
6	Southwest corner of Sunset Road and Ft. Apache Road APN: 176-06-516-001	8/05 20050804/04306	$4,600,000	168,142	$27.36
7	8530 West Sunset Road APN: 163-33-401-009	6/05 20050616/05057	$4,750,000	202,118	$23.50
8	Southwest corner of Rainbow Boulevard and Sunset Road APN: 176-03-501-014	4/05 20050406/01262	$4,000,000	146,797	$27.25
			Weighted Average		**$24.92**

Commercial Land Sales Location Map

File No. 203-12

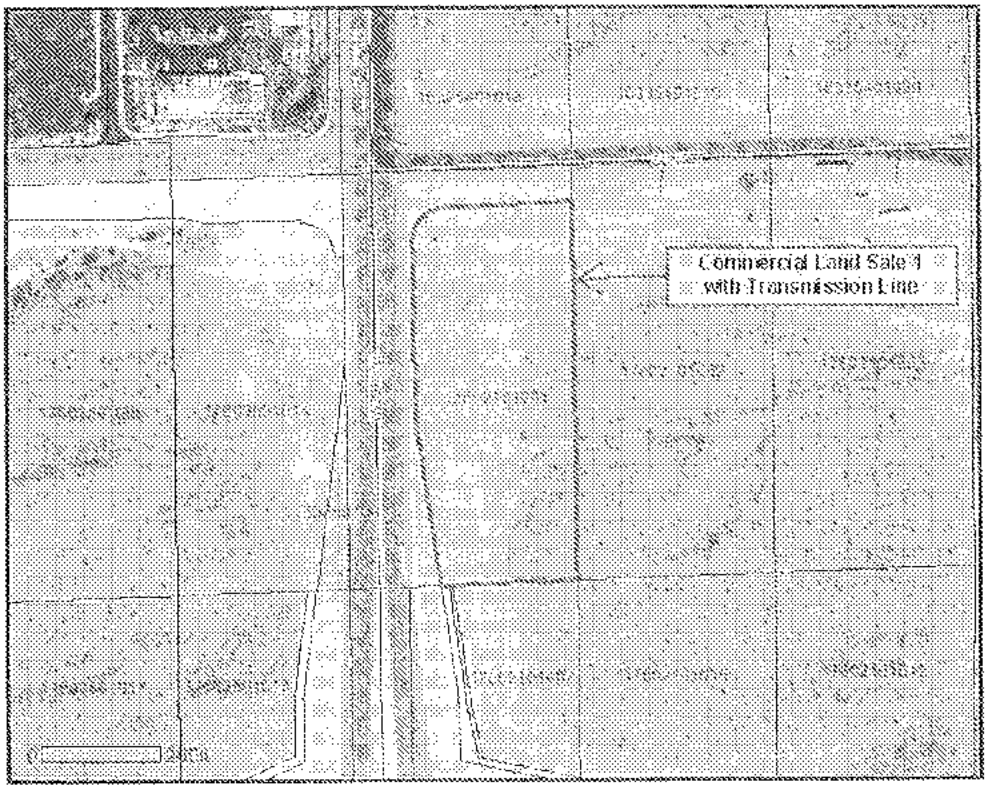
LOCATION MAP

Borrower or Owner: HQ Metro, LLC
Subject Address: 400 S Martin L King Blvd — Census Tract: 50.13
City: Las Vegas — County: Clark — State: NV — Zip Code: 89106
Lender or Client: NV Energy — Lat: 36.125082 — Long: -114.825832

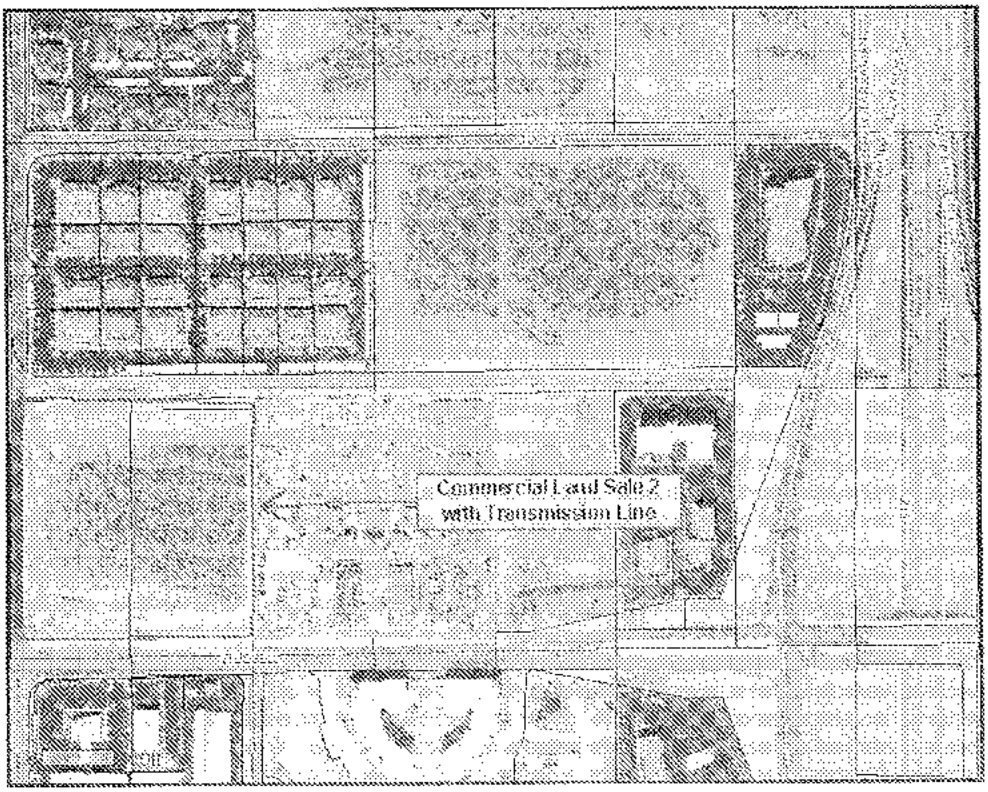


CAUTION:

Commercial Land Sales With Transmission Lines - Aerial Photographs

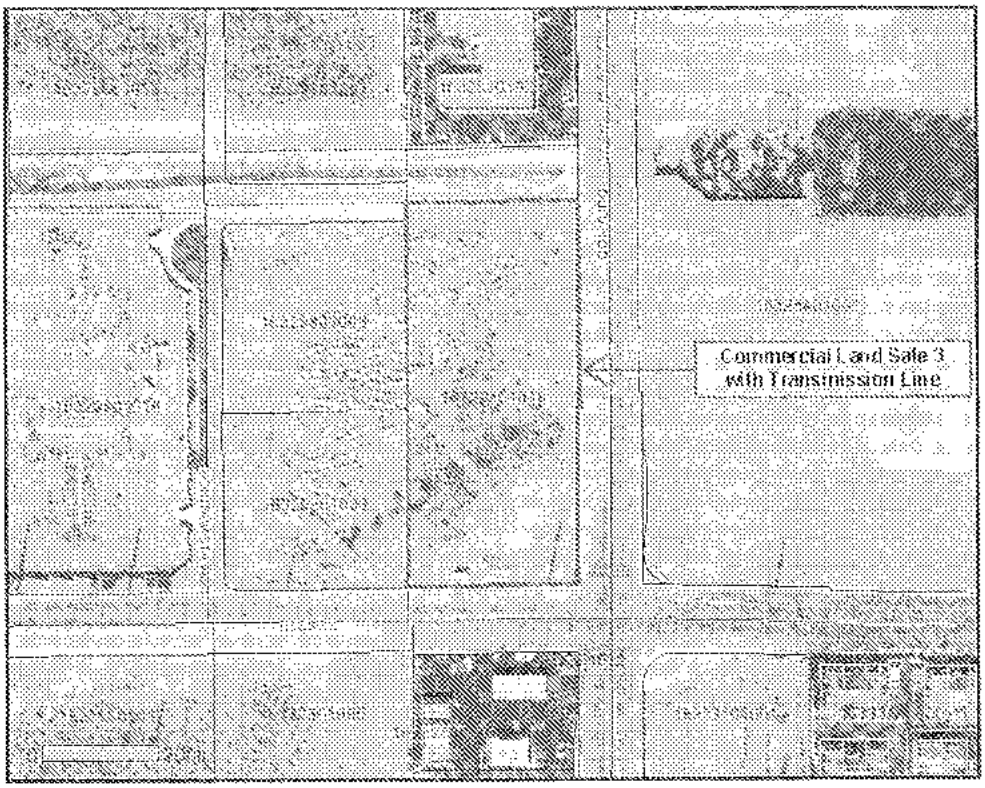


Commercial Sale No. 1
With Transmission Line:
Southeast corner of Rainbow Boulevard and Sunset Road

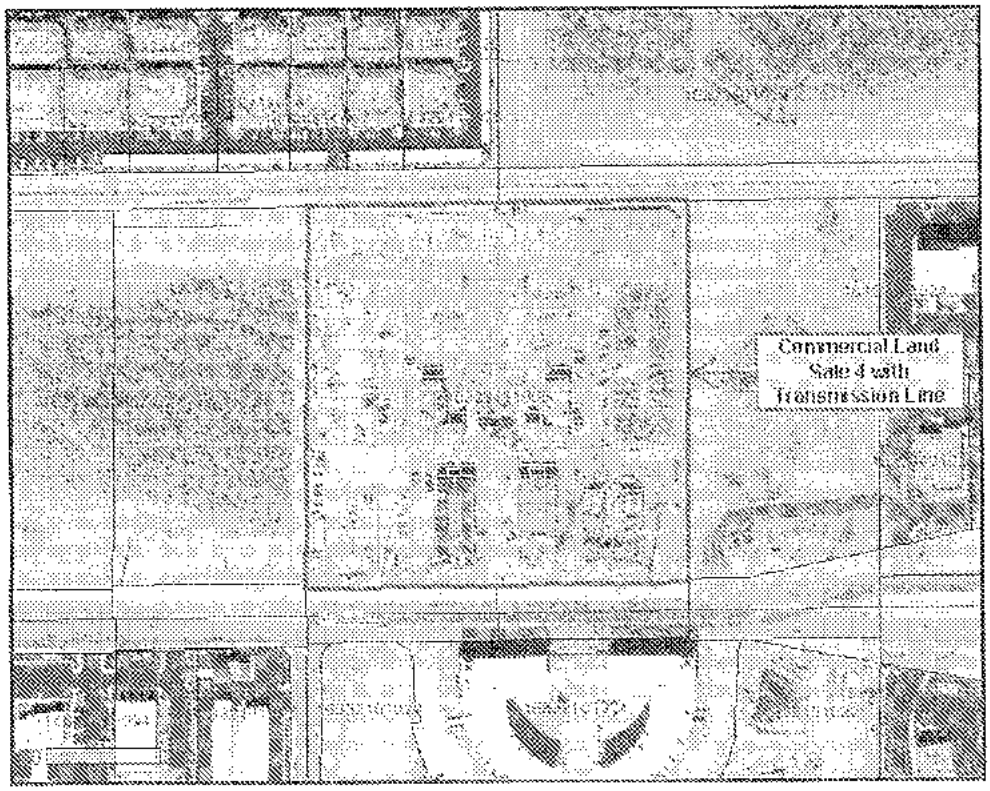


Commercial Sale No. 2
With Transmission Line:
Northeast corner of Ft. Apache Road and Russell Road

Commercial Land Sales With Transmission Lines – Aerial Photographs

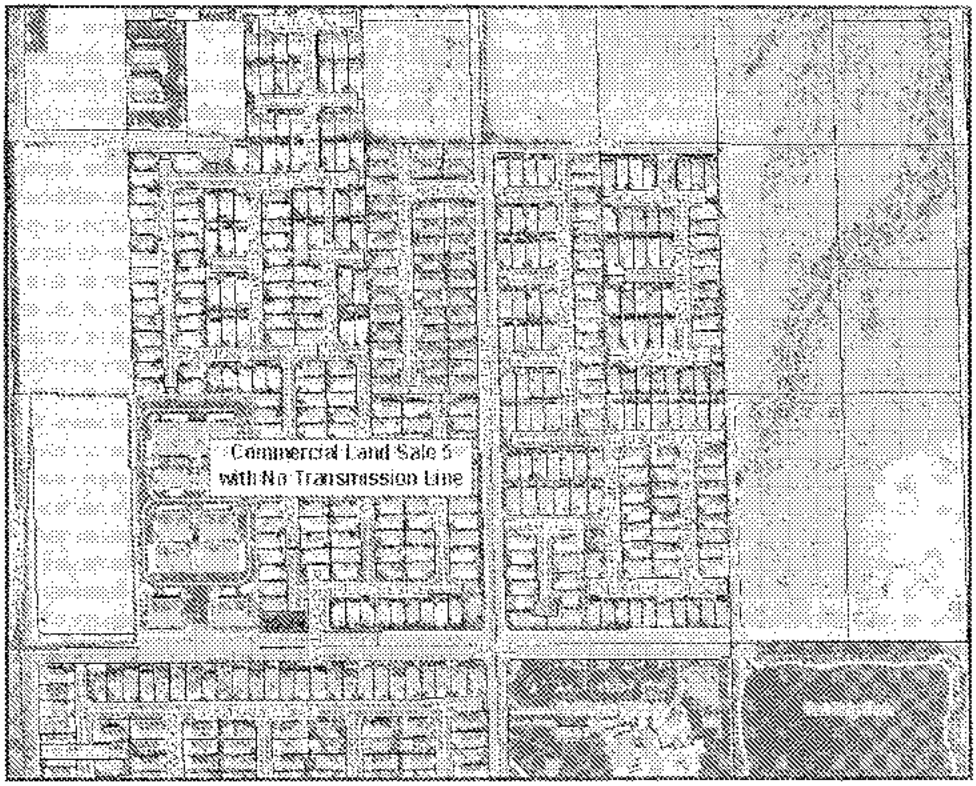


Commercial Sale No. 3
With Transmission Line:
Northwest corner of Durango Drive and Russell Road

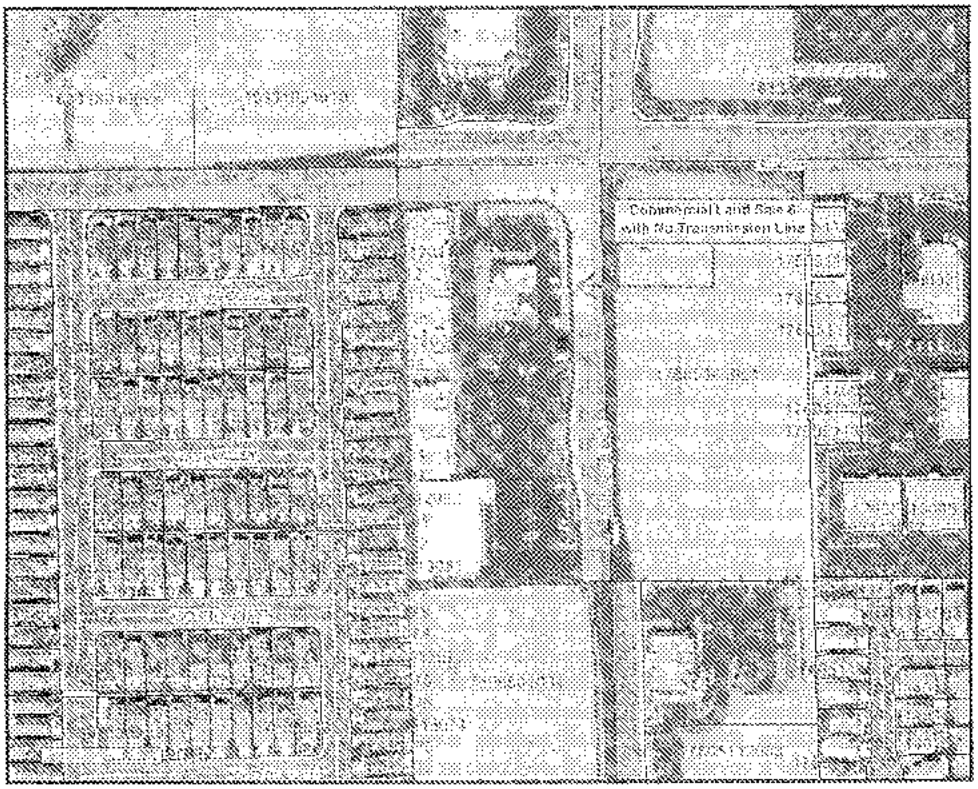


Commercial Sale No. 4
With Transmission Line:
Northeast corner of alignment of Dapple Gray Road and Russell Road

Commercial Land Sales With No Transmission Lines – Aerial Photographs

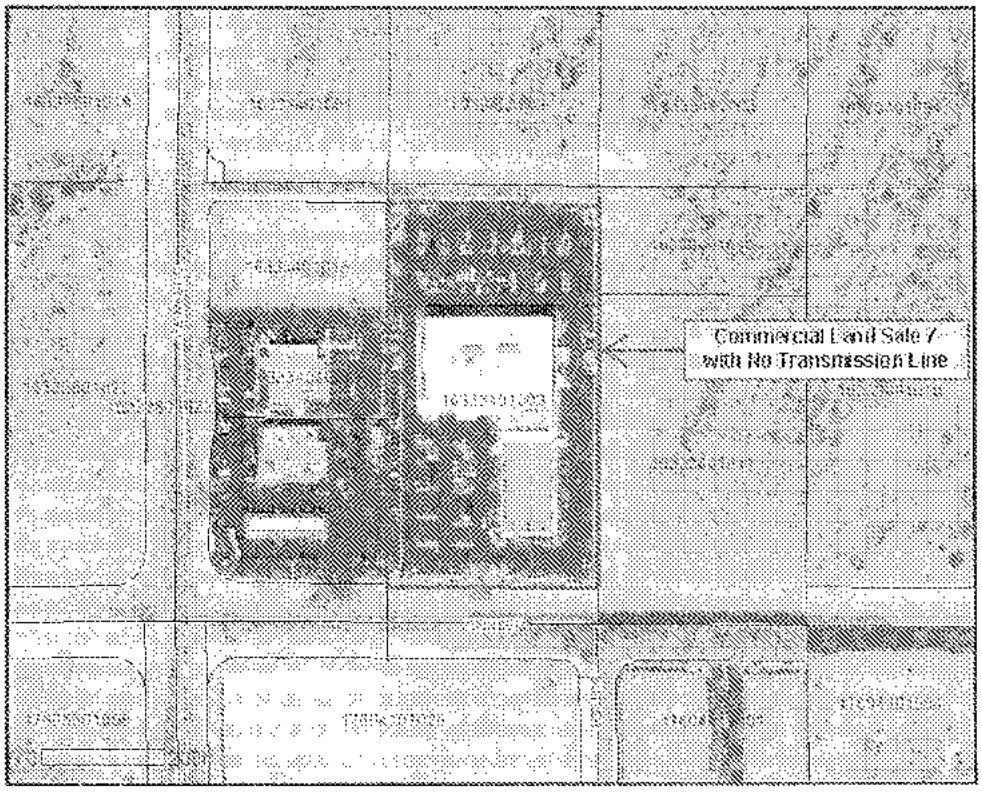


Commercial Land Sale No. 5 Without Transmission Line:
Northeast corner of Maule Avenue and Ft. Apache Road

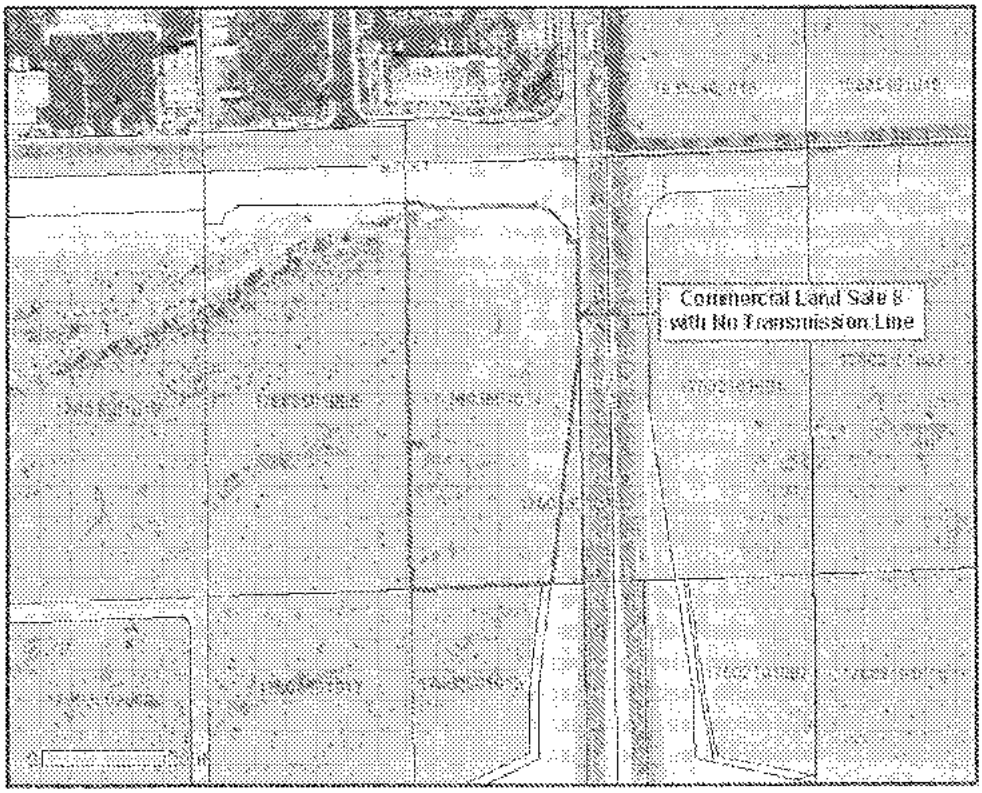


Commercial Land Sale No. 6 Without Transmission Line:
Southwest corner of Sunset Road and Ft. Apache Road

Commercial Land Sales With No Transmission Lines - Photographs



Commercial Land Sale No. 7
Without Transmission Line:
8530 West Sunset Road



Commercial Land Sale No. 8
Without Transmission Line:
Southwest corner of Rainbow Boulevard and Sunset Road

As can be seen from the chart, the weighted averages of these two groupings of sales does not illustrate any diminution in value as a result of the existence of the transmission lines. Again, these sites were generally similar to one another with respect to highest and best use characteristics, general location, physical attributes and other features.

The next group of land sales reflects more recent transfers of commercial related properties. These properties are primarily located within the southwest portion of the Las Vegas valley, with one sale noted in the north central portion. Each of these land sales is zoned for commercial use. Again, the primary difference between each sale is the existence or absence of a transmission line.

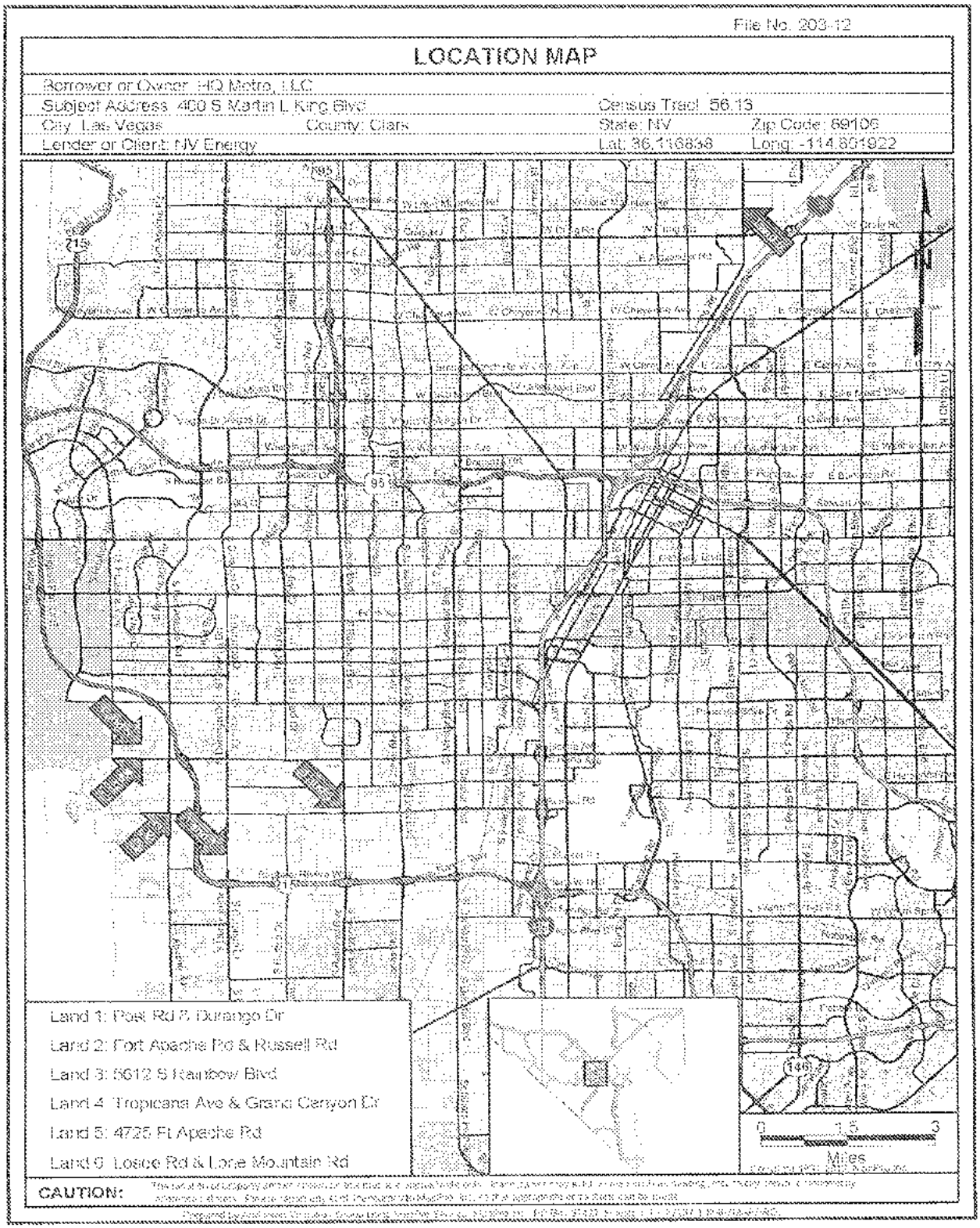
Commercial Land Sales With Transmission Lines Summary Chart

Sale No.	Location	Sales Date/ Deed No.	Price	Size/Net Sq. Ft.	Price/ Sq. Ft.
1	Northwest corner of Post Road & Durango Drive APN: 163-32-701-028	7/10 20100709/01942	$ 864,000	187,744	$4.60
2	Northeast corner of Ft. Apache Road and Russell Road APN: 163-29-401-007	9/10 20100907/03735	$2,129,000	171,257	$5.86
3	5612 South Rainbow Boulevard APN: 163-26-405-001	11/10 20101123/02712	$1,690,000	330,606	$5.11
			Weighted Average		**$4.61**

Commercial Land Sales With No Transmission Lines Summary Chart

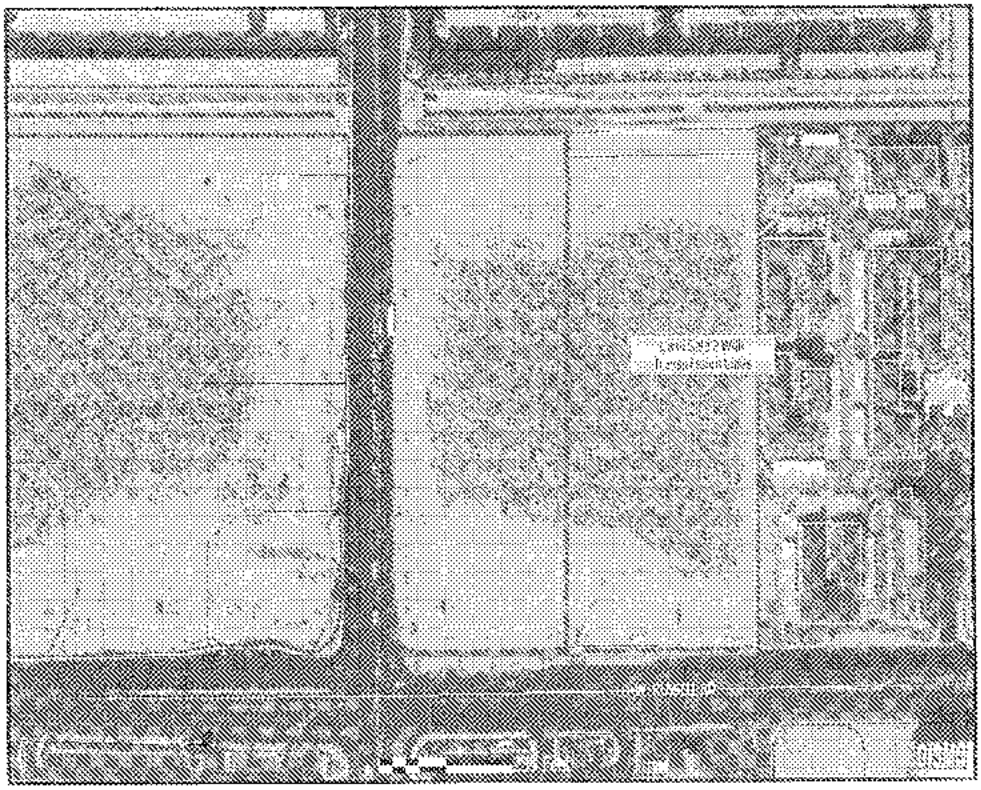
Sale No.	Location	Sales Date/ Deed No.	Price	Size/Net Sq. Ft.	Price/ Sq. Ft.
4	South side of Tropicana Avenue, east of Grand Canyon Drive APN: 163-30-501-003	12/10 20101229/01561	$800,000	201,300	$3.97
5	4725 Fort Apache Road APN: 163-19-802-004	2/11 20110222/02141	$915,000	175,111	$5.22
6	Northeast corner of Losee Road & Lone Mountain Road APN: 124-36-401-006	3/11 20110323/02764	$850,000	184,694	$4.60
			Weighted Average		**$4.57**

Commercial Land Sales Location Map



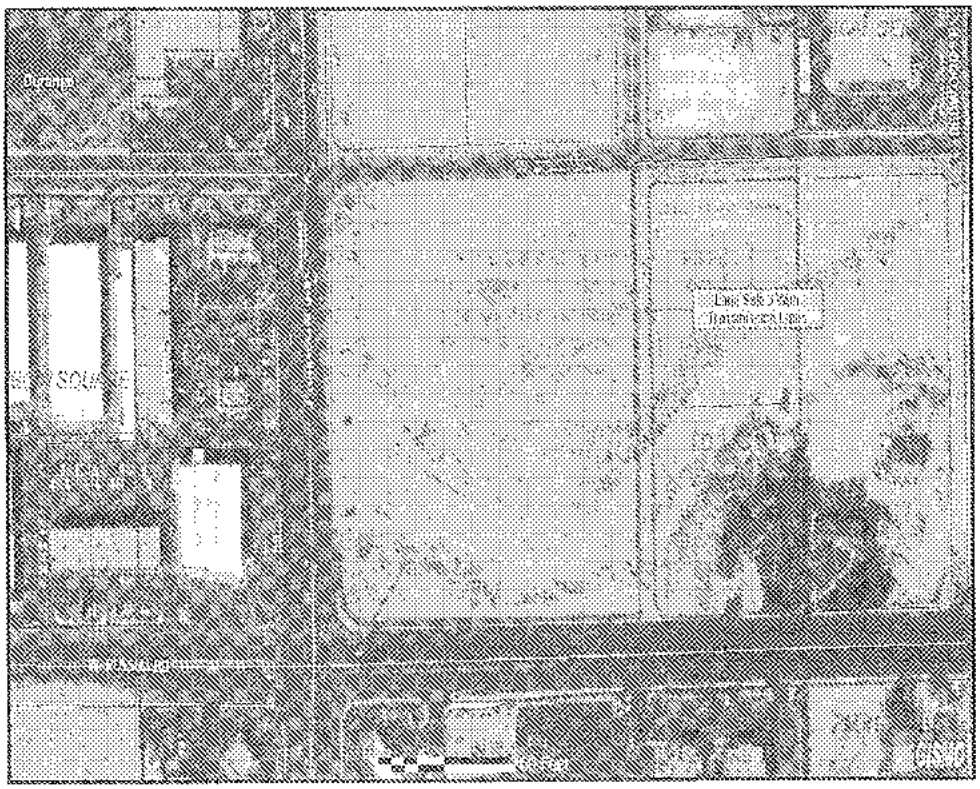
Commercial Land Sales With Transmission Lines – Aerial Photographs

Commercial Land Sale No. 1 With Transmission Line:
Northwest corner of Post Road & Durango Drive



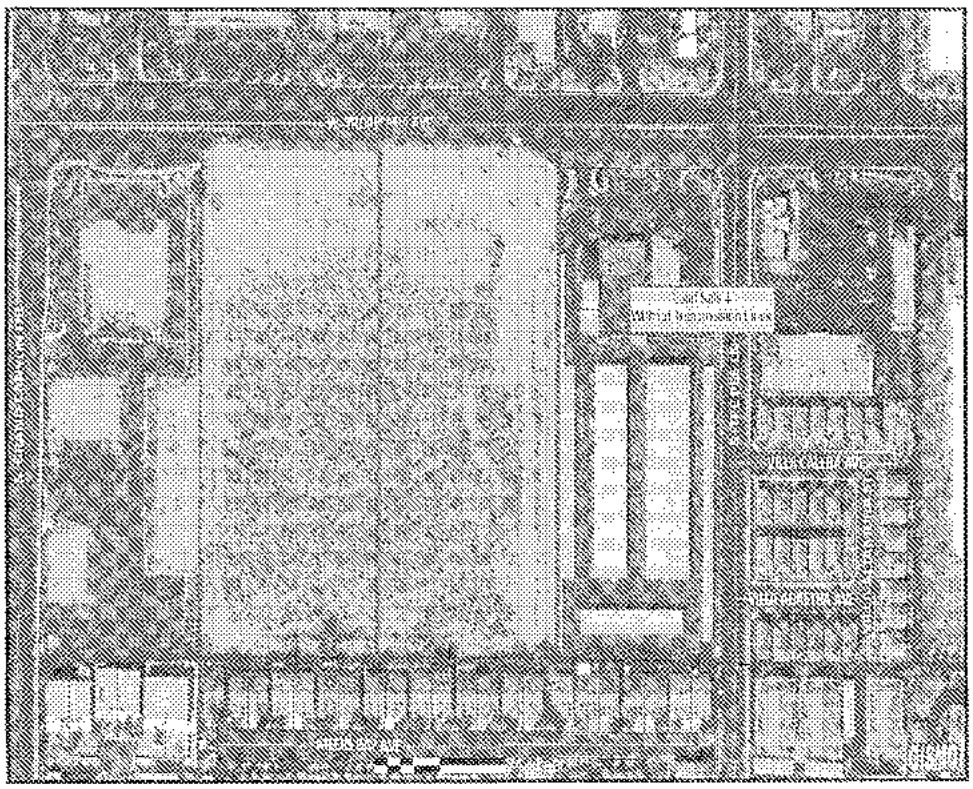
Commercial Land Sale No. 2 With Transmission Line:
Northeast corner of Ft. Apache Road and Russell Road

Commercial Land Sales With Transmission Lines – Aerial Photographs

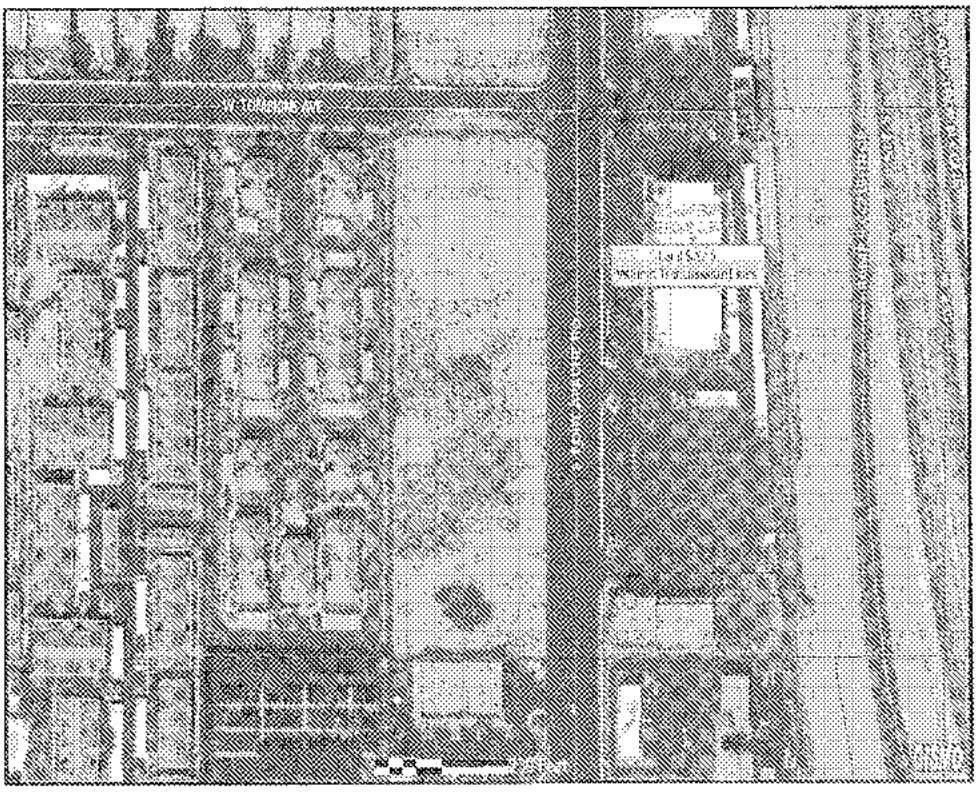


Commercial Land Sale No. 3
With Transmission Line:
5612 South Rainbow Boulevard

Commercial Land Sales Without Transmission Lines – Aerial Photographs

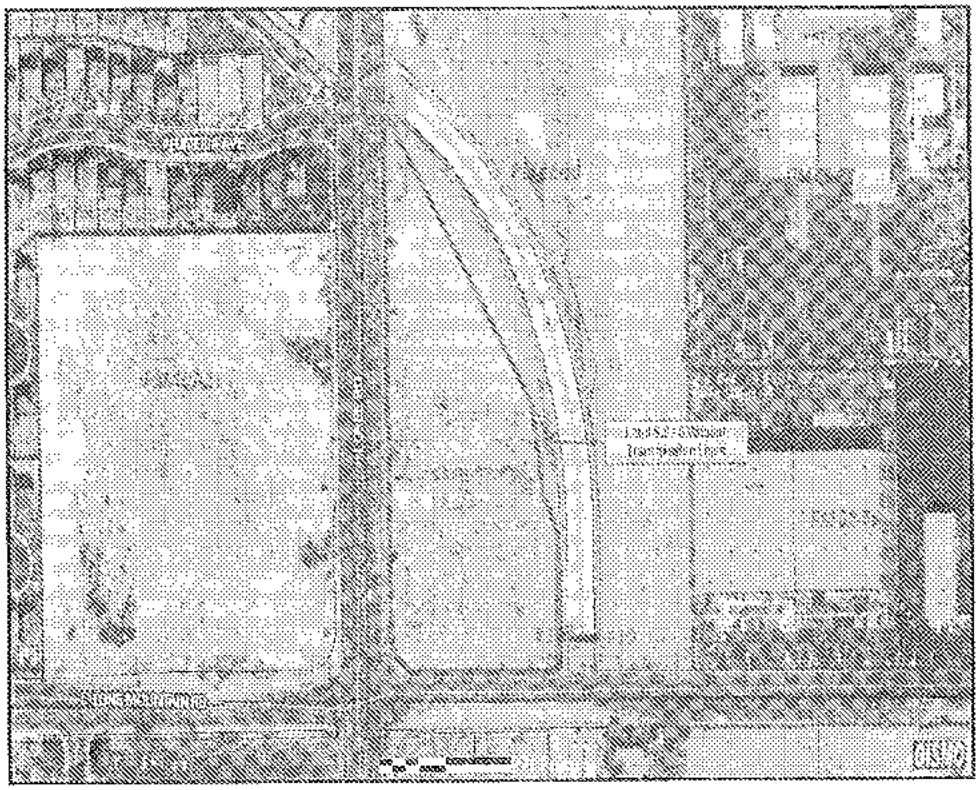


Commercial Land Sale No. 4 Without Transmission Line: South side of Tropicana Avenue, east of Grand Canyon Drive



Commercial Land Sale No. 5 Without Transmission Line: 4725 Fort Apache Road

Commercial Land Sales Without Transmission Lines – Aerial Photographs



Commercial Land Sale No. 6 Without Transmission Line:
Northeast corner of Losee Road & Lone Mountain Road

As with the older transactions, the weighted averages of these two groups of sales does not illustrate any diminution in value as a result of the existence of the transmission lines. Again, these sites were generally similar to one another with respect to highest and best use characteristics, general location, physical attributes and other features.

These two samplings of paired sales are indicative of the preponderance of data which exists in the marketplace which does not support a diminution in value as a result of the existence of transmission lines.

The potential for the diminution in property value as a result of the existence of transmission lines has been studied for many years. We have summarized findings of some of these studies as published in the *Appraisal Institute Appraisal Journal*. This publication is sponsored by the Appraisal Institute where articles, study summaries and other features are memorialized for the benefit of the Appraisal Institute members.

Published in the summer 2009 edition of the Appraisal Journal, volume LXXVII, is an article authored by James Chalmers, PhD and Frank Voorvaart, PhD, entitled "High Voltage Transmission Lines: Proximity, Visibility and Encumbrance Effects". This study is best summarized by the last paragraph of the article which is stated here:

> "The professional literature cited, combined with the results reported here, support the position that a presumption of material negative effects of HVTLs on property values is not warranted. An opinion supporting HVTLs effects would have to be based on market data particular to the situation in question and could not be presumed or based on casual, anecdotal observation. It is fair to presume that the direction of the effect would in most circumstances be negative, but the existence of a measurable effect and the magnitude of such an effect can only be determined by empirical analysis of actual market transactions."

This tends to support the assumption that immediate and specific market transaction data is the best support to determine if a value diminution exists as a result of the power lines.

Other studies have been conducted which provide a similar conclusion.

A study submitted to the Appraisal Journal in 1967 by William Kinnard, Jr. entitled *Tower Lines and Residential Property Values* concluded among other things, "The value of most residential properties is neither appreciably nor measurably affected adversely by adjacency to or intersection by overhead electric transmission line rights-of-way."

According to a July, 1992 article in the Appraisal Journal, prepared by Hsiang-Tekung, PhD and Charles Seagle, it was concluded "No measurable price differences could be detected between homes located adjacent to power transmission lines and comparable homes located further away." This study did provide additional information which indicated that some survey participants were unaware of health risks which were thought to exist at the time. Knowing this, may have changed the perception of some participants, according to the article.

Since 1992, numerous other health studies have been conducted which generally dismisses health risks associated with proximity to electrical transmission lines, although some weak links continue to be studied relative to childhood leukemia.

In July, 2003, Marvin Wolverton, PhD, MAI (of the University of Nevada Las Vegas), and Steven Bottemiller, MAI, published a report regarding an earlier study that examined price relative to power line location. The implications and conclusions in that paper stated "The data does not support a finding of price affect from abutting a HVTL (high voltage transmission line) right-of-way." This was a statistical confirmation of a preceding study which had similar conclusions.

The preponderance of studies on this matter, indicate that the best indication of whether a diminution in value occurs as a result of electrical transmission lines is direct market extraction. The data which exists in the marketplace does not support a diminution in value.

Therefore, the value of the remainder in the "after" condition or after the acquisition of the easement equates to the value of the reminder site (before the acquisition). As the value of the remainder in the "after" condition is the same as the value of the remainder in the "before" condition after consideration of the part taken, no severance damages are considered to exist. As discussed, the property owner continues to have the ability to use the area which will be encumbered with the new easement as it was designed for a landscape buffer as well as asphalt paved parking areas. As such, no change in use in the larger property will exist and the power line easement and the new transmission lines will have little effect on the property. As proven earlier, transmission lines do not generally diminish property value as a result of their existence. Therefore, it is my opinion that the total just compensation for the proposed easement acquisition equates to the value of the part taken as calculated earlier to include 100% of the bundle of rights in the pole placement area, 75% of the rights in the part of the easement outside of the required setback and 10% of the bundle of rights in the area defined as the required setback for the C-1 zoning. Therefore, in my opinion, the just compensation for the proposed easement acquisition as of the effective valuation date, June 10, 2012, is:

One Hundred Sixty Thousand Dollars
($160,000.00)

The following page contains a summary of the calculation which results in an indication of my opinion of the recommended just compensation for the easement acquisition.

Summary Value Conclusions

SUMMARY OF VALUE CONCLUSION			
A.	Value of the whole, before the take (land only):	$9,590,000	
B.	Value of the part taken (permanent easement), as part of the whole:	$ 160,000	$160,000
C.	Value of the remainder, as part of the whole: (A - B)	$9,430,000	
D.	Value of the remainder, after the take:	$9,430,000	
E.	Damages (C-D):		$ .00
F.	Other: Temporary easements		$ .00
G.	Total Value of the Part Taken (B + E + F) (rounded):		$160,000

Assumptions and Limiting Conditions

This appraisal assignment has been made with the following general assumptions:

1. No responsibility is assumed for the legal description or for matters including 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.

3. Responsible ownership and competent property management are assumed.

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. The 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. Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property, was not observed by the appraiser. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation, or other potentially hazardous materials may affect the value of the property. The value opinion is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.

8. It is assumed that there is full compliance with all applicable federal, state and local environmental regulations and laws unless non-compliance is stated, defined and considered in the appraisal report.

9. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a non-conformity has been stated, defined and considered in the appraisal report.

10. It is assumed that all required licenses, certificates of occupancy, consents or other legislative or administrative authority from any local, state or national government or private entity or organization have been or can be obtained or renewed for any use on which the value opinion contained in this report is based.

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 trespass unless noted in the report.

All reports issued by this appraiser are subject to the following general limiting conditions:

1. The distribution, if any, of the total valuation in this report between land and improvements applies only 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.

2. 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 appraiser, and in any event, only with proper written qualification and only in its entirety.

3. The appraiser herein, by reason of this appraisal, is not required to give further consultation, testimony or be in attendance in court with reference to the property in question unless arrangements have been previously made.

4. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news, sales or other media without the prior written consent and approval of the appraiser.

5. The American with Disabilities Act ("ADA") became effective January 26, 1992. I have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the 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 that 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. Since we have no direct evidence relating to this issue, I did not consider possible non-compliance with the requirements of ADA in estimating the value of the property.

This appraisal has been developed and the report is provided subject to the following specific assumptions, extraordinary assumptions, hypothetical conditions and additional limiting conditions:

1. All the information provided by the client, NV Energy, is assumed accurate and, therefore, the value of the just compensation is contingent upon the project occurring consistent with the submitted right-of-way plans.

2. The value of the just compensation is subject to the hypothetical condition that the proposed right-of-way take occurs in accordance with the plans submitted for our review. Any variation in this right-of-way plan would warrant reevaluation of the analysis.

3. We assume the permanent easement will restrict the use of the surface to parking, landscape and areas for ingress and egress.

Certification of Value

The undersigned does hereby certify that, except as otherwise noted in this appraisal report, to the best of my 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 my personal, impartial and unbiased professional analyses, opinions and conclusions.

3. I 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. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.

5. My engagement in this assignment was not contingent upon developing or reporting predetermined results.

6. My 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. The appraisal assignment was not based on a requested minimum valuation, a specific valuation or the approval of a loan.

8. The appraiser has performed services regarding the subject property within the three year period immediately preceding acceptance of the assignment.

9. I have made a personal inspection of the property that is the subject of this report.

10. No one provided significant professional assistance to the person signing this report.

11. My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice* (USPAP) as adopted by the Appraisal Standard's Board of the Appraisal Foundation and as mandated by Nevada State Law's Standards of Practice for real estate appraisers (Nevada Administrative Code Chapter 645C).

12. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

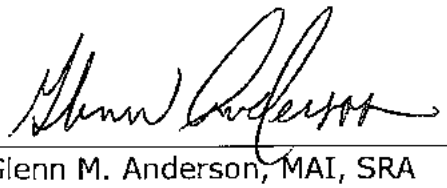
13. As of the date of this report, I, Glenn M. Anderson, MAI, SRA, have completed the requirements under the continuing education program of the Appraisal Institute.

14. The appraiser is competent and qualified to perform the appraisal assignment. The appraiser's State of Nevada license/certification has not been revoked, suspended, canceled or restricted.

15. This report has been prepared as a summary appraisal 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*.

16. In my opinion, the value of the easement area plus damages which reflects my opinion of just compensation for the easement acquisition, as of the effective date of the valuation, June 10, 2012, is:

One Hundred Sixty Thousand Dollars
($160,000.00)

Appraiser  Date June 12, 2012

Glenn M. Anderson, MAI, SRA

ADDENDA

Appraisers' Qualifications

QUALIFICATIONS
Glenn M. Anderson, MAI, SRA

LICENSING

Certified General Appraiser, State of Nevada, License No. A.0000555-CG
Certified General Appraiser, State of Arizona, License No. 31426

PROFESSIONAL DESIGNATIONS/AFFILIATIONS

MAI - Member of the Appraisal Institute, September, 1995
SRA - Member - Appraisal Institute, November, 1989
Past President (2002), Las Vegas Chapter, Appraisal Institute
Member, Commission of Appraisers of Real Estate State of Nevada, 7/1/2011 – 6/30/2014

EDUCATION

B.S., Arizona State University, Bachelor of Science, Real Estate/Finance, 1986

Sample of Core Appraisal Courses Completed:

SREA Course 101	1986	Introduction of Appraising Real Property
SREA Course 102	1986	Applied Residential Property Valuation
SREA Course 201	1986	Principles of Income Property Appraising
SREA Course 202	1986	Applied Income Property Valuation
AIREA Seminar	1987	Standards of Professional Practice
AIREA Course 1BA Part A, Seminar	1990	Capitalization Theory and Techniques
AIREA Seminar	1991	Comprehensive Appraisal Workshop
Appraisal Institute	1993	Course 410, 420 Standards of Professional Practice, Parts A & B
Appraisal Institute	1996	Course 520 - Highest and Best Use
Appraisal Institute	2001	Course 410 & 420 - Standards of Professional Appraisal Practice and Code of Ethics
Appraisal Institute	2007	The Appraiser as an Expert Witness
Appraisal Institute	2009	Condemnation Appraising
Appraisal Institute	2009	Appraisal of Nursing Facilities
Appraisal Institute	2011	Apartment Appraisal, Concepts & Applications
Appraisal Institute	2012	Fundamentals of Separating Real, Personal Property, and Intangible Business Assets

Attended other Various Seminars and Courses, 1984 to Present

EXPERIENCE

Anderson Valuation Group, LLC, Partner, Las Vegas, Nevada	2005 to Present
Gary H. Kent, Inc., Independent Fee Appraiser, Las Vegas, Nevada	1991 to 2004
McFadden & Associates, Staff Appraiser, Scottsdale, Arizona	1984 to 1991

Anderson Valuation Group, LLC
1601 South Rainbow Boulevard, Suite 230
Las Vegas, Nevada 89146
Telephone: 702•307•0888
Fax: 702•307•0894
e-mail glenn@andersonvaluationgroup.com

QUALIFICATIONS
Glenn M. Anderson, MAI, SRA
Page Two

Type of Properties Appraised/Services Provided:

Retail Centers
Residential Subdivisions
Golf Courses
Industrial Properties
Leasehold/Leased Fee Estates
Health/Fitness Centers
Condemnation (total and partial takes)
Master Planned Communities (Residential & Commercial)
Apartments
Litigation Support
Office Buildings
Hotels/Casinos
Medical Offices
Vacant Land (all types)

Service Areas:

Southern Nevada, Northern Nevada, Northern Arizona

Clients Serviced:

Government Agencies

Federal Housing Administration
Nevada Department of Transportation
Las Vegas Valley Water District
Clark County School District
NV Energy
State of Nevada
Clark County
Attorney General's Office (Nevada)
Regional Transportation Commission (RTC)
City of North Las Vegas
City of Henderson
City of Las Vegas
City of Boulder City
FHLMC
FNMA
District Attorney's Office
Internal Revenue Service (IRS)
Small Business Administration (SBA)

Private Clients

Banks and other Lenders, Attorneys, Individual Clients; list available upon request

Court Fees/Court Qualifications:

Hourly rate for court testimony and deposition: $350.00

I have not published any articles/documents in the last ten years.

Anderson Valuation Group, LLC
1601 South Rainbow Boulevard, Suite 230
Las Vegas, Nevada 89146
Telephone: 702•307•0888
Fax: 702•307•0894
e-mail glenn@andersonvaluationgroup.com

Court Testimony/Deposition Within Last Four Years:

Zaghi Nasser, an individual; Plaintiffs vs. County of Clark, a Political subdivision of the State of Nevada; Defendants; District Court, Clark County, Nevada, Case No. A 526843 (deposition).

Dawood N. Shalomi and Regine Y. Shalomi, plaintiffs, v. Western Technologies, Inc. an Arizona Corporation; defendants, United States District Court Case No. CV-0168 – DMP (LRL) (deposition).

Joseph A. Kennedy, Sr., Trustee of the Joken Trust and Joken Trust v. Louisa Sue-Hue Kwo, District Court Case No. A469969 (court testimony).

County of Clark, plaintiff v. Monica Rozelle, 1983 Rozelle Family Trust, Rozelle Family Limited, Partner, Pat Rozelle, Budget Rent-A-Car, Las Vegas, District Court Case No. 03-A 462673-C (deposition).

Nevada Power Company v. 4520 Arville, District Court, Case No. 08-A571743, Dept. No. II (deposition).

FMC Pahrump, LLC, United States Bankruptcy Court, District of Nevada, Case No. BK-08-15600-LBR, Chapter 11 (court testimony).

Nevada Power Company v. 4185 West Harmon, District Court, Case No. A571746, Dept. No. XV (deposition).

Nevada Power Company v. 3 KIDS, LLC, Case No. A571745 (deposition).

NV Energy v. Vegas Valley Investment, LLC, District Court, Case No. A-09-592829-C (deposition).

Sun West Bank v. Kyle Canyon Investments II, LLC, District Court, Case No. A-09-596620-C (court testimony).

NV Energy v. Tropical & Losee, LLC, District Court, Case No. A-09-577141-C (deposition).

NV Energy v. Frehner Enterprises, LLC, District Court, Case No. A-09-570685-C (deposition).

Nevada Power Company v. 3 KIDS, LLC, Case No. A571745 (trial testimony).

Community Bank of Nevada v. Thomas H. McCormick et al. Case No. A571927, Dept. XI (deposition).

Anderson Valuation Group, LLC
1601 South Rainbow Boulevard, Suite 230
Las Vegas, Nevada 89146
Telephone: 702•307•0888
Fax: 702•307•0894
e-mail glenn@andersonvaluationgroup.com

Court Testimony/Deposition Within Last Four Years, continued:

NV Energy v. 4250 Arville, District Court, Case No. 08-A571743 (trial testimony).

Clark County Credit Union v. Casino Center Properties et al, District Court, Case No. A-10-620308-C (court testimony).

NV Energy v. Tiberti Company et al, District Court, Case No. A575426 (deposition).

City of Las Vegas v. Maro Burunsuzyan, Case No. A540728, District Court (trial testimony).

NV Energy v. Las Vegas Valley Investment, Case No. A09592829-C, District Court (trial testimony).

CCCU v. Fort Apache Urgent Care, LLC, Case No. A-10-631249, District Court (court testimony).

Nevada Power Company v. Marvin James Schiff Trust, et al, Case No. A-09-589133-C, District Court (deposition).

FNBN Properties II, LLC v. Desert Inn Pioneer, LLC et al, Case No. A-09-594488-C, District Court (court testimony).

FNBN Properties II, LLC v. Spring Mountain Wynn Investments, LLC, Case No. A-10-613639-C, District Court (court testimony).

United States Bankruptcy Court, Chapter 11 Proceedings, Horizon Village Square, LLC, Debtor, Case No. 11-21034-mkn; in support of Wells Fargo Bank (deposition and court testimony)

Bank of America, N.A. v. Malibu Canyon Investors, LLC, et. al., Civil Action No. 2:11-cv-00369-KJD-LRL, District Court (deposition)

Federal Deposit Insurance Corporation v. Newport Nevada, LLC, Case No. A-11-633708, Dept. XI, District Court (court testimony)

*****

Anderson Valuation Group, LLC
1601 South Rainbow Boulevard, Suite 230
Las Vegas, Nevada 89146
Telephone: 702•307•0888
Fax: 702•307•0894
e-mail glenn@andersonvaluationgroup.com

Grant of Easement

APN: 139-33-202-009

WHEN RECORDED MAIL TO:
Land Services
NV Energy
P.O. Box 98910 MS 9
Las Vegas, NV 89151-0001

GRANT OF EASEMENT

HQ Metro, LLC, an Arizona limited liability company, ("**Grantor**") for One Dollar ($1.00) and other and good valuable consideration, receipt of which is hereby acknowledged, grants and conveys to Nevada Power Company, a Nevada corporation, d/b/a NV Energy ("**Grantee**"), its successors and assigns, a perpetual right and easement:

1. to construct, operate, add to, modify, maintain and remove aboveground and/or underground communication facilities and electric line systems for the distribution and transmission of electricity, consisting of poles, other structures, wires, cables, conduit, duct banks, manholes, vaults, transformers, service boxes/meter panels, cabinets, bollards, anchors, guys, and other equipment, fixtures, apparatus, and improvements ("**Utility Facilities**") upon, over, under and through the property described in Exhibit "A" hereto and by this reference made a part of this Grant of Easement ("**Easement Area**");

2. for the unrestricted passage of vehicles and pedestrians within, on, over and across the Easement Area and the property described in Exhibit "B" hereto and by this reference made a part of this Grant of Easement (the "**Property**"); and

3. for the ingress of vehicles and pedestrians to and the egress of vehicles and pedestrians from, the Easement Area and the Property; and

4. to remove, clear, cut or trim any obstruction or material (including trees, other vegetation and structures) from the surface or subsurface of the Easement Area as Grantee may deem necessary or advisable for the safe and proper use and maintenance of the electric line systems and communication facilities in the Easement Area.

Grantee will be responsible for any damages, proximately caused by Grantee negligently constructing, operating, adding to, maintaining, or removing the Utility Facilities, to any tangible, personal property or improvements owned by Grantor and located on the Easement Area on the date Grantor signs the Grant of Easement. However, this paragraph does not apply to, and Grantee is not responsible for, any damages caused when Grantee exercises its rights under numbered paragraph 4 above.

Grantor covenants for the benefit of Grantee, its successors and assigns, that no building, structure or other real property improvements will be constructed or placed on or within the Easement Area without the prior written consent of Grantee (which Grantee will not unreasonably withhold), such structures and improvements to include, but not be limited to, drainage, trees, bridges, signage, roads, fencing, storage

facilities, parking canopies, and other covered facilities. Grantee and Grantor must document Grantee's consent by both signing Grantee's standard, recordable use agreement. Grantor retains, for its benefit, the right to maintain, use and otherwise landscape the Easement Area for its own purposes; provided, however, that all such purposes and uses do not interfere with Grantee's rights herein and are in all respects consistent with the Grantee's rights herein, Grantee's electrical practices, and the National Electrical Safety Code.

GRANTOR:

HQ Metro, LLC

_____

By:
Title:

STATE OF _____)

COUNTY OF _____)

This instrument was acknowledged before me on _____, 20___ by

_____ as _____ of

_____.

_____
Signature of Notarial Officer

Seal Area →

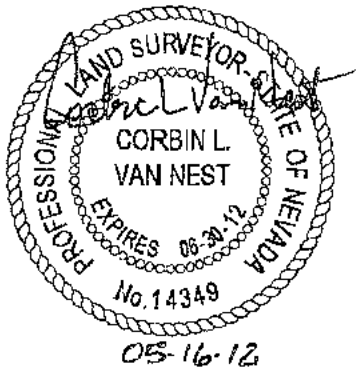
APN: 139-33-202-009
RW# 0149-2011dak
Proj. #LR697NJLR2
Project Name: Project Neon Land Rights
Reference Document: 20090902:01863
GOE

Exhibit A
{attached separately}

APN: 139-33-202-009
RW# 0149-2011dak
Proj. #LR697NJLR2
Project Name: Project Neon Land Rights
Reference Document: 20090902:01863
GOE

NVEnergy

EXHIBIT A



PROJECT ID: LR697NJLR2
PROJECT NEON
APN: 139-33-202-009
14 MAY, 2012
PREPARED BY: CV
CHECKED BY: SD

LAND DESCRIPTION:

A PORTION OF THE LAND DESCRIBED IN THAT CERTAIN "GRANT BARGAIN AND SALE DEED" RECORDED SEPTEMBER 2, 2009 IN BOOK 20090902 AS INSTRUMENT NO. 01863 OF OFFICIAL RECORDS IN THE COUNTY RECORDER'S OFFICE, CLARK COUNTY, NEVADA, SITUATE IN THE SOUTHEAST QUARTER (SE 1/4) OF THE NORTHWEST QUARTER (NW 1/4) OF SECTION 33, TOWNSHIP 20 SOUTH, RANGE 61 EAST, M.D.M., CITY OF LAS VEGAS, CLARK COUNTY, NEVADA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID SOUTHEAST QUARTER (SE 1/4); THENCE NORTH 00°01'49" EAST, ALONG THE EAST LINE OF SAID SOUTHEAST QUARTER (SE 1/4), A DISTANCE OF 267.13 FEET; THENCE NORTH 89°58'11" WEST, DEPARTING SAID EAST LINE, 34.50 FEET TO THE **POINT OF BEGINNING**, SAME BEING THE WESTERLY RIGHT-OF-WAY OF MARTIN LUTHER KING BOULEVARD (WIDTH VARIES) DESCRIBED IN THAT CERTAIN "GRANT DEED" RECORDED AUGUST 26, 2009 IN BOOK 20090826 AS INSTRUMENT NO. 02171 OF OFFICIAL RECORDS IN THE COUNTY RECORDER'S OFFICE, CLARK COUNTY, NEVADA; THENCE ALONG SAID RIGHT-OF-WAY AND THE UNBROKEN TRANSITION THEREOF ONTO AND ALONG THE NORTHERLY RIGHT-OF-WAY OF ALTA DRIVE, BEING DESCRIBED IN THOSE CERTAIN 'GRANT DEEDS' RECORDED AUGUST 26, 2009 IN BOOK 20090826 AS INSTRUMENT NUMBERS 02169, 02170 AND 02172 OF SAID OFFICIAL RECORDS, THE FOLLOWING EIGHT (8) COURSES: 1) SOUTH 00°01'49" WEST, 108.38 FEET TO THE BEGINNING OF A CURVE, CONCAVE NORTHWESTERLY, HAVING A RADIUS OF 54.00 FEET; 2) SOUTHWESTERLY ALONG SAID CURVE, 84.67 FEET THROUGH A CENTRAL ANGLE OF 89°50'12"; 3) SOUTH 89°52'01" WEST, 70.41 FEET TO THE BEGINNING OF A CURVE, CONCAVE NORTHEASTERLY, HAVING A RADIUS OF 20.00 FEET; 4) NORTHWESTERLY ALONG SAID CURVE, 3.30 FEET THROUGH A CENTRAL

ANGLE OF 09°27'51"; 5) NORTH 80°40'08" WEST, 44.51 FEET TO THE BEGINNING OF A CURVE, CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 30.00 FEET, 6) NORTHWESTERLY ALONG SAID CURVE, 4.96 FEET THROUGH A CENTRAL ANGLE OF 09°27'51"; 7) SOUTH 89°52'01" WEST, 125.84 FEET TO THE BEGINNING OF A CURVE, CONCAVE SOUTHERLY, HAVING A RADIUS OF 30.00 FEET; 8) SOUTHWESTERLY ALONG SAID CURVE, 5.22 FEET THROUGH A CENTRAL ANGLE OF 09°58'09"; THENCE DEPARTING SAID RIGHT-OF-WAY, NORTH 00°12'40" WEST, 40.93 FEET; THENCE NORTH 88°02'57" EAST, 262.90 FEET; THENCE NORTH 23°03'40" EAST, 104.67 FEET TO THE **POINT OF BEGINNING**, AS SHOWN ON THE "EXHIBIT MAP TO ACCOMPANY LAND DESCRIPTION" ATTACHED HERETO AND MADE A PART HEREOF.

CONTAINING 16,861 SQUARE FEET.

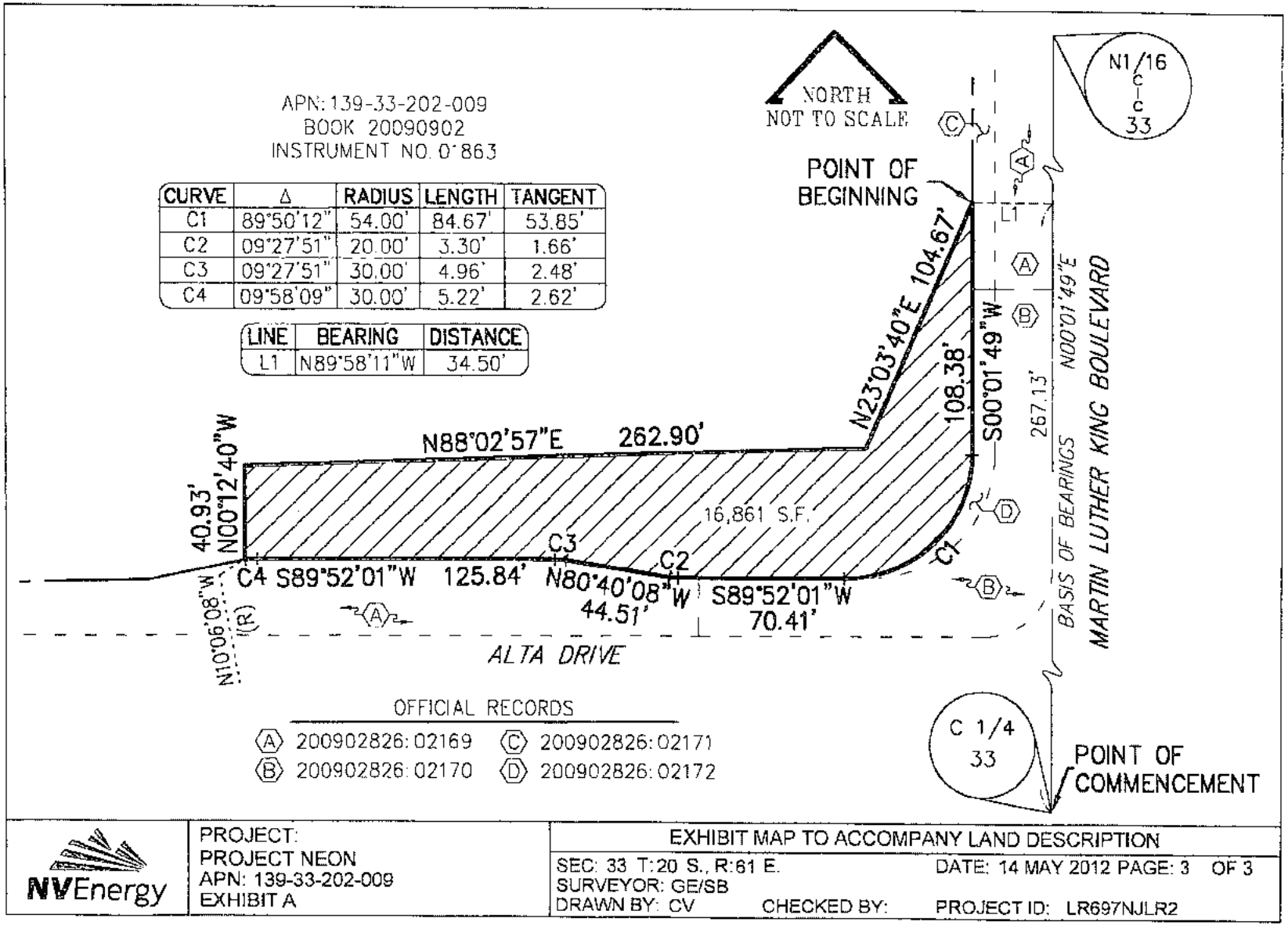
BASIS OF BEARINGS:

NORTH 00°01'49" EAST BEING THE BEARING OF THE EAST LINE OF THE SOUTHEAST QUARTER (SE 1/4) OF THE NORTHWEST QUARTER (NW 1/4) OF SECTION 33, TOWNSHIP 20 SOUTH, RANGE 61 EAST, M.D.M., CITY OF LAS VEGAS, CLARK COUNTY, NEVADA, MEASURED IN THE NEVADA EAST ZONE (2701) STATE PLANE COORDINATE SYSTEM, NORTH AMERICAN DATUM 1983 (NAD 83)

END OF LAND DESCRIPTION.

NOTE: THIS LAND DESCRIPTION IS NOT INTENDED FOR THE PURPOSE OF SUBDIVIDING LAND NOT IN CONFORMANCE WITH NEVADA REVISED STATUTES.

CORBIN L. VAN NEST, PLS
STATE OF NEVADA NO. 14349
FOR AND AT THE INSTANCE OF NV ENERGY



CURVE	Δ	RADIUS	LENGTH	TANGENT
C1	89°50'12"	54.00'	84.67'	53.85'
C2	09°27'51"	20.00'	3.30'	1.66'
C3	09°27'51"	30.00'	4.96'	2.48'
C4	09°58'09"	30.00'	5.22'	2.62'

LINE	BEARING	DISTANCE
L1	N89°58'11"W	34.50'

NVEnergy

PROJECT:
PROJECT NEON
APN: 139-33-202-009
EXHIBIT A

EXHIBIT MAP TO ACCOMPANY LAND DESCRIPTION

SEC: 33 T:20 S., R:61 E. DATE: 14 MAY 2012 PAGE: 3 OF 3
SURVEYOR: GE/SB
DRAWN BY: CV CHECKED BY: PROJECT ID: LR697NJLR2

Exhibit B

Situate in the City of Las Vegas, County of Clark, State of Nevada is that portion of the Northwest Quarter (NW ¼) of Section 33, Township 20 South, Range 61 East, M.D.M., Clark County, Nevada, described as follows:

That parcel of land as described in Grant Bargain and Sale Deed recorded September 2, 2009 in Book 20090902, as Instrument No, 01863, Office Records, Clark County, Nevada.

APN: 139-33-202-009
RW# 0149-2011dak
Proj. #LR697NJLR2
Project Name: Project Neon Land Rights
Reference Document: 20090902:01863
GOE

Notification Letter

Anderson Valuation Group, LLC
www.andersonvaluationgroup.com

June 9, 2011

HQ Metro, LLC
c/o G. Molenda
Community Finance Corporation
335 North Wilmot, Suite 420
Tucson, AZ 85711-2635

Re: Proposed Electrical Transmission Line Over the Property Located At 404 South Martin Luther King Boulevard/APN No: 139-33-202-009

To Whom It May Concern:

Anderson Valuation Group, LLC, as an independent contractor, has been retained by NV Energy to prepare an appraisal regarding an estimate of just compensation for the proposed electrical transmission line easement acquisition over the above referenced property. To provide an illustration of the proposed easement which is to be acquired by NV Energy, I have attached information which provides the location and magnitude of the easement proposed.

As part of our investigation and analysis, we will arrange to visit the property and inspect the site in the coming weeks. You, or your authorized representative, are welcome to accompany us upon our inspection which will generally occur during normal business hours (8:00 a.m. to 5:00 p.m. Monday through Friday). If you wish to accompany us upon our inspection or provide any relevant information which you deem important to the appraisal process, kindly contact our office at the phone number provided at the base of this letter to arrange an appointment. Any specific questions regarding the NV Energy project, or information regarding the specifics of the proposed easement should be directed to the NV Energy Land Services Department, Ms. DeeAnn Kirk, (702) 402-2419.

Thank you for your time and cooperation in this matter.

Sincerely,

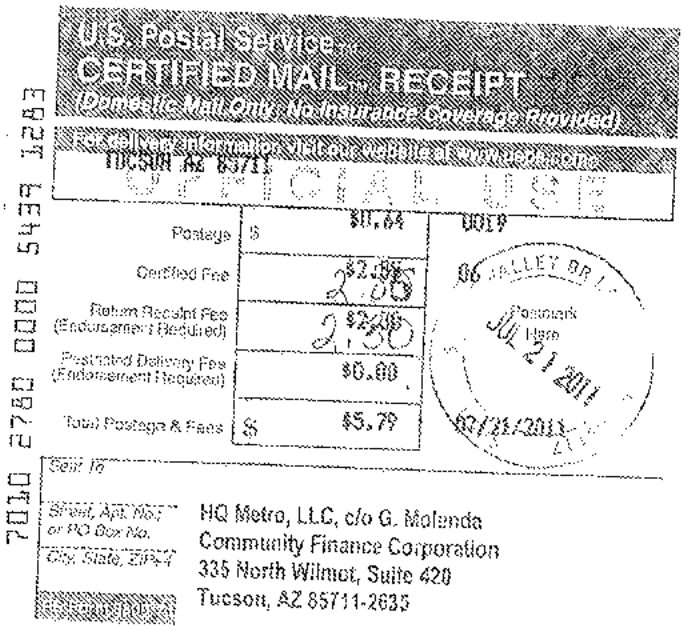
Anderson Valuation Group, LLC

Glenn M. Anderson, MAI, SRA
Certified General Appraiser
Nevada License No. A.0000555-CG
Expiration Date: January 31, 2012

GMA:dm
Attachments

Mailed on 7/21/11
due to not receiving
mapping from NV Energy
until 7/20/11 - Dm

1601 S Rainbow Blvd, Ste 230 | Las Vegas, Nevada 89146 | 702.307.0888 | fax 702.307.0894



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Total Postage & Fees	$	$5.79

0019

06 VALLEY DR

Postmark Here

JUL 21 2011

07/21/2011

7010 2780 0000 5439 1263

Sent To

Street, Apt. No.; or PO Box No.

City, State, ZIP+4

HQ Metro, LLC, c/o G. Molanda
Community Finance Corporation
335 North Wilmot, Suite 420
Tucson, AZ 85711-2635

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

HQ Metro, LLC, c/o G. Molanda
Community Finance Corporation
335 North Wilmot, Suite 420
Tucson, AZ 85711-2635

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

☐ Agent
☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type
☒ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

2. Article Number (Transfer from service label) 7010 2780 0000 5439 1263

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

Title Report Excerpt

Lawyers Title

Lawyers Title of Nevada
3100 West Sahara Ave.
Suite 115
Las Vegas, NV 89102

Order #: **03501768**

Your Reference #:

NV Energy
6226 W. Sahara Ave., MS9
Las Vegas, NV 89146

Attn: **DEE ANN KIRK**

Title Officer: Brenda Jenkins
Proposed Buyer(s):
Sales Price: $
Proposed Lender:
Loan Amount: $

Property Address: 404 S. Martin L. King Boulevard, Las Vegas, Nevada

PRELIMINARY REPORT

Dated as of April 8, 2011 at 7:30 a.m.

In response to the application for a policy of title insurance referenced herein, Lawyers Title of Nevada hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a policy or policies of title insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an exception herein or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations or Conditions of said policy forms.

The printed Exceptions and Exclusions from the coverage and Limitations on Covered Risks of said policy or policies are set forth in Attachment One. The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than that set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. Limitation on Covered Risks applicable to the CLTA and ALTA Homeowner's Policies of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limit of Liability for certain coverages are also set forth in Attachment One. Copies of the policy forms should be read. They are available from the office which issued this report.

This report (and any supplements or amendments hereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a Binder or Commitment should be requested.

The policy(s) of title insurance to be issued hereunder will be policy(s) of **Commonwealth Land Title Insurance Company.**

Please read the exceptions shown or referred to herein and the exceptions and exclusions set forth in Attachment One of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered. It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects, and encumbrances affecting title to the land.

Lawyers Title, A Division of Commonwealth
Land Title Insurance Company

By: _____
Authorized Signatory

SCHEDULE A

The form of policy of title insurance contemplated by this report is:

None

The estate or interest in the land hereinafter described or referred to covered by this report is:

A fee

Title to said estate or interest at the date hereof is vested in:

HQ Metro, LLC, an Arizona limited liability company

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

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

EXHIBIT "A"

All that certain real property situated in the County of Clark, State of Nevada, described as follows:

A parcel of land lying within the Southeast Quarter (SE ¼) of the Northwest Quarter (NW ¼) of Section 33, Township 20 South, Range 61 East, M.D.M. City of Las Vegas, Clark County, Nevada, described as follows:

COMMENCING at the Northeast corner of the Southeast corner (SE ¼), same being the Westerly right of way of Martin Luther King Boulevard, South 00°15'51" West, 335.00 feet to the Southeasterly corner of Lot 1 as shown by map thereof on file in File 73, Page 91 of Parcel Maps in the Clark County Recorders Office, Nevada:
Thence along the South line of said Lot 1, North 89°57'23" West, 14.50 feet to the Point of Beginning;
Thence along the Westerly right of way of said Martin Luther King Boulevard the following five (5) courses:

1) South 00°15'51" West, 359.04 feet;
2) Thence South 02°40'21" West, 207.66 feet;
3) Thence curving to the right along an arc having a radius of 93.00 feet, concave Westerly, through a central angle of 16°59'34", an arc length of 27.58 feet to a point of reverse curvature;
4) Thence curving to the left along an arc having a radius of 107.00 feet, concave Easterly, through a central angle of 19°24'04" an arc length of 26.23 feet;
5) Thence South 00°15'51" West, 201.25 feet;

Thence curving to the right along an arc transitioning from said Westerly right of way to the Northerly right of way of Alta Drive, having a radius of 54.00 feet, concave Northwesterly, through a central angle of 89°50'12" an arc length of 84.67 feet;
Thence along the Northerly right of way of said Alta Drive the following eight (8) courses:

1) North 89°53'57" West, 70.41 feet;
2) Thence curving to the right along an arc having a radius of 20.00 feet, concave Northerly, through a central angle of 09°27'51", an arc length of 3.30 feet;
3) Thence North 80°26'06" West, 44.51 feet;
4) Thence curving to the left along an arc having a radius of 30.00 feet, concave Southerly, through a central angle of 09°27'51" an arc length of 4.96 feet;
5) Thence North 89°53'57" West, 125.84 feet;

6) Thence curving to the left along an arc having a radius of 30.00 feet concave Southerly, through a central angle of 12°01'41" an arc length of 6.30 feet;
7) Thence South 78°04'22" West, 39.69 feet;
8) Thence South 88°49'44" West, 140.97 feet to the East boundary of Lot 2 as shown by map thereof on file in File 79, page 21 of Parcel Maps in the Clark County Recorder's Office, Nevada;

Thence departing said right of way, along the East boundary of said Lot 2, North 00°06'03" East, 290.06 feet;
Thence departing said East boundary, along the North boundary of said Lot 2, North 89°53'57" West, 279.06 feet to the East boundary of Lot 2 as shown by map thereof on file in File 58, page 66 of Parcel Maps in the Clark County Recorders Office, Nevada.
Thence along the boundaries of said Lot 2, the following three (3) courses:

1) North 00°16'25" East, 542.41 feet;
2) Thence South 89°53'57" East, 155.93 feet;
3) Thence North 00°16'25" East, 55.05 feet to the Southwest corner of that certain Order of Condemnation recorded March 24, 2008 in Book 20080324 of Official Records as Instrument No. 01868 in the Clark County Recorder's Office, Nevada.

Thence along the South boundary of said Order of Condemnation and the aforementioned Lot 1, South 89°57'23" East, 632.09 feet to the Point of Beginning.

EXCEPTING THEREFROM those portions as conveyed to the City of Las Vegas by Grant Deeds recorded August 26, 2009 in Book 20090826 as Document Nos. 02169, 02171 and 02172, Official Records.

Assessor's Parcel Number: **139-33-202-009**

SCHEDULE B – Section A

The following exceptions will appear in policies when providing standard coverage as outlined below:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.

2. Any facts, rights, interests or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may asserted by persons in possession of the Land.

3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.

4. Any encroachment, encumbrance, violation, variation or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.

5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the Public Records.

6. Any lien or right to a lien for services, labor or material not shown by the public records.

SCHEDULE B – Section B

At the date hereof Exceptions to coverage in addition to the printed exceptions and exclusions in said policy form would be as follows:

1. Taxes for the fiscal year 2011-2012 a lien not yet due or payable
   New Assessor's Parcel No.: 139-33-202-009

2. A lien of supplemental taxes, if any, assessed pursuant to the provisions of the Nevada Revised Statute 361.260

3. The property described herein is located within the boundaries of the City of Las Vegas and is subject to any fees that may be charged against said property by the hereinbefore mentioned district.

4. Water rights, claims or title to water.

5. Reservation in the Patent from the State of Nevada

Recorded:	November 14, 1902
Book	F of Misc., page 265 and 266 of Official Records

6. Matters contained in the dedication statement or elsewhere on the tract or parcel map shown below, which among other things provides:

Tract/Parcel Map:	Parcel Map on file in File 79 of Parcel Maps, page 21, Official Records.

   A drainage easement on the Northerly portion of said property as per said map.

7. An easement for the purpose shown below and rights incidental thereto as set forth in a document

Granted to:	Nevada Power Company and Central Telephone Company
Purpose:	power and communication lines
Recorded:	May 1, 1978
Book:	880 Doc/Inst. No. 839802 of Official Records

8. The terms, covenants and provisions of that certain City of Las Vegas Notice of Zoning Action recorded April 21, 2009 in Book 20090421 Doc/Inst. No. 01989 of Official Records, and the effect of any failure to comply with same.

   The terms, covenants and provisions of that certain City of Las Vegas Notice of Zoning Action recorded May 14, 2009 in Book 20090514 Doc/Inst. No. 01865 of Official Records, and the effect of any failure to comply with same.

9. An unrecorded lease with certain terms, covenants, conditions and provisions set forth therein.

Lessor:	Project Alta, LLC, a Nevada limited liability company and Project Alta II, LLC, a Nevada limited liability company
Lessee:	Clark County, Nevada
Disclosed by:	Memorandum of Lease and Purchase Option
Recorded:	September 2, 2009
Book	20090902 Doc/Inst. No. 00688 of Official Records

   An Assignment of Lease by and between Project Alta, LLC, Project Alta II, LLC, as assignor and HQ Metro, LLC, as assignee, recorded September 2, 2009 in Book 20090902 as Document No. 01864, Official Records

By the provisions of an agreement entitled "Subordination, Non-disturbance and Attornment Agreement

Dated:	September 1, 2009
Executed by:	Wells Fargo Bank, N.A.; HQ Metro, LLC, an Arizona limited liability company and Clark County, Nevada
Recorded:	September 2, 2009
Book	20090902 Doc/Inst. No. 01866 of Official Records

Said instrument was made subordinate to the lien of the document or interest shown: as Document No. 20090902-01865, Official Records.

By the provisions of an agreement entitled "Subordination, Non-disturbance and Attornment Agreement

Dated:	September 1, 2009
Executed by:	Wells Fargo Bank, N.A.; HQ Metro, LLC, an Arizona limited liability company and Clark County, Nevada
Recorded:	September 2, 2009
Book	20090902 Doc/Inst. No. 01868 of Official Records

Said instrument was made subordinate to the lien of the document or interest shown: as Document No. 20090902-01867, Official Records.

By the provisions of an agreement entitled "Subordination, Non-disturbance and Attornment Agreement

Dated:	September 1, 2009
Executed by:	Wells Fargo Bank, N.A.; HQ Metro, LLC, an Arizona limited liability company and Clark County, Nevada
Recorded:	September 2, 2009
Book	20090902 Doc/Inst. No. 01870 of Official Records

Said instrument was made subordinate to the lien of the document or interest shown: as Document No. 20090902-01869, Official Records.

10. The terms, covenants and provisions of that certain Agreement recorded September 2, 2009 in Book 20090902 Doc/Inst. No. 01861 of Official Records, and the effect of any failure to comply with same.

    An Assignment Agreement by and between HQ Metro, LLC, as Assignor and Wells Fargo Bank, N.A., as Assignee recorded September 2, 2009 in Book 20090902 as Document No. 01871, Official Records.

11. A deed of trust to secure an indebtedness in the amount shown below, and any other obligations secured thereby.

Amount:	$176,260,000.00
Dated:	September 1, 2009
Trustor:	HQ Metro, LLC, an Arizona limited liability company
Trustee:	Nevada Title Agency
Beneficiary:	Wells Fargo Bank, N.A.
Recorded:	September 2, 2009
Book	20090902 Doc/Inst. No. 01865 of Official Records

12. A deed of trust to secure an indebtedness in the amount shown below, and any other obligations secured thereby.

Amount:	$Not disclosed
Dated:	September 1, 2009
Trustor:	HQ Metro, LLC, an Arizona limited liability company
Trustee:	Nevada Title Agency
Beneficiary:	Wells Fargo Bank, N.A.
Recorded:	September 2, 2009
Book	20090902 Doc/Inst. No. 01867 of Official Records

13. A Subordinate Note Deed of Trust to secure an indebtedness in the amount shown below, and any other obligations secured thereby.

Amount:	$13,041,433.00
Dated:	September 1, 2009
Trustor:	HQ Metro, LLC, an Arizona limited liability company
Trustee:	Nevada Title Company
Beneficiary:	Project Alta, LLC, a Nevada limited liability company and Project Alta II, LLC, a Nevada limited liability company
Recorded:	September 2, 2009
Book	20090902 Doc/Inst. No. 01869 of Official Records

An assignment of the beneficial interest under said deed of trust which names

As Assignee:	Mark L. Fine & Associates, a Nevada corporation as Trustee of the Project Alta Liquidating Trust U/A/D December 31, 2009
Recorded:	January 6, 2010
Book	20100106 Doc/Inst. 03873 of Official Records

14. A financing statement filed in the office of the County Recorder, showing:

Debtor:	HQ Metro, LLC c/o Community Finance Corporation
Secured Party	Wells Fargo Bank, N.A.
Recorded:	September 2, 2009
Book	20090902 Doc/Inst. No. 01872 of Official Records

15. A financing statement filed in the office of the County Recorder, showing:

Debtor:	HQ Metro LLC c/o Community Finance Corporation
Secured Party	Project Alta, LLC
Recorded:	September 2, 2009
Book	20090902 Doc/Inst. No. 01873 of Official Records

A change to the above financing statement was filed

Recorded:	February 1, 2010
Book	20100201 Doc/Inst. No. 03013 of Official Records
Nature of Change:	Assignment

16. An easement for the purpose shown below and rights incidental thereto as set forth in a document

Granted to:	City of Las Vegas, a municipal corporation
Purpose:	streetlight purposes
Recorded:	September 25, 2009
Book:	20090925 Doc/Inst. No. 02933 of Official Records

17. An easement for the purpose shown below and rights incidental thereto as set forth in a document

Granted to:	City of Las Vegas, a municipal corporation
Purpose:	pedestrian walkway
Recorded:	September 25, 2009
Book:	20090925 Doc/Inst. No. 02934 of Official Records

18. An easement for the purpose shown below and rights incidental thereto as set forth in a document

Granted to:	City of Las Vegas, a municipal corporation
Purpose:	traffic
Recorded:	September 25, 2009
Book:	20090925 Doc/Inst. No. 02935 of Official Records

19. An easement for the purpose shown below and rights incidental thereto as set forth in a document

Granted to:	Las Vegas Valley Water District, a quasi municipal corporation
Purpose:	pipelines
Recorded:	October 21, 2009
Book:	20091021 Doc/Inst. No. 02768 of Official Records

20. An easement for the purpose shown below and rights incidental thereto as set forth in a document

Granted to:	Las Vegas Valley Water District, a quasi municipal corporation
Purpose:	pipelines
Recorded:	October 21, 2009
Book:	20091021 Doc/Inst. No. 02769 of Official Records

21. An easement for the purpose shown below and rights incidental thereto as set forth in a document

Granted to:	Las Vegas Valley Water District, a quasi municipal corporation
Purpose:	pipelines
Recorded:	October 21, 2009
Book:	20091021 Doc/Inst. No. 02770 of Official Records

22. An easement for the purpose shown below and rights incidental thereto as set forth in a document

Granted to:	Las Vegas Valley Water District, a quasi municipal corporation
Purpose:	pipelines
Recorded:	October 21, 2009
Book:	20091021 Doc/Inst. No. 02771 of Official Records

23. The terms, covenants and provisions of that certain "Encroachment Agreement", recorded October 22, 2009 in Book 20091022 Doc/Inst. No. 00939 of Official Records, and the effect of any failure to comply with same.

24. An easement for the purpose shown below and rights incidental thereto as set forth in a document

Granted to:	Nevada Power Company, a Nevada corporation
Purpose:	power lines
Recorded:	November 6, 2009
Book:	20091106 Doc/Inst. No. 00712 of Official Records

25. An easement for the purpose shown below and rights incidental thereto as set forth in a document

Granted to:	Central Telephone Company d/b/a Centurylink
Purpose:	communication lines
Recorded:	January 12, 2010
Book:	20100112 Doc/Inst. No. 03305 of Official Records

26. An easement for the purpose shown below and rights incidental thereto as set forth in a document

Granted to:	Cox Communications Las Vegas, Inc.
Purpose:	cable lines
Recorded:	February 18, 2010
Book:	20100218 Doc/Inst. No. 01014 of Official Records

27. The terms, covenants and provisions of that certain "Agreement Subjecting Deed of Trust to Easement", recorded March 3, 2010 in Book 20100303 Doc/Inst. No. 04303 of Official Records, and the effect of any failure to comply with same.

28. The terms, covenants and provisions of that certain "Agreement Subjecting Deed of Trust to Easement", recorded March 3, 2010 in Book 20100303 Doc/Inst. No. 04304 of Official Records, and the effect of any failure to comply with same.

29. The terms, covenants and provisions of that certain "Agreement Subjecting Deed of Trust to Easement", recorded March 3, 2010 in Book 20100303 Doc/Inst. No. 04305 of Official Records, and the effect of any failure to comply with same.

30. The terms, covenants and provisions of that certain "Access Easement Agreement", recorded October 4, 2010 in Book 20101004 Doc/Inst. No. 03385 of Official Records, and the effect of any failure to comply with same.

31. Discrepancies, conflicts in boundary lines, shortage in area, encroachments or any other facts which a correct survey would disclose, and which are not shown by the public records.

32. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.

33. Rights of tenants, as tenants only, under unrecorded lease agreements.

END OF SCHEDULE B EXCEPTIONS

PLEASE REFER TO THE "NOTES AND REQUIREMENTS SECTION" WHICH FOLLOWS FOR INFORMATION NECESSARY TO COMPLETE THIS TRANSACTION

NOTES AND REQUIREMENTS

1: EFFECTIVE JULY 1, 2003, ALL DOCUMENTS, EXCEPT MAPS, SUBMITTED FOR RECORDING WITH THE OFFICE OF THE CLARK/NYE COUNTY RECORDER, MUST COMPLY WITH NRS 247.110, AS FOLLOWS:

(a) Be on 20# paper that is 8 ½ inches by 11 inches in size;
(b) Have a margin of 1 inch on the left and right sides and at the top and bottom of each page;
(c) Have a space of 3 inches by 3 inches at the upper right corner of the first page and have a margin of 1 inch at the top of each succeeding page;
(d) Not contain printed material on more than one side of each page;
(e) Print that is NO smaller than 10 point Times New Roman font and contains no more than 9 lines of text per vertical inch; and
(f) MUST NOT be printed in any ink other than black.

ANY DOCUMENT NOT COMPLYING WITH THESE GUIDELINES WILL BE SUBJECT TO AN ADDITIONAL, MINIMUM COUNTY NON-CONFORMING RECORDING CHARGE OF $25.00 PER DOCUMENT.

2: The information on the attached plat is provided for your convenience as a guide to the general location of the subject property. The accuracy of this plat is not guaranteed, nor is it a part of any policy, report or guarantee to which it may be attached.

3. Taxes for the fiscal year 2010-2011 in the total amount of $43,092.49 are Paid in Full.
Assessor's Parcel No: 139-33-202-009

4. This report is a preliminary investigation ONLY of the property contained herein. This is not an abstract; it is a report derived from a review of various documents of record. No reliance should be placed on the contents hereof without first obtaining the approval of an Officer of the Company

Typist: bj1
Date Typed: April 14, 2011

ATTACHMENT ONE

AMERICAN LAND TITLE ASSOCIATION
RESIDENTIAL TITLE INSURANCE POLICY (6-1-87) EXCLUSIONS

In addition to the Exceptions in Schedule B, you are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of any law or government regulation. This includes building and zoning ordinances and also laws and regulations concerning:
   - land use
   - improvements on the land
   - land division
   - environmental protection

   This exclusion does not apply to violations or the enforcement of these matters which appear in the public records at policy date.
   This exclusion does not limit the zoning coverage described in Items 12 and 13 of Covered Title Risks.
2. The right to take the land by condemning it, unless:
   - a notice of exercising the right appears in the public records on the Policy Date
   - the taking happened prior to the Policy Date and is binding on you if you bought the land without knowledge of the taking
3. Title Risks:
   - that are created, allowed, or agreed to by you
   - that are known to you, but not to us, on the Policy Date- unless they appeared in the public records
   - that result in no loss to you
   - that first affect your title after the Policy Date – this does not limit the labor and material lien coverage in Item 8 of Covered Title Risks
4. Failure to pay value for your title.
5. Lack of a right:
   - to any land outside the area specifically described and referred to in Item 3 of Schedule A
     or
   - in streets, alleys, or waterways that touch your land

   This exclusion does not limit the access coverage in Item 5 of Covered Title Risks.

In addition to the Exclusions, you are not insured against loss, costs, attorneys' fees, and the expenses resulting from:

1. Any rights, interests, or claims of parties in possession of the land not shown by the public records.
2. Any easements or liens not shown by the public records. This does not limit the lien coverage in Item 8 of Covered Title Risks.
3. Any facts about the land which a correct survey would disclose and which are not shown by the public records. This does not limit the forced removal coverage in Item 12 of Covered Title Risks.
4. Any water rights or claims or title to water in or under the land, whether or not shown by the public records.

CALIFORNIA LAND TITLE ASSOCIATION STANDARD COVERAGE POLICY – 1990
EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
   (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims, or other matters:
   (a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant;
   (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
   (c) resulting in no loss or damage to the insured claimant;
   (d) attaching or created subsequent to Date of Policy; or
   (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage or for the estate or interest insured by this policy.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with the applicable doing business laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by this policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws.

SCHEDULE B, PART I
EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

PART I

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records. Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the public records.
6. Any lien or right to a lien for services, labor or material not shown by the Public Records.

ATTACHMENT ONE
(CONTINUED)

FORMERLY AMERICAN LAND TITLE ASSOCIATION LOAN POLICY (10-17-92)
WITH A.L.T.A. ENDORSEMENT-FORM 1 COVERAGE
EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
   (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims, or other matters:
   (a) created, suffered, assumed or agreed to by the insured claimant;
   (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
   (c) resulting in no loss or damage to the insured claimant;
   (d) attaching or created subsequent to Date of Policy (except to the extent that this policy insures the priority of the lien of the insured mortgage over any statutory lien for services, labor or material or to the extent insurance is afforded herein as to assessments for street improvements under construction or completed at Date of Policy); or
   (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with applicable doing business laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any statutory lien for services, labor or materials (or the claim of priority of any statutory lien for services, labor or materials over the lien of the insured mortgage) arising from an improvement or work related to the land which is contracted for and commenced subsequent to Date of Policy and is not financed in whole or in part by proceeds of the indebtedness secured by the insured mortgage which at Date of Policy the insured has advanced or is obligated to advance.
7. Any claim, which arises out of the transaction creating the interest of the mortgagee insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on:
   (i) the transaction creating the interest of the insured mortgagee being deemed a fraudulent conveyance or fraudulent transfer; or
   (ii) the subordination of the interest of the insured mortgagee as a result of the application of the doctrine of equitable subordination; or
   (iii) the transaction creating the interest of the insured mortgagee being deemed a preferential transfer except where the preferential transfer results from the failure:
      (a) to timely record the instrument of transfer; or
      (b) of such recordation to impart notice to a purchaser for value or a judgement or lien creditor.

The above policy form may be issued to afford either Standard Coverage or Extended Coverage.
In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records. Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.
6. Any lien or right to a lien for services, labor or material not shown by the Public Records.

2006 AMERICAN LAND TITLE ASSOCIATION LOAN POLICY (06-17-06)
EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
   (i) the occupancy, use, or enjoyment of the Land;
   (ii) the character, dimensions, or location of any improvement erected on the Land;
   (iii) the subdivision of land; or
   (iv) environmental protection;
   or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
   (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
   (a) created, suffered, assumed, or agreed to by the Insured Claimant;
   (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
   (c) resulting in no loss or damage to the Insured Claimant;
   (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 13, or 14); or
   (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law.
6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
   (a) a fraudulent conveyance or fraudulent transfer, or
   (b) a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the Insured Mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b).

The above policy form may be issued to afford either Standard Coverage or Extended Coverage.
In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) that arise by reason of:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material not shown by the Public Records.

FORMERLY AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY (10-17-92)
EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
   (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims, or other matters:
   (a) created, suffered, assumed or agreed to by the insured claimant;
   (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
   (c) resulting in no loss or damage to the insured claimant;
   (d) attaching or created subsequent to Date of Policy, or
   (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the estate or interest insured by this policy.
4. Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on:
   (i) the transaction creating the estate or interest insured by this policy being deemed a fraudulent conveyance or fraudulent transfer; or
   (ii) the transaction creating the estate or interest insured by this policy being deemed a preferential transfer except where the preferential transfer results from the failure:
      (a) to timely record the instrument of transfer; or
      (b) of such recordation to impart notice to a purchaser for value or a judgement or lien creditor.

The above policy form may be issued to afford either Standard Coverage or Extended Coverage.
In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records. Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.
6. Any lien or right to a lien for services, labor or material not shown by the Public Records.

ATTACHMENT ONE
(CONTINUED)

2006 AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY (06-17-06)
EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
   (i) the occupancy, use, or enjoyment of the Land;
   (ii) the character, dimensions, or location of any improvement erected on the Land;
   (iii) the subdivision of land; or
   (iv) environmental protection;
   or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
   (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
   (a) created, suffered, assumed, or agreed to by the Insured Claimant;
   (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
   (c) resulting in no loss or damage to the Insured Claimant;
   (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or
   (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is
   (a) a fraudulent conveyance or fraudulent transfer; or
   (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

The above policy form may be issued to afford either Standard Coverage or Extended Coverage.
In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) that arise by reason of:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material not shown by the Public Records.

ATTACHMENT ONE
(CONTINUED)

CLTA HOMEOWNER'S POLICY OF TITLE INSURANCE (10-22-03)
ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE (10-22-03)
EXCLUSIONS

In addition to the Exceptions in Schedule B, You are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of any law or government regulation. This includes ordinances, laws and regulations concerning:
   a. building
   b. zoning
   c. Land use
   d. improvements on Land
   e. Land division
   f. environmental protection

This Exclusion does not apply to violations or the enforcement of these matters if notice of the violation or enforcement appears in the Public Records at the Policy Date.
This Exclusion does not limit the coverage described in Covered Risk 14, 15, 16, 17 or 24.

2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not apply to violations of building codes if notice of the violation appears in the Public Records at the Policy Date.
3. The right to take the Land by condemning it, unless:
   a. notice of exercising the right appears in the Public Records at the Policy Date; or
   b. the taking happened before the Policy Date and is binding on You if You bought the Land without Knowing of the taking.
4. Risks:
   a. that are created, allowed, or agreed to by You, whether or not they appear in the Public Records;
   b. that are Known to You at the Policy Date, but not to Us, unless they appear in the Public Records at the Policy Date;
   c. that result in no loss to You; or
   d. that first occur after the Policy Date – this does not limit the coverage described in Covered Risk 7, 8.d, 22, 23, 24 or 25.
5. Failure to pay value for Your Title.
6. Lack of a right:
   a. to any Land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
   b. in streets, alleys, or waterways that touch the Land.

This Exclusion does not limit the coverage described in Covered Risk 11 or 18.

LIMITATIONS ON COVERED RISKS

Your insurance for the following Covered Risks is limited on the Owner's Coverage Statement as follows:

- For Covered Risk 14, 15, 16 and 18, Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.

The deductible amounts and maximum dollar limits shown on Schedule A are as follows:

	Your Deductible Amount	Our Maximum Dollar Limit of Liability
Covered Risk 14:	1.00% of Policy Amount or $ 2,500.00 (whichever is less)	$ 10,000.00
Covered Risk 15:	1.00% of Policy Amount or $ 5,000.00 (whichever is less)	$ 25,000.00
Covered Risk 16:	1.00% of Policy Amount or $ 5,000.00 (whichever is less)	$ 25,000.00
Covered Risk 18:	1.00% of Policy Amount or $ 2,500.00 (whichever is less)	$ 5,000.00

CLTA HOMEOWNER'S POLICY OF TITLE INSURANCE (01-01-08)
ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE (01-01-08)
EXCLUSIONS

In addition to the Exceptions in Schedule B, You are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of those portions of any law or government regulation concerning:

   a. building;
   b. zoning;
   c. land use;
   d. improvements on the Land;
   e. land division; and
   f. environmental protection.

   This Exclusion does not limit the coverage described in Covered Risk 8.a., 14, 15, 16, 18, 19, 20, 23 or 27.

2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not limit the coverage described in Covered Risk 14 or 15.

3. The right to take the Land by condemning it. This Exclusion does not limit the coverage described in Covered Risk 17.

4. Risks:

   a. that are created, allowed, or agreed to by You, whether or not they are recorded in the Public Records;
   b. that are Known to You at the Policy Date, but not to Us, unless they are recorded in the Public Records at the Policy Date;
   c. that result in no loss to You; or
   d. that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8.e., 25, 26, 27 or 28.

5. Failure to pay value for Your Title.

6. Lack of a right:

   a. to any land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
   b. in streets, alleys, or waterways that touch the Land.

This Exclusion does not limit the coverage described in Covered Risk 11 or 21.

LIMITATIONS ON COVERED RISKS

Your insurance for the following Covered Risks is limited on the Owner's Coverage Statement as follows:

- For Covered Risk 16, 18, 19 and 21 Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.

The deductible amounts and maximum dollar limits shown on Schedule A are as follows:

	Your Deductible Amount	Our Maximum Dollar Limit of Liability
Covered Risk 16:	1.00% of Policy Amount Shown in Schedule A or $ 2,500.00 (whichever is less)	$ 10,000.00
Covered Risk 18:	1.00% of Policy Amount Shown in Schedule A or $ 5,000.00 (whichever is less)	$ 25,000.00
Covered Risk 19:	1.00% of Policy Amount Shown in Schedule A or $ 5,000.00 (whichever is less)	$ 25,000.00
Covered Risk 21:	1.00% of Policy Amount Shown in Schedule A or $ 2,500.00 (whichever is less)	$ 5,000.00

ATTACHMENT ONE
(CONTINUED)

ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (10/13/01)
EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the Land; (ii) the character, dimensions or location of any improvements now or hereafter erected on the Land; (iii) a separation in ownership or a change in the dimensions or areas of the Land or any parcel of which the Land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the Land has been recorded in the Public Records at Date of Policy. This exclusion does not limit the coverage provided under Covered Risks 12, 13, 14, and 16 of this policy.
   (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the Land has been recorded in the Public Records at Date of Policy. This exclusion does not limit the coverage provided under Covered Risks 12, 13, 14, and 16 of this policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the Public Records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without Knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
   (a) created, suffered, assumed or agreed to by the Insured Claimant;
   (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
   (c) resulting in no loss damage to the Insured Claimant;
   (d) attaching or created subsequent to Date of Policy (this paragraph does not limit the coverage provided under Covered Risks 8, 16, 18, 19, 20, 21, 22, 23, 24, 25 and 26); or
   (e) resulting in loss or damage which would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of the Insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with applicable doing business laws of the state in which the Land is situated.
5. Invalidity or unenforceability of the lien of the Insured Mortgage, or claim thereof, which arises out of the transaction evidenced by the Insured Mortgage and is based upon usury, except as provided in Covered Risk 27, or any consumer credit protection or truth in lending law.
6. Real property taxes or assessments of any governmental authority which become a lien on the Land subsequent to Date of Policy. This exclusion does not limit the coverage provided under Covered Risks 7, 8(e) and 26.
7. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to advances or modifications made after the Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This exclusion does not limit the coverage provided in Covered Risk 8.
8. Lack of priority of the lien of the Insured Mortgage as to each and every advance made after Date of Policy, and all interest charged thereon, over liens, encumbrances and other matters affecting the title, the existence of which are Known to the Insured at:
   (a) The time of the advance; or
   (b) The time a modification is made to the terms of the Insured Mortgage which changes the rate of interest charged, if the rate of interest is greater as a result of the modification than it would have been before the modification. This exclusion does not limit the coverage provided in Covered Risk 8.
9. The failure of the residential structure, or any portion thereof to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This exclusion does not apply to violations of building codes if notice of the violation appears in the Public Records at Date of Policy.

ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (01/01/08)

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to

   (i) the occupancy, use, or enjoyment of the Land;

   (ii) the character, dimensions, or location of any improvement erected on the Land;

   (iii) the subdivision of land; or

   (iv) environmental protection;

   or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.

   (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.

2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.

3. Defects, liens, encumbrances, adverse claims, or other matters

   (a) created, suffered, assumed, or agreed to by the Insured Claimant;

   (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;

   (c) resulting in no loss or damage to the Insured Claimant;

   (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 16, 17, 18, 19, 20, 21, 22, 23, 24, 27 or 28); or

   (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.

4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.

5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury, or any consumer credit protection or truth-in-lending law. This Exclusion does not modify or limit the coverage provided in Covered Risk 26.

6. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to Advances or modifications made after the Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11.

7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching subsequent to Date of Policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11(b) or 25.

8. The failure of the residential structure, or any portion of it, to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This Exclusion does not modify or limit the coverage provided in Covered Risk 5 or 6.

EXHIBIT "A"

All that certain real property situated in the County of Clark, State of Nevada, described as follows:

A parcel of land lying within the Southeast Quarter (SE ¼) of the Northwest Quarter (NW ¼) of Section 33, Township 20 South, Range 61 East, M.D.M. City of Las Vegas, Clark County, Nevada, described as follows:

COMMENCING at the Northeast corner of the Southeast corner (SE ¼), same being the Westerly right of way of Martin Luther King Boulevard, South 00°15'51" West, 335.00 feet to the Southeasterly corner of Lot 1 as shown by map thereof on file in File 73, Page 91 of Parcel Maps in the Clark County Recorders Office, Nevada:
Thence along the South line of said Lot 1, North 89°57'23" West, 14.50 feet to the Point of Beginning;
Thence along the Westerly right of way of said Martin Luther King Boulevard the following five (5) courses:

6) South 00°15'51" West, 359.04 feet;
7) Thence South 02°40'21" West, 207.66 feet;
8) Thence curving to the right along an arc having a radius of 93.00 feet, concave Westerly, through a central angle of 16°59'34", an arc length of 27.58 feet to a point of reverse curvature;
9) Thence curving to the left along an arc having a radius of 107.00 feet, concave Easterly, through a central angle of 19°24'04" an arc length of 26.23 feet;
10) Thence South 00°15'51" West, 201.25 feet;

Thence curving to the right along an arc transitioning from said Westerly right of way to the Northerly right of way of Alta Drive, having a radius of 54.00 feet, concave Northwesterly, through a central angle of 89°50'12" an arc length of 84.67 feet;
Thence along the Northerly right of way of said Alta Drive the following eight (8) courses:

9) North 89°53'57" West, 70.41 feet;
10) Thence curving to the right along an arc having a radius of 20.00 feet, concave Northerly, through a central angle of 09°27'51", an arc length of 3.30 feet;
11) Thence North 80°26'06" West, 44.51 feet;
12) Thence curving to the left along an arc having a radius of 30.00 feet, concave Southerly, through a central angle of 09°27'51" an arc length of 4.96 feet;
13) Thence North 89°53'57" West, 125.84 feet;
14) Thence curving to the left along an arc having a radius of 30.00 feet concave Southerly, through a central angle of 12°01'41" an arc length of 6.30 feet;

15) Thence South 78°04'22" West, 39.69 feet;
16) Thence South 88°49'44" West, 140.97 feet to the East boundary of Lot 2 as shown by map thereof on file in File 79, page 21 of Parcel Maps in the Clark County Recorder's Office, Nevada;

Thence departing said right of way, along the East boundary of said Lot 2, North 00°06'03" East, 290.06 feet;

Thence departing said East boundary, along the North boundary of said Lot 2, North 89°53'57" West, 279.06 feet to the East boundary of Lot 2 as shown by map thereof on file in File 58, page 66 of Parcel Maps in the Clark County Recorders Office, Nevada.

Thence along the boundaries of said Lot 2, the following three (3) courses:

4) North 00°16'25" East, 542.41 feet;
5) Thence South 89°53'57" East, 155.93 feet;
6) Thence North 00°16'25" East, 55.05 feet to the Southwest corner of that certain Order of Condemnation recorded March 24, 2008 in Book 20080324 of Official Records as Instrument No. 01868 in the Clark County Recorder's Office, Nevada.

Thence along the South boundary of said Order of Condemnation and the aforementioned Lot 1, South 89°57'23" East, 632.09 feet to the Point of Beginning.

EXCEPTING THEREFROM those portions as conveyed to the City of Las Vegas by Grant Deeds recorded August 26, 2009 in Book 20090826 as Document Nos. 02169, 02171 and 02172, Official Records.

Assessor's Parcel Number: **139-33-202-009**

C-1 Zoning Code Excerpt

19.08.070

C-1 LIMITED COMMERCIAL DISTRICT

The C-1 District is intended to provide most retail shopping and personal services, and may be appropriate for mixed use developments. This district should be located on the periphery of residential neighborhoods and should be confined to the intersections of primary and secondary thoroughfares along major retail corridors. The C-1 District is consistent with the Service Commercial and the Neighborhood Center categories of the General Plan.

BUILDING PLACEMENT (see Figure 1)	TABLE 1
A. Minimum Lot Width	100 feet
B. Max. Lot Coverage	50% [1,2]
C. Minimum Front Yard Setback	10 feet
D. Minimum Side Yard Setback	10 feet
E. Minimum Corner Side Yard Setback	10 feet
F. Minimum Rear Yard Setback	20 feet [3]

Footnotes:

1. *Senior citizen apartments may be permitted to exceed the lot coverage limitation upon approval of a Site Development Plan Review application in accordance with LVMC 19.16.100*
2. *Lot coverage for mixed-use developments may be increased up to a maximum of seventy-five percent of the net lot area upon the approval of a Site Development Plan Review application in accordance with LVMC 19.16.100.*
3. *Rear yard setbacks may be affected by the residential adjacency standards set forth in LVMC 19.08.040(H).*

Illustrations & Graphics **C-1** **19.08.070**

FIGURE 1 - BUILDING PLACEMENT

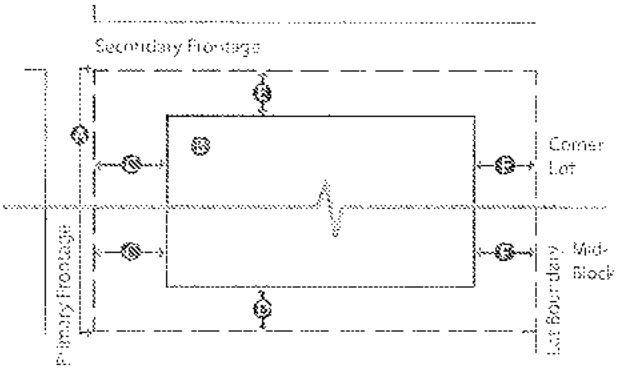
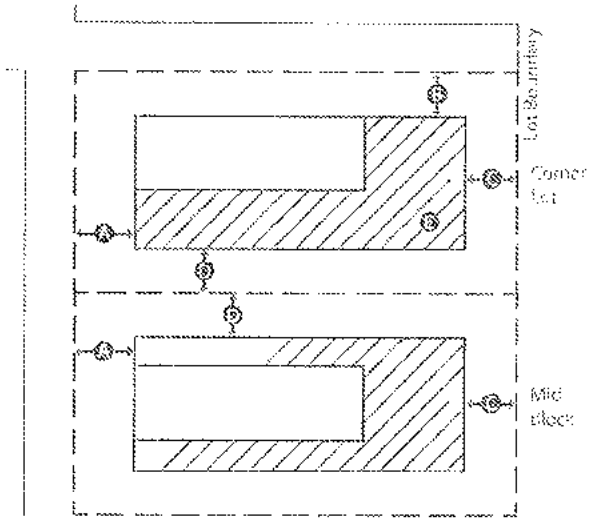


FIGURE 2 - ACCESSORY STRUCTURES

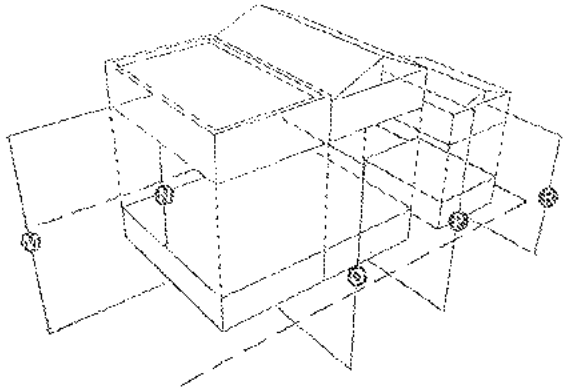


ACCESSORY STRUCTURES (see Figure 2)		TABLE 2
A.	Minimum Front Yard Setback	20 feet
B.	Minimum Corner Side Yard Setback	15 feet
C.	Minimum Rear Yard Setback	8 feet
D.	Minimum Side Yard Setback	5 feet
E.	Size and Coverage	Not to exceed the aggregate floor area of the principal structure [1]

Footnotes:

1. *The aggregate total of the ground floor areas of all structures (excluding carports and detached trash enclosures) shall not exceed the percentage of lot coverage permitted.*

FIGURE 3 - BUILDING HEIGHT



BUILDING HEIGHT [1] (see Figure 3)		TABLE 3
M.	Stories	NA [2]
N.	Floors	NA [2]
O.	Flat Roof - Max. Height	NA [2]
P.	Pitched Roof - Max. Height	NA [2]
R.	Accessory Bldg. - Stories	Not to exceed the height of the principal structure

Footnotes:

1. *Building height may be affected by the residential adjacency standards set forth in LVMC 19.08.040(H).*
2. *For parcels that are outside the Neighborhood Revitalization Area, the maximum building height for mixed-use development is ten stories, or one hundred fifty feet, whichever is less. For purposes of the foregoing, the "Neighborhood Revitalization Area" means the area so designated in the Las Vegas 2020 Master Plan adopted by Ordinance No. 5250, as the boundaries of that area may be amended from time to time.*

LANDSCAPE BUFFERS AND TURF LIMITATIONS (see Figure 4)		TABLE 4
A.	Landscape Buffer - Minimum Zone Depths	15 feet - Adjacent to Right-of-Way [1] 8 feet - Interior Lot Lines

B.	Primary Structure	
C.	Turf Coverage	25% of landscapable area
D.	Impermeable Surfaces	Should be minimized to reduce stormwater quality management impacts

Footnotes:

1. *When a pincple structure is built at a less restrictive building setback, the setbacks shall prevail.*

PARKING [1] (see Figure 4)		TABLE 5
E.	Minimum On-site Parking Requirement [2]	Shall be as outlined in LVMC 19.12.160 based on the approved use

Footnotes:

1. *Shall meet the parking area design standards as outlined in LVMC 19.05.110.*
2. *Handicapped parking shall be calculated as provided for in LVMC 19.18.050(E).*

FENCES AND WALLS		
Front Yard Wall/Fence (see Figure 5)		Table 6
A.	Maximum primary wall height	5 feet
B.	Maximum solid wall base height	2 feet
C.	Maximum Pilaster height	18 inches
D.	Maximum on-center distance between Pilasters	24 feet
E.	Decorative Cap feature	5 inches
Front Yard Wall/Fence with Standard Stepback [1]		
F.	Maximum secondary wall height	2 feet
G.	Minimum spacing between wall sections - Outside Dimensions	5 feet

Footnotes:

1. *Retaining walls along the front property line may not exceed two feet in height. Where the grade of the front yard slopes at a ratio greater than 2:1, multiple retaining walls may be constructed, provided there is a minimum distance of five feet between retaining walls for landscaping. (See Figure 5).*

FIGURE 4 - LANDSCAPE BUFFER AND TURF LIMITATIONS

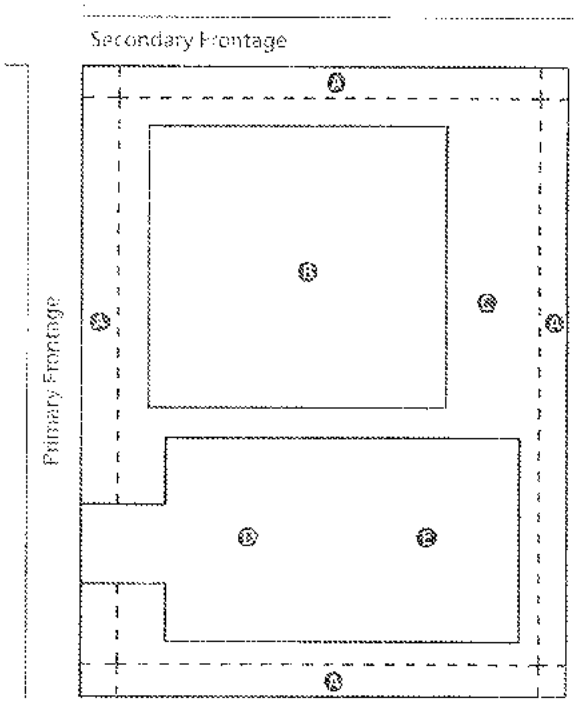


FIGURE 5 - FRONT YARD WALL/FENCE WITH STANDARD STEPBACK

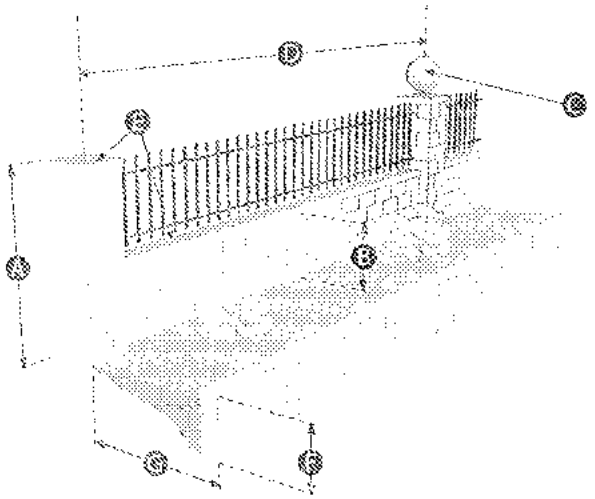


FIGURE 6 - RETAINING AND PERIMETER WALL

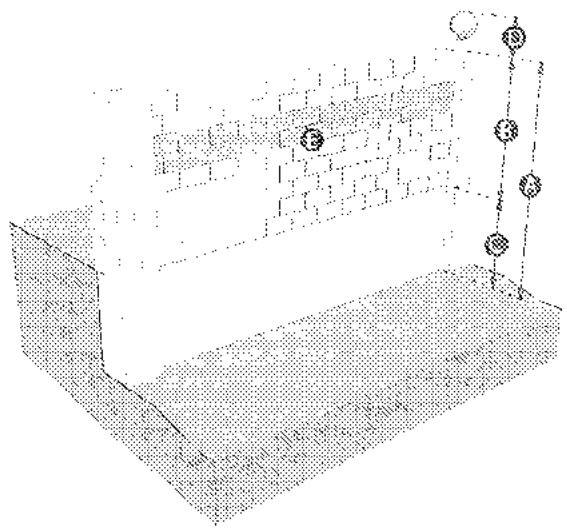
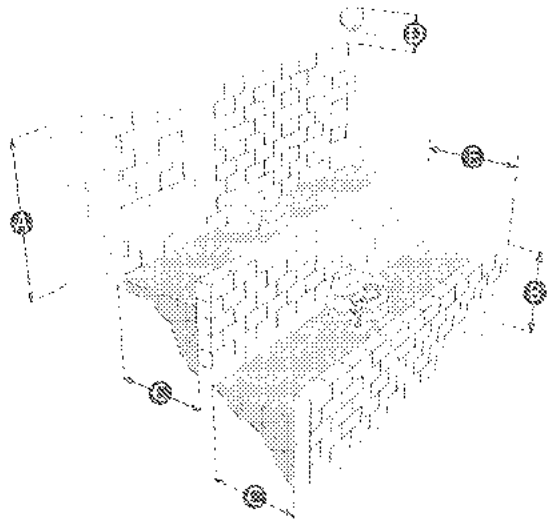


FIGURE 7 - RETAINING AND PERIMETER WALL STANDARD STEPBACK



Perimeter and Retaining Walls (see Figure 6)	Table 7
Perimeter and Retaining Walls with Slopes ≤ 2%	
A. Maximum Overall Height	10 feet
B. Maximum Perimeter Wall Height	6 - 8 feet
C. Maximum Retaining Wall Height	4 feet
D. Maximum Pilaster Height	18 inches
E. Contrasting Material	20%
Perimeter and Retaining Walls with Slopes > 2%	
A. Maximum Overall Height	12 feet
B. Maximum Perimeter Wall Height	6 - 8 feet
C. Maximum Retaining Wall Height	6 feet
D. Maximum Pilaster Height	18 inches
E. Contrasting Material	20%

Perimeter and Retaining Walls Requiring Stepback (see Figure 7)	Table 8
A. Maximum Primary wall Height	6 - 8 feet
B. Maximum Secondary wall Height	4 feet
C. Minimum spacing between wall sections - Inside Dimensions	4 feet
D. Maximum Pilaster Height	18 inches
E. Minimum spacing between wall sections - Outside Dimensions	5 feet

EXHIBIT “3”

EXHIBIT “3”

Anderson Valuation Group, LLC
www.andersonvaluationgroup.com

January 11, 2013

Ms. DeeAnn Kirk, SR/WA
Senior Right-of-Way Agent
Property Services
NV Energy
6226 West Sahara Avenue
Las Vegas NV 89146

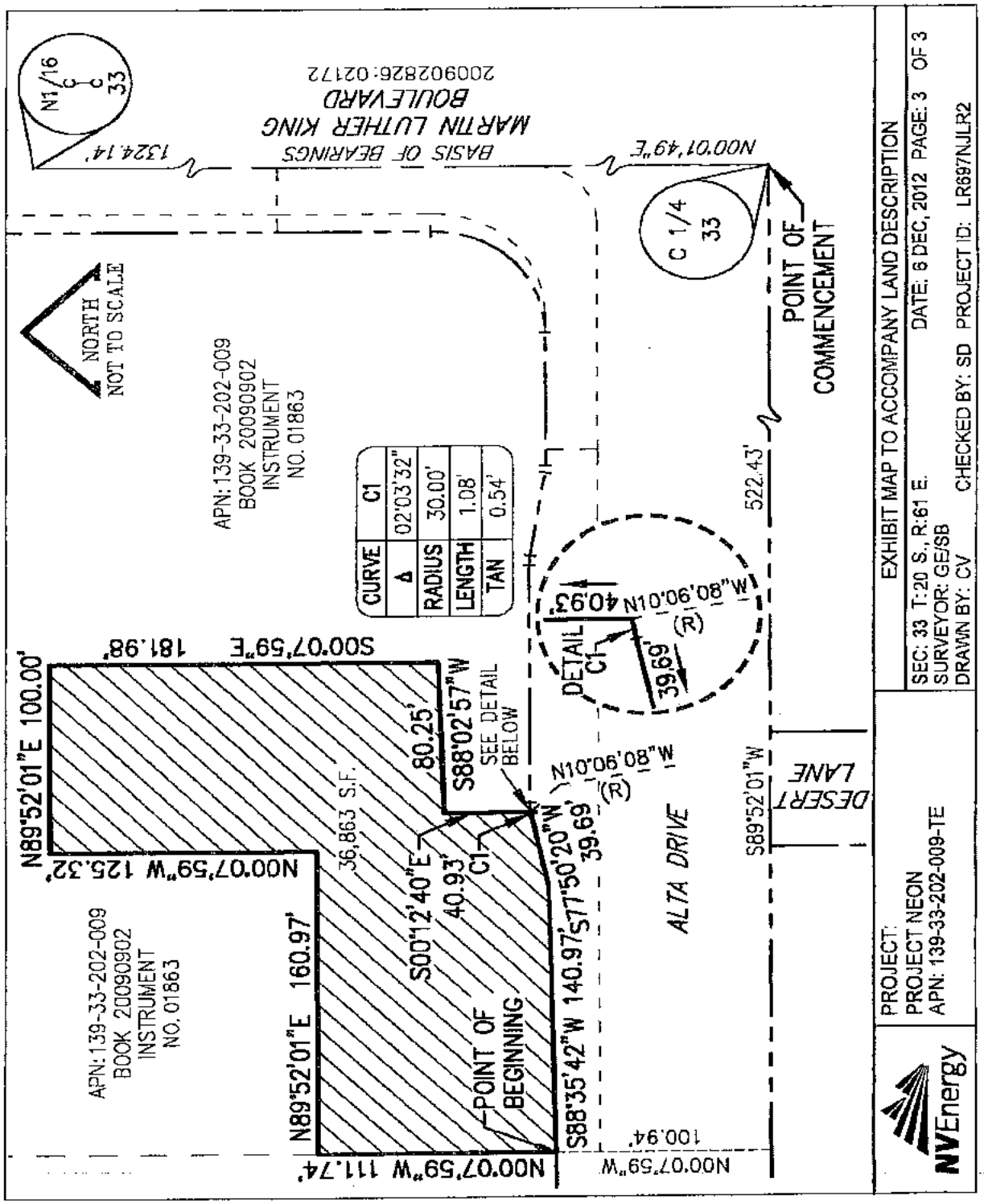
File Number: 203-12
Property Owner: HQ Metro, LLC
Parcel Number: 139-33-202-009

Dear Ms. Kirk:

In compliance with your request, the purpose of this correspondence is to provide my opinion of just compensation for the acquisition of a temporary construction easement over the property known as 400 South Martin Luther King Boulevard (owned by HQ Metro, LLC), identified as Assessor's Parcel Number 139-33-202-009. This correspondence is to act as an addendum to a report which has previously been provided to you regarding permanent easement acquisitions over this same property prepared as of June 10, 2012, Anderson Valuation Group File Number 203-12. Information regarding the subject property, the nature of the permanent easement, the purpose of the project, the proposed facilities to be installed, and other information is contained in the referenced master appraisal report. Therefore, this addendum must be used in conjunction with that report and I do not authorize use of this addendum without possession of the referenced appraisal.

The temporary construction easement will be used to provide for an area to allow for NV Energy to construct the references facilities which were more completely described in the master appraisal report. Specifically, the temporary construction easement will be used for activities to include removal of landscape material, hole drilling for two structures, the construction of anchor bolt cages and concrete, the actual installation of the transmission structures, allow areas to pull wire and fiber, and for clean-up. A copy of the document which outlines these scheduled activities is provided as an attachment to this addendum letter.

The temporary construction easement is to contain a total of 36,863 square feet and a copy of the legal description describing this temporary construction easement area is an attachment to this letter. The following provides a graphic illustration of the easement area and survey.


N1/16 C 33
1324.14'
MARTIN LUTHER KING BOULEVARD
200902826: 02172
BASIS OF BEARINGS
N00°01'49"E
C 1/4 33
POINT OF COMMENCEMENT
NORTH NOT TO SCALE
APN: 139-33-202-009 BOOK 20090902 INSTRUMENT NO. 01863
CURVE C1
Δ 02°03'32"
RADIUS 30.00'
LENGTH 1.08'
TAN 0.54'
522.43'
DETAIL C1
40.93'
N10°06'08"W (R)
39.69'
S00°07'59"E 181.98'
N89°52'01"E 100.00'
S88°02'57"W 80.25'
SEE DETAIL BELOW
N10°06'08"W (R)
39.69'
N00°07'59"W 125.32'
36,863 S.F.
S00°12'40"E 40.93'
C1
S77°50'20"W
ALTA DRIVE
DESERT LANE
S89°52'01"W
APN: 139-33-202-009 BOOK 20090902 INSTRUMENT NO. 01863
N89°52'01"E 160.97'
POINT OF BEGINNING
S88°35'42"W 140.97'
N00°07'59"W 111.74'
100.94'
N00°07'59"W
NVEnergy
PROJECT:
PROJECT NEON
APN: 139-33-202-009-TE
EXHIBIT MAP TO ACCOMPANY LAND DESCRIPTION
SEC: 33 T:20 S., R:61 E.
SURVEYOR: GE/SB
DRAWN BY: CV
DATE: 6 DEC, 2012 PAGE: 3 OF 3
CHECKED BY: SD PROJECT ID: LR697NJLR2

It is notable that this temporary construction easement will reside near the southwest corner of the property and will encumber an area that includes the primary driveway from Alta Drive. According to the activity schedule presented by NV Energy, it specifically states that "At this time we do not anticipate an impact to the driveway off Alta Drive." For this reason, this temporary construction easement compensation estimate is subject to the assumption that the Alta Drive driveway will remain open and available for the property occupant to use continuously during the project. NV Energy will also disturb existing landscape and parking areas; however, the description of construction activities also indicates "All landscape affected by NV Energy's construction will be restored." Therefore, the condition of areas within the temporary construction easement will be restored to their original condition after the completion of the project.

The temporary construction easement will be necessary for a finite period for these construction activities. According to the schedule, a total of 62 days will be necessary to perform the specific work; however, inactivity is expected between these tasks. Therefore, NV Energy has allocated a total of 22 months necessary to complete the work.

To develop an opinion of the just compensation for the temporary construction easement, I have first considered the market value of the underlying land which is the basis to estimate this compensation. In the original appraisal, I estimated the total unit value applicable to this site at $16.00 per square foot. Typical land rent is based on a return on cost negotiated as a percentage of the underlying unit value. Ten percent is the reasonable return on cost rate used to estimate this rent for the temporary construction easement. The Nevada Department of Transportation routinely leases remnant parcels based on this rate and typical yard rents or build-to-suit transactions are likewise based on this return rate negotiated by private parties. Therefore, to estimate the reasonable monthly rent which can be used to provide an opinion of the just compensation for this temporary construction easement, 10% is factored against the contributing market value of this portion of the site. This can be calculated as follows:

TCE Area (Square Feet):		36,863
Unit Value per Square Foot:	$	16.00
Contributing Value of TCE Area (rounded):	**$**	**590,000.00**
Annual Return Rate:		10%
Annual Rent for TCE	$	59,000.00
Monthly Rent ($59,000.00/12 months):	$	4,917.00
Temporary Construction Easement Period (22 Months)	x	22
Indicated Compensation for TCE (rounded):	**$**	**110,000.00**

TCE = Temporary Construction Easement

The temporary construction easement just compensation opinion is subject to the timeframe referenced by NV Energy and specific to the proposed activities for this area. This temporary construction easement acquisition compensation value estimate is effective as of the original value date, June 10, 2012. Again, just compensation for the acquisition of the permanent easement has been separately opined in the master report, Anderson Valuation Group File Number 203-12. The original appraisal report was prepared as of June 10, 2012 for NV Energy regarding the permanent easement acquisition. Contained in the referenced report is all the information with regard to the property, the proposed project for which these easements are necessary, the description of the permanent easement acquisition, relative compensation, and all other information specific to the analysis regarding the unit value conclusion for the underlying land. Therefore, I do not authorize the use of this addendum without possession of the referenced report and intend no other use for this correspondence.

Thank you for giving me the opportunity to provide this addendum for you.

Sincerely,
Anderson Valuation Group, LLC

Glenn M. Anderson, MAI, SRA
Certified General Appraiser
Nevada License № A.0000555-CG
Expiration Date: January 31, 2014

GMA/jk

Enclosures:
Certification
Appraiser's Qualifications
Easement Documents

Certification of Value

The undersigned does hereby certify that, except as otherwise noted in this appraisal report, to the best of my 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 my personal, impartial and unbiased professional analyses, opinions and conclusions.

3. I 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. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.

5. My engagement in this assignment was not contingent upon developing or reporting predetermined results.

6. My 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. The appraisal assignment was not based on a requested minimum valuation, a specific valuation or the approval of a loan.

8. The appraiser has performed any services regarding the subject property within the three year period immediately preceding acceptance of the assignment, as an appraiser or in any other capacity.

9. I have made a personal inspection of the property that is the subject of this report.

10. No one provided significant professional assistance to the person signing this report.

11. My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice* (USPAP) as adopted by the Appraisal Standard's Board of the Appraisal Foundation and as mandated by Nevada State Law's Standards of Practice for real estate appraisers (Nevada Administrative Code Chapter 645C).

12. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

13. As of the date of this report, I, Glenn M. Anderson, MAI, SRA, have completed the requirements under the continuing education program of the Appraisal Institute.

14. The appraiser is competent and qualified to perform the appraisal assignment. The appraiser's State of Nevada license/certification has not been revoked, suspended, canceled or restricted.

Appraiser Date January 11, 2013

Glenn M. Anderson, MAI, SRA

QUALIFICATIONS
Glenn M. Anderson, MAI, SRA

LICENSING

Certified General Appraiser, State of Nevada, License No. A.0000555-CG
Certified General Appraiser, State of Arizona, License No. 31426

PROFESSIONAL DESIGNATIONS/AFFILIATIONS

MAI - Member of the Appraisal Institute, September, 1995
SRA - Member - Appraisal Institute, November, 1989
Past President (2002), Las Vegas Chapter, Appraisal Institute
Member, Commission of Appraisers of Real Estate State of Nevada, 7/1/2011 – 6/30/2014

EDUCATION

B.S., Arizona State University, Bachelor of Science, Real Estate/Finance, 1986

Sample of Core Appraisal Courses Completed:

SREA Course 101	1986	Introduction of Appraising Real Property
SREA Course 102	1986	Applied Residential Property Valuation
SREA Course 201	1986	Principles of Income Property Appraising
SREA Course 202	1986	Applied Income Property Valuation
AIREA Seminar	1987	Standards of Professional Practice
AIREA Course 1BA Part A, Seminar	1990	Capitalization Theory and Techniques
AIREA Seminar	1991	Comprehensive Appraisal Workshop
Appraisal Institute	1993	Course 410, 420 Standards of Professional Practice, Parts A & B
Appraisal Institute	1996	Course 520 - Highest and Best Use
Appraisal Institute	2001	Course 410 & 420 - Standards of Professional Appraisal Practice and Code of Ethics
Appraisal Institute	2007	The Appraiser as an Expert Witness
Appraisal Institute	2009	Condemnation Appraising
Appraisal Institute	2009	Appraisal of Nursing Facilities
Appraisal Institute	2011	Apartment Appraisal, Concepts & Applications
Appraisal Institute	2012	Fundamentals of Separating Real, Personal Property, and Intangible Business Assets

Attended other Various Seminars and Courses, 1984 to Present

EXPERIENCE

Anderson Valuation Group, LLC, Partner, Las Vegas, Nevada	2005 to Present
Gary H. Kent, Inc., Independent Fee Appraiser, Las Vegas, Nevada	1991 to 2004
McFadden & Associates, Staff Appraiser, Scottsdale, Arizona	1984 to 1991

Anderson Valuation Group, LLC
1601 South Rainbow Boulevard, Suite 230
Las Vegas, Nevada 89146
Telephone: 702•307•0888
Fax: 702•307•0894
e-mail glenn@andersonvaluationgroup.com

Type of Properties Appraised/Services Provided:

Retail Centers
Residential Subdivisions
Golf Courses
Industrial Properties
Leasehold/Leased Fee Estates
Health/Fitness Centers
Condemnation (total and partial takes)
Master Planned Communities (Residential & Commercial)
Apartments
Litigation Support
Office Buildings
Hotels/Casinos
Medical Offices
Vacant Land (all types)

Service Areas:

Southern Nevada, Northern Nevada, Northern Arizona

Clients Serviced:

Government Agencies

Federal Housing Administration
Nevada Department of Transportation
Las Vegas Valley Water District
Clark County School District
NV Energy
State of Nevada
Clark County
Attorney General's Office (Nevada)
Regional Transportation Commission (RTC)
City of North Las Vegas
City of Henderson
City of Las Vegas
City of Boulder City
FHLMC
FNMA
District Attorney's Office
Internal Revenue Service (IRS)
Small Business Administration (SBA)

Private Clients

Banks and other Lenders, Attorneys, Individual Clients; list available upon request

Court Fees/Court Qualifications:

Hourly rate for court testimony and deposition: $350.00

I have not published any articles/documents in the last ten years.

Anderson Valuation Group, LLC
1601 South Rainbow Boulevard, Suite 230
Las Vegas, Nevada 89146
Telephone: 702•307•0888
Fax: 702•307•0894
e-mail glenn@andersonvaluationgroup.com

Court Testimony/Deposition Within Last Four Years:

Dawood N. Shalomi and Regine Y. Shalomi, plaintiffs, v. Western Technologies, Inc. an Arizona Corporation; defendants, United States District Court Case No. CV-0168 – DMP (LRL) (deposition).

Joseph A. Kennedy, Sr., Trustee of the Joken Trust and Joken Trust v. Louisa Sue-Hue Kwo, District Court Case No. A469969 (court testimony).

County of Clark, plaintiff v. Monica Rozelle, 1983 Rozelle Family Trust, Rozelle Family Limited, Partner, Pat Rozelle, Budget Rent-A-Car, Las Vegas, District Court Case No. 03-A 462673-C (deposition).

Nevada Power Company v. 4520 Arville, District Court, Case No. 08-A571743, Dept. No. II (deposition).

FMC Pahrump, LLC, United States Bankruptcy Court, District of Nevada, Case No. BK-08-15600-LBR, Chapter 11 (court testimony).

Nevada Power Company v. 4185 West Harmon, District Court, Case No. A571746, Dept. No. XV (deposition).

Nevada Power Company v. 3 KIDS, LLC, Case No. A571745 (deposition).

NV Energy v. Vegas Valley Investment, LLC, District Court, Case No. A-09-592829-C (deposition).

Sun West Bank v. Kyle Canyon Investments II, LLC, District Court, Case No. A-09-596620-C (court testimony).

NV Energy v. Tropical & Losee, LLC, District Court, Case No. A-09-577141-C (deposition).

NV Energy v. Frehner Enterprises, LLC, District Court, Case No. A-09-570685-C (deposition).

Nevada Power Company v. 3 KIDS, LLC, Case No. A571745 (trial testimony).

Community Bank of Nevada v. Thomas H. McCormick et al. Case No. A571927, Dept. XI (deposition).

Anderson Valuation Group, LLC
1601 South Rainbow Boulevard, Suite 230
Las Vegas, Nevada 89146
Telephone: 702•307•0888
Fax: 702•307•0894
e-mail glenn@andersonvaluationgroup.com

Court Testimony/Deposition Within Last Four Years, continued:

NV Energy v. 4250 Arville, District Court, Case No. 08-A571743 (trial testimony).

Clark County Credit Union v. Casino Center Properties et al, District Court, Case No. A-10-620308-C (court testimony).

NV Energy v. Tiberti Company et al, District Court, Case No. A575426 (deposition).

City of Las Vegas v. Maro Burunsuzyan, Case No. A540728, District Court (trial testimony).

NV Energy v. Las Vegas Valley Investment, Case No. A09592829-C, District Court (trial testimony).

CCCU v. Fort Apache Urgent Care, LLC, Case No. A-10-631249, District Court (court testimony).

Nevada Power Company v. Marvin James Schiff Trust, et al, Case No. A-09-589133-C, District Court (deposition).

FNBN Properties II, LLC v. Desert Inn Pioneer, LLC et al, Case No. A-09-594488-C, District Court (court testimony).

FNBN Properties II, LLC v. Spring Mountain Wynn Investments, LLC, Case No. A-10-613639-C, District Court (court testimony).

United States Bankruptcy Court, Chapter 11 Proceedings, Horizon Village Square, LLC, Debtor, Case No. 11-21034-MKN; in support of Wells Fargo Bank (deposition and trial testimony)

Bank of America, N.A. v. Malibu Canyon Investors, LLC, et. al., Civil Action No. 2:11-cv-00369-KJD-LRL, District Court (deposition)

Federal Deposit Insurance Corporation v. Newport Nevada, LLC, Case No. A-11-633708, Dept. XI, District Court (court testimony)

United States Bankruptcy Court, Chapter 11 Proceedings, Case No. BK-S-10-29932-mkn; Carefree Willows, LLC v. AG/ICC Willows Loan Owner, LLC (trial testimony)

United States Bankruptcy Court, Chapter 11 Proceedings, Case No. BK-S-12-13579-MKN; Decatur Retail Partners, LLC (deposition)

United States Bankruptcy Court, Chapter 11 Proceedings, Case No. BK-S-12-13579-MKN and BK-S-12-13582-MKN; Decatur Retail Partners, LLC (court testimony).

*****

Anderson Valuation Group, LLC
1601 South Rainbow Boulevard, Suite 230
Las Vegas, Nevada 89146
Telephone: 702•307•0888
Fax: 702•307•0894
e-mail glenn@andersonvaluationgroup.com

APPRAISER CERTIFICATE

STATE OF NEVADA DEPARTMENT OF BUSINESS AND INDUSTRY

NOT TRANSFERABLE **REAL ESTATE DIVISION** NOT TRANSFERABLE

This is to Certify That : GLENN M ANDERSON **Certificate Number:** A.0000555-CG

Is duly authorized to act as a CERTIFIED GENERAL APPRAISER **from the issue date to the expiration date at the business address stated here in, unless the certificate is sooner revoked, cancelled, withdrawn, or invalidated.**

Issue Date: December 09, 2011 **Expire Date:** January 31, 2014

In witness whereof, THE DEPARTMENT OF BUSINESS AND INDUSTRY, REAL ESTATE DIVISION, by virtue of the authority vested in Chapter 645C of the Nevada Revised Statues, has caused this Certificate to be issued with its Seal printed thereon. This certificate must be conspicuously displayed in place of business.

FOR: ANDERSON VALUATION GROUP LLC
1601 S RAINBOW BLVD STE 230
LAS VEGAS, NV 89146

REAL ESTATE DIVISION

GAIL J ANDERSON
Administrator

NVEnergy

Description of Construction Activities

HQ Metro LLC Parcel No. 139-33-202-009

Two steel structures will be installed on this property. NV Energy is currently at 60 percent design, therefore the below information is preliminary and subject to change.

X25889- Corner Structure: This structure will be located in the planter area. The foundation diameter below grade is 9-10 feet, the approximate structure height is 135-140 feet above ground and the structure diameter above grade is 7-8 feet. A section of the existing planter curb might be removed and replaced during construction. The two existing palm trees on the east side of the driveway will be removed. Please reference the Transmission Use Agreement in Section "E"

X25888- Corner Structure: This structure will be located in the parking space and planter area. The foundation diameter below grade is 9-10 feet, the approximate structure height is 135-140 feet above ground and the structure diameter above grade is 7-8 feet. The installation of this structure will take one of the existing parking spaces. The existing planter area curbing will be modified to go around the structure.

Below is a list of the construction activities that will take place on the property. The durations are approximate and there could be inactive periods between the activities.

Construction Activities	Approximate Duration
Remove landscape material	Five (5) days
Drill holes for the two structures	Eighteen (18) days
Build anchor bolt cages and pour concrete	Twelve (12) days
Set and build the transmission structures	Ten (10) days
Pull wire, sag wire, pull static wire, clip wire install jumpers	Six (6) days
Pull fiber	Three (3) days
Remove existing structure	Three (3) days
Clean up (curbing, landscape, paving)	Five (5) days

During construction of both structures, we will temporarily occupy parking stalls and the drive path to and from the parking stalls as identified on the drawing in Section 2d depicting the proposed temporary construction areas. At this time we do not anticipate an impact to the driveway off of Alta Dr. All landscape affected by NV Energy's construction will be restored. NV Energy's contractor will coordinate the work schedule with the owner.

APN: 139-33-202-009

WHEN RECORDED MAIL TO:
Property Services
NV Energy
P.O. Box 98910 MS 9
Las Vegas, NV 89151-0001

TEMPORARY CONSTRUCTION EASEMENT

HQ Metro, LLC., an Arizona limited liability company, ("**Grantor**") for One Dollar ($1.00) and other good and valuable consideration, receipt of which is hereby acknowledged, grants and conveys to Nevada Power Company, a Nevada corporation, d/b/a NV Energy ("**Grantee**"), its successors and assigns, on the real property situated in Clark County, Nevada, identified on Exhibit "A" attached hereto, and commonly known as APN 139-33-202-009 (the "**Property**") a temporary right and easement:

1. to construct, use, repair, and maintain an areas approximately one-hundred (100)) feet by one hundred-eighty one (181) feet and one-hundred eleven (111) feet by one-hundred eighty one (181) feet for construction staging (including but not limited to parking vehicles and storing materials), pulling cable, and wire tensioning in the location identified on Exhibit "B" attached hereto ("**Temporary Easement Area**");

2. to perform final cleanup of the Temporary Easement Area;

3. for the unrestricted passage of vehicles and pedestrians within, on, over and across the Temporary Easement Area; and

4. for the unrestricted, contiguous access of vehicles and pedestrians along and through the Property to the Temporary Easement Area, for the ingress of vehicles and pedestrians to the Temporary Easement Area from the Property, and for the egress of vehicles and pedestrians from the Temporary Easement Area over the Property.

Grantee has the right to permanently remove or clear any and all materials, trees, brush, debris, structures, and any other obstruction from the Temporary Easement Area, which in Grantee's reasonable judgment may interfere with or endanger Grantee's use of or activities on the Temporary Easement Area.

Grantee will be responsible for any damages, proximately caused by Grantee's negligent use of or activities on the Temporary Easement Area, to any tangible, personal property or improvements owned by Grantor and located on the Temporary Easement Area on the date Grantor signs the Temporary Construction Easement. However, this paragraph does not apply to, and Grantee is not responsible for, any damages caused when Grantee exercises its rights under the paragraph immediately preceding this paragraph.

The Temporary Construction Easement terminates on December 31, 2014 and, upon termination, has no further effect.

RW# 0441-2012dak
Proj. # LR697NJLR2
Project Name: Project NEON Land Rights
Reference Document: 20090902:01863
TCE

GRANTOR:

HQ Metro, LLC

_____

By:
Title:

STATE OF _____)
COUNTY OF _____)

This instrument was acknowledged before me on _____, _____ by _____ as _____ of _____.

_____
Signature of Notarial Officer

Notary Seal area →

APN: 139-33-202-009
RW# 0441-2012dak
Proj. # LR697NJLR2
Project Name: Project NEON Land Rights
Reference Document: 20090902:01863
TCE

Exhibit A

The above referred to parcel of land, situate in the City of Las Vegas, County of Clark, State of Nevada, is that portion of the Northwest Quarter (NW ¼) of Section 33, Township 20 South, Range 61 East, M.D.M., described as follows:

That parcel of land as described in Grant Bargain and Sale Deed recorded September 2, 2009 in Book 20090902, as Instrument No. 01863, Official Records, Clark County, Nevada.

APN: 139-33-202-009
RW# 0441-2012dak
Proj. # LR697NJLR2
Project Name: Project NEON Land Rights
Reference Document: 20090902:01863
TCE

Exhibit B
{attached separately}

NVEnergy

EXHIBIT A

PROJECT ID: LR697NJLR2
PROJECT NEON
APN: 139-33-202-009-TE
6 DECEMBER, 2012
PREPARED BY: CV
CHECKED BY: SD

PROFESSIONAL LAND SURVEYOR - STATE OF NEVADA
CORBIN L. VAN NEST
EXPIRES 06-30-12
No. 14349
12-07-12

LAND DESCRIPTION:

A PORTION OF THE LAND DESCRIBED IN THAT CERTAIN "GRANT BARGAIN AND SALE DEED" RECORDED SEPTEMBER 2, 2009 IN BOOK 20090902 AS INSTRUMENT NO. 01863 OF OFFICIAL RECORDS IN THE COUNTY RECORDER'S OFFICE, CLARK COUNTY, NEVADA, SITUATE IN THE SOUTHEAST QUARTER (SE 1/4) OF THE NORTHWEST QUARTER (NW 1/4) OF SECTION 33, TOWNSHIP 20 SOUTH, RANGE 61 EAST, M.D.M., CITY OF LAS VEGAS, CLARK COUNTY, NEVADA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID SOUTHEAST QUARTER (SE 1/4); THENCE SOUTH 89°52'01" WEST ALONG THE SOUTH LINE OF SAID SOUTHEAST QUARTER (SE 1/4), A DISTANCE OF 522.43 FEET; THENCE NORTH 00°07'59" WEST, DEPARTING SAID SOUTH LINE, 100.94 FEET TO THE SOUTHWEST CORNER OF SAID LAND, SAME BEING THE **POINT OF BEGINNING**; THENCE NORTH 00°07'59" WEST ALONG THE WEST LINE OF SAID LAND,111.74' FEET; THENCE NORTH 89°52'01"EAST DEPARTING SAID WEST LINE, 160.97' FEET; THENCE NORTH 00°07'59" WEST 125.32 FEET; THENCE NORTH 89°52'01"EAST 100.00 FEET; THENCE SOUTH 00°07'59"EAST 181.98 FEET; THENCE SOUTH 88°02'57" WEST 80.25 FEET; THENCE SOUTH 00°12'40" EAST 40.93 FEET TO A POINT ON THE SOUTH BOUNDARY OF SAID LAND, SAID POINT BEING THE BEGINNING OF A NON-TANGENT CURVE, CONCAVE SOUTHERLY, HAVING A RADIUS OF 30.00 FEET, A RADIAL LINE TO SAID BEGINNING BEARS NORTH 10°06'08" WEST; THENCE ALONG SAID SOUTHERLY BOUNDARY THE FOLLOWING THREE (3) COURSES: 1) SOUTHWESTERLY 1.08 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 02°03'32"; 2) SOUTH 77°50'20" WEST 39.69 FEET; 3) SOUTH 88°35'42" WEST, 140.97 FEET TO THE **POINT OF BEGINNING,** AS SHOWN ON THE "EXHIBIT MAP TO ACCOMPANY LAND DESCRIPTION" ATTACHED HERETO AND MADE A PART HEREOF.

CONTAINING 36,863 SQUARE FEET.

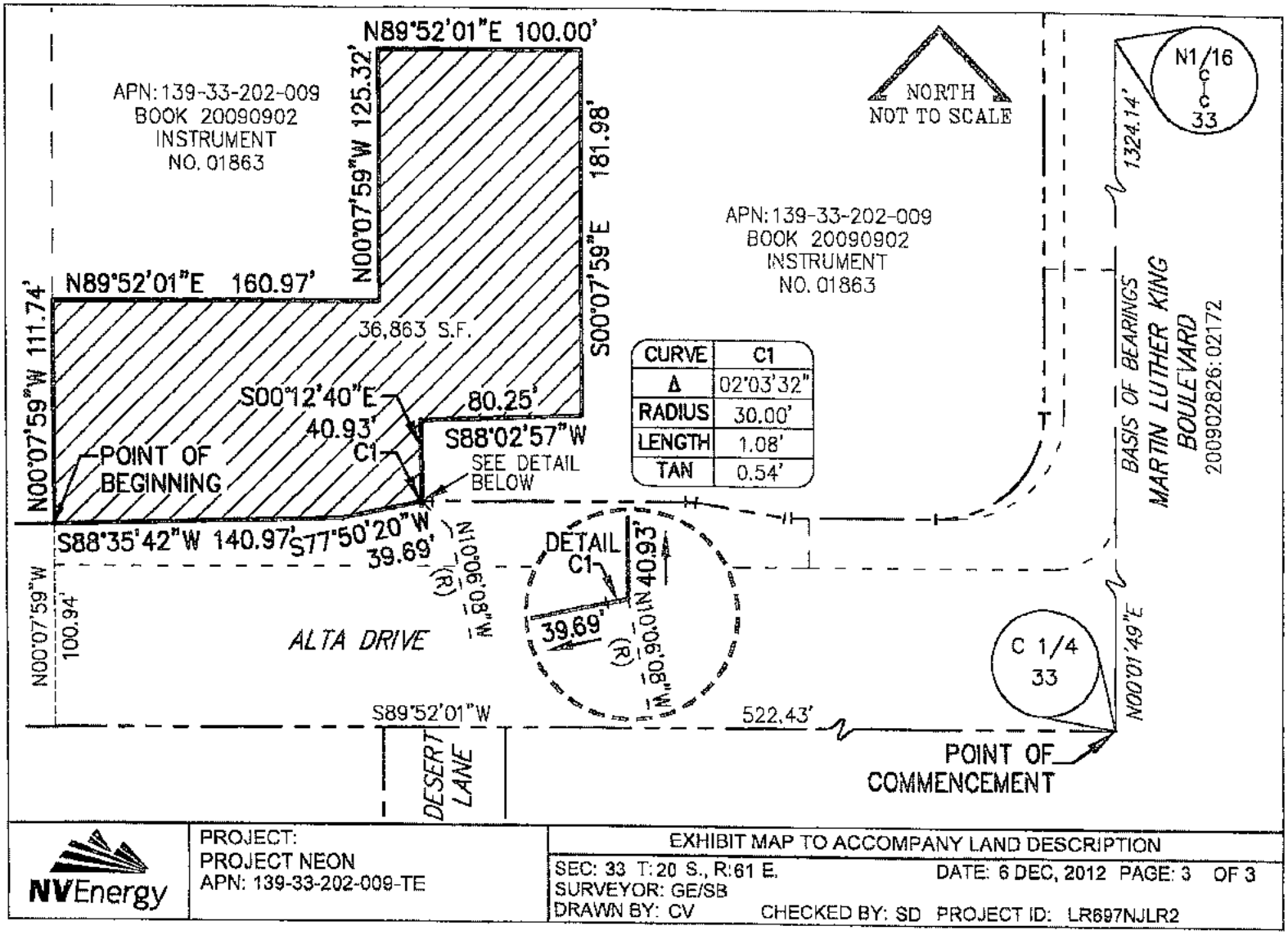
BASIS OF BEARINGS:

NORTH 00°01'49" EAST BEING THE BEARING OF THE EAST LINE OF THE SOUTHEAST QUARTER (SE 1/4) OF THE NORTHWEST QUARTER (NW 1/4) OF SECTION 33, TOWNSHIP 20 SOUTH, RANGE 61 EAST, M.D.M., CITY OF LAS VEGAS, CLARK COUNTY, NEVADA, MEASURED IN THE NEVADA EAST ZONE (2701) STATE PLANE COORDINATE SYSTEM, NORTH AMERICAN DATUM 1983 (NAD 83).

END OF LAND DESCRIPTION.

NOTE: THIS LAND DESCRIPTION IS NOT INTENDED FOR THE PURPOSE OF SUBDIVIDING LAND NOT IN CONFORMANCE WITH NEVADA REVISED STATUTES.

CORBIN L. VAN NEST, PLS
STATE OF NEVADA NO. 14349
FOR AND AT THE INSTANCE OF NV ENERGY



NVEnergy

PROJECT:
PROJECT NEON
APN: 139-33-202-009-TE

EXHIBIT MAP TO ACCOMPANY LAND DESCRIPTION

SEC: 33 T: 20 S., R: 61 E. DATE: 6 DEC, 2012 PAGE: 3 OF 3
SURVEYOR: GE/SB
DRAWN BY: CV CHECKED BY: SD PROJECT ID: LR697NJLR2

EXHIBIT “4”

EXHIBIT “4”

A Summary Appraisal Report of a Proposed Easement Acquisition over a Vacant Portion of an Improved Property

Owned By:
HQ Metro, LLC

Property Located at:
400 South Martin Luther King Boulevard, Las Vegas, Clark County, Nevada

For the Purpose of:
Developing an Opinion of the Value of a Proposed Permanent Easement Acquisition Area as of March 10, 2013

Date of Appraisal Report:
March 11, 2013

File Number:
069-13

Assessor's Parcel Number:
139-33-202-009

Appraisal Prepared By:
Glenn M. Anderson, MAI, SRA
Anderson Valuation Group, LLC
1601 South Rainbow Boulevard
Suite 230
Las Vegas, Nevada, 89146

March 11, 2013

Ms. Dee Ann Kirk, SR/WA
Senior Right-of-Way Agent
Land Services
NV Energy
6226 West Sahara Avenue
Las Vegas NV 89146

File No: **069-13**
Property Owner: **NQ Metro, LLC**
Parcel Number: **139-33-202-009**

Dear Ms. Kirk:

In compliance with your request and authorization, I have inspected the property which can commonly be identified as 400 South Martin Luther King Boulevard, Las Vegas, Clark County, Nevada, for the purpose of preparing the enclosed summary appraisal report. Proposed is the acquisition of a permanent easement over the easterly and southerly portions of this property and the proposed easement is to contain a combined 16,861 square feet. An illustration of the location and configuration of this easement will be provided later in the analysis. The purpose of this easement is to provide an area for the relocation of overhead electrical transmission lines along Alta Drive and Martin Luther King Boulevard.

For the purposes of constructing this new transmission line in the proposed subject easement area, a temporary construction easement will also be required. This temporary construction easement is intended to be used over a 22 month period, intermittently. The total temporary construction easement is to contain 36,863 square feet and the specific location and orientation in respect to the proposed permanent easement will be described in the context of the analysis. The temporary construction easement will be used for various construction activities to include the removal of landscape material, hole drilling for the two structures, the construction of anchor bolt cages and concrete; the actual installation of the transmission structures allow areas to pull wire and fiber and to perform cleanup. The temporary construction easement area will be returned to a condition similar to that which existed prior to the acquisition of the easement area. It is noted that the temporary construction easement area will reside in an area that includes the primary driveway from Alta Drive; however, NV Energy reports that they did not anticipate impacting the driveway off Alta Drive and allowing perpetual ingress/egress even during the construction period. It is also indicated that the construction schedule will include approximately 62 days necessary to perform specific work; and therefore, inactivity is expected between tasks during the entire 22 month period requested.

Briefly, the subject property consists of a site that contains 13.76 acres and has recently been improved with the new Metropolitan Police Headquarters, a multi-building, multi-story office complex with parking structure. This structure was just recently opened in early 2011 and I have not been provided with specific plans or detailed information regarding the size, cost, or other general features of the structure. It is my opinion, based on the location of the proposed easement acquisition, that the new electrical transmission line and relative easement will not directly or indirectly affect the building improvements. The proposed easement area resides along the southerly and easterly boundaries of the property which are currently used for open asphalt paved parking as well as areas for ingress and egress. A more detailed illustration of the proposed easement area, including a legal description and survey map, will be provided later in the analysis. Additionally, a copy of the Grant of Easement which specifically describes the rights intended to be acquired by NV Energy within the easement area is provided in the Addenda for the reader's review.

The proposed easement is part of an electrical transmission line relocation project due to Project Neon's impact on the subject property's immediate neighborhood. Project Neon is a planned upgrade to Interstate 15, the general interchanges and access points in and around the Charleston Boulevard interchange. Various upgrades will occur generally between Sahara Avenue and U.S. Highway 95, including the widening and expansion of the freeway in this area plus the upgrade of interchanges and added access points to provide better vehicle circulation through the surrounding neighborhoods. As a result of this project, an existing transmission line which currently resides along the west side of Interstate 15 must be relocated to make room for this project. The relocation of this transmission line will include a corridor on the west side of Interstate 15 which will include Desert Lane, Alta Drive and Martin Luther King Boulevard.

According to Clark County records, the subject property is currently zoned C-1 (Limited Commercial District), by the City of Las Vegas Planning & Zoning Department. Recently, the City of Las Vegas updated their zoning code under Title 19, effective May 2011. This limited commercial district has a minimum front yard setback of 10 feet, and as such, a portion of the proposed easement will reside within the required minimum setback according to current Las Vegas zoning codes. The balance of the easement will reside in areas that have full development potential or areas that are outside of the minimum setback. Currently, all of these areas are used for landscape buffers and open asphalt paved parking. The acquisition of the easement will not directly affect the operation of the new police headquarters as these areas are improved with uses that would be allowable within the new easement areas in accordance with the Grant of Easement requirements. Conversely, the easement will restrict any future development potential and applicable compensation is estimated for the acquisition of the easement in the required setback area, the areas outside of the required setback as well as for areas that will be fully encumbered by a pole placement. According to NV Energy, two power poles are proposed to be installed within the easement area to support transmission lines. These poles will occupy a portion of the site outside the setback. These will be steel structures and the total area estimated to be occupied by the poles is approximately 100 square feet combined. A further description of

the character of the easement, the location and the proposed uses will be provided later within the analysis. According to information provided by NV Energy, however, the area will be used for the placement of the two poles, while the balance of the easement area can continue to be used for open parking, landscape buffers and ingress/egress similar to the existing use.

In my opinion, the value of the permanent easement area plus the compensation for the temporary construction easement which reflects my opinion of just compensation for the easement acquisitions, as of the effective date of the valuation, March 10, 2013, is:

Two Hundred Eighty-One Thousand Dollars
($281,000.00)

The following calculation illustrates a summary of the value conclusion.

SUMMARY OF VALUE CONCLUSION

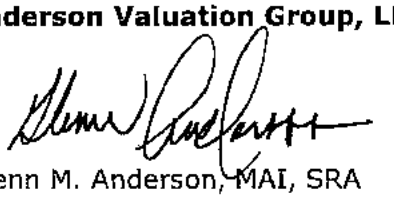
A.	Value of the whole, before the take (land only):	$10,190,000	
B.	Value of the part taken (permanent easement) as part of the whole:	$ 166,000	$166,000
C.	Value of the remainder, as part of the whole: (A - B)	$10,024,000	
D.	Value of the remainder, after the take:	$10,024,000	
E.	Damages (C-D):		$ .00
F.	Other: Temporary easements		$ 115,000
G.	Total Value of the Part Taken (B + E + F) (rounded):		$ 281,000

This appraisal has been prepared as a summary report intended to comply with the *Uniform Standards of Professional Appraisal Practice* as adopted by the Appraisal Foundation. This report is also intended to comply with the *Code of Professional Ethics of the Appraisal Institute* and the various reporting requirements of NV Energy, as well as the *Uniform Standards for Federal Land Acquisitions* (Yellow Book). The intended use of this report is to assist in easement acquisition negotiations and the intended users include NV Energy and their assignees/ nominees. No other use or users are intended nor authorized.

This Letter of Transmittal must be used in conjunction with the following enclosed descriptive details, appraisal procedures and analysis and is, therefore, not considered a report standing on its own merit.

Thank you for giving me the opportunity to provide these appraisal services.

Sincerely,
Anderson Valuation Group, LLC



Glenn M. Anderson, MAI, SRA
Certified General Appraiser
Nevada License № A.0000555-CG
Expiration Date: January 31, 2014

GMA/mia

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Summary of Salient Facts

Property Location:

The subject property is located at 400 South Martin Luther King Boulevard, Las Vegas, Clark County, Nevada. The Clark County Assessor identifies the subject property as Parcel Number 139-33-202-009, and this is a location in zip code 89106 and Census Tract Number 203.

Site Size:

I have not been provided with a survey which provides an indication of the total property area. Clark County Records included an Assessor's Map which is a reflection of a recently filed map due to the new construction on the subject property. This map indicates that the property contains 13.76 acres. This equates to 599,386 square feet.

Existing Improvements:

Opened in 2011 is the new Metropolitan Police Department Headquarters. This is a campus of multi-story professional buildings with an associated parking garage. A significant amount of surface parking also exists around the eastern and southerly portions of the site. I have not been provided with plans on the property and have not directly inspected the building improvements. It is my opinion that the proposed easement acquisition will not directly or indirectly affect the building improvements or the operational characteristics of the facility. As such, I valued the easement as a function of the underlying land. Photographs of the existing improvements are provided later in this analysis.

Zoning:

The subject site resides in an area zoned C-1 (Limited Commercial District) by the City of Las Vegas Planning and Zoning Department. This zoning classification allows for various forms of commercial development and as built, the recently opened Metropolitan Police Headquarters is considered to be a legal and conforming use

under current zoning requirements. It should be noted that the Las Vegas Municipal Zoning Code was recently updated and the new version (Title 19) became effective in May 2011. Notably, the recent update of the zoning code now indicates that the required minimum front yard setback in the C-1 District is 10 feet, where historically, this setback has been a total of 20 feet. This material change in zoning affects the conclusion of just compensation for the subject property.

In addition, the subject property is located in a city redevelopment area. The subject's immediate area was added to this redevelopment area in 2006. The City of Las Vegas General Plan indicates the subject site is in an area designated for mixed use development.

Proposed Easement Acquisition Area:

The survey map which illustrates the proposed permanent easement acquisition will be provided later within this analysis. Summated, the total easement area is proposed to be 16,861 square feet. The easement is to extend along a portion of the subject's easterly and southerly boundary lines, crossing the southeast corner of the site nearest to the intersection of Alta Drive and Martin Luther King Boulevard. This easement acquisition is to accommodate the relocation of an electrical transmission line. From information provided by NV Energy, the easement will accommodate overhead electrical transmission lines, as well as two poles planned to be placed on the property. More specific information with regard to the placement of these poles and the alignment of the easement will be provided later in the report.

It is noted that the subject property is zoned C-1 by the City of Las Vegas. The recent adoption of revised Municipal Codes indicates that the required setback along front and side yards in the C-1 District is 10 feet. As such, an estimated 4,473 square feet of the proposed 16,861 square foot easement will reside within the required setback according to current zoning code. The area within the setback, in my opinion, will have similar restrictions after the acquisition of the easement as

those which existed prior to the acquisition of the easement due to the location within the setback. Conversely, the areas of the permanent easement which reside outside of the setback have no development restrictions in the "before" condition, and therefore, the acquisition will include a much larger portion of the bundle of rights.

As discussed, two poles are intended to be placed within the easement to support the aforementioned electrical transmission lines. The property owner will lose all rights in the pole positions, as the electric transmission line poles will encumber the entire portion of the site in which they reside. The location of the poles will occupy an estimated combined 100 square feet.

The permanent easement is intended to extend over a portion of the property which has been improved with an asphalt paved parking area and perimeter landscape. Areas for ingress and egress also exist in the proposed easement area. The transmission line will not directly or indirectly affect the recently completed Metropolitan Police Headquarters, which was opened earlier in 2011. These buildings reside set back from the street right-of-ways, which is typical for a governmental facility such as this, allowing for a significant amount of surface parking around the perimeter. In addition to the building improvements is a parking structure which resides to the rear of the recently constructed office buildings. As the permanent easement and the construction of the transmission lines in my opinion do not directly or indirectly affect the building improvements, I valued only the underlying land. Furthermore, based on a careful analysis of the effects of transmission lines on typical commercial properties and considering the specific easement proposed for the subject property, it is my opinion that no forms of severance damages exist to the larger parcel as the easement will encumber areas that are used for parking and landscaping and the easement will not affect these uses. Therefore, the just compensation estimate is equal to the value of the part taken for the permanent easement acquisition.

In addition to the permanent easement, NV Energy will require a temporary construction easement which will reside primarily west of the new permanent easement, on the west portion of the police headquarters site fronting Alta Lane. A portion of the easement will encumber the primary driveway from Alta Lane to the subject site. However, it is reported by NV Energy that they do not intend to impact this ingress/egress route and allow perpetual access to the site. Furthermore, NV Energy will restore any landscape or other damage to portions of the onsite improvements at the conclusion of the project, and therefore, the property will be returned to its original condition. The temporary construction easement likewise, will not encumber any building improved portions of the site. The temporary construction easement is required for a total of 22 months and will contain 36,863 square feet. However, NV Energy reports that a total of 62 days will be necessary to perform this specific work; and therefore, periods of inactivity are expected between these tasks. For the bulk of the 22 months required for this temporary construction easement the temporary construction easement area will remain inactive. The temporary construction easement will be used for activities to include removal of landscape material, hole drilling for structures, the construction of anchor bolt cages and concrete, the actual installation of transmission structures, allow areas to pull wire and fiber and for cleanup.

Again, the reader is referred to additional exhibits and a description of the easements proposed over the subject property which will be provided later in this analysis.

Description of Project:

The acquisition of the permanent easement area over the subject property is due to the impact as a result of the proposed improvements to the Interstate 15 corridor, generally between U.S. Highway 95 and Sahara Avenue. This project is known as Project Neon and the project features will include; the widening of Interstate 15 between U.S. Highway 95 and Sahara Avenue, addition of high occupancy vehicle lanes connecting U.S. Highway 95 and Interstate 15, upgrading access to Oakey

Boulevard and Wyoming Street, improved local access to the Las Vegas redevelopment areas, a connection between Industrial Road and Martin Luther King Boulevard via overhead viaduct over Interstate 15, HOV access ramps at Wall Street, new access at Alta Drive, the reconstruction of the Charleston Boulevard and Interstate 15 interchange, and additional collector/distributor roads. As a result of this project, transmission lines are being relocated.

At present, the transmission lines are currently located along the west side of Interstate 15 between approximately Alta Drive and Charleston Boulevard. Under NV Energy's proposed plan, the transmission line will be relocated to a route that will affect properties along Desert Lane, Alta Drive and Martin Luther King Boulevard.

The total Project Neon Highway upgrade project length is approximately 4.83 miles and the current project cost has been budgeted between $1.5 and $1.9 billion. The project is intended to reduce traffic congestion and improve access in the area along Interstate 15 between U.S. Highway 95 and Sahara Avenue. It should be noted that the development of this project has not influenced my value conclusion in the "before" condition.

Highest and Best Use:

As improved, the subject property has recently been developed with the new Metropolitan Police Headquarters. This is considered to satisfy the highest and best use definition, as improved. As vacant, a similar development would be expected. It should be noted, however, that no speculative improvement would be feasible at this location at the present time. Conversely, the development of this governmental facility on a build-to-suit basis satisfies the highest and best use definition.

Property Owner:

HQ Metro, LLC

Effective Date of Report:

March 11, 2013

Effective Date of Valuation:

March 10, 2013

Last Date of Inspection:

March 10, 2013

Property Rights Appraised (In the "Before" Condition):

Fee Simple Interest

Hypothetical Conditions/Extraordinary Assumptions:

None

Recommended Just Compensation Value Opinion:

It is my opinion that the recommended just compensation which is equal to the proposed easement plus the compensation for the temporary construction easement, as of the effective date of the valuation, March 10, 2013, is:

Two Hundred Eighty-One Thousand Dollars
($281,000.00)

The calculation below illustrates a summary of the value conclusion:

SUMMARY OF VALUE CONCLUSION

A.	Value of the whole, before the take (land only):	$10,190,000	
B.	Value of the part taken (permanent easement) as part of the whole:	$ 166,000	$166,000
C.	Value of the remainder, as part of the whole: (A - B)	$10,024,000	
D.	Value of the remainder, after the take:	$10,024,000	
E.	Damages (C-D):		$ .00
F.	Other: Temporary easements		$ 115,000
G.	Total Value of the Part Taken (B + E + F) (rounded):		$ 281,000

Purpose and Use of the Appraisal

The purpose of this appraisal report is to develop an opinion of the just compensation to the property owner for the acquisition of easement areas over the subject property. The function of this report is to assist in the easement acquisition negotiations. The intended user of this report includes the client, NV Energy, and their assignees. I do not intend nor authorize any other use or users of the analysis.

Definitions

Assignment:
- An agreement between an appraiser and a client to provide a valuation service;
- The valuation service that is provided as a consequence of such an agreement.

Client, Defined:
The party or parties who engage an appraiser (by employment or contract) in a specific assignment.

Comment:
The client identified by the appraiser in an appraisal, appraisal review, or appraisal consulting assignment (or in the assignment work file) is the party or parties with whom the appraiser has an appraiser-client relationship in the related assignment and may be an individual, group or entity.

Fee Simple Ownership, Defined:
The absolute ownership unencumbered by any other interest or estate subject only to the four powers of government.

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

Intended Use, Defined:
The use or uses of an appraiser's reported appraisal, appraisal review or appraisal consulting assignment opinions and conclusions, as identified by the appraiser based on communication with the client at the time of the assignment.

Intended User, Defined:
The client and any other party as identified by name or type, as users of the appraisal, appraisal review or appraisal consulting report by the appraiser on the basis of communication with the client at the time of the assignment.

Just Compensation:
In condemnation, the amount of loss for which a property owner is compensated when his or her property is taken; should put the owner in as good a position particularly as he or she would be if the property had not been taken; generally held to be market value, but courts have refused to rule that it is always equivalent to market value.[1]

Larger Parcel:
In condemnation, the tract or tracts of land that are under the beneficial control of a single individual or entity and have the same, or an integrated, highest and best use. Elements for consideration by the appraiser in making a determination in this regard are contiguity, or proximity, as it bears on the highest and best use of the property, unity of ownership, and unity of highest and best use.[2]

Market Value, Nevada Revised Statutes, 37.009(6) As Amended:
The following definition of (market) value is provided by Nevada State Law for Eminent Domain:

> "Value" means the highest price, on the date of valuation that would be agreed to by a seller, who is willing to sell on the open market and has reasonable time to find a purchaser, and a buyer, who is ready, willing and able to buy, if both the seller and the buyer had full knowledge of all the uses and purpose for which the property is reasonably adaptable and available. In determining the value, except as otherwise provided in this subsection, the property sought to be condemned must be valued at its highest and best use without considering any future dedication requirements imposed by the entity that is taking the property. If the property is condemned primarily for a profit-making purpose, the property sought to be condemned must be valued at the use to which the entity that is condemning the property intends to put the property, if such use results in a higher value for the property.

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[1] Source: Dictionary of Real Estate Appraisal 4th Ed. (Chicago Appraisal Institute, 2002), Page 154.

[2] Source: Dictionary of Real Estate Appraisal 4th Ed. (Chicago Appraisal Institute, 2002), page 160.

Real Estate, Defined:
An identified parcel or tract of land, including improvements, if any.

Real Property, Defined:
The interests, benefits and rights inherent in the ownership of real estate.

Easement
The right to perform a specific action on a particular land parcel, or portion of a parcel of land, without owning the underlying fee. A continuous easement across multiple tracts of land is often referred to as a right of way.[3]

Reasonable Marketing Time Opinion, Defined:
The reasonable marketing time is an opinion of the amount of time it might take to sell a property interest in real estate at the concluded market value level during the period immediately after the effective date of an appraisal.

Reasonable Exposure Time Opinion, Defined:
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 upon an analysis of past events assuming a competitive and open market.

Exposure time is always presumed to <u>precede</u> the effective date of the appraisal.

Scope of Work, Defined:
The type and extent of research and analyses in an assignment.

[3] *Real Estate Valuation in Litigation, 2nd ed.* (Chicago: Appraisal Institute, 1995), p. 351

Jurisdictional Exceptions

1. The market value definition required by the *Uniform Appraisal Standards for Federal Land Acquisitions* (UASFLA) conflict with Nevada State Law (NRS37.009 (6)). In that regard, this appraisal is based on the definition of market value mandated by Nevada State Law.

2. The *Uniform Standards of Professional Appraisal Practice* (USPAP) Standards Rule 1-2(c) states: "When developing an opinion of market value, the appraiser must also develop an opinion of reasonable exposure time linked to the value opinion." Contrary to this standard, the definition of market value mandated by Nevada State Law does not call for the estimate of value to be "linked" to a specific "exposure time" estimate, rather it is based on an agreement by a seller "who is willing to sell on the open market and has reasonable time to find a purchaser, and a buyer, who is ready, willing, and able to buy, if both the seller and buyer had full knowledge of all the uses and purposes for which the property is reasonably adaptable and available:. Therefore, the previously referenced Standards Rule of USPAP is not relevant to this appraisal assignment and has therefore been omitted (under the USPAP Jurisdictional Exception Rule). This further allows for compliance with UASFLA which states that "the appraiser's estimate of market value shall not be linked to a specific exposure time when conducting appraisals for federal land acquisition purposes under these standards".

3. The *Uniform Standards of Professional Appraisal Practice* (USPAP) Standards Rule 1-4(f) states: "When analyzing anticipated public or private improvements, located on or off the site, an appraiser must analyze the effect on value, if any, of such anticipated improvements to the extent they are reflected in market actions." In contrast, this conflicts with the appraisal report requirements of both Nevada Department of Transportation (NDOT) and Nevada Revised Statutes (NRS). Specifically, the requirements of NDOT state that "the appraiser shall disregard any decrease or increase in the fair market value of the real property caused by the project for which the property is to be acquired, or by the likelihood that the property would be acquired for the project, other than that due to physical deterioration within the reasonable control of the owner". NRS 37.112 (Valuation of Property Subject to Condemnation As Result of Public Work or Project) states "1. Except as otherwise provided in Subsection 2, if the property is subject to condemnation as a result of public work or public improvement, any decrease or increase in the fair market value of the property before the date of valuation which is caused by: (a) the public work or public improvement for which the property is acquired; or (b) the likelihood that the property would be acquired for such a purpose, must be disregarded when assessing the value of the property pursuant to NRS 37.110 and: 2. any decrease or increase in the fair market value of the property before the date of valuation resulting from physical deterioration within the reasonable control of the owner is not required to be disregarded pursuant to Subsection 1."

   Therefore and in this appraisal, we have disregarded any decrease or increase in value of the subject before the date of valuation caused by the proposed project. This is a jurisdictional exception requiring non-compliance of Standards Rule 1-4(f) of USPAP.

Owner of Record and Ten Year Sales History

The current owner of record is identified as HQ Metro, LLC. HQ Metro, LLC acquired the property from PA Metro, LLC and the document was recorded September 2, 2009. This was an interrelated transaction, and therefore, no funds were transferred as the grantee was a wholly owned subsidiary of the grantor. On the same day, PA Metro, LLC acquired the property from Project Alta, LLC. Again, no funds were transferred as it was an interrelated transaction as the grantor owned 100% of the grantee. Project Alta, LLC acquired the subject property as part of a large acquisition from Nevada Alta, LLC in January 2006 for a reported purchase price of $27,687,000.00. I am not aware of any other sales which have occurred on the property of the course of the past ten years from the valuation date. Generally, the subject property remained vacant up until the recent construction of the new Metropolitan Police Department Headquarters which was opened in 2011. Included within the Addenda are excerpts from the Title Report provided for my review. I am not aware of any pending sales, listings or offerings at the present time.

Property Use History:

As discussed, the subject property was recently improved with the new Metropolitan Police Headquarters. This multi-story campus was opened in mid-2011. Prior to the development of this new facility, the property was generally vacant. I am not aware of any other uses intended for this property other than the newly opened Metropolitan Police Department, nor am I aware of any past uses on the site, as the site was generally vacant prior to the current construction. As part of the larger campus, a parking structure resides west of the main buildings while open asphalt paved parking exists along the Martin Luther King and Alta Drive frontage portion of this property.

Method of Valuation and Scope of Work

The subject property consists of an approximate 13.76 acre parcel of land which has recently been improved with the Metropolitan Police Headquarters. Proposed is the acquisition of an easement to accommodate an NV Energy electrical transmission line which will be erected along the subject's southerly and easterly property boundaries. The purpose of this valuation is to develop an opinion of the just compensation for this acquisition.

As discussed, the subject site contains 13.76 acres. The new Metropolitan Police Headquarters includes a campus of various multi-story buildings which has been constructed in the central northwest portion of the site. Adjacent west of the new building is a parking structure. The southerly and easterly components of the site are open asphalt paved parking areas, landscaping and ingress/egress points. A proposed permanent easement is intended to be acquired along portions of the southerly and easterly property boundary lines, crossing over the immediate southeast corner of the site. As such, the proposed easement will affect only the open asphalt paved parking areas, ingress and egress points, as well as landscaped areas. Two poles are proposed for the site to support the proposed electrical transmission lines. This proposed Grant Of Easement is retained in the Addenda for the reader's review. The Grant of Easement defines NV Energy's required rights within the easement area and general allowable uses by the property owner. Generally speaking, the property owner would be restricted from developing any improvements within the easement areas which could be used only, in the "after" condition, for open space such as parking areas, landscape, ingress and egress, etc. Currently, the proposed easement areas are used in a manner that is allowable per the Grant of Easement. The subject property is zoned C-1 by the City of Las Vegas, and as such, a 10 feet setback requirement exists along the street frontages. A portion of the proposed easement will reside within this setback which has use restrictions in the "before" condition highly similar to those restrictions which will be imposed by the acquisition of the easement.

In addition to the permanent easement, NV Energy intends to acquire a temporary construction easement to contain approximately 36,863 square feet. This temporary construction easement will be necessary for a period of 22 months and will be used to accommodate various activities associated with the installation of the new transmission line. These will include activities such as removal of landscape material, hole drilling for two structures, the construction of anchor bolt cages and concrete, the actual installation of the transmission structures, allow areas to pull wire and fiber and cleanup. NV Energy will restore the temporary construction easement to a condition similar to what existed prior to the acquisition of the easement. The temporary construction easement will not impede the property owners or the occupant's ability to access the property from the Alta Drive driveway and the temporary construction easement will be used intermittently during the 22 month period during the project.

To develop an opinion of the just compensation value, the first step is to develop an opinion of the market value of the site in the "before" condition. Based on the proposed location of the permanent and temporary easements, recognizing the restrictions which will be placed on the site within the easement areas and noting the current use of these areas, it is my opinion that the easement acquisition will not directly or indirectly affect the building improvement. As the component of the site which will be affected by the easement acquisition includes only the underlying land, I have valued the land component of the property which is the basis for estimating the just compensation value.

To arrive at the value of the value of the underlying site, I have utilized the sales comparison approach. Sales of sites with similar highest and best use characteristics which have recently sold throughout the metropolitan area have been considered. I have identified sales in the subject's immediate market area and expanded the search due to the limitations on the amount of data which is available for review. These sales have been adjusted to the subject for differences which

exist which result in an indication of the market value of the underlying land. The unit value concluded for the underlying land is the basis for developing an opinion of the value of the part taken.

The value of the part taken includes an estimate of the value of the proposed easement area. As discussed, a portion of the proposed permanent easement area resides within a required setback according to the City of Las Vegas Zoning Code, C-1. Within this 10 foot setback, in the "before" condition, the owner is restricted to using areas within the setback only for landscape, parking and ingress/egress. The use restrictions after the easement acquisition are similar, and therefore, only a small portion of the bundle of rights will be acquired in this setback area. The balance of the proposed easement resides outside of the required setback, and a more significant portion of the bundle of rights will be acquired as the property owner has full use of these portions of the property in the "before" condition. After the acquisition of the easement, the property owner will be restricted to using these areas for parking, ingress and egress, landscape, and will not have the ability to erect permanent improvements. Finally, two poles are proposed to be erected on the property. The pole locations will be fully encumbered and the property owner will lose the ability to use the part of the site in which the pole is placed. Therefore, 100% of the bundle of rights are considered acquired at these pole placement locations. Using this formula, I have estimated the value of the part taken.

Deducting the value of the part taken from the value of the site in the "before" condition results in the value of the remainder before the take. To determine if any damages occur as a result of the acquisition of the easement, the value of the property in the "after" condition is also estimated. The proposed permanent easement acquisition will not affect the use of the subject property in its current condition. The easement will reside along a portion of the southerly and easterly boundaries of the property in an area that is improved with landscape buffers as well as open asphalt paved parking areas. These are all allowable uses under the Grant of Easement. Therefore, the acquisition of the easement and the construction

of transmission poles and lines will not affect the use of this portion of the site nor the use of the larger property in its current condition. As such, I have estimated that no severance damages exist. Furthermore, no special benefits are accrued as these can be used only to offset severance damages. Therefore, the value of the property in the "after" condition is the same as the value of the property in the "before" condition after consideration of the part taken, which again illustrates that no severance damages occur. Therefore, the value of the part taken represents value of the just compensation for the permanent easement.

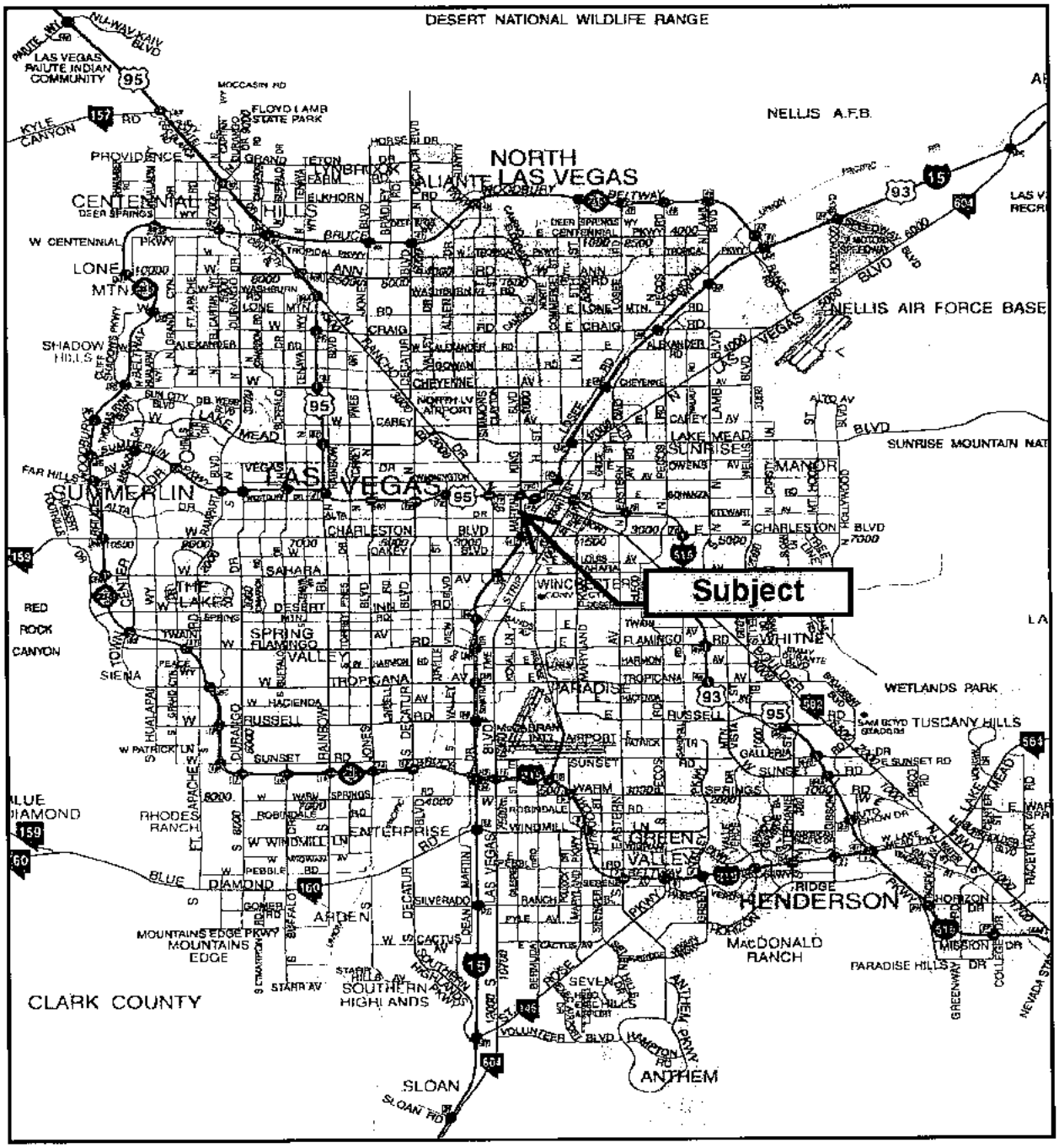
In addition to the just compensation for the permanent easement, is an estimate of just compensation for the acquisition of the temporary construction easement for a period of 22 months. As discussed, NV Energy will require a 22 month period; however, construction activities will only occur intermittently during the entire project term. In fact, approximately 62 days are scheduled for various activities; and therefore, for the bulk of the temporary construction easement period, this area will remain inactive. To develop an opinion of the just compensation for the acquisition for this temporary construction easement for a period of 22 months, a return rate is applied against the underlying land value as factored against the total temporary construction easement area. This is a typical methodology in estimating compensation for these areas which in effect, equals a rental rate for the period of time necessary. This is added to the just compensation estimated for the permanent easement to reflect my opinion of the recommended just compensation for both easement areas.

In the preparation of this assignment, the appraiser contacted, by certified letter, HQ Metro, LLC, who received a copy of the letter. This letter provided an invitation to accompany me upon inspection of the property and provide any information about the property which might impact the appraisal process. I was not contacted by any representative for the purposes of the valuation.

This appraisal report has been prepared as a summary appraisal report intended to comply with the *Uniform Standards of Professional Appraisal Practice*. This appraisal report is also intended to comply with the *Code of Professional Ethics of the Appraisal Institute*, various appraisal reporting requirements of NV Energy and the *Uniform Standards for Federal Land Acquisitions* (Yellow Book). The intended users of this report include designated agents of NV Energy and their assignees/nominees. The intended use is to assist in the acquisition negotiations to acquire a permanent easement, as will be further described in the context of this analysis.

Information contained in this report was obtained through sources purchased by my office, review of publicly available information, as well as primary research. This information was confirmed with knowledgeable parties in the marketplace, a review of actual transaction deeds and other transaction instruments, as well as other sources in the confirmation process. The date of the valuation is the same as the last date of inspection, March 10, 2013.

Las Vegas Area and City Map



Las Vegas Area and City - General Information

Located in the extreme southern regions of Nevada, the Las Vegas valley area is situated in a broad desert valley in the central portion of Clark County. Comprised of approximately 600 square miles, the Las Vegas valley extends generally northwest to southwest and is bounded by a natural geography. This includes the Sheep Mountains and Desert National Wildlife Range to the north, Sunrise Mountains and Lake Mead to the East, McCullough Mountain Range to the south and Spring Mountains to the west. The Spring Mountains include the Red Rock Canyon National Recreation Area, the Toiyabe National Forest and Mount Charleston, which rises to an elevation of 11,918 feet and is the region's highest peak. The majority of urbanization in the 8,012 square miles of Clark County has occurred within the Las Vegas valley area.

During the last two decades, the Las Vegas valley has emerged as one of the fastest growing metropolitan areas in the nation experiencing a population growth from about 400,000 residents in 1980 to 1,966,330 in 2011, down from 2,036,358 in 2010. While the larger valley is generally referred to as Las Vegas, the area is actually comprised of four different municipalities. They are the cities of Las Vegas, Henderson, North Las Vegas, and Unincorporated portions of Clark County. Each of these entities provides similar levels of services, land use planning, ordinances and taxation. The majority of outlying land within Clark County is owned by the Bureau of Land Management (BLM), as well as large portions within the Las Vegas valley. However, the BLM has auctioned off parcels throughout the valley to private investors. Additional lands surrounding the Las Vegas valley are owned by the other government branches including the National Forest Service, National Park Service, and the Department of Defense.

History

Flowing underneath the Las Vegas valley is a system of artesian aquifers. Fed by rainwater and snow melt from the surrounding mountain ranges, this underground lake forced water to the valley surface creating natural springs and oases. The area was named Las Vegas by the first Spanish explorers, which translated means "the Meadows." Providing a basis for settlement, the springs provided water for early inhabitants dating back as far as 11,000 years. The first Europeans arrived into this portion of the southwest in 1776, blazing a trail which became known as the Old Spanish Trail. This trail connected Santa Fe, New Mexico with modern day Los Angeles via Las Vegas. After various mining, farming, and ranching efforts during the latter parts of the 1800's, Las Vegas was eventually stabilized by the construction of the first railroad line crossing southern Nevada in 1905. The artesian springs provided a critical water stop for the railroad. The original Las Vegas townsite boasted some 1500 residents, brickyards, newspapers, a bank and a tent hotel. In 1906, the first hotel/casino was built downtown and still remains today as the Golden Gate. In 1911, the City of Las Vegas was incorporated with an approximate population of 3,350 residents.

Over the next few decades, Las Vegas experienced a decline due in part to prohibition and suspended railway operations. In was not until the development of the Hoover Dam, between 1928 and 1935 that Las Vegas began to experience significant growth. With the construction of Hoover Dam and the creation of Lake Mead, inexpensive power and water came to Las Vegas. Lake Mead became a tourist destination spurring the development of hotels and casinos in anticipation of this recreational destination. It was also around this time that the gaming industry became notable, centered on the "Glitter Gulch" (now the Fremont Street Experience) in the downtown area. This would eventually evolve into the major tourist, convention, and resort industry that now serves as the primary economic force in the area.

Development of the Las Vegas "Strip" began in the 1940's with the construction of the El Rancho Hotel/Casino and other casinos such as the Thunderbird, Frontier, and the Flamingo. Since that time, properties along this world famous gaming corridor have been developed with a variety of modern amenities and themed appearances to attract visitors. Amenities, such as shopping malls, salons, spas, nightclubs, golfing, and concert arenas are not uncommon in today's hotel/casinos. Away from the "Strip," Las Vegas has seen an increase in "neighborhood hotel/casinos." These establishments are generally located away from the established tourist corridors and offer amenities such as bowling centers, movie theaters, day care, restaurant dining, showrooms, night clubs and fast food chain outlets.

Climate

The greater Las Vegas valley resides at an altitude generally ranging from 1,500 to 3,200 feet above sea level. The four seasons are relatively well defined in Las Vegas. Summers experience daily high temperatures typically exceeding 100 degrees with nightly lows in the 70's and extremely low humidity. However, it is not uncommon for humidity to increase markedly for several weeks each summer in association with a moist "monsoonal flow" from the south, typically during July and August. Winter temperatures average near 50 degrees during the day and nightly temperatures rarely drop below freezing. Pacific storms occasionally produce rainfall in Las Vegas. But in general, the Sierra Nevada Mountains of eastern California and the Spring Mountains immediately west of the Las Vegas valley act as effective barriers to moisture.

Population

The Las Vegas valley has historically grown at a rapid rate. From 1997 when the population was 1,170,118 to present day, Las Vegas has seen an approximate 68.07% increase in total population.

The 2011 Clark County population was 1,966,630, a 3.4% decrease from the 2010 population of 2,036,358. A mere 3.2% of the Las Vegas population are native Nevadans, 96.8% were born outside of Nevada.

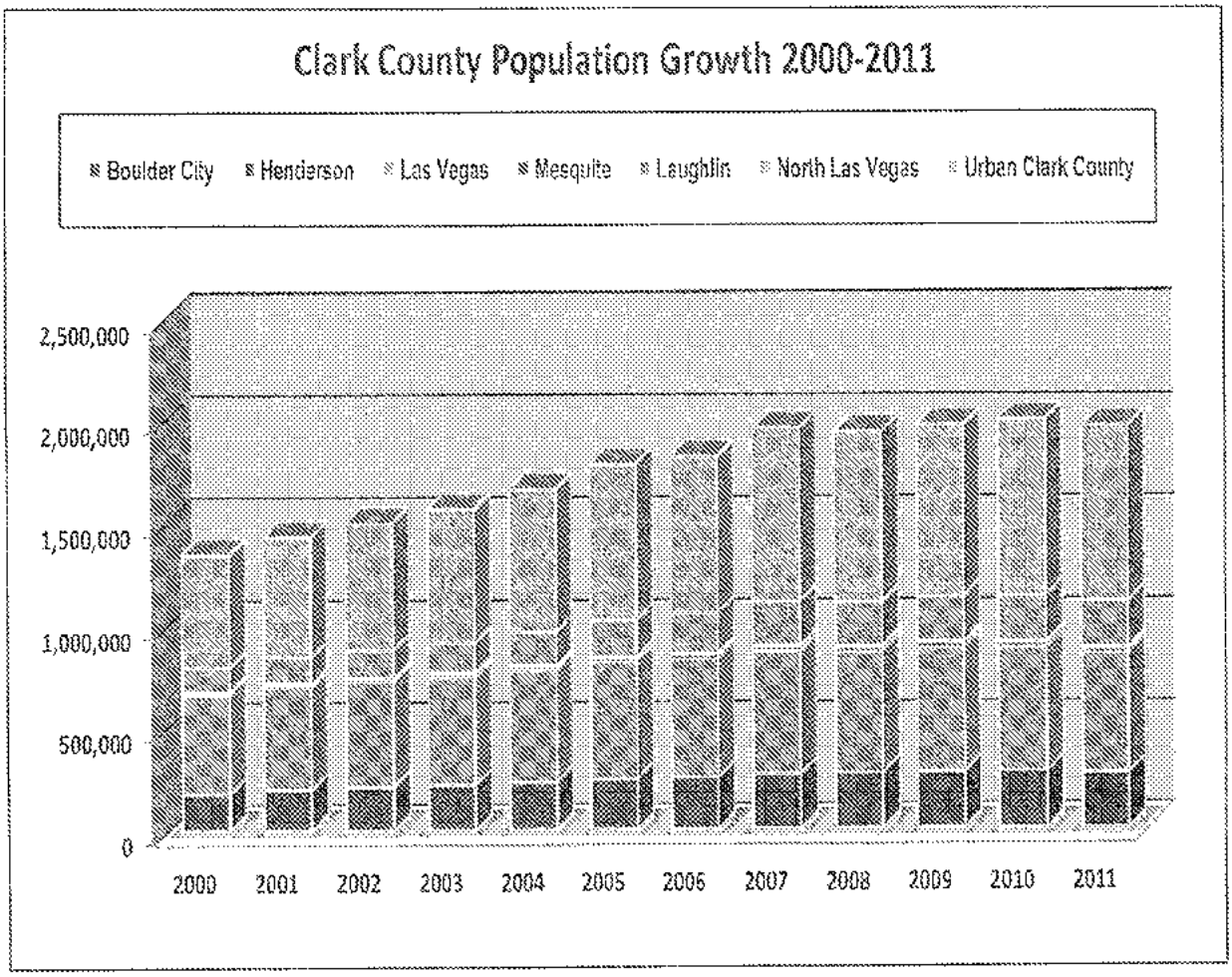
Population Distribution (2011)	
City/Area	Population
Henderson	267,088
Las Vegas	586,356
North Las Vegas	227,155
Unincorporated Clark County	851,390
Boulder City	15,502
Mesquite	19,139
Total Clark County Population 2011	1,966,630

Source: Clark County Comprehensive Planning

Over 98% of county residents are located in the greater Las Vegas Area. In contrast with historic growth patterns, it is projected that very limited population growth will occur in 2012; however, long-term prospects indicate that average annual growth should continue at an approximate 1% to 3% annual rate into the foreseeable future. The projected rate of growth is anticipated to be slightly lower than over the recent past. However, historical projections by the Nevada State Demographer's office have been conservative with actual growth generally outpacing projections.

Clark County Population 2000-2011												
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Boulder City	14,906	14,760	14,842	14,934	15,058	15,307	15,478	16,206	16,684	16,511	15,886	15,502
Henderson	179,144	196,780	209,486	217,448	229,984	243,730	251,321	265,790	269,538	276,134	276,428	267,088
Las Vegas	482,389	503,188	514,640	528,617	549,571	575,973	579,840	603,093	593,528	597,876	606,656	586,356
Mesquite	10,101	11,940	13,216	13,895	16,881	16,600	17,656	19,194	19,754	21,253	21,142	19,139
Laughlin	6,266	6,181	6,403	6,952	8,105	8,315	8,458	8,998	8,843	8,134	8,136	8,136
North Las Vegas	117,659	127,897	135,967	146,006	164,971	182,159	198,516	215,026	214,661	221,003	224,940	227,155
Urban Clark County	550,029	583,967	615,028	650,379	687,650	760,378	759,148	841,352	828,615	832,310	857,925	851,390

Source: Nevada State Demographer


Clark County Population Growth 2000-2011
Boulder City
Henderson
Las Vegas
Mesquite
Laughlin
North Las Vegas
Urban Clark County
2,500,000
2,000,000
1,500,000
1,000,000
500,000
0
2000
2001
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011

Demographics (Las Vegas Valley): **Source: 2012 Las Vegas Perspective**

POPULATION DISTRIBUTION	
Gender	
Male	50.5%
Female	49.5%
Male/Female Ratio	1.02
Education	
Less than 9th Grade	7.0%
Some High School, No Diploma	9.9%
High School Graduate (or GED)	28.6%
Some College, No Degree	24.7%
Associate Degree	7.2%
Bachelor's Degree	14.4%
Master's Degree	4.9%
Professional School Degree	1.6%
Doctorate Degree	0.6%
Housing Unit Types	
Single Family:	58.4%
Condominiums	10.3%
Townhouses	4.9%
Plexes (2-4 Units)	2.4%
Mobile Homes	3.3%
Apartments	20.7%
Marital Status	
Never Married	30.8%
Married, Spouse Present	45.1%
Married, Spouse Absent	6.0%
Widowed	4.9%
Divorced	13.3%
Age	
Under 18	25.5%
18 to 24	9.0%
25 to 34	15.5%
35 to 44	14.7%
45 to 54	13.4%
55 to 64	10.8%
65 and Over	11.1%
Average Age	35.6
Median Age	34.5
Household Income	
Income Less than $15,000	10.0%
Income $15,000 - $24,999	9.8%
Income $25,000 - $34,999	11.0%
Income $35,000 - $49,999	15.7%
Income $50,000 - $74,999	21.1%
Income $75,000 - $99,999	13.1%
Income $100,000 - $149,999	12.7%
Income $150,000 - $249,999	3.4%
Income $250,000 and Over	3.2%
Average Household Income	$68,197
Median Household Income	$54,255

Demographics (Las Vegas Valley): **Source: 2012 Las Vegas Perspective**

POPULATION DISTRIBUTION

Persons per Household	
1	22.4%
2	33.7%
3	18.2%
4	12.7%
5	7.0%
6	3.6%
7 or More	2.5%
Average Persons per Household	2.74

HOUSING

2011 Home Sales Price	
Median New Home	$198,297
Median Resale Home	$112,271

2011 Recorded Homes Sales	
New Homes	3,894
Resale Homes	48,822
Total	52,716

Type of Home Purchased	
New Homes*	7.4%
Resale Homes	92.6%

2011 New Home Sale Price	
Under $200,000	49.7%
$200,000 - $299,999	36.9%
$300,000 - $399,999	9.7%
$400,000 or More	3.7%

Source: Home Builders Research, Inc.
*New home sales include 135 high/mid-rise units

APARTMENT HOUSING

Rental Market (Year-end)	
Average Asking Rent per Unit	$743
Average Rent Growth	-1.7%
Average Unit Size (in square feet)	908
Average Asking Rent per square foot	$0.82
Average Occupancy Rate	91.1%

Source: Applied Analysis

Demographics (Las Vegas Valley): **Source: 2012 Las Vegas Perspective**

OWNER/RENTER PROFILE

Marital Status	**Own**	**Rent**
Never Married	24.7%	39.4%
Married, Spouse Present	55.6%	30.1%
Married, Spouse Absent	2.9%	10.3%
Widowed	5.0%	4.6%
Divorced	11.8%	15.6%

Household Income	**Own**	**Rent**
Income Less than $15,000	6.3%	14.7%
Income $15,000 - $24,999	6.7%	13.9%
Income $25,000 - $34,999	7.7%	15.1%
Income $35,000 - $49,999	13.2%	19.0%
Income $50,000 - $74,999	21.1%	21.2%
Income $75,000 - $99,999	15.2%	10.3%
Income $100,000 and Over	29.9%	5.7%
Average Household Income	$76,706	$46,856
Median Household Income	$62,599	$35,702

Type of Home	**Own**	**Rent**
Single Family	83.8%	32.2%
Apartment/Condo/Townhouse	9.9%	63.0%
Plex (2-4 Units)	1.1%	3.6%
Mobile Home	5.1%	1.2

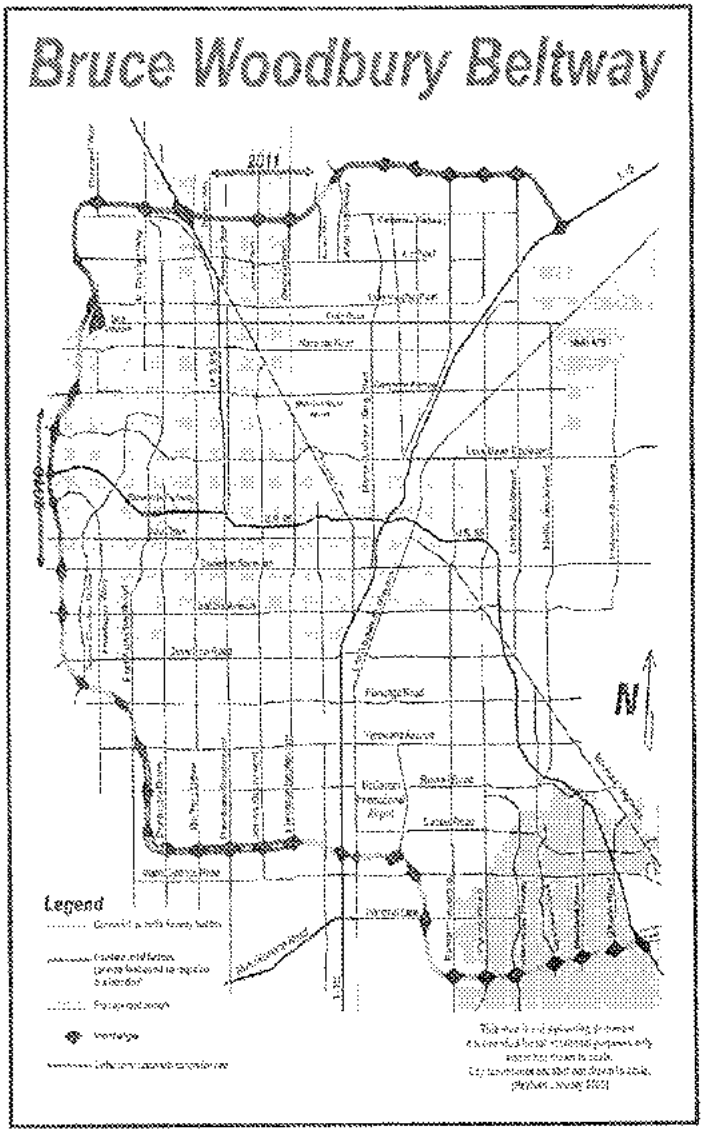
Length of Residence	**Own**	**Rent**
Newcomer	0.9%	7.3%
1 Year or Longer	99.1%	92.7%

Persons per Household	**Own**	**Rent**
1	18.6%	27.6%
2	37.5%	28.4%
3	19.0%	17.0%
4	13.2%	12.1%
5 or More	11.7%	14.9%
Average Household Size (Persons)	2.78	2.71

Transportation

Located in the extreme southern portion of Nevada, Las Vegas is one the country's most remote cities. However, its geographical location places it in the center of California, Nevada, Arizona and Utah which provides Las Vegas with direct routes to several of the Southwest's largest cities. Located 285 miles southeast on U.S. Highway 95/Interstate 515 is Phoenix, Arizona, the sixth largest city in the United States. Traveling west on Interstate 15 provides access to Los Angeles (272 miles) and the southern California Basin. Traveling east on Interstate 15 provides access to Salt Lake City, Utah. North on U.S. 95 is Reno (445 miles) and San Francisco (570 miles). In addition to Interstate freeway systems, the Las Vegas Metropolitan area is serviced by the Union Pacific Railroad which provides direct rail distribution from Los Angeles and Salt Lake City. The railway bisects the city, with various rail spurs connecting to outlying areas of the Las Vegas valley.

Clark County Highway 215 (or the Bruce Woodbury Beltway) is an outer loop expressway which generally encircles the city, originating in the Henderson area at U.S. Highway 95 and terminating at Interstate 15 in the northeast quadrant of the city. This 53 mile stretch of roadway encircles three quarters of the Las Vegas valley. A significant portion of this project was built out in early 2009, including the completion of the widening project between Interstate 15 and Decatur Boulevard to three lanes, including the enhancement of bridge structures. Generally, this expressway is complete to freeway status between U.S. Highway 95 in Henderson to Cheyenne Avenue in the north-west quadrant of the city. Some at-grade interchanges remain in the northwest and north quadrants of the city. Construction is underway on full freeway interchanges at Jones Boulevard and Decatur Boulevard in the north part of the city. The ultimate scheduled completion for the larger Beltway is anticipated by approximately 2014. The facing map provides an overview of this Beltway system.



Source: Clark County Public Works

The Regional Transportation Commission of Southern Nevada (RTC) owns and operates the public mass transit system for Southern Nevada known as Citizens Area Transit, or CAT. This bus system began in December 1992 and over recent years has been upgraded to include new transportation systems such as the Metropolitan Area Express or the Max Line in 2004, and in 2005, the Deuce Double Deck Bus Service was initiated, primarily on the Las Vegas "Strip." In 2010, the RTC launched the Ace Rapid Transit System. The Ace System includes a sleek modern service that will ultimately connect all corners of the valley with the look and feel of a light rail system.

The initial Ace Rapid Transit Line services the Las Vegas "Strip" area. The Ace buses have rail-like features, including multiple doors for easy loading and stations which will have level platform boarding. The bus stops include comfortable and modern shelters. Phase 1 of the Ace Line was completed in the downtown area, and this continues through to the Las Vegas "Strip." New transit centers have been constructed at Bonneville Street in the downtown district, Gillespie Street in the south valley, Westcliff Avenue in the western portion of the valley and, to alleviate congestion on U.S. 95, in the suburb of Centennial Hills on Grand Montecito Parkway in the northwestern portion of the valley. Planned is a transit center at the University of Nevada Las Vegas campus.

In general, the entire RTC Transit System consists of 67 routes served by 402 vehicles carrying more than 177,000 passengers per weekday in the greater Las Vegas valley. More than 3,700 active bus stops exist in the Las Vegas valley and the fixed route monthly ridership is approximately 4.8 million passengers. The coming years will reveal a transition in the RTC CAT bus service in the form of these new Ace Bus Lines.

Recently, the Nevada Department of Transportation has upgraded the Interstate 15 Expressway generally between Craig Road south to the U.S. Highway 95. Also recently, new travel lanes and upgraded interchanges were constructed between the central business district and Craig Road. Express lanes are currently being added to the Interstate 15 corridor between the Las Vegas Spaghetti Bowl south to the 215 Beltway to accommodate the increased traffic flow along this corridor. New travel lanes and improved interchanges have recently been completed on the U.S. Highway 95 corridor north of Lake Mead Boulevard. Work is progressing on the northern portion of the Clark County 215 Beltway between Tenaya Way and Decatur Boulevard to include new bridges at Tenaya Way and at Bradley Road and new interchanges at Jones Boulevard and Decatur in the northern portion of the valley.

McCarran International Airport is a primary point of entry for most visitors and tourists to the Las Vegas metropolitan area. Expansion has occurred in this facility over the years to accommodate the rapid growth in passenger traffic which has occurred through approximately 2007. More recently, the passenger traffic has declined as a result of the downturn in the economy, as fewer tourists are visiting the Las Vegas area. In 2011, this declining trend reversed with the first increase in passenger traffic since 2007. Air passenger traffic was recorded at 41,479,814 by McCarran Airport for 2011, and this has continued to increase in 2012 to 41,667,596 passengers. Recently, the new Terminal 3 opened.

McCarran International Airport Air Passenger Traffic

Year	Passengers	% Change
1997	30,315,094	-0.5%
1998	30,227,287	-0.3%
1999	33,715,129	11.5%
2000	36,865,866	9.3%
2001	35,203,608	-4.5%
2002	35,009,011	-0.5%
2003	36,265,932	3.6%
2004	41,441,531	14.3%
2005	44,267,362	6.8%
2006	46,193,329	4.4%
2007	47,728,414	3.3%
2008	44,074,707	-7.7%
2009	40,469,012	-8.2%
2010	39,757,359	-1.8%
2011	41,479,814	4.3%
2012	41,667,596	0.4%

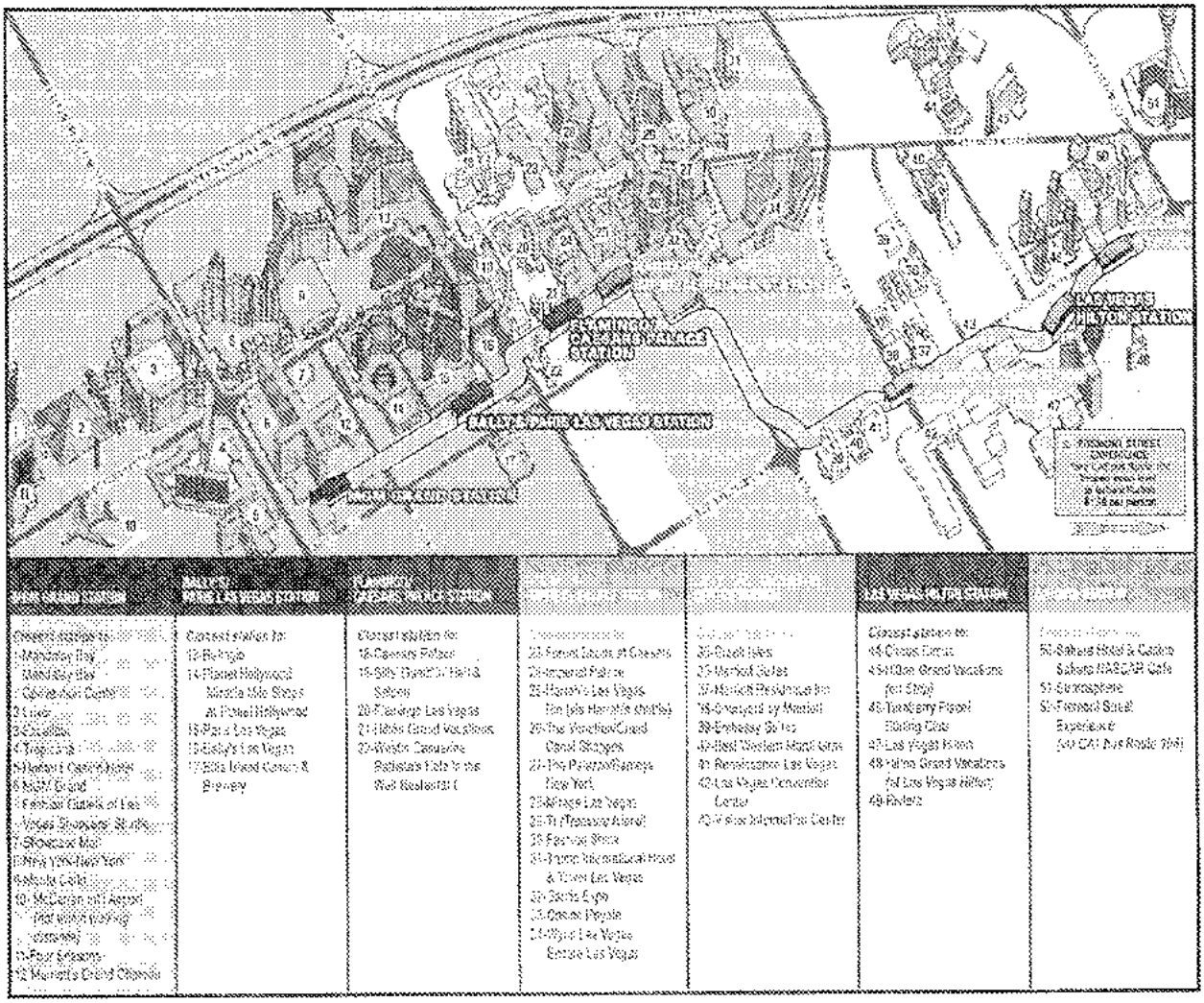
Source: Las Vegas Convention & Visitors Authority

Terminal 3 is nearly one-half mile in length and includes a 6,000 space 8-story parking garage, essential utility plant and 14 new gates, including 6 gates reserved for international air service with updated customs processing service areas. The total cost of Terminal 3 was approximately $2.4 billion

Other projects underway at McCarran International Airport include improved transportation and circulation routes, which includes new electronic signage into and around the airport, rental car parking lot renovations, gate ramp renovations and remodeling of Concourse C. Further, the FAA is building a new state of the art control tower to service McCarran which, when complete in early 2015, will be the 2nd tallest tower in the U.S. behind Atlanta's Hartsfield tower.

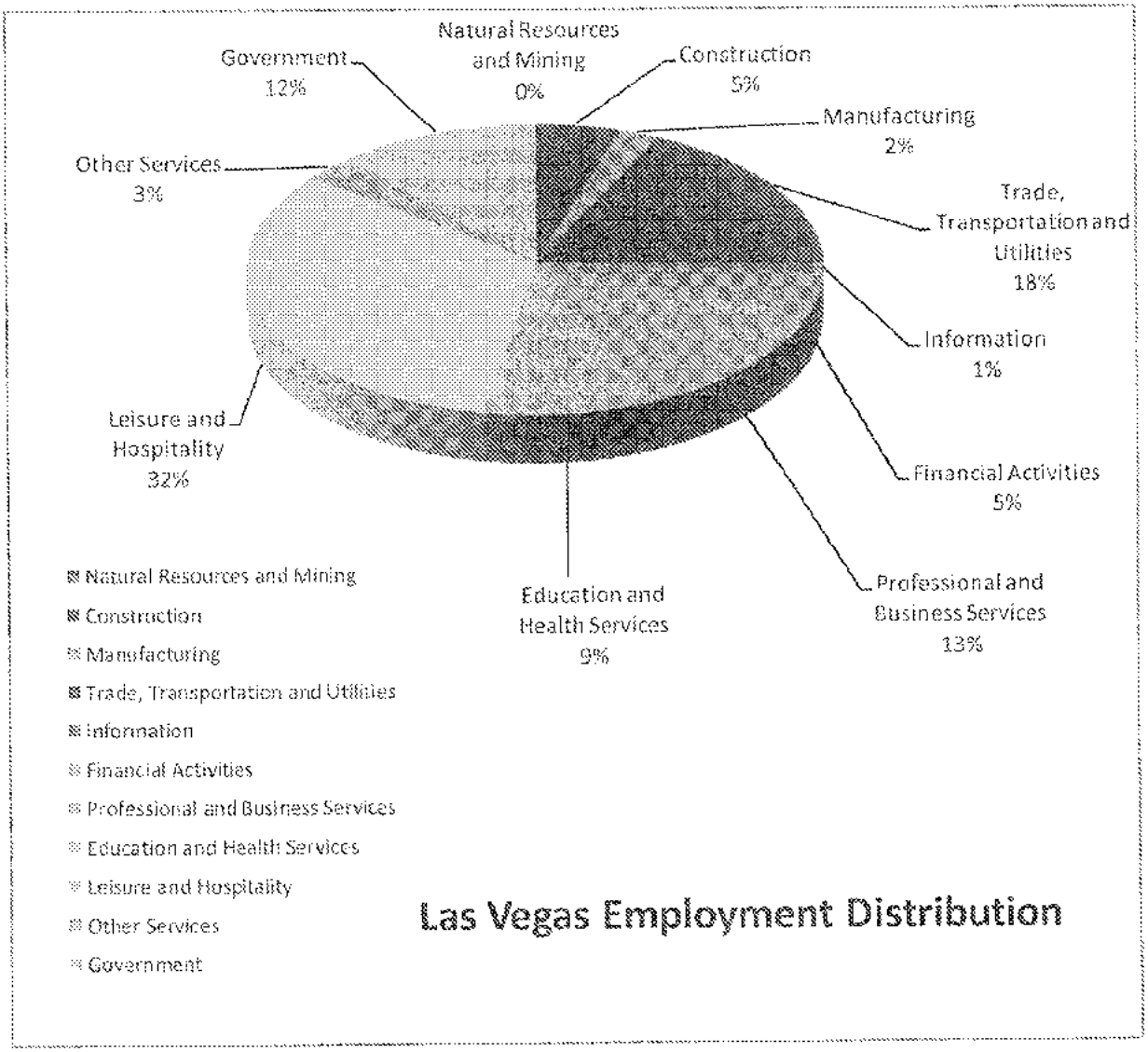
Private and charter aircraft also contribute to tourist volume, with North Las Vegas Airport, Henderson Executive Airport, as well as McCarran providing private aircraft services. Tourist flights to the Grand Canyon and similar destinations, as well as sightseeing flights around the Las Vegas area are available at McCarran Airport and at the smaller airports.

The Las Vegas Monorail began operating in 2004 and is a state-of-the-art driverless rail system that extends approximately 3.9 miles on the east side of the Las Vegas "Strip." The monorail includes seven stations, completes the total route within 15 minutes, is capable of reaching speeds of up to 50 miles per hour, and operates 365 days a year. The monorail has experienced financial difficulties, filing for bankruptcy protection in January 2010, partly due to limitations on ridership, which is somewhat dependent upon convention attendance. One of the main stations within the 3.9 mile route is the Las Vegas Convention Center, providing conventioneers easy access the various hotels on the Las Vegas "Strip." Decreased convention attendance has resulted in lower ridership on the monorail system. Plans exist for an extension of the monorail to McCarran International Airport which most agree would significantly boost ridership on the system, yet difficulty in obtaining financing for this expansion has stalled this development. Despite the setbacks in lower ridership, this remains an important method of transporting tourists and conventioneers around the Las Vegas "Strip." The following illustrates the route map for this state-of-the-art monorail.



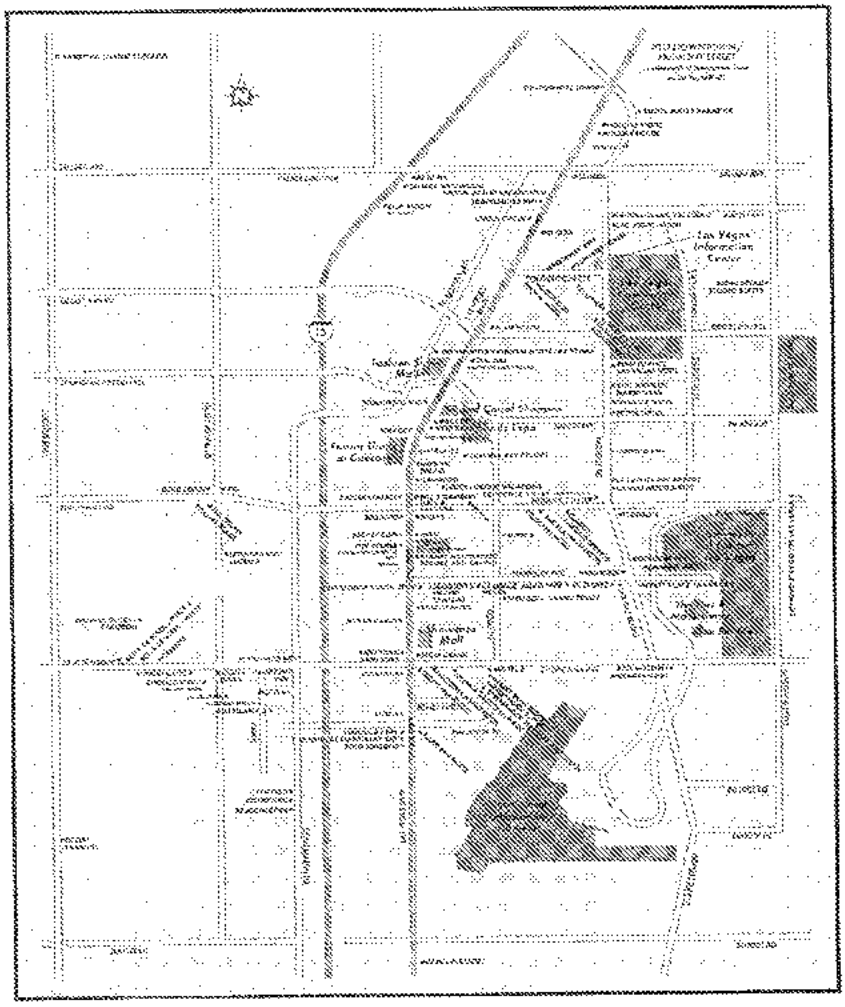
Economy

The economic base of the Las Vegas area is dominated by the tourist/service industries, trade industries, professional services, construction industry, and governmental/municipal agencies, including substantial military base employment. The total Clark County labor force reported for 2011 is 944,838; a decrease of 2.50% from the total labor force of 969,100 in 2010. The largest employment sector is the leisure and hospitality industry which includes the most tourism related employment. This sector includes jobs related to arts and entertainment, hotel/gaming and recreation, food service and accounts for 32% of the total employment in Las Vegas. Currently Las Vegas–Paradise MSA unemployment is approximately 11%. Employment distribution is illustrated in the following chart:



Source: Nevada Workforce Informer, NV Dept. of Employment

Tourism



Generally recognized as Las Vegas Boulevard, between Sahara Avenue and Russell Road, the Las Vegas "Strip" includes 14 of the 15 largest hotels in the United States. The dawn of the mega-resort era was trumpeted by the development of The Mirage Hotel and Casino, built in 1989, and generally recognized as the first major hotel and casino in Las Vegas. Featuring a $40 million "volcano," this resort demonstrated demand for world class type resorts in Las Vegas. Since then, many major hotel/casinos have opened in the Las Vegas Area.

Developed as the first private one billion dollar construction project in Nevada, the MGM Grand introduced the world's largest hotel in 1993 with 5,034 rooms. Today, the MGM Grand includes the 16,800 seat Grand Garden Arena which hosts a variety of sporting events and concerts. Convention/meeting space is available at the MGM and a 171,000 square foot gaming floor, all located on 112 acres at the Tropicana Avenue intersection - diagonally across from the former world's largest hotel, the Excalibur (4,008 rooms built in 1990).

At the south end of Las Vegas "Strip," Circus Circus Corporation opened Mandalay Bay (1999), a 3,211 room hotel/casino and Luxor (1995), a prominent pyramid-shaped facility on the former site of the Hacienda Hotel. Luxor, (4,400+ rooms) with all its rooms in the pyramid along outside walls, includes the world's largest atrium, containing a large indoor entertainment complex. Mandalay Bay includes a world-renowned Four Seasons Hotel located on the top of the tower, House of Blues, shark aquarium, auditorium and restaurant facilities.

The acquisition of the Desert Inn Hotel and its golf course (encompassing 200± acres) by Steve Wynn, former Mirage CEO, occurred in 2000 and was subsequently demolished for a planned 2,716 room resort hotel/casino. This hotel/casino, simply

named Wynn Las Vegas opened in April 2005, on the 55th anniversary of the opening of the original Desert Inn. The cost Wynn Casino was estimated at approximately $2.6 billion. Since the opening of Wynn, Encore has been completed and opened December 22, 2008. The Encore was completed at a cost of approximately $2.3 billion and includes 2,034 rooms, a 72,000 square foot casino, 11 retail outlets, showroom, multiple restaurants, and other facilities. Encore and Wynn are operated in conjunction with one another directly across from the Fashion Show Mall.

Hotel and Motel Occupancy Levels			
Year	Hotel %	Motel %	Combined %
1997	90.3%	68.8%	86.4%
1998	90.3%	67.3%	85.8%
1999	92.1%	68.6%	88.0%
2000	92.5%	71.9%	89.1%
2001	88.9%	63.8%	84.7%
2002	88.8%	60.2%	84.0%
2003	89.6%	60.5%	85.0%
2004	92.0%	68.7%	88.6%
2005	91.8%	72.0%	89.2%
2006	93.2%	65.2%	89.7%
2007	94.0%	64.5%	90.4%
2008	89.8%	57.8%	86.0%
2009	85.3%	50.1%	81.5%
2010	83.5%	52.0%	80.4%
2011	86.9%	56.0%	83.8%
2012	87.4%	58%	84.4%

Source: Las Vegas Convention & Visitors Authority

Other notable projects which have been completed of late include the Palazzo, adjacent to the Venetian. This development by the Sands Corporation cost upwards of $1.8 billion. One hundred five thousand square feet of gaming area exists, as well as 3,068 all-suite rooms. A theater, spa, night club, various restaurants, as well as retail outlets also exist in the Palazzo development.

The largest hotel/casino project opened in recent times is the new CityCenter development. Opened in December 2009, this was the completion of one of the largest privately-funded construction projects in the nation. CityCenter includes multiple properties such as the ARIA Resort and Casino, the Mandarin Oriental, Vdara Hotel and Spa, the Cosmopolitan as well as Veer Towers. The ARIA Resort and Casino is the main facility, which includes a full service resort and casino. The Mandarin Oriental, as well as Vdara, are boutique-type properties which include a full complement of services such as restaurants and spas. Veer Towers is primarily a condominium-type complex. The Harmon Hotel, located along the Las Vegas "Strip" frontage, has been plagued by construction defects and this part of the project may be demolished and rebuilt. CityCenter also boasts Crystals, a retail and entertainment complex similar to other upscale Las Vegas Boulevard Malls such as Caesar's Forum Shops, the Canal Shoppes at the Venetian, and the Miracle Mile Shops at Planet Hollywood. This project was highly anticipated due to the amount of permanent employment represented by this project and the anticipation that the CityCenter Development by MGM Mirage would boost tourism in Las Vegas. Upwards to 12,000 permanent employment positions exist in the CityCenter Complex. The most recent opening on the Las Vegas "Strip" was the Cosmopolitan, a hotel/casino in CityCenter that opened in December 2010. This hotel has a 100,000 square foot casino, 1,198 hotel rooms, 968 hotel/condominium style units, multiple restaurants, convention space, showroom, and 60,000 square feet of retail space, among other amenities.

Although some of the aforementioned developments have been completed and opened, others have stalled due to the downturn in the economy. For example, Boyd Gaming ceased construction on the new Echelon development which was being erected at the former Stardust site. In mid-2008, Boyd Gaming elected to cease construction activities until economic conditions warrant the completion of the development. Likewise, Turnberry was in the process of constructing Fontainebleau on the North "Strip," however, the project was never completed due to difficulty in obtaining the balance of the financing to complete construction. This project has recently been sold at auction for $150 million, and the buyer, Carl Icahn, has not announced plans for the completion of improvement at the present time. Reportedly, Fontainebleau is nearly 80% complete, and upwards to $2 billion has been spent to date on the project.

General declines in the tourism industry have been noted over the past three years; however, with the opening of CityCenter, and modest improvement in national indicators, trends in tourism were positive in 2011 and 2012.

Clark County Visitor Volume		
Year	Total Visitors	% Change
1997	30,464,635	2.8%
1998	30,605,128	0.5%
1999	33,809,134	10.5%
2000	35,849,691	6.0%
2001	35,017,317	-2.3%
2002	35,071,504	0.2%
2003	35,540,126	1.3%
2004	37,388,781	5.2%
2005	38,566,717	3.2%
2006	38,914,889	.9%
2007	39,197,000	.7%
2008	37,481,552	-4.4%
2009	36,351,461	-2.68%
2010	37,335,436	2.71%
2011	38,928,706	4.3%
2012	39,727,072	2.1%

Source: Las Vegas Convention & Visitors Authority

The Palms, owned and operated by the Maloof family, opened in November 2001. Despite being located off the Strip, the Palms has remained a popular destination for many, including Hollywood celebrities. The Palms includes 702 rooms and contains 95,000 square feet of casino space, a recording studio, and a 2,200 seat showroom. In October 2005, the second tower, the "Fantasy Tower" opened at a cost of $600 million. This new tower includes a two-story 10,000 square foot suite with a basketball court. This tower is also home to The Playboy club entertainment venue and nightclub. Opened in February 2008 was Palms Place, a 47-story condo/hotel which is located on the west end of the project.

The Fremont Street Experience was developed in 1994 at a cost of $70 million in the Downtown Central Business District. The experience includes a computer-controlled, 12.5 million LED Module color light display which forms a nearly ½-mile long canopy over Fremont Street. As part of a comprehensive pedestrian mall (closing vehicular traffic) along what has historically been called "Glitter Gulch," this project revitalized the older downtown casino district. In August 2007, Fremont East was completed for a reported $5.5 million. Workers widened sidewalks, improved the landscaping, and created an arched gateway that is lighted. The downtown area has been improved with the construction of various neon signs from the Neon Museum along the Fremont east area, as well as the north part of Las Vegas Boulevard. The Gold Nugget Hotel/Casino recently expanded with the introduction of a new hotel tower and additional public spaces. The Golden Gate

was also renovated and expanded. The Plaza Hotel reopened in 2012 after a full interior renovation. Recently, Fitzgeralds was also renovated and has been rebranded as the "D." Finally, the former Lady Luck (which closed in past years), is now being renovated and expanded and will reopen as the Downtown Grand.

Historically, tourism has increased consistently as measured by total visitor volume, gaming revenues and other indicators. The introduction of new hotel rooms in Las Vegas historically has resulted in increases in visitor volume; however, the downturn in the national economy has resulted in a reduction of total visitors in Las Vegas in recent years. Conversely, over the last year, this trend has reversed. More visitors traveled to Las Vegas last year than previous years and this resulted in increased average hotel occupancies and a 10.7% increase in average daily room rates. This trend is expected to continue in 2013.

Convention Attendance

Year	Volume	Change
1996	3,305,507	
1997	3,519,424	6.47%
1998	3,301,705	-6.19%
1999	3,772,726	14.27%
2000	3,853,363	2.14%
2001	5,014,240	30.13%
2002	5,105,450	1.82%
2003	5,657,796	10.82%
2004	5,724,864	1.19%
2005	6,166,194	7.71%
2006	6,307,961	2.30%
2007	6,209,253	-1.56%
2008	5,899,725	-5.00%
2009	4,492,275	-23.09%
2010	4,473,134	-0.43%
2011	4,865,272	8.8%
2012	4,944,014	1.6%

Source: Las Vegas Convention & Visitors Authority

Another important aspect of the Las Vegas economy and the tourism industry is convention attendance. Las Vegas has a large convention facility, the Las Vegas Convention Center, which includes over 3,200,000 square feet of convention space under a single roof. Other large convention facilities exist around the city, including the Mandalay Place, MGM Grand Garden and Sands Convention Center. Many of the "Strip" hotel/casinos offer some convention venues, but the economic downturn had resulted in significant decline in overall convention attendance through 2009. Stabilization was noted in 2010, and in 2011 through 2012 more conventions returned to Las Vegas, resulting in an increase in convention attendance of 8.8% in 2011 and a continued increase in 2012 of 1.6%, further contributing to positive trends in the tourism sector of the economy.

Housing

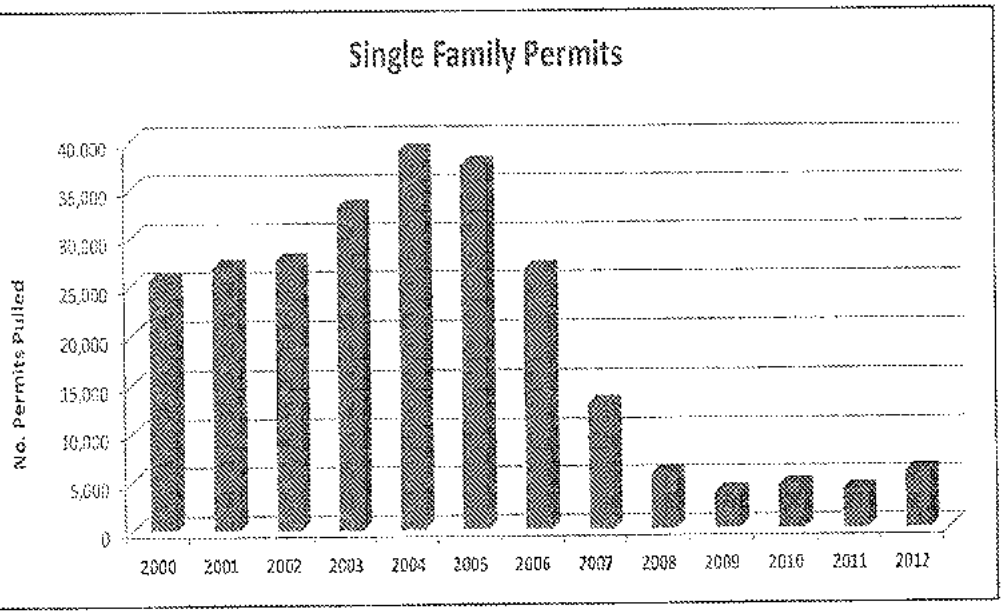
During 2012, the median single-family home price increased 24.2% to $149,000.00, according to the Greater Las Vegas Association of Realtors. In December 2011, the median price of a resale home was $120,000.00, which was a 9.1% decline from the preceding year, or December 2010. The increase in 2012 is a result of more restricted inventory or availability of resale homes throughout the Las Vegas metropolitan area. According to the Greater Las Vegas Association of Realtors, available listings in December 2012 were 14,601 while in December 2011, there were 19,230 homes available. This represents a 24.1% decrease in available inventory, and with this restricted supply, an increase in home prices is evident. The average price per unit sold has also increased significantly to $182,768.00, according to the Greater Las Vegas Association of Realtors. Likewise, this was an increase of 24% from last year's average in December 2011 of $147,445.00.

A high percentage of the current sales are lender approved short sales and this trend is expected to continue with congressional action to extend legislation to facilitate these short sales. A high percentage of recent transactions likewise have been cash transactions.

With increases in prices on resale homes and a relatively restricted supply, homebuilders are benefiting with increased sales. This has resulted in an increase in residential construction. In fact, Las Vegas had a 58% increase in new home building permits in 2012 when compared to 2011. Although this is significantly less than peak levels which were experienced in 2004 and 2005, the increase reflects improvement in the housing market during 2012 when compared to the immediately preceding years. Nationally, new home construction was at a four and a half year high, which is a national increase (in 2012) of 28.1%. This illustrates that the Las Vegas new home building activity is performing at or above national averages. With the addition of new home permits, and therefore, single-family housing construction activity, this should help overall employment in the Las Vegas valley, which in turn should result in continued demand for new and resale housing, forcing prices upwards during 2013. Although these positive signs point towards an improvement in the single-family housing market, some analysts remain pessimistic due to the likelihood that a large amount of shadow inventory remains in the market. This is due to the number of foreclosed homes and the likely continuation of short sales.

The following reflects the trends in single-family permits over time. As noted, there is a modest increase or improvement in the number of permits issued in 2012 when compared to the immediately preceding year which points to some housing market recovery during 2013.

Year	Number of Single Family Building Permits Issued
2000	26,723
2001	27,005
2002	27,634
2003	33,090
2004	38,914
2005	37,546
2006	26,722
2007	13,028
2008	5,740
2009	3,813
2010	4,569
2011	4,002
2012	5,908



The apartment market, likewise, has suffered over the last five years, although it appears to be stabilizing as an approximate 10% to 11% vacancy in the apartment market has been sustained for the past three years. As of the 4th Quarter 2011, the overall apartment vacancy rate valley wide was 10.4% and rental rates appear to be stabilizing. At the end of 2011, the average apartment rental rate was $755.00 per month; only a nominal decline from the monthly rental rate at the end of 2010 of $757.00. As of 3rd Quarter 2012, the apartment vacancy rate throughout Las Vegas fell to 9.5% while rental rates continued to stabilize averaging $747.00 per month. Multi-family permitting increased during the first 3 quarters 2012 from the preceding year, which is an indication of the strengthening apartment market. During 2013, trends should continue to improve for the apartment market as a result of the tightening in the single-family residential market and increases in prices for both resale and new homes, making the apartment alternative more economical to residents.

Office, Industrial and Retail

Office occupancies in 2012 stabilized, as the average rate of occupancy in 4th Quarter 2012 remained unchanged from the 4th Quarter 2011. During the same period, however, the average rental rate continued to decline to the current rate of $1.89 per square foot, per month, based on full service gross terms. This is an approximate 4% decline from 4th Quarter 2011 when the rate was $1.97 per square foot, per month. The total available office inventory at the end of 2012 was 52,513,000 square feet.

A collapse of the housing market and the lingering recession has resulted in a supply of available office space that exceeds demand at a rate that far exceeds historic levels. Commensurate office rent levels have also deteriorated to levels which are often inadequate to service debt. Concessions have also become common. An improvement in the condition in the office market is dependent on an improvement in the national economy and an improvement in the housing market. The office market will likely improve only trailing an overall recovery.

Average Annual Occupancy Levels - Greater Las Vegas Area

Year	Apartment Occupancy	Office Occupancy	Industrial Occupancy	Retail Occupancy
1999	94.0%	88.0%	88.4%	96.5%
2000	94.3%	89.5%	92.4%	96.9%
2001	93.8%	87.8%	89.3%	95.9%
2002	92.2%	86.1%	88.6%	96.9%
2003	92.9%	89.4%	89.4%	96.5%
2004	94.6%	89.7%	91.3%	96.2%
2005	95.1%	91.6%	97.0%	97.6%
2006	94.0%	89.5%	96.9%	97.5%
2007	92.3%	87.6%	94.0%	96.8%
2008	92.0%	82.7%	91.1%	92.6%
2009	89.0%	77.0%	86.3%	90.0%
2010	89.2%	75.8%	83.1%	89.8%
2011	90.3%	74.7%	81.5%	89.4%
2012	90.2%	74.7%	81.7%	90.1%

Source: Applied Analysis and UNLV

Average occupancy levels in the industrial segment of the Las Vegas real estate market were 81.7%, and similar to the office market, remained relatively unchanged from the end of 2011. During the same period, the average net lease rate likewise remained relatively unchanged at $0.51 per square foot, per month in 4th Quarter 2012 as compared to $0.52 per square foot, per month in 4th Quarter 2011. This implies some stabilization in the industrial segment of the real estate market. Furthermore, 105,061,000 square feet of industrial space is reported to exist in the Las Vegas market, which is also relatively unchanged from last year. With limited new construction, modest improvements in the Las Vegas economy should result in net absorption in existing industrial space which will, over time, result in modest increases in available lease rates.

There is a limited amount of "heavy" industry in the Las Vegas area, with much of it located in Henderson, at or near the location of the former World War II munitions plants (aka BMI - an acronym for the consortium of companies that established Henderson) and includes such companies as Stauffer Chemical, American Potash and Chemical, Flintkote, Titanium Metals of America, and Kerr-McGee Chemical Corporation. Several large facilities, many of which process mineral products, are also located just outside the valley. These include the Apex industrial area and a new/developing heavy industrial master plan located just north of Apex on land recently acquired from the BLM where a new, natural gas fueled electric power plant have been built. Companies located in the Apex area include, Chemstar, Georgia Pacific, NV Energy and US Avestor. Furthermore, Citicorp, Levi Strauss, GE Capital, IT&T Info Systems, Legg's, Nabisco, Pepsi Cola, Ethel M. Chocolates, Household Financial, Ocean Spray and Coors have all developed major facilities in the Las Vegas valley.

The retail occupancy rate improved during 2012. At the end of 2012, the occupancy rate was 90.1% as compared to the retail occupancy rate at the end of 2011, when the rate was 89.4%. During this same period, average net lease rates also showed some signs of stabilization. In 4th Quarter 2011, the average net lease rate was $1.51 per square foot, per month, and as of 4th Quarter 2012, the rate was $1.50 per square foot, per month. As of 4th Quarter 2012, 51,722,000 square feet of retail space was available throughout the Las Vegas metropolitan area, which also remains relatively unchanged from the preceding year. With a limit on new speculative construction and modest improvements in the overall economic condition, the expectation is that the retail segment of the Las Vegas real estate market should improve moderately in the coming year or during 2013. Landlords continue to offer concessions in the form of free rent and generous tenant improvement packages; however, a general improvement in consumer confidence and lower unemployment rates should result in an overall improvement in the retail segment of the real estate market during 2013.

The chart on the following page provides an overview of new inventory and net absorption for the office, industrial and retail segments of the real estate market in the Las Vegas valley.

Inventory and Absorption (Leased/For Lease Space, Only, in Square Feet)									
Year	Office			Industrial			Retail*		
	Total Inventory	New Inventory	Net Absorption	Total Inventory	New Inventory	Net Absorption	Total Inventory	New Inventory	Net Absorption
2000	22,159,446	1,453,327	1,503,497	60,364,688	3,110,444	5,573,774	26,341,956	1,692,744	1,850,291
2001	23,551,042	1,499,048	988,208	65,325,586	4,718,675	2,050,507	28,385,397	2,257,664	1,909,018
2002	25,181,209	1,119,455	794,443	68,548,239	3,166,078	3,547,628	28,164,315	796,592	937,057
2003	30,965,552	1,188,150	1,399,782	76,710,263	2,599,531	2,714,855	38,170,422	2,630,089	2,692,629
2004	33,366,011	1,860,204	1,748,179	78,916,350	2,264,505	3,269,851	40,848,840	3,184,019	3,021,872
2005	37,398,389	4,032,378	3,238,186	82,435,938	3,519,588	5,555,282	42,184,810	1,335,970	1,076,906
2006	41,003,968	3,605,579	2,549,857	87,901,081	5,465,143	5,147,197	44,316,060	2,131,250	1,743,043
2007	44,681,664	3,677,696	2,354,913	96,413,819	8,512,738	4,809,905	48,728,503	4,412,443	4,102,143
2008	48,553,573	2,741,062	425,745	102,421,433	3,215,779	2,905,694	50,471,090	1,900,653	383,869
2009	49,505,158	956,880	-1,946,066	103,559,187	1,043,890	-3,538,935	51,611,333	1,329,176	49,988
2010	49,739,251	105,814	-557,878	103,621,757	350,985	-2,213,770	51,196,016	184,584	228,807
2011	51,550,199	781,316	-44,965	104,405,951	142,000	-1,526,985	51,464,427	260,000	244,572
2012	52,513,816	544,938	248,766	105,061,148	65,000	-536,942	51,722,483	201,000	563,262

*Includes Power Centers, "Anchored" Community and Neighborhood Centers only.

Source: Applied Analysis

Construction

Construction in the Las Vegas area, as noted earlier, provides for approximately 5% of the employment base. Many of the construction jobs are involved in residential housing, which had generated record or near record new home sales up until approximately 2006.

Clark County New Construction - Building Permits Summary				
Year	Permits Issued	% Change	Total Valuation	% Change
1996	28,232	6.6%	$4,325,820,000	33.1%
1997	21,687	-23.2%	$3,526,995,000	-18.5%
1998	22,257	2.6%	$3,708,329,000	5.1%
1999	21,582	-3.0%	$3,291,183,000	-11.2%
2000	22,891	6.1%	$3,657,613,000	11.1%
2001	23,860	4.2%	$3,307,646,000	-9.6%
2002	23,702	-0.7%	$5,362,512,000	62.1%
2003	29,637	25.0%	$6,275,493,000	17.0%
2004	34,144	15.2%	$6,938,625,000	10.6%
2005	32,288	-5.4%	$6,679,487,000	-3.7%
2006	23,054	-28.6%	$7,462,231,000	10.4%
2007	14,974	-35.05%	$8,675,305,000	13.98%
2008	6,840	-54.32%	$5,162,109,000	-40.50%
2009	4,209	38.46%	$1,568,241,000	-69.62%
2010	4,853	15.3%	$ 916,788,000	-41.54%
2011	4,242	-12.38%	$ 872,202,000	-4.86%

Source: Las Vegas Perspective

The building permits summary table (at right) includes single-family construction, multi-family construction, public buildings, hotel and motel construction, as well as commercial buildings.

The permits reported do not include miscellaneous permits which may include garages, spas and pools, fences, patios and mobile homes; however, these are included in the "Total Valuation" category. The severe decline in permitting activity in 2011, when compared to preceding years, reflects the down turn in the economy which has resulted in deterioration in demand for all forms of real estate. Restrictions in the credit markets has exasperated the trend as little available financing has restricted developers' ability to fund new development. This trend is expected to continue through 2012.

Utilities

Water is supplied by the Las Vegas Valley Water District (Las Vegas and Clark County areas); electricity by NV Energy; natural gas by Southwest Gas Company and sewer is owned by respective municipalities. Public water is supplied by the city in both North Las Vegas and Henderson and telephone service is provided by Century Link. Utility services have proven adequate and dependable, with rates comparable to, or below those, in adjoining western states.

Schools

As of the 2011/2012 school years, the Clark County School District operates approximately 357 schools. To operate the 357 schools, the district employs an estimated 37,361 people, including 18,183 teachers. There are over 308,000 students enrolled in the Clark County School District, ranking it 5th largest in the nation. Development of new school facilities has been rapid in the past, 83 in the last ten years, successfully funded by major state bond issues and generally kept pace with local growth. However, as of 2012, no new schools are under

construction. The district instead has focused on rehabilitation/upgrading current facilities with $275 million set aside for this purpose. In addition to public schools, there are 65 private and church-sponsored schools with 40 having enrollments of 100 or more students. Higher education is provided by the Southern Nevada Vocational Technical Center, Area Technical Training Center, College of Southern Nevada, Nevada State College and the University of Nevada-Las Vegas to name a few. In addition, another 26 private colleges and universities exist.

The University of Nevada-Las Vegas (UNLV) is situated on 340 acres near the Las Vegas Strip. As of the Fall Semester 2011, UNLV had faculty and staff of over 2,800, UNLV offers more than 220 undergraduate, master's and doctoral degree programs. Since its opening in 1957, enrollment at UNLV has steadily increased with a current enrollment of over 27,364 students for the Fall Semester 2011.

Community Services

There are 16 full service hospitals licensed for 3,957 beds. In addition, Las Vegas has 27 specialty hospitals providing for services including long-term acute care, spinal cord and brain injury.

The Las Vegas area employs nearly 4,555 police officers, with departments in Las Vegas, Henderson, Boulder City, North Las Vegas and the Nevada Highway Patrol. Over 1,800 firefighting personnel are on staff in the area, manning 42 stations. Two ambulance companies serve the southern Nevada area, providing emergency and non-emergency transportation.

The Cashman Field complex offers 122,000 square feet of exhibit space, a 2,000 seat auditorium and a 10,000 seat baseball stadium for the 51's, a "Triple A" team. The Thomas and Mack Center and Sam Boyd Stadium are home to UNLV sports teams, as well hosting a wide variety concerts, sporting and other events. The National Finals Rodeo is held annually at the Thomas and Mack center and provides a substantial contribution to the area's economy with more than 175,000 fans, of which an estimated 90 percent are out of town visitors. Numerous concerts and shows are available for local residents and tourist alike, including a variety of long-running shows in the various hotel/casinos and special appearances by numerous celebrities, bands and other showmen in the numerous, varied, venues throughout the area. Some of the largest venues include the Thomas and Mack Center, the MGM Grand Garden, the Mandalay Bay Events Center among others.

The Las Vegas Motor Speedway (LVMS) is a motor sports entertainment complex encompassing over 1,000 acres just northwest of Nellis AFB. LVMS has 24 different racing venues, including a 1.5 mile super-speedway, 2.5 mile road course, 4,000 foot drag strip, paved and dirt short tracks, motor-cross circuits, stadium truck racing facilities, go-carts, BMX, etc. The main facility seats approximately 107,000 people along the 1.5 mile super speedway, has a 40,000 car parking area, and 100-space RV park. Host to an annual NASCAR race, this $200 million facility opened in September 1996 for the Indy Racing League's Las Vegas 500, breaking all previous attendance records for a Nevada sporting event, with over 60,000 race

fans in attendance. Speedway Industrial Park, an adjacent part of the Las Vegas Motor Speedway facility, completed 1.4 million square feet of industrial/flex space in 1997/98.

In addition, an array of family attractions exists throughout the Las Vegas area including various attractions within the hotel and casinos: museums and art galleries, performing art centers as well as cultural organizations and events. Sixty one golf courses are interspersed throughout the valley as well as public parks, including public and private courses.

Taxes

Nevada does not have state taxes, personal or corporate income taxes, admissions taxes, inheritance or gift taxes, or franchise tax on income. Property tax rate in Nevada is limited to a total of $3.64 per $100.00 of assessed value. Assessment is at 35% of taxable value. The state sales tax is 8.1% for Clark County and does not apply to food products for home use. Nevada's Freeport Law, which exempts goods in transit and not to be delivered within the State from taxation, has caused a great influx of warehousing to the State. Primarily because of the state gaming taxes, Nevada has an individual tax load well below most states. However, state gaming tax is substantially below that of other states with any legal form of gaming, giving Nevada casinos a substantial edge over competing out-of-state gaming markets.

Government

The County operates as an independent political entity, administered by a County Manager who is supervised by an elected seven man Board of Commissioners. Unlike many counties in the nation where County government tends to control rural areas, with city governments controlling urbanized areas, the substantial urban areas (most notably the Las Vegas "Strip") located within unincorporated areas of the county give Clark County government substantial political and economic clout. Occasional political discussion of consolidation or expanded city incorporation has always been thwarted a trend which is likely to continue. The City of Las Vegas and the County do, however, share a common police force, The Las Vegas Metropolitan Police Department. The three cities within the area all have council-manager forms of government, with elected mayors having an equal vote on an elected council and a city manager, facilitating daily operations at the direction of the council.

Each city operates independent fire departments, jail and court systems with North Las Vegas and Henderson each having a police force. The County and City's administrations have proven to be effective in providing for, and protecting, public and private interests.

A number of major federal government facilities operate in the Las Vegas valley. This includes Nellis Air Force Base in the northeast part of the valley and the Indian Springs Auxiliary Air Base, located 25 miles northwest of the Las Vegas valley, and its surrounding bombing and gunnery range (operated by Nellis AFB).

The Department of Energy's (DOE) operations office and the Nevada Test Site (NTS) is located roughly 65 miles north of the Las Vegas city center and encompasses an area larger than the state of Rhode Island or approximately 1,350 square miles.

The Nevada Test Site, now known as the DOE Nevada National Security Site, was originally established as the Atomic Energy Commission's on-continent proving ground, with an initial primary function of testing nuclear weapons. Approximately 5,000 people are employed at the facility, including 50 military, with an additional 2,000 people in test site related employment in Las Vegas.

Nellis Air Force Base includes 12,000 square miles of air space, north of the Las Vegas valley, and approximately 3,000,000 acres of land. This is the largest installation in the Air Combat Command. Currently, Nellis AFB accounts for approximately 5% of Clark County's gross product. Nellis AFB is one of the largest employers in Southern Nevada with 9,500 military and civilian personnel. Additionally, the base averages about 1,000 temporary duty personnel. Its primary purpose is for Air Combat Training, hosting domestic as well as allied aircraft for this function. The world famous Thunderbirds Air Demonstration Squadron is also based at this facility. This base continues to grow as other facilities around the nation are downsized or closed.

Recreation Areas

Recognized primarily for its entertainment and gaming attractions, Las Vegas is centrally located to a wide variety of recreational opportunities. Las Vegas is located approximately 35 miles southeast of the Mt. Charleston ski and recreation area with neighboring trails and camping in the Toiyabe National Forest/Spring Mountains National Recreation Area. Just west of and visible from most of the valley are the shear red sandstone cliffs of Red Rock National Recreation Area, within which is the Spring Mountain Ranch State Park. Lake Mead National Recreation Area is approximately one-half-hour driving distance from most of the valley, and includes the largest man-made lake in the country. Lake Mead Recreational area offers activities for boaters and fisherman as well as hikers and photographers. Three of America's four desert ecosystems meet in this national recreation area. In addition, within daily driving distance are Hoover Dam, Valley of Fire State Park and Zion, Bryce, Grand Canyon and Death Valley National Parks.

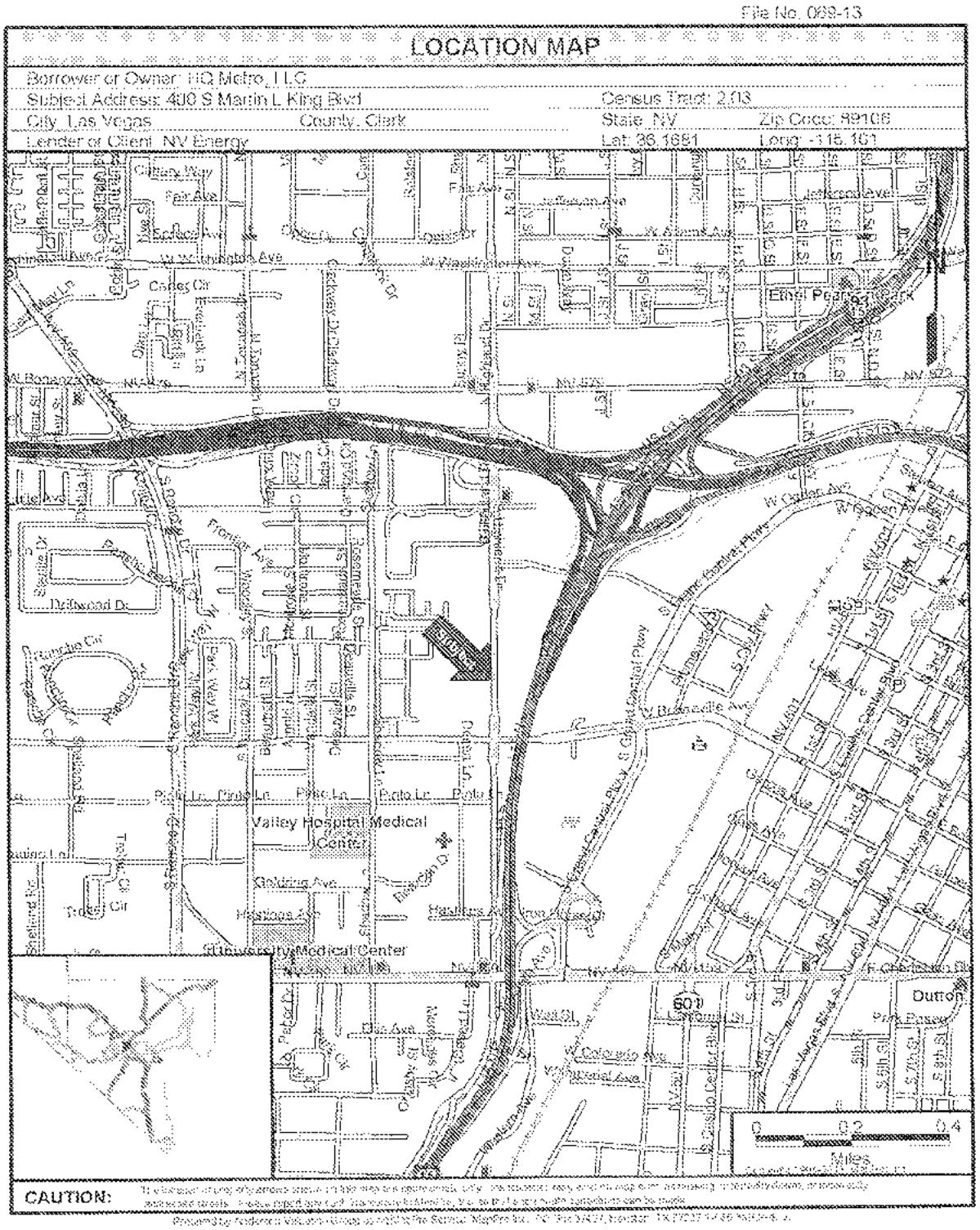
Floyd Lamb State Park is located at the northern portion of the valley. These recreation areas are open year-round and offer a variety of government-supervised facilities. A large off-road recreation area is available in Las Vegas Dunes, at the northeast corner of the valley and numerous protected wilderness areas and various points of interest are in immediate surrounding areas. Located northwest of the Las Vegas area is the Southern Nevada Wildlife refuge which encompasses approximately 2,200 square miles of land.

Summary

The greater Las Vegas area has grown at a rapid rate throughout recent history, and should continue to do so into the long-term future. The long-term increase tends to indicate the long-term strength of the local economy and strong demand for Las Vegas' diversified tourist opportunities.

Recent improvement in the tourism industry should begin to resonate throughout the economy and given the significant investment in the infrastructure of the tourism industry, this short-term trend should result in long-term growth.

Market Area Location Map



Market Area Description

The subject property resides at 400 South Martin Luther King Boulevard, which is north of Alta Drive and west of Interstate 15. Neighborhood boundaries would include Maryland Parkway to the east, U.S. Highway 95 to the north, Decatur Boulevard to the west and Sahara Avenue to the south.

Access into the subject's market area is provided by way of U.S. Highway 95 and Interstate 15. U.S. Highway 95 forms the northern boundary of the market area and is a major freeway in the metropolitan area. Full interchanges exist at Martin Luther King Boulevard, Rancho Drive, and Decatur Boulevard in the subject's market area. Additionally, this freeway connects with Interstate 15 just north of the subject. Interstate 15 is located just east of the subject and is a major interstate extending south into Los Angeles and north into Utah. Access to Interstate 15 is available east of the subject property by way of Charleston Boulevard, south of the subject at Sahara Avenue; or, as stated, north of the subject by way of U.S. Highway 95.

The subject is located just north of a planned land use area identified as the Las Vegas Medical District. The Las Vegas Medical district is defined as areas west of Martin Luther King Boulevard, north of Charleston Boulevard, east of Rancho Drive, and south of Alta Drive; encompassing a total of 214 acres. Since the development of the University Medical Center in 1945 this area has been slowly transitioning from a residential area to a medical district. University Medical Center is generally located at the northwest corner of Charleston Boulevard and Shadow Lane. University Medical Center is the only Level I trauma center in the state of Nevada and is also the only hospital in southern Nevada which is run by Clark County. This facility includes 564 beds, a burn unit, as well as a children's hospital. Valley Hospital, located on Shadow Lane also exists in this medical district. This facility offers a maternity center, stroke center, certified chest pain center, as well as a surgery center.

According to the Las Vegas Medical District Land Use plan, properties within the district have been designated for uses which include high density residential, medical support, major medical, professional office, and service commercial. Any use not previously mentioned will be prohibited unless approved upon appeal to the Director of Planning and Development. The plan was last amended August 2008 and the purpose is to create a regional medical district which will provide a complete range of medically related services.

Charleston Boulevard is located ±one mile south of the subject and is identified as a major east/west thoroughfare in the Las Vegas valley. Development along Charleston Boulevard includes a variety of uses including medical office, professional office, as well as some retail uses. The University of Nevada School of Medicine is also located along the north side of Charleston Boulevard at Shadow Lane. This campus focuses on the clinical studies for students attending the medical school.

Retail development in the subject's market area can be found at the Meadow's Mall, located along the west side of Valley View Drive, just south of U.S. Highway 95. This mall is anchored by Dillard's, JC Penney, Macy's and Sears and includes an additional 140 specialty shops and eateries. This mall was originally developed in 1978; however, was renovated in 1995 and again in 2003.

The Las Vegas Central Business District is located just east of Interstate 15, generally centered around the area near Fremont Street and Main Street. Fremont Street is home to the downtown tourist district. This street is closed to vehicular traffic between Main Street and approximately Las Vegas Boulevard. This pedestrian mall now offers a venue for outdoor entertainment, retail kiosks and other events. The majority of the street is covered with a metal barrel vault which serves as the source for nightly light and sound shows.

Immediately surrounding the Fremont Street tourist district are various high rise professional buildings as well as municipal facilities such as the Regional Justice Center, the Federal Courthouse, and the Las Vegas City Hall. Recently opened is the new Las Vegas City Hall along Main Street between Lewis and Clark Streets. This seven story structure contains approximately 310,000 square feet and had a construction budget of nearly $146 million dollars. The former existing City Hall located at Stewart Avenue and Las Vegas Boulevard has been acquired by Zappos, an affiliate of Amazon.com. Currently, Zappos occupies commercial space in the City of Henderson, however, will move the operations to the old City Hall to accommodate upwards to 1,000 employees. In addition, Zappos will also acquire approximately seven acres directly east of the City Hall to allow for future growth. As many as 3,000 employees may work in the Zappos complex within the next ten years. Zappos is in the process of remodeling the old City Hall and plans to move into that facility by 2014.

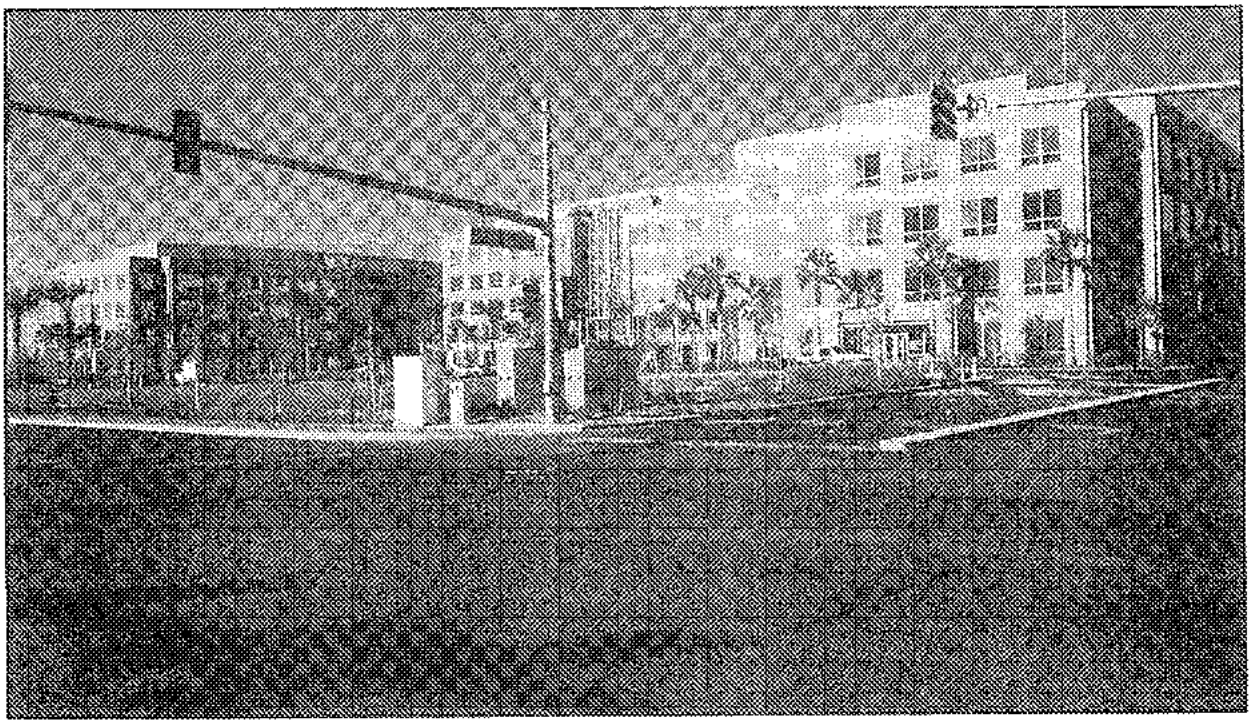
Located just west of the Central Business District is the Parkway Center and Symphony Park. These commercial subdivisions are home to the Las Vegas Outlet Mall which has recently undergone a significant expansion including the addition of numerous stores as well as parking structures. Recently announced is a new addition which will further expand the mall. To the north of the Las Vegas Outlet Mall is the World Market Center, a furniture wholesale display facility, which was originally planned to include upwards to 12 million square feet of space. The first several phases have been completed; however, construction has stalled due to the downturn in the economy. The Lou Ruvo Brain Institute, an affiliate of the Cleveland Clinic, has also recently opened in the Symphony Park subdivision as the first phase of the larger medical district planned for this area. A LEED Certified office building known as the Molasky high rise is also located in the downtown Symphony Park area adjacent to the recently constructed new Internal Revenue Service building. The Clark County Government Center anchors the Parkway Center area and is located adjacent to the Regional Transportation Commission office building. Finally, the new Smith Center recently opened. This is a performing arts

center which features the 2,050 seat main auditorium known as Reynolds Hall. In addition, the Smith Center has a 300 seat cabaret theatre, a 200 seat studio theatre, educational venues and will also host the Lied Children's Museum. Symphony Park is immediately accessible by Alta Drive which passes under Interstate 15.

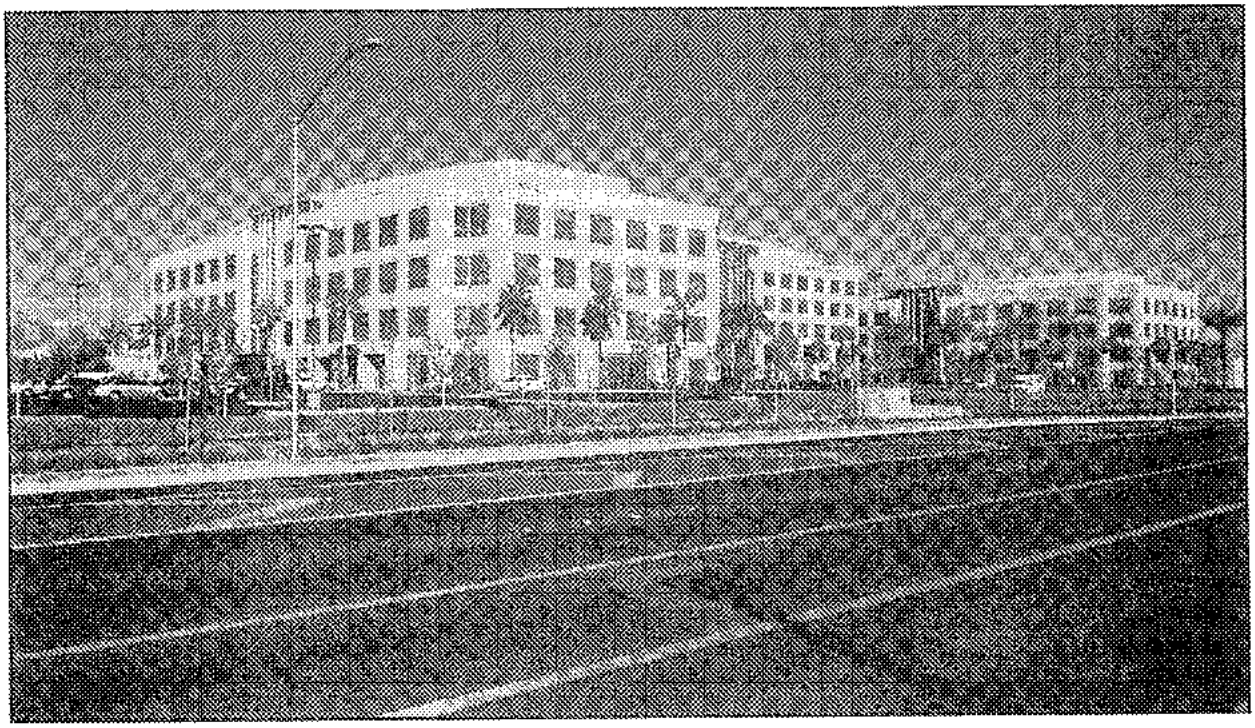
The subject's immediate neighborhood is characterized by development along the Martin Luther King Boulevard corridor generally between Charleston Boulevard and U.S. 95. A full interchange with U.S. 95 exists just north of the subject location which also provides indirect access to Interstate 15. To the south, an interchange exists within Interstate 15 at Charleston Boulevard. Walker Furniture, Ashley Furniture and other retail outlets such as a Costco exist in the immediate vicinity. Apartments and other miscellaneous commercial buildings are also noted. The interior portions of the neighborhood to the south and west of the subject include residential development as well as converted residences for office.

In the final analysis, the subject property is located just north of the Las Vegas Medical District, just west of the Las Vegas Central Business District, and is easily accessed by way of U.S. Highway 95 or Interstate 15. The immediate area is categorized as being in transition. I anticipate stable conditions in the area in the near future due to the centralized location.

Subject Photographs

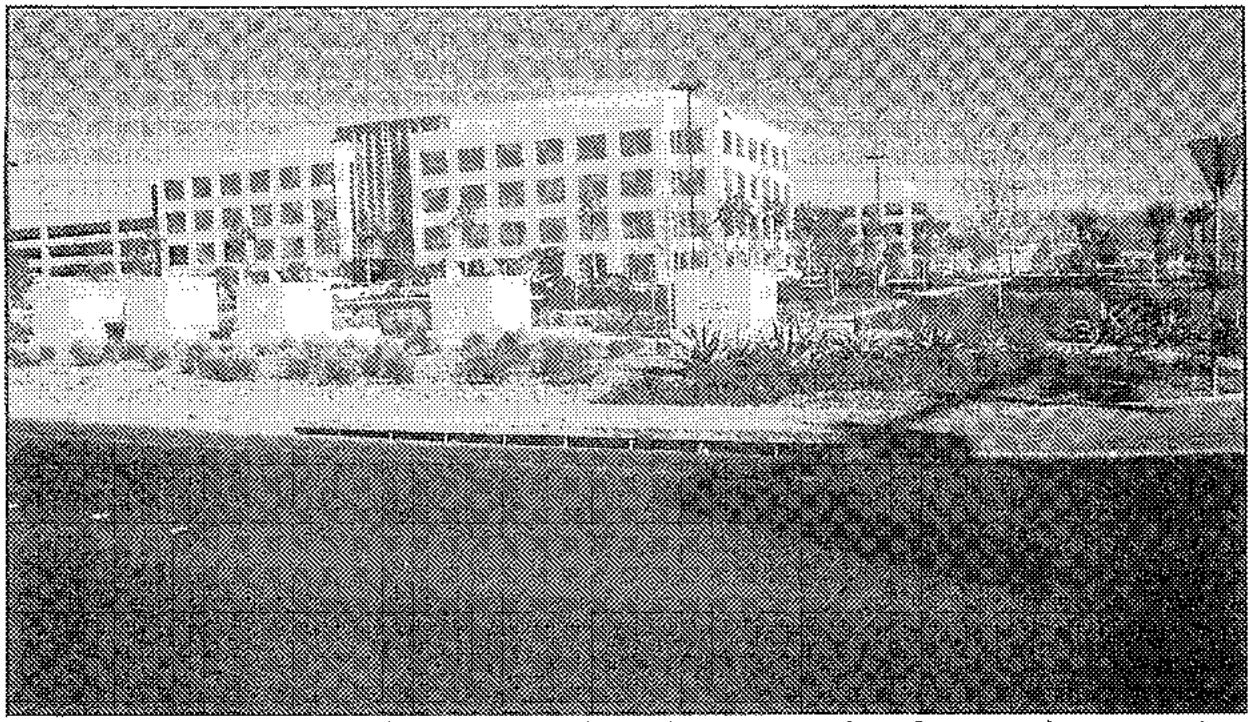


1. Overview of subject property facing southwest from Martin Luther King Boulevard.

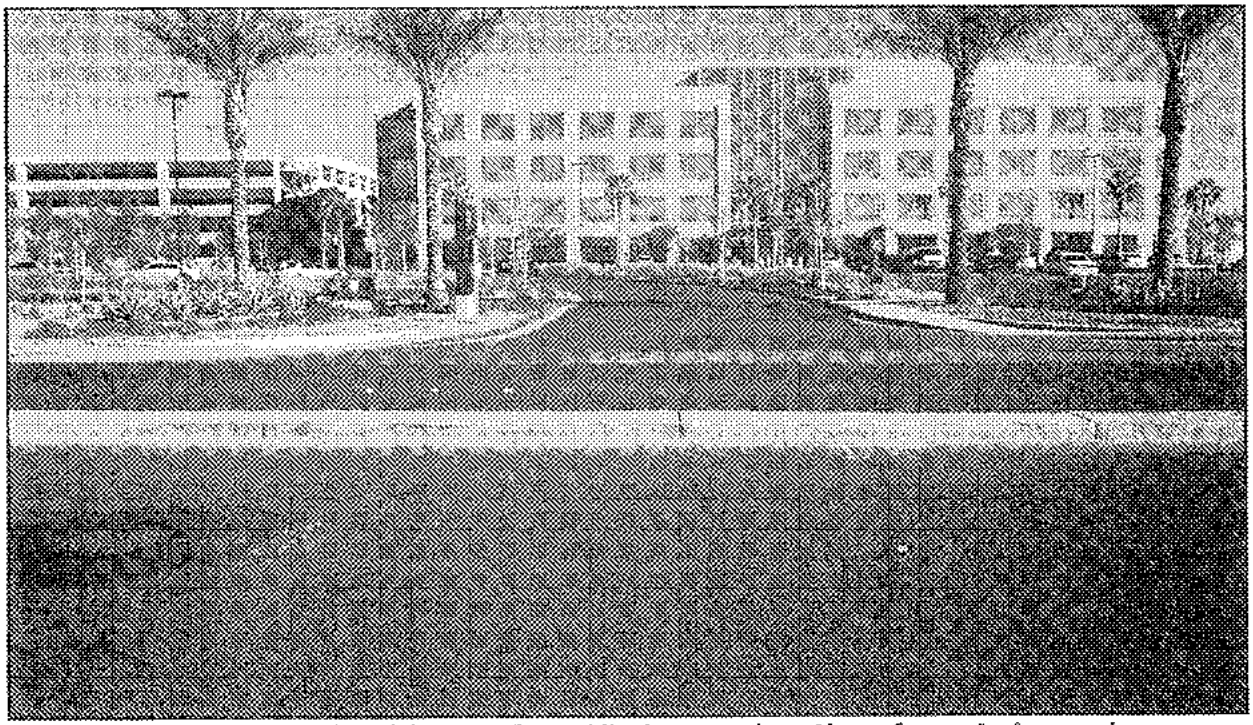


2. Overview of subject property facing northwest from Martin Luther King Boulevard.

Subject Photographs, continued

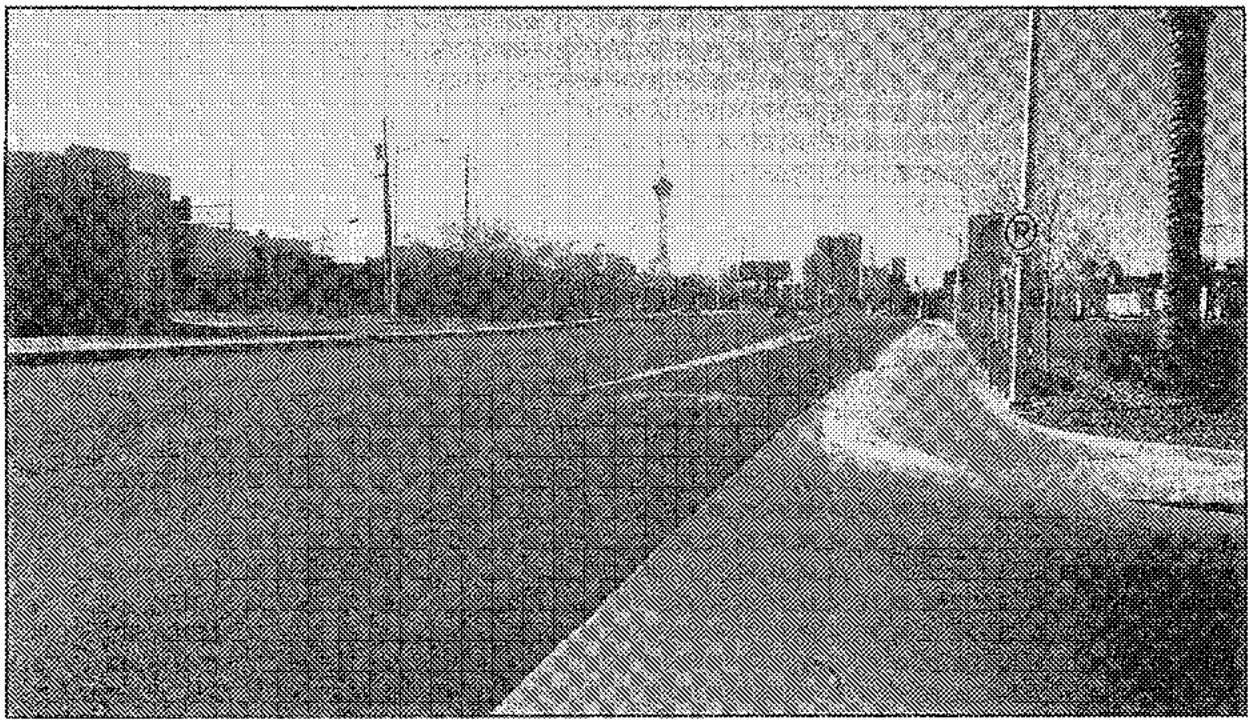


3. **Overview of subject facing northwest from Alta Lane. Portion of proposed permanent easement in foreground.**

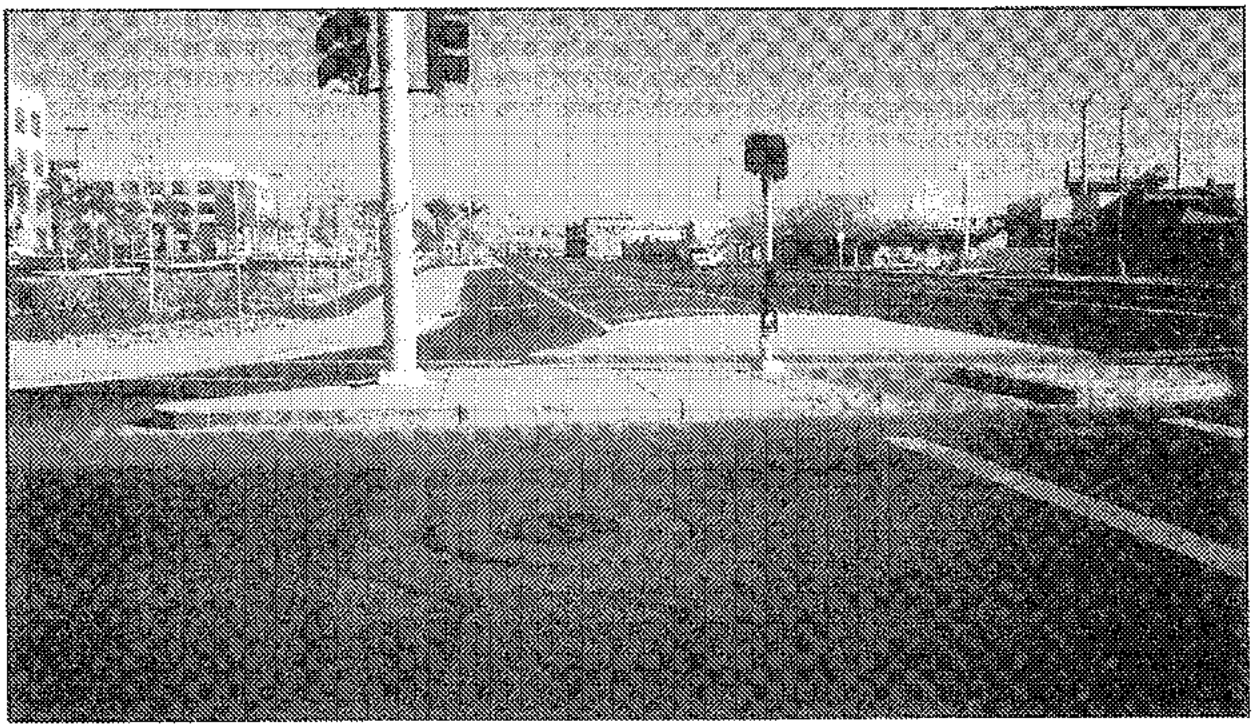


4. **View north illustrating driveway from Alta Lane and portion of area to be used as temporary construction easement.**

Subject Photographs, continued

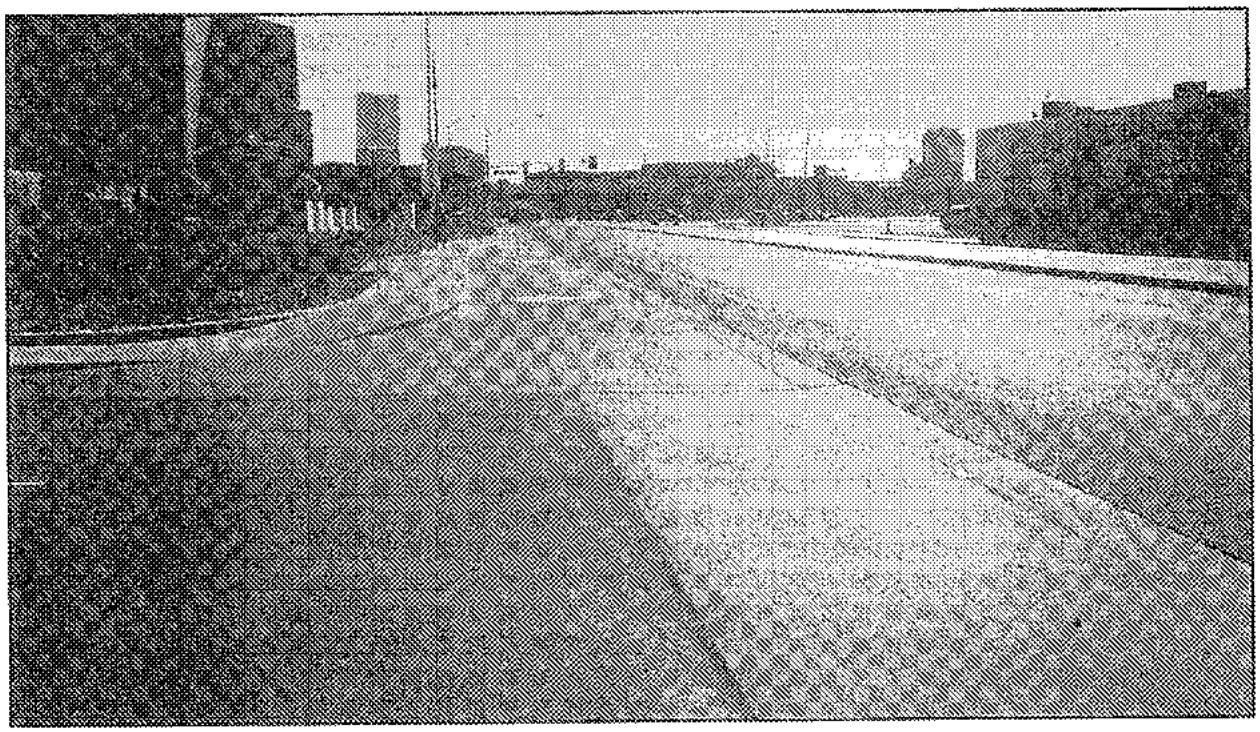


5. View south on Martin Luther King Boulevard.

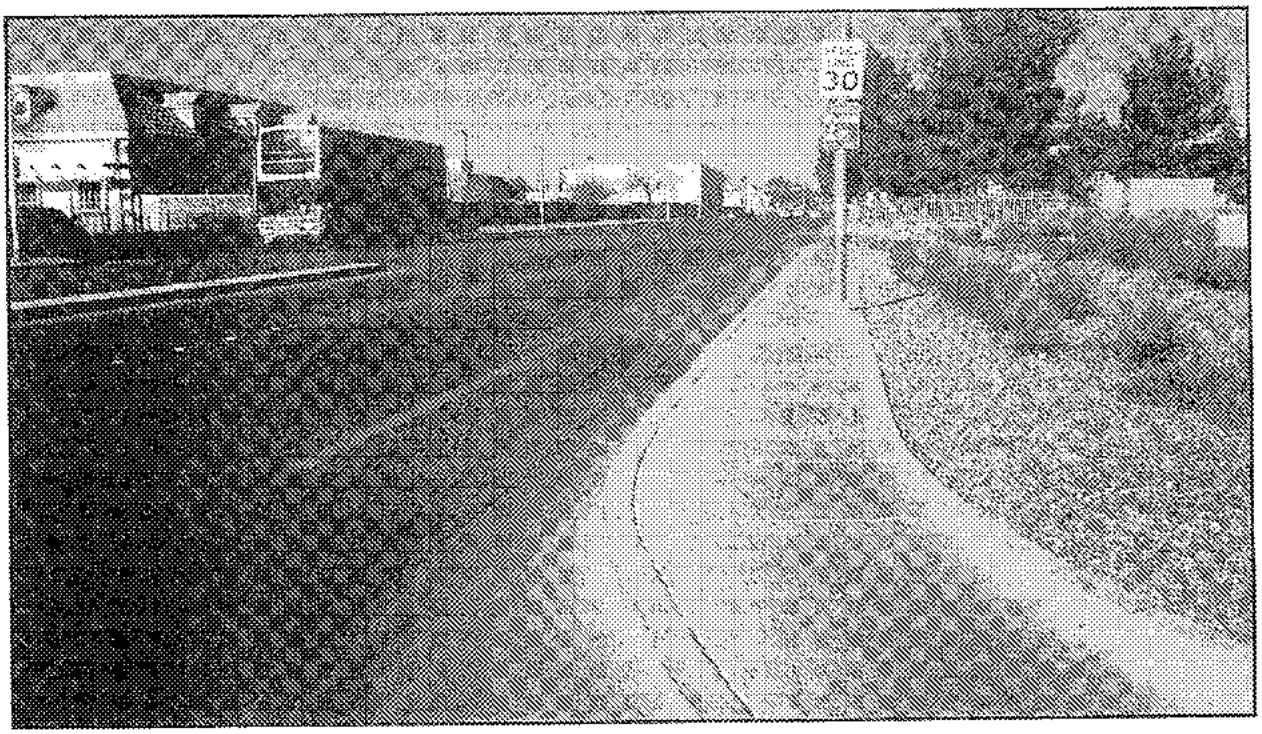


6. View north on Martin Luther King Boulevard.

Subject Photographs, continued

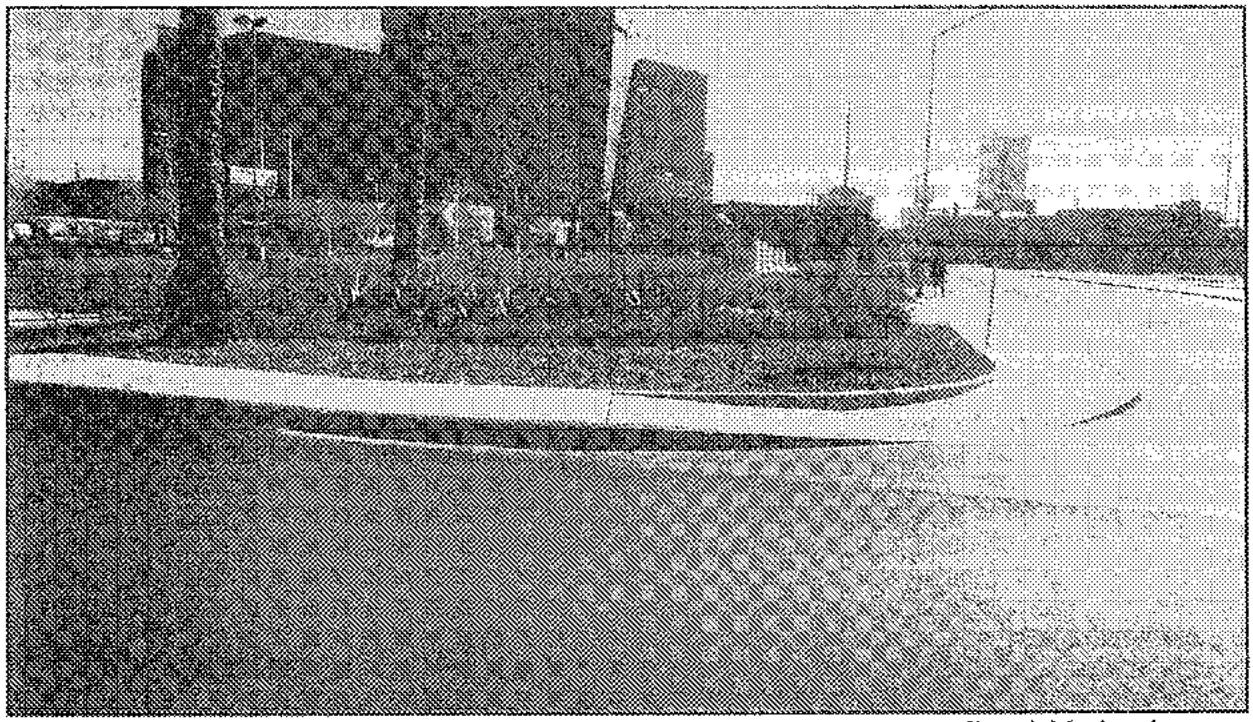


7. View east on Alta Drive.

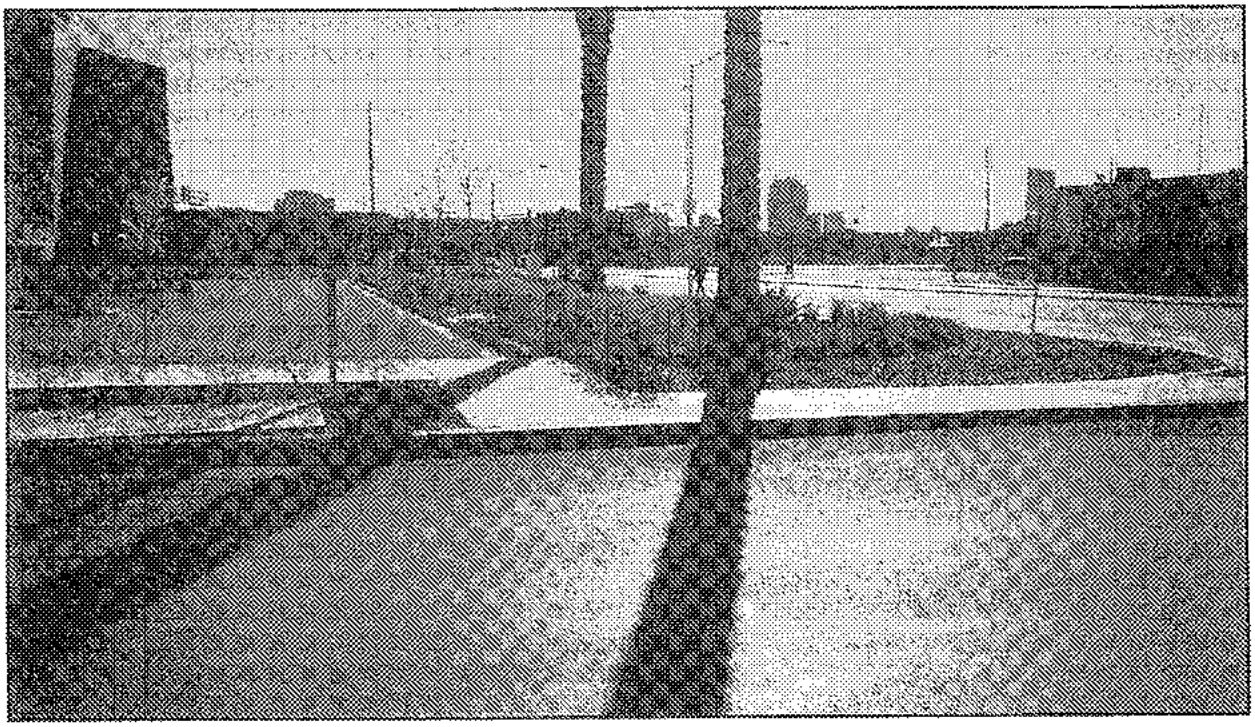


8. View west on Alta Drive.

Subject Photographs, continued

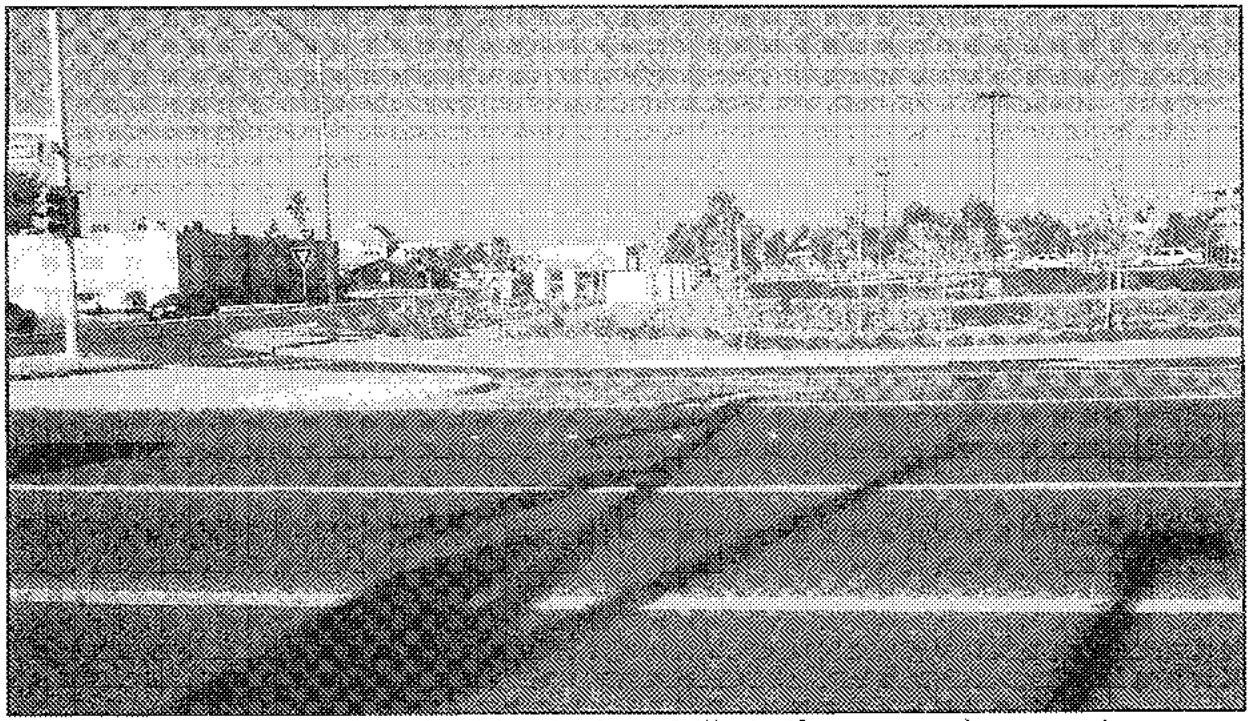


9. View east overlooking proposed permanent easement area, generally within landscape buffer.

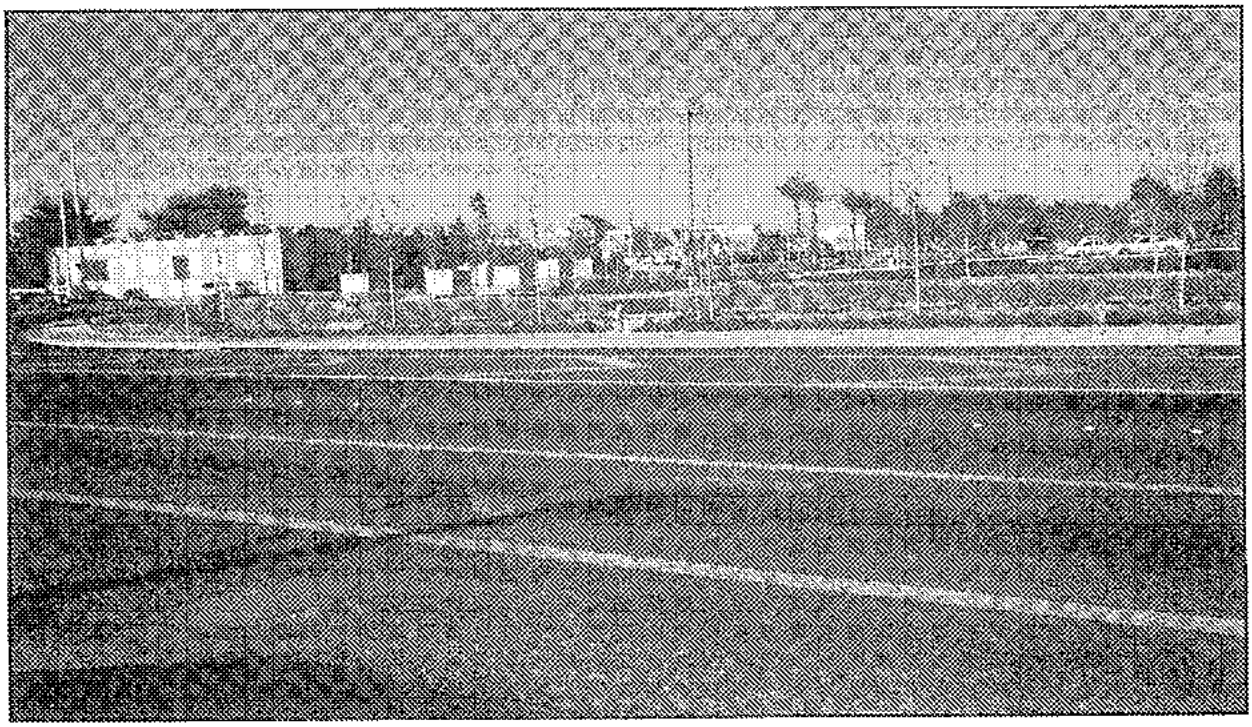


10. Additional view east illustrating proposed permanent easement area along Alta Drive.

Subject Photographs, continued

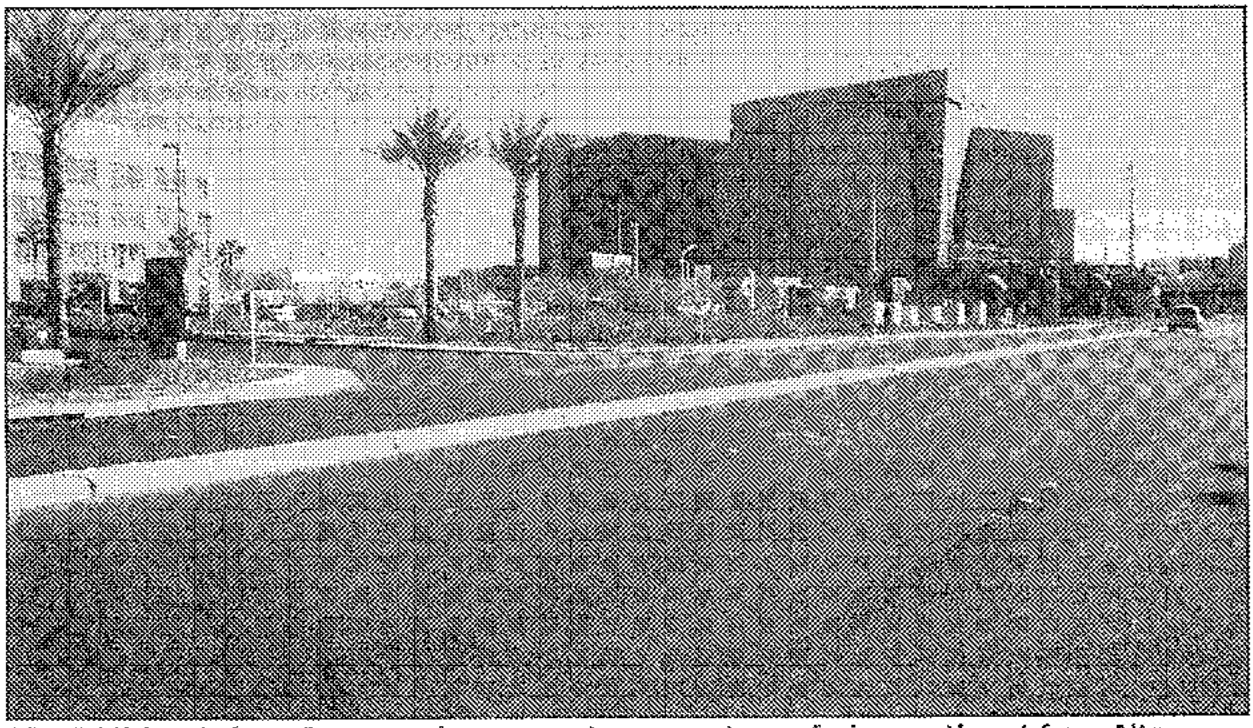


11. View west from Martin Luther King Boulevard, illustrating proposed easement area near corner and further west along Alta Drive.

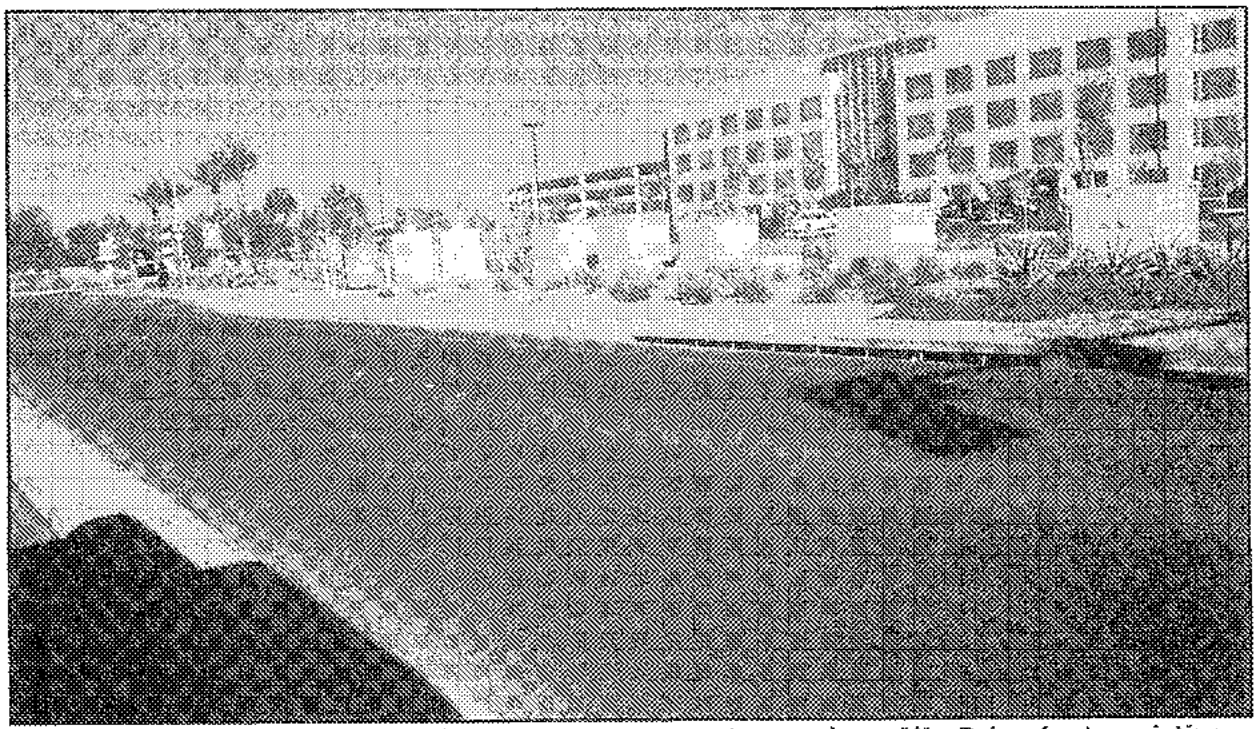


12. Additional overview of portion of site to be used for permanent easement facing southwest.

Subject Photographs, continued

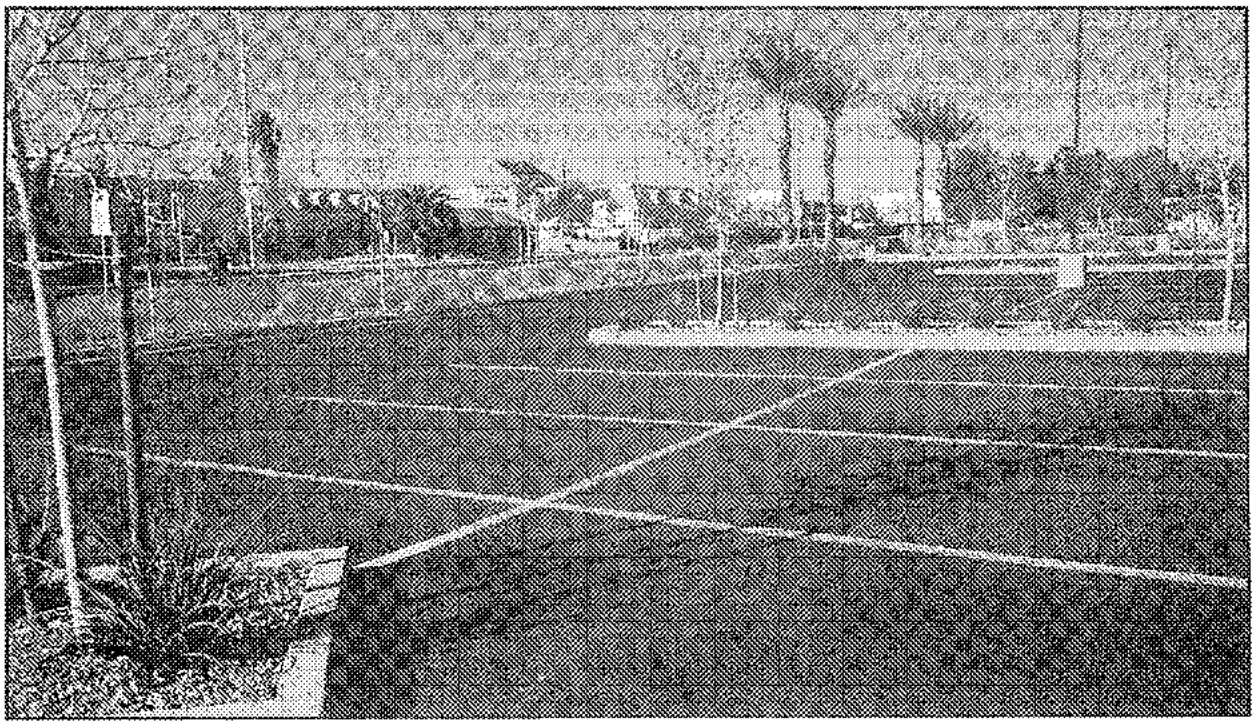


13. Additional view of proposed permanent easement area facing northeast from Alta Drive. Portion of temporary construction easement at immediate left.

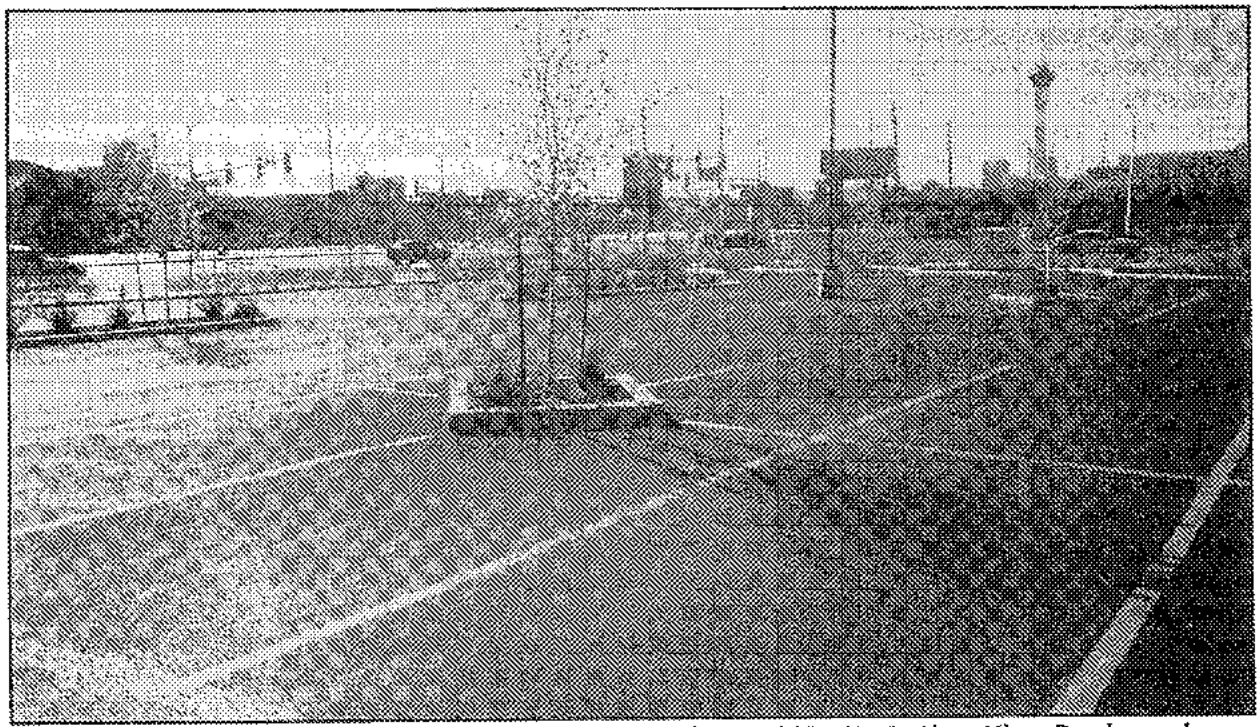


14. Additional view of proposed permanent easement area along Alta Drive (note existing utility boxes within proposed permanent easement area).

Subject Photographs, continued

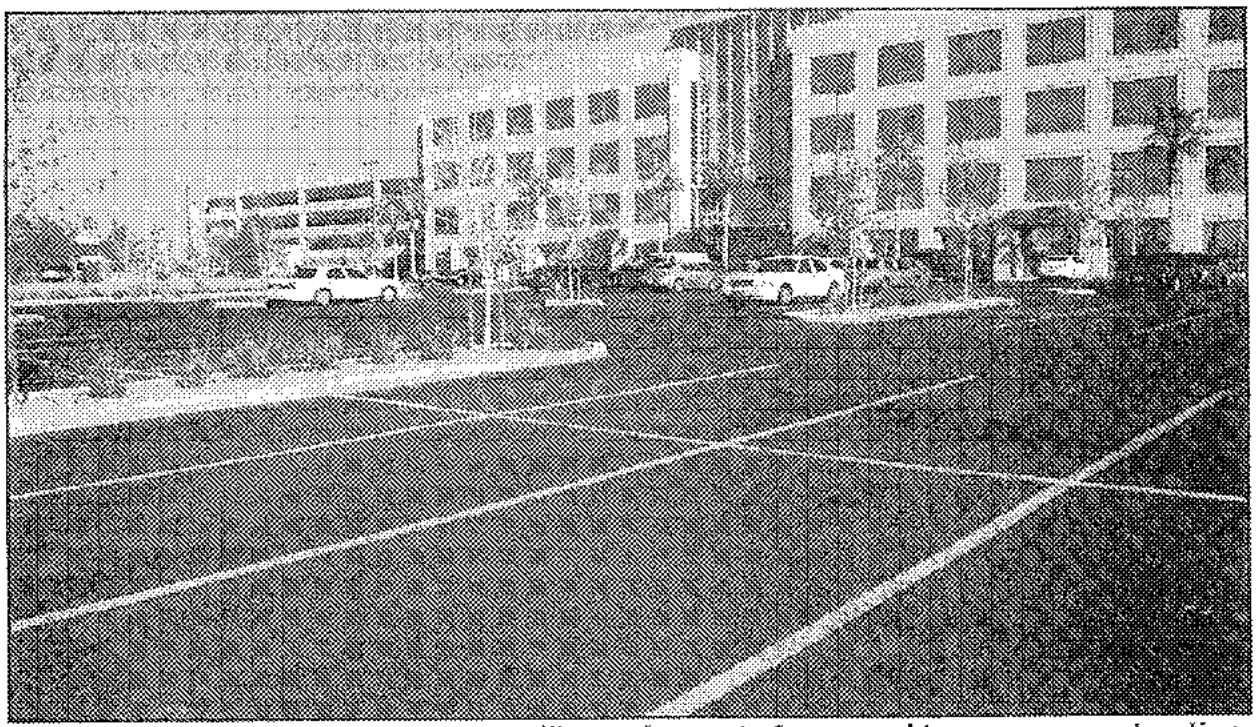


15. Additional overview of proposed permanent easement area facing southwest.

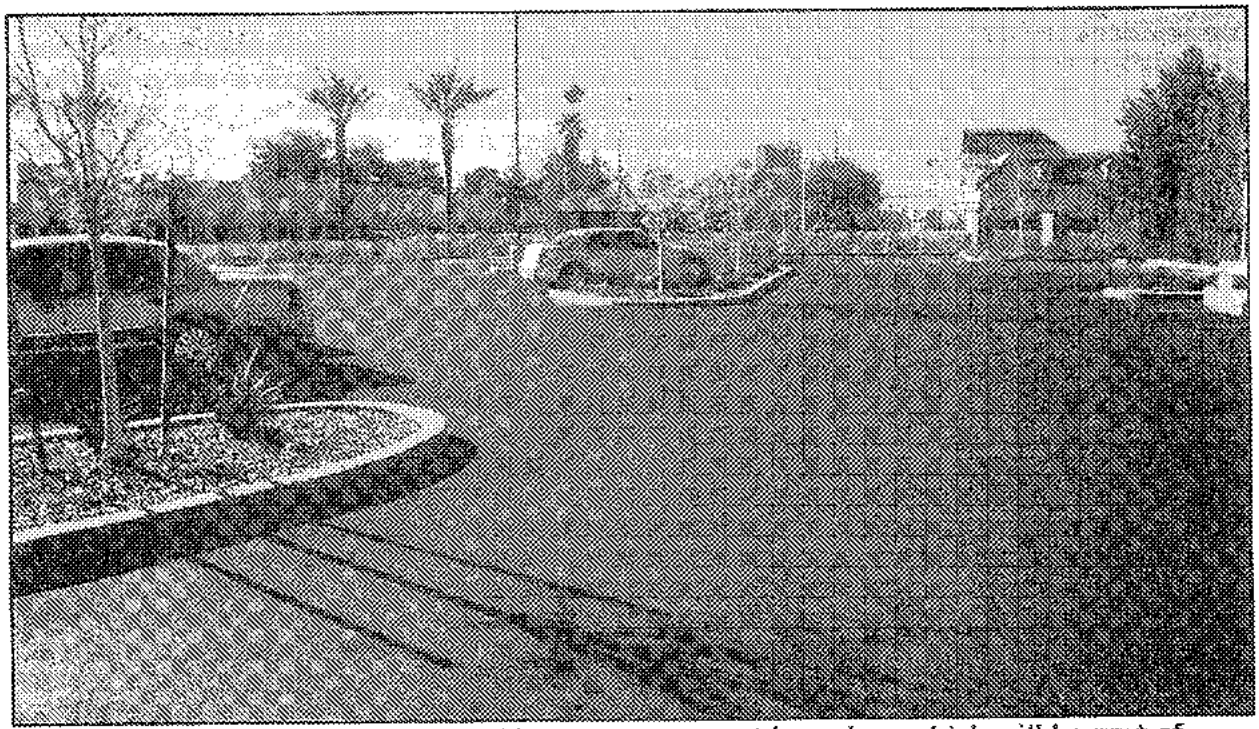


16. View of area near immediate corner of Alta Drive and Martin Luther King Boulevard which is a portion of permanent easement area.

Subject Photographs, continued

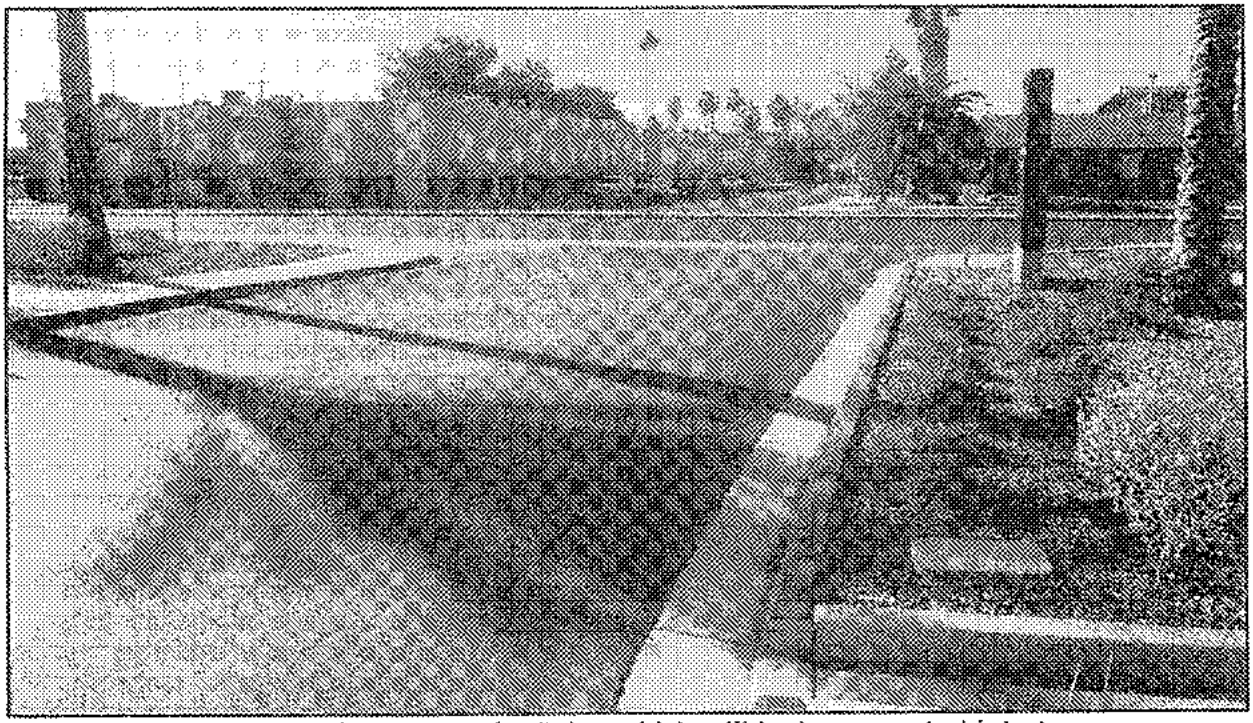


17. View northwest from parking area illustrating part of proposed temporary construction easement area.

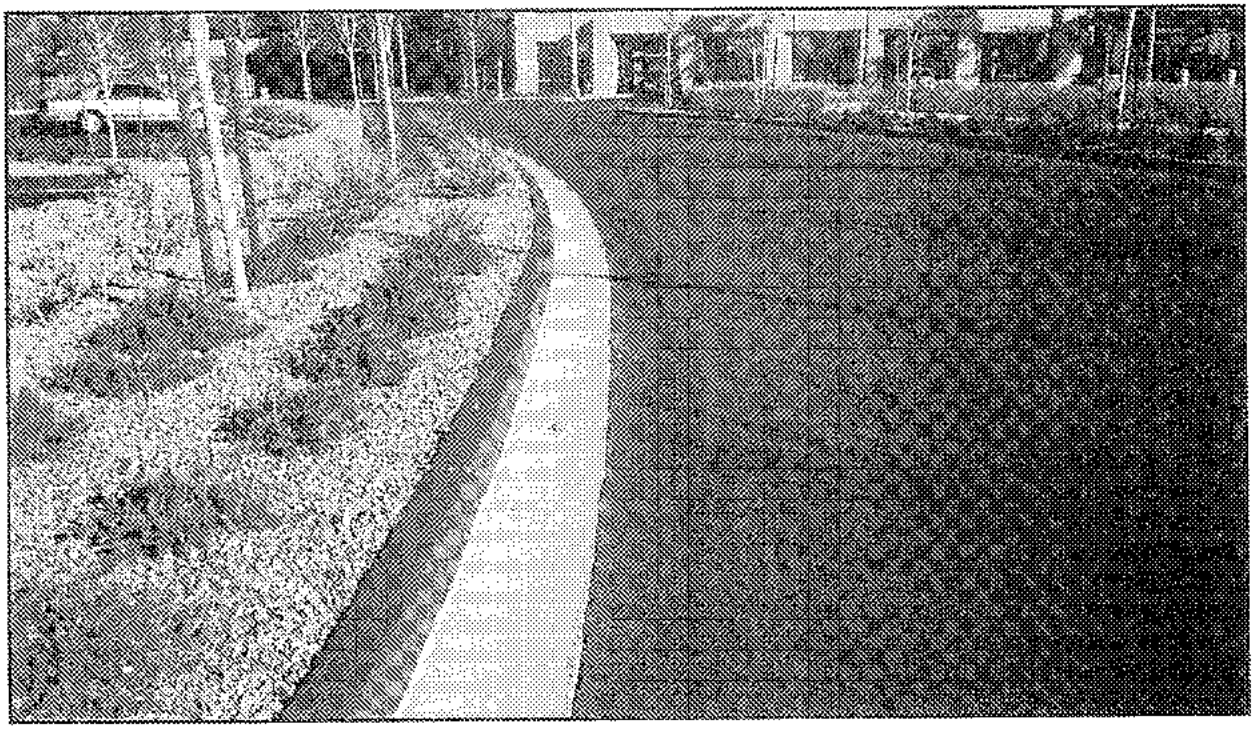


18. View south over an existing parking area near west boundary which will be part of temporary construction easement.

Subject Photographs, continued

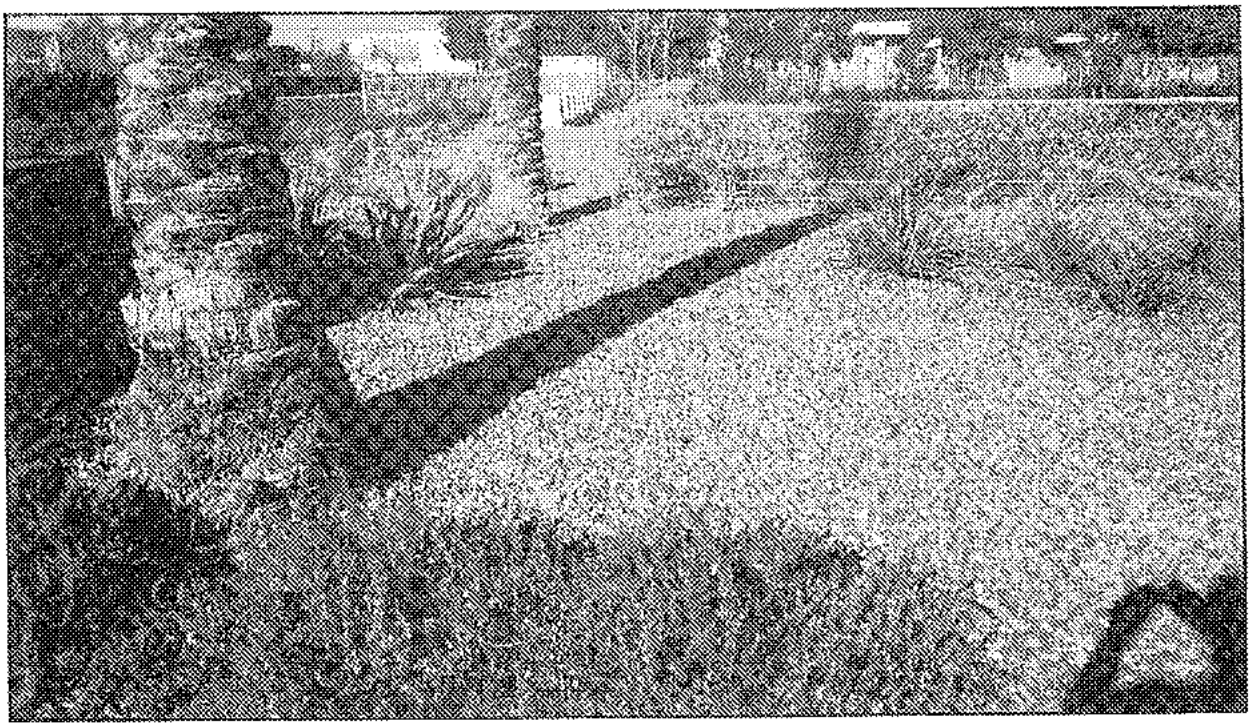


19. View south along driveway to Alta Drive which will be incorporated into temporary construction easement.



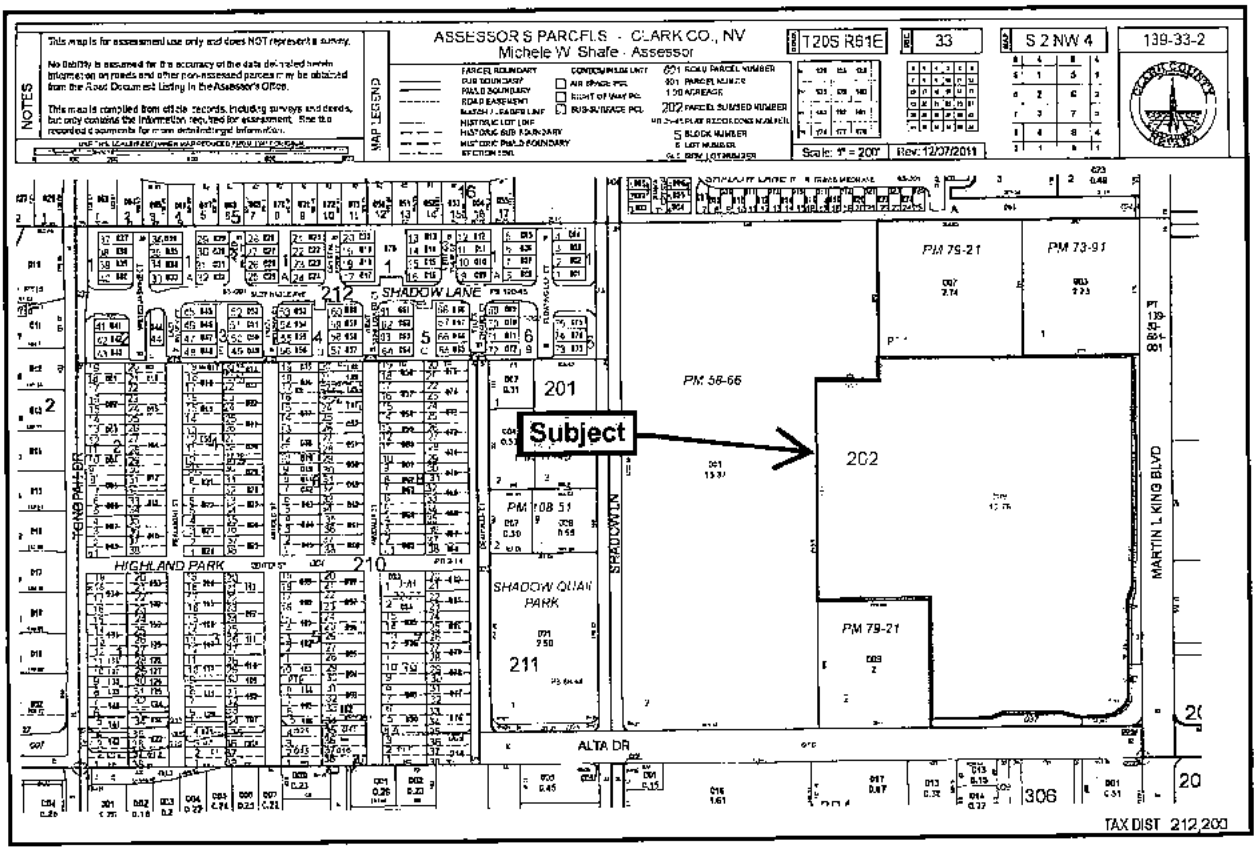
20. View north along access drive which will be part of temporary construction easement.

Subject Photographs, continued



21. View of landscaped area and parking area which will be part of the temporary construction easement.

Clark County Assessor's Parcel Map

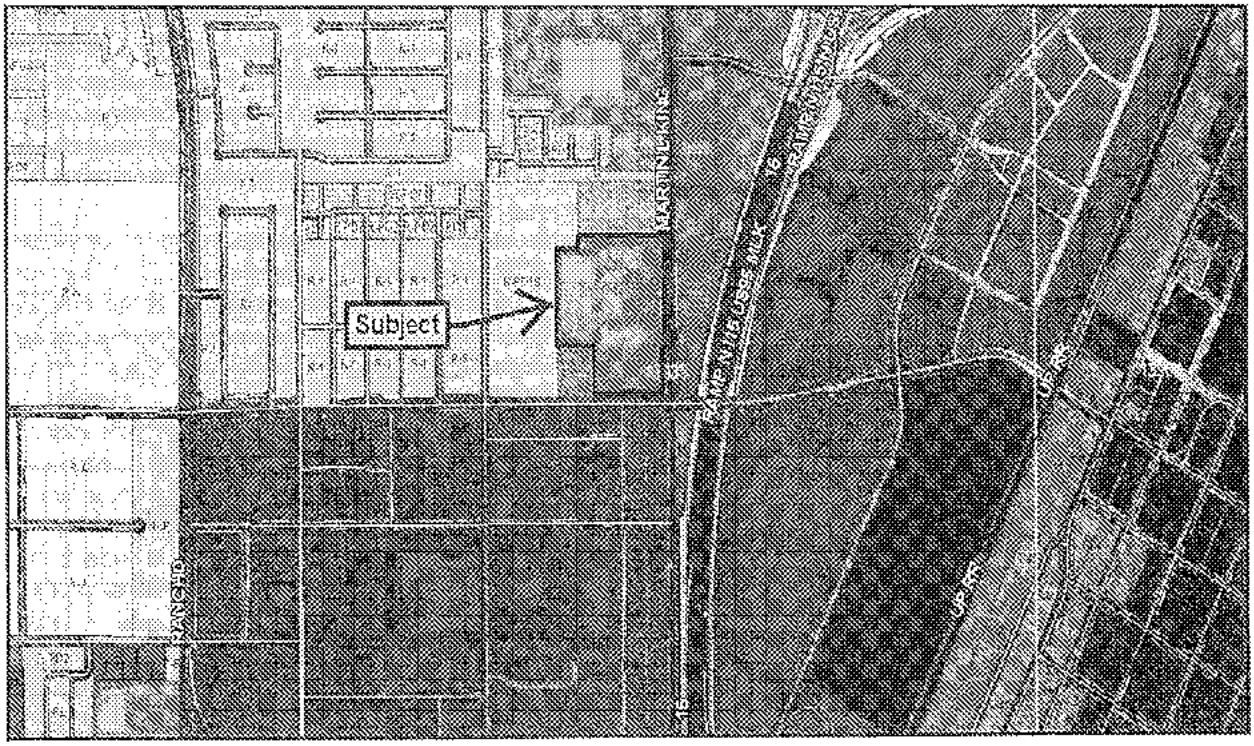


Description of Subject Property - Site

Shape, Dimensions and Area:

In accordance with the preceding Assessor's Parcel Map, the subject property has a modestly irregular configuration; however, based on the overall size of the site is suitable to accommodate a wide range of development. The subject contains a total of 13.76 acres which equates to 599,386 square feet.

Zoning:

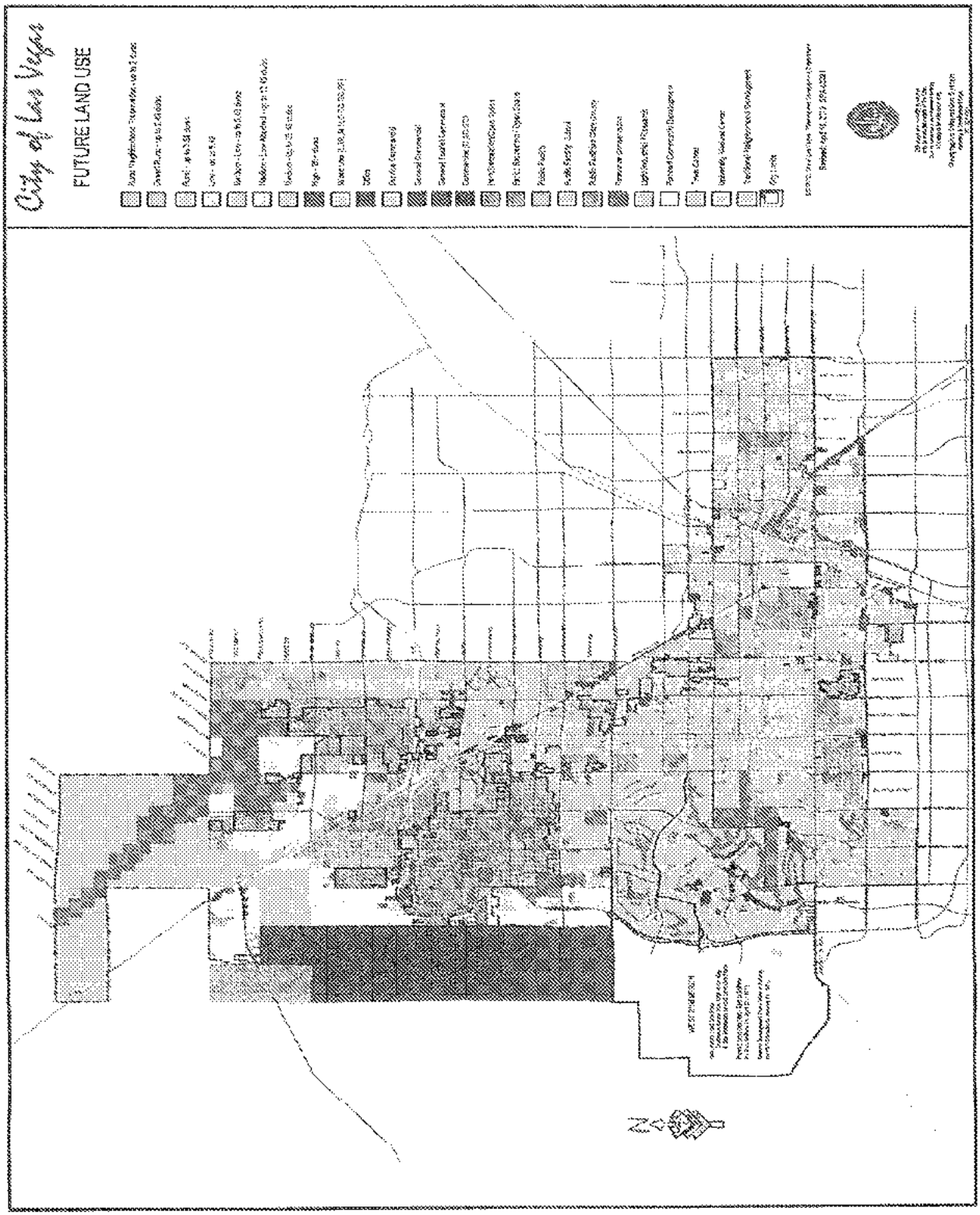


The subject site resides in an area zoned C-1 (Limited Commercial District) as defined by the City of Las Vegas. This district is intended to provide most retail shopping and personal services and may be appropriate for mixed use development. An excerpt from the C-1 Limited Commercial District Zoning Code is made as an attachment to this report in the Addenda. It should be noted that the City of Las Vegas Zoning Code has recently been updated, now known as the City of Las Vegas Unified Development Code under Title 19. This zoning code became effective in approximately May 2011. According to the current zoning code,

minimum front yard and side yard setbacks are now 10 feet as opposed to the older version of the zoning code which had a 20 foot setback requirement. Therefore, this is a significant reduction in the required setback from the previous zoning code. This affects the estimate of just compensation for the proposed easement acquisition. This will be further described in the context of the valuation of the easement later in this analysis.

Master plan overlays also affect this property. The subject is located within a land use designation known as Mixed Use and the following map illustrates future land use designations throughout the City of Las Vegas.

City of Las Vegas Future Land Use:



IN THE SUPREME COURT OF THE STATE OF NEVADA

CLARK COUNTY, A POLITICAL SUBDIVISION OF THE STATE OF NEVADA,
Appellant,
vs.
HQ METRO, LLC, AN ARIZONA LIMITED LIABILITY COMPANY; PROJECT ALTA, LLC, A NEVADA LIMITED LIABILITY COMPANY; PROJECT ALTA II, LLC, A NEVADA LIMITED LIABILITY COMPANY PROJECT ALTA III, LLC, A NEVADA LIMITED LIABILITY COMPANY; AND PROJECT ALTA LIQUIDATING TRUST U/A/D 12/31/09, BY AND THROUGH MARK L. FINE & ASSOCIATES, A NEVADA CORPORATION, INDIVIDUALLY AND AS TRUSTEE,
Respondents.

Supreme Court No. 71877
District Court Case No. A681632

JOINT APPENDIX

Volume 1

Pages 0001-0250

STEVEN B. WOLFSON
District Attorney
CIVIL DIVISION
State Bar No. 001565
By: **LESLIE A. NIELSEN**
Deputy District Attorney
State Bar No. 002764
By: **LAURA C. REHFELDT**
Deputy District Attorney
State Bar No. 005101
500 South Grand Central Pkwy.
P. O. Box 552215
Las Vegas, Nevada 89155-2215
Telephone: (702) 455-4761
Fax: (702) 382-5178
Attorneys for Appellant Clark County

LAW OFFICES OF BRIAN C. PADGETT
BRIAN C. PADGETT, ESQ.
State Bar No. 007474
AMY L. SUGDEN, ESQ.
State Bar No. 009983
611 South Sixth Street
Las Vegas, NV 89101
Telephone: (702) 304-0123
Fax: (702) 368-0123
Attorneys for Respondents

Docket 71877 Document 2017-21769

NEVADA POWER COMPANY V. HQ METRO, LLC, ET AL
Case No: A-13-681632-C
Dept No: 28

Document	Filed	Volume	Bates No.
Answer of Las Vegas Metropolitan Police Department	7/9/2013	3	0664-0667
Central Telephone Company's Answer to Complaint	6/13/2013	3	0650-0655
Certificate of Cash Deposit	10/17/2013	3	0716-0719
City of Las Vegas' Answer to Complaint in Eminent Domain	7/8/2013	3	0656-0658
City of Las Vegas' Answer to First Amended Complaint in Eminent Domain	2/4/2016	7	1445-1447
Defendant Clark County's Answer to Complaint	7/8/2013	3	0659-0663
Defendant Clark County's Answer to First Amended Complaint in Eminent Domain	2/8/2016	7	1448-1452
Defendant Clark County's Notice of Appeal	11/29/2016	8	1719-1720
Defendant Clark County's Opposition to Defendant Landowners' Motion for Summary Judgment and Countermotion for Partial Summary Judgment and Application for Withdrawal of Funds Deposited for the Permanent Easement	1/13/2016	5 6	0855-1104 1105-1296
Defendant Clark County's Opposition to HQ Metro, LLC's Motion for Apportionment of Funds	10/4/2016	8	1698-1703
Defendant HQ Metro LLC's Motion for Apportionment of Funds Pursuant to NRS 37.115 and February 25, 2016 Court Order	9/20/2016	8	1604-1697

Defendant HQ Metro, LLC's Reply to Motion for Apportionment of Funds Pursuant to NRS 37.115 and February 25, 2016 Court Order	10/19/2016	8	1704-1709
Defendant Landowner’s Motion for Summary Judgment	12/30/2015	4	0720-0854
Defendant Landowners' Opposition to Clark County's Countermotion for Partial Summary Judgment & Application for Withdrawal of Funds Deposited for the Permanent Easement	2/1/2016	6	1339-1350
Defendants HQ Metro, LLC, Project Alta, LLC, Project Alta II, LLC, Project Alta III, LLC, Project Alta Liquidating Trust U/A/D 12/31/09 by and Thru Mark L. Fine & Associates, and Wells Fargo Bank, National Association, as Trustee's Answer to Plaintiff's Verified Complaint in Eminent Domain; Defendant HQ Metro, LLC's Counterclaims	7/9/2013	3	0668-0679
Defendants HQ Metro, LLC, Project Alta, LLC, Project Alta II, LLC, Project Alta III, LLC, Project Alta Liquidating Trust U/A/D 12/31/09 by and thru Mark L. Fine & Associates' Answer to Plaintiff's First Amended Verified Complaint in Eminent Domain; Defendant HQ Metro, LLC's Counterclaims	7/11/2016	7	1518-1524
Errata to Defendant Landowners Opposition to Clark County's Countermotion for Partial Summary Judgment and Application for Withdrawal for Funds Deposited for the Permanent Easement	2/4/2016	7	1407-1444
Judgment and Final Order of Condemnation	9/20/2016	8	1570-1603

Las Vegas Metropolitan Police Department's Answer to First Amended Complaint	2/8/2016	7	1453-1457
Notice of Entry of Order RE: Defendant HQ Metro LLC's Motion for Apportionment of Funds Pursuant to NRS 37.115 and February 25, 2016 Court Order	11/9/2016	8	1713-1718
Order 2.25.16	2/25/2016	7	1465-1469
Order Granting Immediate Occupancy Pending Entry of Judgment	10/15/2013	3	0680-0681
Order RE: Defendant HQ Metro LLC's Motion for Apportionment of Funds Pursuant to NRS 37.115 and February 25, 2016 Court Order	11/9/2016	8	1710-1712
Plaintiff Nevada Power Company d/b/a NV Energy's Limited Opposition(s) to: (1) Defendant Las Vegas Metropolitan Police Department's Counter-Motion for Partial Summary Judgment and Application for Distribution of Funds Allocable to Temporary Construction Easement; and (2) Defendant Clark County's Counter-Motion for Partial Summary Judgment and Application for Withdrawal of Funds Deposited for the Permanent Easement	2/2/2016	7	1351-1406
Plaintiff's First Amended Verified Complaint in Eminent Domain	1/15/2016	6	1297-1338
Plaintiff's Motion for Immediate Occupancy	5/20/2013	1 2 3	0030-0250 0251-0500 0501-0625
Plaintiff's Verified Complaint in Eminent Domain	5/10/2013	1	0001-0029

Reply Points and Authorities in Support of Clark County's Countermotion for Partial Summary Judgment and Application for Withdrawal of Funds Deposited for the Permanent Easement	2/11/2016	7	1458-1464
Stipulated Judgment and Order	9/20/2016	7	1525-1569
Stipulation and Order for Immediate Occupancy	10/15/2013	3	0682-0715
Summons – Civil (Clark County)	6/6/2013	3	0644-0646
Summons – Civil (HQ Metro, LLC)	6/6/2013	3	0626-0628
Summons – Civil (Mark L. Fine and Associates)	6/6/2013	3	0638-0640
Summons – Civil (Project Alta II)	6/6/2013	3	0629-0631
Summons – Civil (Project Alta III)	6/6/2013	3	0632-0634
Summons – Civil (Project Alta Liquidating Trust U/A/D 12/31/09)	6/6/2013	3	0635-0637
Summons – Civil (Project Alta, LLC)	6/6/2013	3	0647-0649
Summons – Civil (Wells Fargo Bank, National Association)	6/6/2013	3	0641-0643
Transcript of Proceedings All Pending Motion February 16, 2016	3/21/2016	7	1470-1517

ORIGINAL

CIVIL COVER SHEET

Clark County, Nevada

Case No. A-13-681632-C
(Assigned by Clerk's Office) I

I. Party Information

Plaintiff(s) (name/address/phone):	Defendant(s) (name/address/phone):
NEVADA POWER COMPANY, a Nevada corporation, d/b/a NV ENERGY Attorney (name/address/phone): Kirby C. Gruchow, Jr., Esq., Nevada Bar No. 6663; Michael W. McKelleb, Esq., Nevada Bar No. 12040, Leach Johnson Song & Gruchow, 8945 West Russell Road, Suite 330, Las Vegas, Nevada 89148; Phone: (702) 538-9074	HQ METRO, LLC, an Arizona limited liability company; LAS VEGAS METROPOLITAN POLICE DEPARTMENT, a metropolitan police department; PROJECT ALTA, LLC, a Nevada limited liability company; PROJECT ALTA II, LLC, a Nevada limited liability company; PROJECT ALTA III, LLC, a Nevada limited liability company; PROJECT ALTA LIQUIDATING TRUST U/A/D 12/31/09, by and through MARK L. FINE & ASSOCIATES, a Nevada corporation, individually and as Trustee; WELLS FARGO BANK, NATIONAL ASSOCIATION, a Delaware corporation; NEVADA TITLE COMPANY, a Nevada corporation; CENTRAL TELEPHONE COMPANY, a Delaware corporation; COX COMMUNICATIONS LAS VEGAS, INC., a Delaware corporation; LAS VEGAS VALLEY WATER DISTRICT, a quasi-municipal corporation; CITY OF LAS VEGAS, a municipal corporation; CLARK COUNTY, a political subdivision of the State of Nevada; all other persons unknown claiming any right, title, estate, lien or interest in the real property described in the Complaint; DOES I through X; and ROE CORPORATIONS XI through XX, inclusive

II. Nature of Controversy (Please check applicable bold category and applicable subcategory, if appropriate)

☐ **Arbitration Requested**

Civil Cases

Real Property	Torts	
☐ **Landlord/Tenant** ☐ Unlawful Detainer ☐ **Title to Property** ☐ Foreclosure ☐ Liens ☐ Quiet Title ☐ Specific Performance ☒ **Condemnation/Eminent Domain** ☐ **Other Real Property** ☐ Partition ☐ Planning/Zoning	Negligence ☐ **Negligence - Auto** ☐ **Negligence - Medical/Dental** ☐ **Negligence - Premises Liability** (Slip/Fall) ☐ **Negligence - Other**	☐ **Product Liability** ☐ Product Liability/Motor Vehicle ☐ Other Torts/Product Liability ☐ **Intentional Misconduct** ☐ Torts/Defamation (Libel/Slander) ☐ Interfere with Contract Rights ☐ **Employment Torts** (Wrongful termination) ☐ **Other Torts** ☐ Anti-trust ☐ Fraud/Misrepresentation ☐ Insurance ☐ Legal Tort ☐ Unfair Competition

Probate	Other Civil Filing Types
☐ **Summary Administration** ☐ **General Administration** ☐ **Special Administration** ☐ **Set Aside Estates** ☐ **Probate Trust/Conservatorships** ☐ **Other Probate**	☐ **Construction Defect** ☐ **Breach of Contract** ☐ Building & Construction ☐ Insurance Carrier ☐ Commercial Instrument ☐ Other Contracts/Acct/Judgment ☐ Collection of Actions ☐ Employment Contract ☐ Guarantee ☐ Sale Contract ☐ Uniform Commercial Code ☐ **Civil Petition for Judicial Review** ☐ Other Administrative Law ☐ Department of Motor Vehicles ☐ Employer's Insurance of Nevada

III. Business Court Requested (Please check applicable category; *for Clark or Washoe Counties only.*)

5/10/13
Date

Signature of initiating party or representative

ORIGINAL

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CLERK OF THE COURT

COMP
LEACH JOHNSON SONG & GRUCHOW
KIRBY C. GRUCHOW, JR., ESQ.
Nevada Bar No. 6663
MICHAEL W. MCKELLEB, ESQ.
Nevada Bar No. 12040
8945 West Russell Road, Suite 330
Las Vegas, Nevada 89148
Telephone: (702) 538-9074
Facsimile: (702) 538-9113

Attorneys for Plaintiff

DISTRICT COURT

CLARK COUNTY, NEVADA

NEVADA POWER COMPANY, a Nevada corporation, d/b/a NV ENERGY,

Plaintiff,

vs.

HQ METRO, LLC, an Arizona limited liability company; LAS VEGAS METROPOLITAN POLICE DEPARTMENT, a metropolitan police department; PROJECT ALTA, LLC, a Nevada limited liability company; PROJECT ALTA II, LLC, a Nevada limited liability company; PROJECT ALTA III, LLC, a Nevada limited liability company; PROJECT ALTA LIQUIDATING TRUST U/A/D 12/31/09, by and through MARK L. FINE & ASSOCIATES, a Nevada corporation, individually and as Trustee; WELLS FARGO BANK, NATIONAL ASSOCIATION, a Delaware corporation; NEVADA TITLE COMPANY, a Nevada corporation; CENTRAL TELEPHONE COMPANY, a Delaware corporation; COX COMMUNICATIONS LAS VEGAS, INC., a Delaware corporation; LAS VEGAS VALLEY WATER DISTRICT, a quasi-municipal corporation; CITY OF LAS VEGAS, a municipal corporation; CLARK COUNTY, a political subdivision of the State of Nevada; all other persons unknown claiming any right, title, estate, lien or interest in the real property described in the Complaint; DOES I through X; and ROE CORPORATIONS XI through XX, inclusive,

Defendants.

Case No.: A-13-681632-C

Dept. No.: I

PLAINTIFF'S VERIFIED COMPLAINT IN EMINENT DOMAIN

EXEMPT FROM ARBITRATION:

Action Concerning Title to Real Property

LEACH JOHNSON SONG & GRUCHOW
8945 West Russell Road, Suite 330, Las Vegas, Nevada 89148
Telephone: (702) 538-9074 – Facsimile (702) 538-9113

PLAINTIFF'S VERIFIED COMPLAINT IN EMINENT DOMAIN

Plaintiff, NEVADA POWER COMPANY d/b/a NV ENERGY ("**Plaintiff**" or "**NV Energy**"), files this Complaint and for its claims for relief against the above-named Defendants alleges and claims as follows:

1. Plaintiff is, and at all relevant times herein was, a corporation incorporated, organized and existing under and by virtue of the laws of the State of Nevada, having its principal place of business in the County of Clark, State of Nevada, and operating as a public utility under an exclusive franchise granted by the State of Nevada.

2. The purposes for which Plaintiff is incorporated and for which it has franchises are, among other things, the right to engage in the business of generating, manufacturing, transmitting, distributing, selling and otherwise disposing of electricity for power, light, heat and other purposes, to furnish electric power, light and heat to counties, cities, villages, and towns, and the inhabitants thereof, and to acquire by right of eminent domain all necessary rights and easements for lines for telegraph, telephone, electric light and electric power and sites for plants for electric light and power pursuant to the provisions of NRS Chapter 37, including NRS 37.010(1)(g).

3. Plaintiff is authorized to acquire, either in fee or any lesser estate or interest, real property or interests therein for right of way for public utilities and related purposes through the exercise of the power of eminent domain pursuant to the provisions of NRS Chapter 37.

4. Plaintiff has commenced this action to acquire right of way needed for permitting, construction, operation and maintenance of 230kV/138kV/69kV transmission lines, and associated facilities, which will be generally located in the area of Interstate 15 and Charleston Boulevard, in the County of Clark, State of Nevada (the "**Project**"), and other public purposes. The location, general route and termini of the right of way sought in this action is shown on the drawing(s) attached hereto as **Exhibit "1"**.

5. A public need and necessity exists for the Project, and the acquisition of the property described herein is necessary for a public use, namely, the Project.

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6. Plaintiff seeks to condemn certain easement interests on a portion of the property generally located at 400 South Martin L. King Boulevard, Las Vegas, Nevada 89106, and recognized by the Clark County Recorder's Office as APN 139-33-202-009 (the "**Property**"). Plaintiff requires a permanent easement on the Property (the "**PE Acquisition Area**") as well as a temporary construction easement (the "**TCE Acquisition Area**") (collectively, the "**Acquisition Area**"). The PE Acquisition Area is specifically identified in the documents attached hereto as **Exhibit "2"**, and the TCE Acquisition Area is specifically identified in the documents attached hereto as **Exhibit "3"**, including the easement documentation, drawing(s), and legal description(s).

7. Plaintiff estimates the amount of time the TCE Acquisition Area may be utilized for construction of the Project as set forth in **Exhibit "3"**, but recognizes that the actual amount of time that the TCE Acquisition Area may be utilized for construction of the Project may be less than Plaintiff estimates, and Plaintiff will therefore compensate Defendants for the actual amount of time it utilizes the TCE Acquisition Area for construction of the Project.

8. The names of all owners, occupants and/or claimants of an interest in the property sought to be acquired, insofar as known to Plaintiff at the time of the filing of this Complaint, are as follows:

A. Defendant HQ METRO, LLC, an Arizona limited liability company, is the record owner of the Acquisition Area pursuant to a GRANT BARGAIN AND SALE DEED recorded September 2, 2009, in Book No. 20090902, as Instrument No. 0001863, of the Official Records of the Clark County Recorder;

B. Defendant LAS VEGAS METROPOLITAN POLICE DEPARTMENT, a metropolitan police department, may have an interest in the Acquisition Area as a Tenant at the Property pursuant to an unrecorded LEASE;

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8945 West Russell Road, Suite 330, Las Vegas, Nevada 89148
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C. Defendant PROJECT ALTA, LLC, a Nevada limited liability company, may have an interest in the Acquisition Area pursuant to the following:

(1) MEMORANDUM OF LEASE AND PURCHASE OPTION recorded September 2, 2009, in Book No. 20090902, as Instrument No. 0000688, of the Official Records of the Clark County Recorder;

(2) AGREEMENT recorded September 2, 2009, in Book No. 20090902, as Instrument No. 0001861, of the Official Records of the Clark County Recorder; and

(3) ASSIGNMENT OF LEASE recorded September 2, 2009, in Book No. 20090902, as Instrument No. 0001864, of the Official Records of the Clark County Recorder;

D. Defendant PROJECT ALTA II, LLC, a Nevada limited liability company, may have an interest in the Acquisition Area pursuant to the following:

(1) MEMORANDUM OF LEASE AND PURCHASE OPTION recorded September 2, 2009, in Book No. 20090902, as Instrument No. 0000688, of the Official Records of the Clark County Recorder;

(2) AGREEMENT recorded September 2, 2009, in Book No. 20090902, as Instrument No. 0001861, of the Official Records of the Clark County Recorder; and

(3) ASSIGNMENT OF LEASE recorded September 2, 2009, in Book No. 20090902, as Instrument No. 0001864, of the Official Records of the Clark County Recorder;

E. Defendant PROJECT ALTA III, LLC, a Nevada limited liability company, may have an interest in the Acquisition Area pursuant to an ACCESS EASEMENT AGREEMENT recorded October 4, 2010, in Book No. 20101004, as Instrument No. 0003385, of the Official Records of the Clark County Recorder;

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8945 West Russell Road, Suite 330, Las Vegas, Nevada 89148
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F. Defendant PROJECT ALTA LIQUIDATING TRUST U/A/D 12/31/09, by and through MARK L. FINE & ASSOCIATES, a Nevada corporation, individually and as Trustee, may have an interest in the Acquisition Area pursuant to the following:

(1) SUBORDINATE NOTE DEED OF TRUST, ASSIGNMENT OF RENTS AND LEASES, SECURITY AGREEMENT AND FIXTURE FILING (SUB NOTE) recorded September 2, 2009, in Book No. 20090902, as Instrument No. 0001869, of the Official Records of the Clark County Recorder;

(2) SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT recorded September 2, 2009, in Book No. 20090902, as Instrument No. 0001870, of the Official Records of the Clark County Recorder;

(3) UCC-1 FINANCING STATEMENT recorded September 2, 2009, in Book No. 20090902, as Instrument No. 0001873, of the Official Records of the Clark County Recorder;

(4) ASSIGNMENT OF BENEFICIAL INTEREST UNDER SUBORDINATE NOTE DEED OF TRUST, ASSIGNMENT OF RENTS AND LEASES, SECURITY AGREEMENT AND FIXTURE FILING (SUB NOTE), SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT, AND ALL OTHER LOAN DOCUMENTS recorded January 6, 2010, in Book No. 20100106, as Instrument No. 0003873, of the Official Records of the Clark County Recorder; and

(5) UCC-3 FINANCING STATEMENT AMENDMENT recorded February 1, 2010, in Book No. 20100201, as Instrument No. 0003013, of the Official Records of the Clark County Recorder;

G. Defendant WELLS FARGO BANK, NATIONAL ASSOCIATION, a Delaware corporation, may have an interest in the Acquisition Area pursuant to the following:

(1) AGREEMENT recorded September 2, 2009, in Book No. 20090902, as Instrument No. 0001861, of the Official Records of the Clark County Recorder;

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(2) SENIOR DEED OF TRUST, ASSIGNMENT OF RENTS AND LEASES, SECURITY AGREEMENT AND FIXTURE FILING (SERIES A) recorded September 2, 2009, in Book No. 20090902, as Instrument No. 0001865, of the Official Records of the Clark County Recorder;

(3) SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT recorded September 2, 2009, in Book No. 20090902, as Instrument No. 0001866, of the Official Records of the Clark County Recorder;

(4) SUBORDINATE DEED OF TRUST, ASSIGNMENT OF RENTS AND LEASES, SECURITY AGREEMENT AND FIXTURE FILING (SERIES B) recorded September 2, 2009, in Book No. 20090902, as Instrument No. 0001867, of the Official Records of the Clark County Recorder;

(5) SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT recorded September 2, 2009, in Book No. 20090902, as Instrument No. 0001868, of the Official Records of the Clark County Recorder;

(6) ASSIGNMENT AGREEMENT (HQ METRO, LLC) recorded September 2, 2009, in Book No. 20090902, as Instrument No. 0001871, of the Official Records of the Clark County Recorder;

(7) UCC-1 FINANCING STATEMENT recorded September 2, 2009, in Book No. 20090902, as Instrument No. 0001872, of the Official Records of the Clark County Recorder;

(8) AGREEMENT SUBJECTING DEED OF TRUST TO EASEMENT recorded March 3, 2010, in Book No. 20100303, as Instrument No. 0004303, of the Official Records of the Clark County Recorder;

(9) AGREEMENT SUBJECTING DEED OF TRUST TO EASEMENT recorded March 3, 2010, in Book No. 20100303, as Instrument No. 0004304, of the Official Records of the Clark County Recorder; and

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(10) AGREEMENT SUBJECTING DEED OF TRUST TO EASEMENT recorded March 3, 2010, in Book No. 20100303, as Instrument No. 0004305, of the Official Records of the Clark County Recorder;

H. Defendant NEVADA TITLE COMPANY, a Nevada corporation, may have an interest in the Acquisition Area pursuant to a SUBORDINATE NOTE DEED OF TRUST, ASSIGNMENT OF RENTS AND LEASES, SECURITY AGREEMENT AND FIXTURE FILING (SUB NOTE) recorded September 2, 2009, in Book No. 20090902, as Instrument No. 0001869, of the Official Records of the Clark County Recorder;

I. Defendant CENTRAL TELEPHONE COMPANY, a Delaware corporation, may have an interest in the Acquisition Area pursuant to any grant of rights and right of way created by the following:

(1) RIGHT OF WAY GRANT recorded May 1, 1978, in Book No. 880, as Instrument No. 839802, of the Official Records of the Clark County Recorder;

(2) COMMUNICATION SYSTEM EASEMENT recorded January 12, 2010, in Book No. 20100112, as Instrument No. 0003305, of the Official Records of the Clark County Recorder;

(3) AGREEMENT SUBJECTING DEED OF TRUST TO EASEMENT recorded March 3, 2010, in Book No. 20100303, as Instrument No. 0004303, of the Official Records of the Clark County Recorder;

(4) AGREEMENT SUBJECTING DEED OF TRUST TO EASEMENT recorded March 3, 2010, in Book No. 20100303, as Instrument No. 0004304, of the Official Records of the Clark County Recorder; and

(5) AGREEMENT SUBJECTING DEED OF TRUST TO EASEMENT recorded March 3, 2010, in Book No. 20100303, as Instrument No. 0004305, of the Official Records of the Clark County Recorder;

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8945 West Russell Road, Suite 330, Las Vegas, Nevada 89148
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J. Defendant COX COMMUNICATIONS LAS VEGAS, INC., a Delaware corporation, may have an interest in the Acquisition Area pursuant to any grant of rights and right of way created by a GRANT OF EASEMENT recorded February 18, 2010, in Book No. 20100218, as Instrument No. 0001014, of the Official Records of the Clark County Recorder;

K. Defendant LAS VEGAS VALLEY WATER DISTRICT, a quasi-municipal corporation, may have an interest in the Acquisition Area pursuant to any grant of rights and right of way created by the following:

(1) EASEMENTS AND RIGHTS-OF-WAY recorded October 21, 2009, in Book No. 20091021, as Instrument No. 0002768, of the Official Records of the Clark County Recorder;

(2) EASEMENTS AND RIGHTS-OF-WAY recorded October 21, 2009, in Book No. 20091021, as Instrument No. 0002769, of the Official Records of the Clark County Recorder;

(3) EASEMENTS AND RIGHTS-OF-WAY recorded October 21, 2009, in Book No. 20091021, as Instrument No. 0002770, of the Official Records of the Clark County Recorder; and

(4) EASEMENTS AND RIGHTS-OF-WAY recorded October 21, 2009, in Book No. 20091021, as Instrument No. 0002771, of the Official Records of the Clark County Recorder;

L. Defendant CITY OF LAS VEGAS, a municipal corporation, may have an interest in the Acquisition Area pursuant to any grant of rights and right of way created by the following, and may be a lien holder against the Acquisition Area for, among other things, Special Assessments, taxes and/or rights of way:

(1) PARCEL MAP FOR 70 LIMITED PARTNERSHIP recorded May 10, 1994, in Book No. 940510, as Instrument No. 01493 - File 79 of Parcel Maps, Page 21 - of the Official Records of the Clark County Recorder;

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(2) CITY OF LAS VEGAS NOTICE OF ZONING ACTION recorded April 21, 2009, in Book No. 20090421, as Instrument No. 0001989, of the Official Records of the Clark County Recorder;

(3) CITY OF LAS VEGAS NOTICE OF ZONING ACTION recorded May 14, 2009, in Book No. 20090514, as Instrument No. 0001865, of the Official Records of the Clark County Recorder;

(4) GRANT DEED recorded August 26, 2009, in Book No. 20090826, as Instrument No. 0002169, of the Official Records of the Clark County Recorder;

(5) GRANT DEED recorded August 26, 2009, in Book No. 20090826, as Instrument No. 0002170, of the Official Records of the Clark County Recorder;

(6) GRANT DEED recorded August 26, 2009, in Book No. 20090826, as Instrument No. 0002171, of the Official Records of the Clark County Recorder;

(7) GRANT DEED recorded August 26, 2009, in Book No. 20090826, as Instrument No. 0002172, of the Official Records of the Clark County Recorder;

(8) RIGHT OF WAY GRANT FOR STREETLIGHT PURPOSES recorded September 25, 2009, in Book No. 20090925, as Instrument No. 0002933, of the Official Records of the Clark County Recorder;

(9) RIGHT OF WAY GRANT FOR PEDESTRIAN WALKWAY PURPOSES recorded September 25, 2009, in Book No. 20090925, as Instrument No. 0002934, of the Official Records of the Clark County Recorder;

(10) RIGHT OF WAY GRANT FOR TRAFFIC PURPOSES recorded September 25, 2009, in Book No. 20090925, as Instrument No. 0002935, of the Official Records of the Clark County Recorder; and

(11) ENCROACHMENT AGREEMENT (SHORT-TERM) recorded October 22, 2009, in Book No. 20091022, as Instrument No. 0000939, of the Official Records of the Clark County Recorder;

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Telephone: (702) 538-9074 – Facsimile (702) 538-9113

M. Defendant CLARK COUNTY, a political subdivision of the State of Nevada, may have an interest in the Acquisition Area pursuant to any grant of rights and right of way created by the following, and may be a lien holder against the Acquisition Area for, among other things, Special Assessments, sanitation assessments, easements and/or for property taxes:

(1) MEMORANDUM OF LEASE AND PURCHASE OPTION recorded September 2, 2009, in Book No. 20090902, as Instrument No. 0000688, of the Official Records of the Clark County Recorder;

(2) SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT recorded September 2, 2009, in Book No. 20090902, as Instrument No. 0001866, of the Official Records of the Clark County Recorder;

(3) SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT recorded September 2, 2009, in Book No. 20090902, as Instrument No. 0001868, of the Official Records of the Clark County Recorder; and

(4) SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT recorded September 2, 2009, in Book No. 20090902, as Instrument No. 0001870, of the Official Records of the Clark County Recorder;

N. Plaintiff has been informed and believes and therefore alleges that there may be other persons, corporations, partnerships, or entities identified herein as DOES I through X and ROE CORPORATIONS XI through XX, who may have, or claim to have, a right, title, estate, lien or interest in the Acquisition Area and whose names are unknown to Plaintiff at this time. Such unknown persons are identified herein pursuant to, among other rules of law, NRS Section 37.070(1)(c). If the true names and identities of such persons are ascertained, Plaintiff reserves the right, in its sole and absolute discretion, to seek leave of Court to amend its Complaint to add the names of any additional interested Defendants.

9. The Acquisition Area sought to be acquired herein is only part of a larger parcel(s) or tract of land that the Defendants own or may claim an interest in, and is more particularly shown on the drawing(s) attached hereto as **Exhibit "1"**, which delineate the Acquisition Area as it relates to the larger parcel.

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8945 West Russell Road, Suite 330, Las Vegas, Nevada 89148
Telephone: (702) 538-9074 – Facsimile (702) 538-9113

10. If there are two or more estates or divided interests in the Acquisition Area, then NRS Section 37.115 entitles Plaintiff to have the amount of the award for the Acquisition Area first determined as between Plaintiff and all Defendants claiming any interest therein as if the fee interest is not divided; and provides that the respective rights of such Defendants in and to the award are to be determined subsequently in a later and separate hearing in the same proceeding.

11. In the event contamination is discovered at the Acquisition Area, Plaintiff reserves any and all rights it has or may have to recover in this action, in any subsequent action, or by any administrative means, all costs of remediation and/or cleanup of the contamination at the Acquisition Area necessitated by any conditions that are present at the time Plaintiff acquires the right to occupy the Acquisition Area. Plaintiff further reserves any and all rights it has or may have to pursue any remedies to compel Defendants to remediate and/or cleanup any contamination at the Acquisition Area in accordance with applicable laws and regulations.

Plaintiff reserves any and all rights it has or may have to request or petition the Court to direct the Clerk to set aside and/or reserve any funds deposited by Plaintiff in conjunction with Plaintiff's right to occupy the Acquisition Area in an amount sufficient to remediate and/or cleanup any contamination existing at the Acquisition Area at the time Plaintiff acquires the right to occupy the Acquisition Area.

12. This matter is entitled to a priority trial setting pursuant to NRS 37.055.

13. Plaintiff has taken all preliminary steps required by law to institute this proceeding.

WHEREFORE, Plaintiff prays that this Honorable Court do the following:

1. Enter an order allowing Plaintiff to take immediate possession and occupancy of the Acquisition Area;

2. Ascertain and assess the amount of reasonable and just compensation due the Defendants for the taking of the Acquisition Area assuming the fee interest is not divided, and determine in a separate hearing the respective rights of the Defendants in and to the award herein pursuant to NRS Chapter 37;

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Telephone: (702) 538-9074 – Facsimile (702) 538-9113

3. Enter judgment and a final order of condemnation against each and every Defendant condemning title in the Acquisition Area in favor of NV Energy as hereinbefore described; and

4. Enter an order or judgment for such other and further relief as the Court deems just and proper.

DATED this 10th day of May, 2013.

LEACH JOHNSON SONG & GRUCHOW

By: _____

KIRBY C. GRUCHOW, JR., ESQ.
Nevada Bar No. 6663
MICHAEL W. MCKELLEB, ESQ.
Nevada Bar No. 12040
8945 West Russell Road, Suite 330
Las Vegas, Nevada 89148
Phone: (702) 538-9074
Attorneys for Plaintiff Nevada Power Company d/b/a NV Energy

LEACH JOHNSON SONG & GRUCHOW
8945 West Russell Road, Suite 330, Las Vegas, Nevada 89148
Telephone: (702) 538-9074 – Facsimile (702) 538-9113

VERIFICATION

STATE OF NEVADA)
) ss.
COUNTY OF CLARK)

RANDAL CAGLE, being first duly sworn, deposes and says:

That he is the Manager of Property Services for Nevada Power Company d/b/a NV Energy, Plaintiff in the above-entitled action, that he has read the above and foregoing **VERIFIED COMPLAINT IN EMINENT DOMAIN**, knows the contents thereof, and that the same is true of his own knowledge, except as to those matters therein state on information and belief, and as to those matters, he believes them to be true.

DATED this 7th day of May, 2013.

RANDAL CAGLE, Manager of Property Services
for Nevada Power Company d/b/a NV Energy

SUBSCRIBED and SWORN to before me
this 7th day of May, 2013.

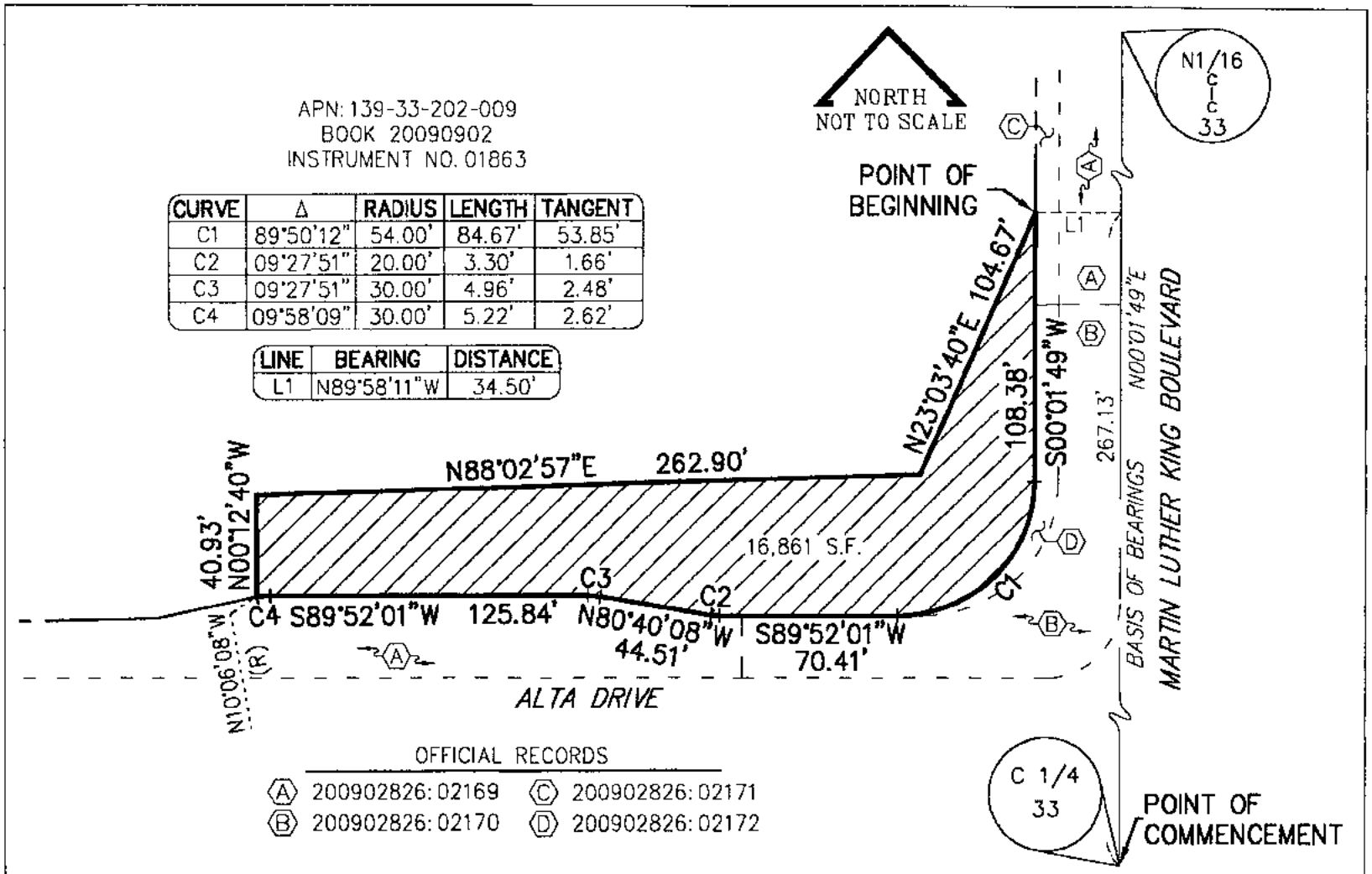
HEATHER L. KELLEY
Notary Public State of Nevada
No. 02-73274-1
My appt. exp. Dec. 30, 2013

NOTARY PUBLIC in and for said
County and State

LEACH JOHNSON SONG & GRUCHOW
8945 West Russell Road, Suite 330, Las Vegas, Nevada 89148
Telephone: (702) 538-9074 - Facsimile (702) 538-9113

EXHIBIT "1"

EXHIBIT "1"



CURVE	Δ	RADIUS	LENGTH	TANGENT
C1	89°50'12"	54.00'	84.67'	53.85'
C2	09°27'51"	20.00'	3.30'	1.66'
C3	09°27'51"	30.00'	4.96'	2.48'
C4	09°58'09"	30.00'	5.22'	2.62'

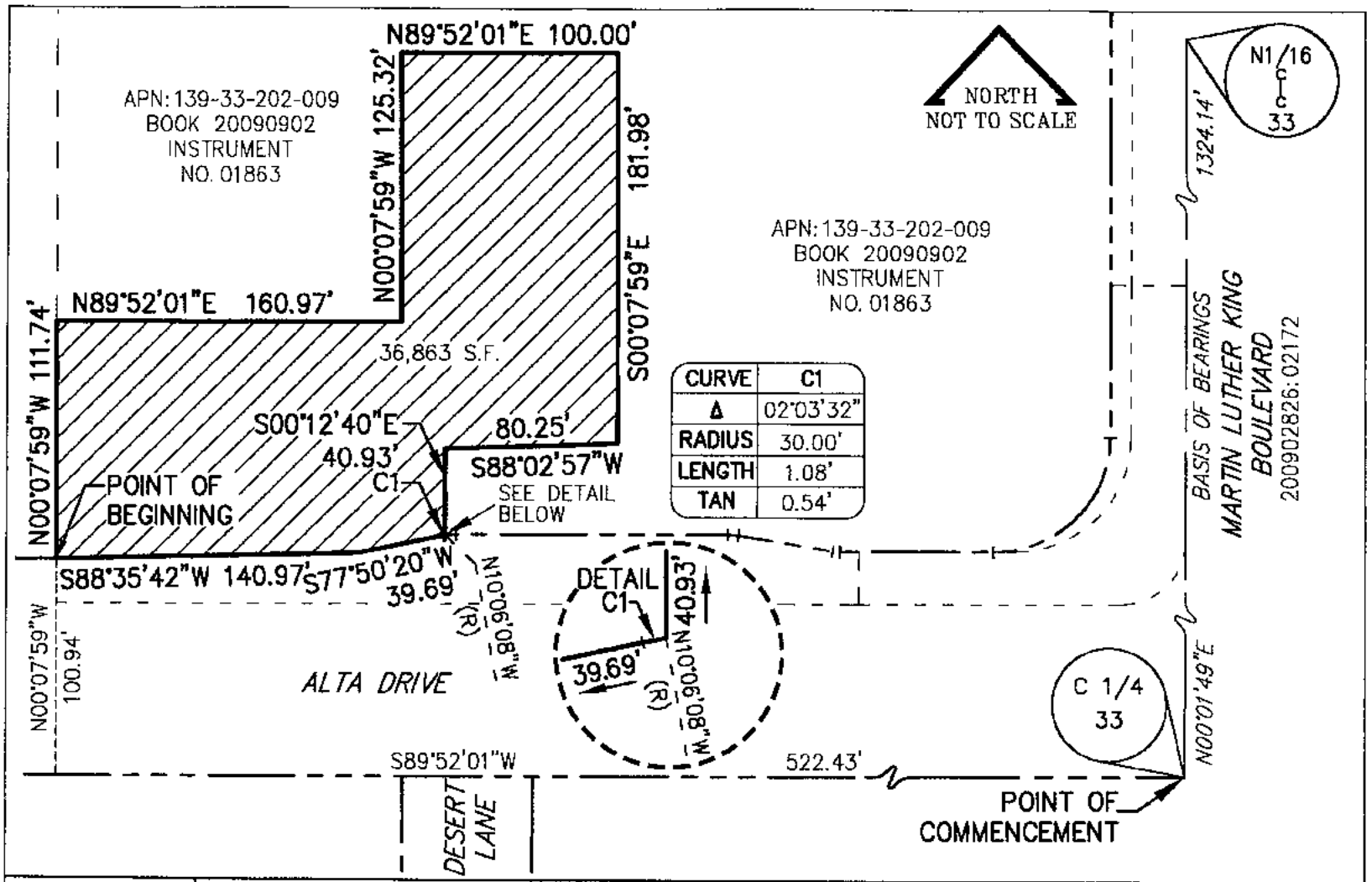
LINE	BEARING	DISTANCE
L1	N89°58'11"W	34.50'

NVEnergy

PROJECT:
PROJECT NEON
APN: 139-33-202-009
EXHIBIT A

EXHIBIT MAP TO ACCOMPANY LAND DESCRIPTION

SEC: 33 T:20 S., R:61 E. DATE: 14 MAY 2012 PAGE: 3 OF 3
SURVEYOR: GE/SB
DRAWN BY: CV CHECKED BY: PROJECT ID: LR697NJLR2



CURVE	C1
Δ	02°03'32"
RADIUS	30.00'
LENGTH	1.08'
TAN	0.54'

NVEnergy

PROJECT:
PROJECT NEON
APN: 139-33-202-009-TE

EXHIBIT MAP TO ACCOMPANY LAND DESCRIPTION

SEC: 33 T:20 S., R:61 E. DATE: 15 JAN, 2013 PAGE: 3 OF 3
SURVEYOR: GE/SB
DRAWN BY: CV CHECKED BY: SD PROJECT ID: LR697NJLR2

EXHIBIT "2"

EXHIBIT "2"

APN: 139-33-202-009

PERPETUAL EASEMENT

Nevada Power Company, a Nevada corporation, d/b/a NV Energy and its successors and assigns ("**NV Energy**"), for use by them and their employees and contractors, hereby acquire a perpetual right and easement:

1. to construct, operate, add to, modify, maintain and remove aboveground and/or underground communication facilities and electric line systems for the distribution and transmission of electricity, consisting of poles, other structures, wires, cables, conduit, duct banks, manholes, vaults, transformers, service boxes/meter panels, cabinets, bollards, anchors, guys, and other equipment, fixtures, apparatus, and improvements ("**Utility Facilities**") upon, over, under and through the property described in **Exhibit "A"** hereto (the "**Easement Area**");

2. for the unrestricted passage of vehicles and pedestrians within, on, over and across the Easement Area and the property described in **Exhibit "B"** hereto (the "**Property**");

3. for the ingress of vehicles and pedestrians to and the egress of vehicles and pedestrians from the Easement Area and the Property; and

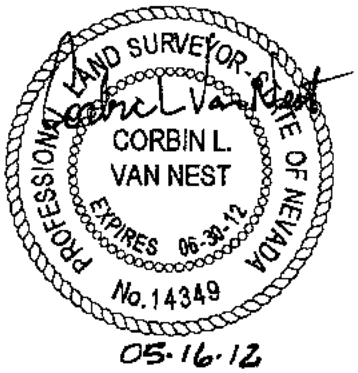
4. to remove, clear, cut or trim any obstruction or material (including trees, other vegetation and structures) from the surface or subsurface of the Easement Area as NV Energy may deem necessary or advisable for the safe and proper use and maintenance of the Utility Facilities in the Easement Area.

NV Energy will be responsible for any damages, proximately caused by NV Energy negligently constructing, operating, adding to, maintaining, or removing the Utility Facilities, to any tangible, personal property or improvements owned by the property owners and located on the Easement Area after the date that NV Energy obtains occupancy of the Easement Area pursuant to NRS Chapter 37. However, this paragraph does not apply to, and NV Energy is not responsible for, any damages caused when NV Energy exercises its rights under numbered Paragraph 4 above.

The property owner covenants for the benefit of NV Energy, its successors and assigns, that no building, structure or other real property improvements will be constructed or placed on or within the Easement Area without the prior written consent of NV Energy (which NV Energy will not unreasonably withhold), such structures and improvements to include, but not be limited to, drainage, trees, bridges, signage, roads, fencing, storage facilities, parking canopies, and other covered facilities. NV Energy and the property owner must document NV Energy's consent by both NV Energy and the property owner signing NV Energy's standard, recordable use agreement. The property owner retains, for its benefit, the right to maintain, use and otherwise landscape the Easement Area for its own purposes; provided, however, that all such purposes and uses do not interfere with NV Energy's rights herein and are in all respects consistent with NV Energy's rights herein, NV Energy's electrical practices, and the National Electrical Safety Code.

NVEnergy

EXHIBIT A



PROJECT ID: LR697NJLR2
PROJECT NEON
APN: 139-33-202-009
14 MAY, 2012
PREPARED BY: CV
CHECKED BY: SD

LAND DESCRIPTION:

A PORTION OF THE LAND DESCRIBED IN THAT CERTAIN "GRANT BARGAIN AND SALE DEED" RECORDED SEPTEMBER 2, 2009 IN BOOK 20090902 AS INSTRUMENT NO. 01863 OF OFFICIAL RECORDS IN THE COUNTY RECORDER'S OFFICE, CLARK COUNTY, NEVADA, SITUATE IN THE SOUTHEAST QUARTER (SE 1/4) OF THE NORTHWEST QUARTER (NW 1/4) OF SECTION 33, TOWNSHIP 20 SOUTH, RANGE 61 EAST, M.D.M., CITY OF LAS VEGAS, CLARK COUNTY, NEVADA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID SOUTHEAST QUARTER (SE 1/4); THENCE NORTH 00°01'49" EAST, ALONG THE EAST LINE OF SAID SOUTHEAST QUARTER (SE 1/4), A DISTANCE OF 267.13 FEET; THENCE NORTH 89°58'11" WEST, DEPARTING SAID EAST LINE, 34.50 FEET TO THE **POINT OF BEGINNING**, SAME BEING THE WESTERLY RIGHT-OF-WAY OF MARTIN LUTHER KING BOULEVARD (WIDTH VARIES) DESCRIBED IN THAT CERTAIN "GRANT DEED" RECORDED AUGUST 26, 2009 IN BOOK 20090826 AS INSTRUMENT NO. 02171 OF OFFICIAL RECORDS IN THE COUNTY RECORDER'S OFFICE, CLARK COUNTY, NEVADA; THENCE ALONG SAID RIGHT-OF-WAY AND THE UNBROKEN TRANSITION THEREOF ONTO AND ALONG THE NORTHERLY RIGHT-OF-WAY OF ALTA DRIVE, BEING DESCRIBED IN THOSE CERTAIN 'GRANT DEEDS' RECORDED AUGUST 26, 2009 IN BOOK 20090826 AS INSTRUMENT NUMBERS 02169, 02170 AND 02172 OF SAID OFFICIAL RECORDS, THE FOLLOWING EIGHT (8) COURSES: 1) SOUTH 00°01'49" WEST, 108.38 FEET TO THE BEGINNING OF A CURVE, CONCAVE NORTHWESTERLY, HAVING A RADIUS OF 54.00 FEET; 2) SOUTHWESTERLY ALONG SAID CURVE, 84.67 FEET THROUGH A CENTRAL ANGLE OF 89°50'12"; 3) SOUTH 89°52'01" WEST, 70.41 FEET TO THE BEGINNING OF A CURVE, CONCAVE NORTHEASTERLY, HAVING A RADIUS OF 20.00 FEET; 4) NORTHWESTERLY ALONG SAID CURVE, 3.30 FEET THROUGH A CENTRAL

ANGLE OF 09°27'51"; 5) NORTH 80°40'08" WEST, 44.51 FEET TO THE BEGINNING OF A CURVE, CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 30.00 FEET, 6) NORTHWESTERLY ALONG SAID CURVE, 4.96 FEET THROUGH A CENTRAL ANGLE OF 09°27'51"; 7) SOUTH 89°52'01" WEST, 125.84 FEET TO THE BEGINNING OF A CURVE, CONCAVE SOUTHERLY, HAVING A RADIUS OF 30.00 FEET; 8) SOUTHWESTERLY ALONG SAID CURVE, 5.22 FEET THROUGH A CENTRAL ANGLE OF 09°58'09"; THENCE DEPARTING SAID RIGHT-OF-WAY, NORTH 00°12'40" WEST, 40.93 FEET; THENCE NORTH 88°02'57" EAST, 262.90 FEET; THENCE NORTH 23°03'40" EAST, 104.67 FEET TO THE **POINT OF BEGINNING**, AS SHOWN ON THE "EXHIBIT MAP TO ACCOMPANY LAND DESCRIPTION" ATTACHED HERETO AND MADE A PART HEREOF.

CONTAINING 16,861 SQUARE FEET.

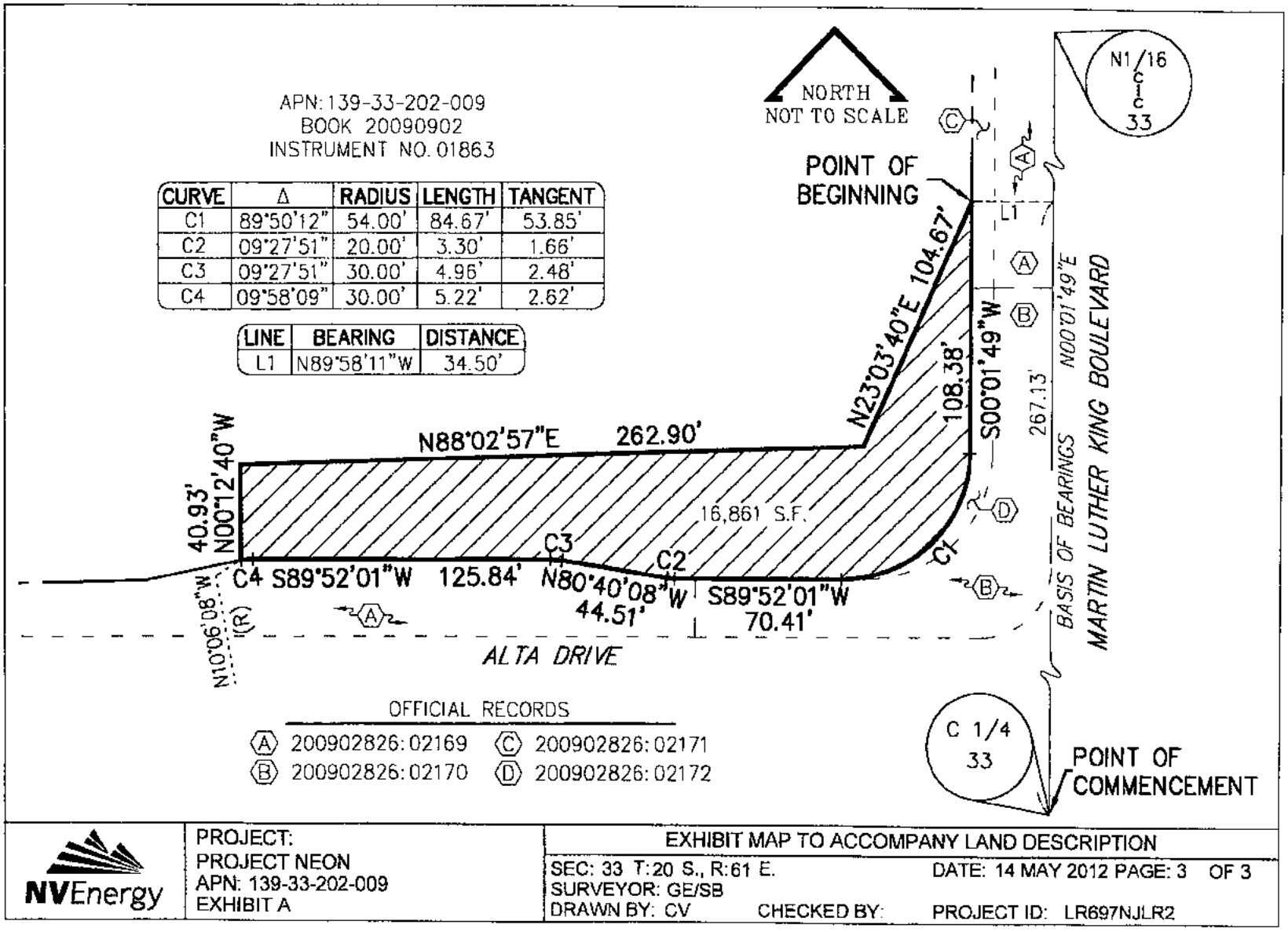
BASIS OF BEARINGS:

NORTH 00°01'49" EAST BEING THE BEARING OF THE EAST LINE OF THE SOUTHEAST QUARTER (SE 1/4) OF THE NORTHWEST QUARTER (NW 1/4) OF SECTION 33, TOWNSHIP 20 SOUTH, RANGE 61 EAST, M.D.M., CITY OF LAS VEGAS, CLARK COUNTY, NEVADA, MEASURED IN THE NEVADA EAST ZONE (2701) STATE PLANE COORDINATE SYSTEM, NORTH AMERICAN DATUM 1983 (NAD 83)

END OF LAND DESCRIPTION.

NOTE: THIS LAND DESCRIPTION IS NOT INTENDED FOR THE PURPOSE OF SUBDIVIDING LAND NOT IN CONFORMANCE WITH NEVADA REVISED STATUTES.

CORBIN L. VAN NEST, PLS
STATE OF NEVADA NO. 14349
FOR AND AT THE INSTANCE OF NV ENERGY



CURVE	Δ	RADIUS	LENGTH	TANGENT
C1	89°50'12"	54.00'	84.67'	53.85'
C2	09°27'51"	20.00'	3.30'	1.66'
C3	09°27'51"	30.00'	4.96'	2.48'
C4	09°58'09"	30.00'	5.22'	2.62'

LINE	BEARING	DISTANCE
L1	N89°58'11"W	34.50'

NVEnergy

PROJECT:
PROJECT NEON
APN: 139-33-202-009
EXHIBIT A

EXHIBIT MAP TO ACCOMPANY LAND DESCRIPTION

SEC: 33 T:20 S., R:61 E. DATE: 14 MAY 2012 PAGE: 3 OF 3
SURVEYOR: GE/SB
DRAWN BY: CV CHECKED BY: PROJECT ID: LR697NJLR2

Exhibit B

Situate in the City of Las Vegas, County of Clark, State of Nevada is that portion of the Northwest Quarter (NW ¼) of Section 33, Township 20 South, Range 61 East, M.D.M., Clark County, Nevada, described as follows:

That parcel of land as described in Grant Bargain and Sale Deed recorded September 2, 2009 in Book 20090902, as Instrument No, 01863, Official Records, Clark County, Nevada.

EXHIBIT "3"

EXHIBIT "3"

APN: 139-33-202-009

TEMPORARY CONSTRUCTION EASEMENT

Nevada Power Company, a Nevada corporation, d/b/a NV Energy and its successors and assigns ("**NV Energy**"), for use by them and their employees and contractors, hereby acquire a temporary right and easement on the real property situated in Clark County, Nevada, identified on **Exhibit "A"** hereto, and commonly known as APN 139-33-202-009 (the "**Property**"):

1. to use and restore an area approximately one hundred (100) feet by one hundred eighty-one (181) feet and one hundred eleven (111) feet by one hundred eighty-one (181) feet for construction staging (including but not limited to parking vehicles and storing materials), pulling cable, and wire tensioning in the location identified on **Exhibit "B"** hereto ("**Temporary Easement Area**");

2. to perform final cleanup of and restore to its before condition the Temporary Easement Area;

3. for the unrestricted passage of vehicles and pedestrians within, on, over and across the Temporary Easement Area; and

4. for the unrestricted, contiguous access of vehicles and pedestrians along and through the Property to the Temporary Easement Area, for the ingress of vehicles and pedestrians to the Temporary Easement Area from the Property, and for the egress of vehicles and pedestrians from the Temporary Easement Area over the Property.

NV Energy has the right to permanently remove or clear any and all materials, trees, brush, debris, structures, and any other obstruction from the Temporary Easement Area that in in NV Energy's reasonable judgment may interfere with or endanger NV Energy's use of or activities on the Temporary Easement Area.

NV Energy will be responsible for any damages, proximately caused by NV Energy's negligent use of or activities on the Temporary Easement Area, to any tangible, personal property or improvements owned by the property owner and located on the Temporary Easement Area after the date that NV Energy obtains occupancy of the Temporary Easement Area pursuant to NRS Chapter 37. NV Energy further agrees that, if NV Energy performs work that damages the Easement Area, NV Energy will restore the Easement Area to its before condition. However, this paragraph does not apply to, and NV Energy is not responsible for, any damages caused to any tangible, personal property or improvements owned by the property owner and located on the Temporary Easement Area after the date that NV Energy obtains occupancy of the Temporary Easement Area pursuant to NRS Chapter 37 and when NV Energy exercises its rights under the paragraph immediately preceding this paragraph.

The Temporary Construction Easement terminates on June 30, 2015, and, upon termination, has no further effect.

Exhibit A

The above referred to parcel of land, situate in the City of Las Vegas, County of Clark, State of Nevada, is that portion of the Northwest Quarter (NW ¼) of Section 33, Township 20 South, Range 61 East, M.D.M., Nevada, described as follows:

That parcel of land as described in Grant Bargain and Sale Deed recorded September 2, 2009 in Book 20090902, as Instrument No. 01863, Official Records, Clark County, Nevada.

NVEnergy

EXHIBIT B

PROJECT ID: LR697NJLR2
PROJECT NEON
APN: 139-33-202-009-TE
15 JANUARY, 2012
PREPARED BY: CV
CHECKED BY: SD

PROFESSIONAL LAND SURVEYOR STATE OF NEVADA
CORBIN L. VAN NEST
EXPIRES 06-30-13
No. 14349
01-15-13

LAND DESCRIPTION:

A PORTION OF THE LAND DESCRIBED IN THAT CERTAIN "GRANT BARGAIN AND SALE DEED" RECORDED SEPTEMBER 2, 2009 IN BOOK 20090902 AS INSTRUMENT NO. 01863 OF OFFICIAL RECORDS IN THE COUNTY RECORDER'S OFFICE, CLARK COUNTY, NEVADA, SITUATE IN THE SOUTHEAST QUARTER (SE 1/4) OF THE NORTHWEST QUARTER (NW 1/4) OF SECTION 33, TOWNSHIP 20 SOUTH, RANGE 61 EAST, M.D.M., CITY OF LAS VEGAS, CLARK COUNTY, NEVADA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID SOUTHEAST QUARTER (SE 1/4); THENCE SOUTH 89°52'01" WEST ALONG THE SOUTH LINE OF SAID SOUTHEAST QUARTER (SE 1/4), A DISTANCE OF 522.43 FEET; THENCE NORTH 00°07'59" WEST, DEPARTING SAID SOUTH LINE, 100.94 FEET TO THE SOUTHWEST CORNER OF SAID LAND, SAME BEING THE **POINT OF BEGINNING**; THENCE NORTH 00°07'59" WEST ALONG THE WEST LINE OF SAID LAND,111.74' FEET; THENCE NORTH 89°52'01"EAST DEPARTING SAID WEST LINE, 160.97' FEET; THENCE NORTH 00°07'59" WEST 125.32 FEET; THENCE NORTH 89°52'01"EAST 100.00 FEET; THENCE SOUTH 00°07'59"EAST 181.98 FEET; THENCE SOUTH 88°02'57" WEST 80.25 FEET; THENCE SOUTH 00°12'40" EAST 40.93 FEET TO A POINT ON THE SOUTH BOUNDARY OF SAID LAND, SAID POINT BEING THE BEGINNING OF A NON-TANGENT CURVE, CONCAVE SOUTHERLY, HAVING A RADIUS OF 30.00 FEET, A RADIAL LINE TO SAID BEGINNING BEARS NORTH 10°06'08" WEST; THENCE ALONG SAID SOUTHERLY BOUNDARY THE FOLLOWING THREE (3) COURSES: 1) SOUTHWESTERLY 1.08 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 02°03'32"; 2) SOUTH 77°50'20" WEST 39.69 FEET; 3) SOUTH 88°35'42" WEST, 140.97 FEET TO THE **POINT OF BEGINNING,** AS SHOWN ON THE "EXHIBIT MAP TO ACCOMPANY LAND DESCRIPTION" ATTACHED HERETO AND MADE A PART HEREOF.

CONTAINING 36,863 SQUARE FEET.

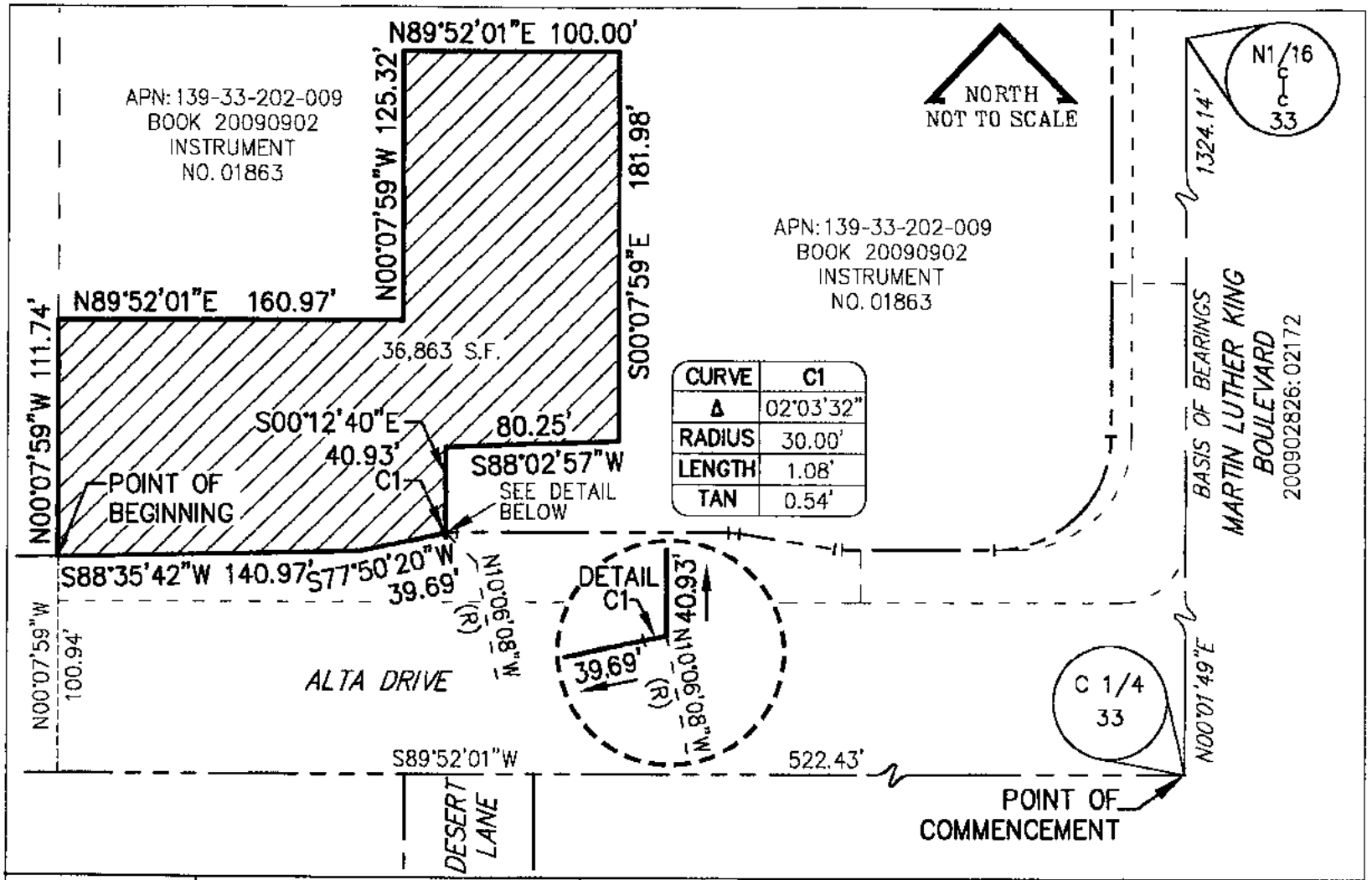
BASIS OF BEARINGS:

NORTH 00°01'49" EAST BEING THE BEARING OF THE EAST LINE OF THE SOUTHEAST QUARTER (SE 1/4) OF THE NORTHWEST QUARTER (NW 1/4) OF SECTION 33, TOWNSHIP 20 SOUTH, RANGE 61 EAST, M.D.M., CITY OF LAS VEGAS, CLARK COUNTY, NEVADA, MEASURED IN THE NEVADA EAST ZONE (2701) STATE PLANE COORDINATE SYSTEM, NORTH AMERICAN DATUM 1983 (NAD 83).

END OF LAND DESCRIPTION.

NOTE: THIS LAND DESCRIPTION IS NOT INTENDED FOR THE PURPOSE OF SUBDIVIDING LAND NOT IN CONFORMANCE WITH NEVADA REVISED STATUTES.

CORBIN L. VAN NEST, PLS
STATE OF NEVADA NO. 14349
FOR AND AT THE INSTANCE OF NV ENERGY



NVEnergy	PROJECT: PROJECT NEON APN: 139-33-202-009-TE	EXHIBIT MAP TO ACCOMPANY LAND DESCRIPTION SEC: 33 T:20 S., R:61 E. DATE: 15 JAN, 2013 PAGE: 3 OF 3 SURVEYOR: GE/SB DRAWN BY: CV CHECKED BY: SD PROJECT ID: LR697NJLR2

ORIGINAL

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CLERK OF THE COURT

MIMO
LEACH JOHNSON SONG & GRUCHOW
KIRBY C. GRUCHOW, JR., ESQ.
Nevada Bar No. 6663
MICHAEL W. MCKELLEB, ESQ.
Nevada Bar No. 12040
8945 West Russell Road, Suite 330
Las Vegas, Nevada 89148
Telephone: (702) 538-9074
Facsimile: (702) 538-9113

Attorneys for Plaintiff

DISTRICT COURT

CLARK COUNTY, NEVADA

NEVADA POWER COMPANY, a Nevada corporation, d/b/a NV ENERGY,

Plaintiff,

vs.

HQ METRO, LLC, an Arizona limited liability company; LAS VEGAS METROPOLITAN POLICE DEPARTMENT, a metropolitan police department; PROJECT ALTA, LLC, a Nevada limited liability company; PROJECT ALTA II, LLC, a Nevada limited liability company; PROJECT ALTA III, LLC, a Nevada limited liability company; PROJECT ALTA LIQUIDATING TRUST U/A/D 12/31/09, by and through MARK L. FINE & ASSOCIATES, a Nevada corporation, individually and as Trustee; WELLS FARGO BANK, NATIONAL ASSOCIATION, a Delaware corporation; NEVADA TITLE COMPANY, a Nevada corporation; CENTRAL TELEPHONE COMPANY, a Delaware corporation; COX COMMUNICATIONS LAS VEGAS, INC., a Delaware corporation; LAS VEGAS VALLEY WATER DISTRICT, a quasi-municipal corporation; CITY OF LAS VEGAS, a municipal corporation; CLARK COUNTY, a political subdivision of the State of Nevada; all other persons unknown claiming any right, title, estate, lien or interest in the real property described in the Complaint; DOES I through X; and ROE CORPORATIONS XI through XX, inclusive,

Defendants.

Case No.: A-13-681632-C

Dept. No.: I

PLAINTIFF'S MOTION FOR IMMEDIATE OCCUPANCY

Date of Hearing: _____

Time of Hearing: _____

LEACH JOHNSON SONG & GRUCHOW
8945 West Russell Road, Suite 330, Las Vegas, Nevada 89148
Telephone: (702) 538-9074 - Facsimile (702) 538-9113

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8945 West Russell Road, Suite 330, Las Vegas, Nevada 89148
Telephone: (702) 538-9074 – Facsimile (702) 538-9113

PLAINTIFF'S MOTION FOR IMMEDIATE OCCUPANCY

Plaintiff, NEVADA POWER COMPANY d/b/a NV ENERGY ("**Plaintiff**" or "**NV Energy**"), pursuant to Nevada Revised Statutes ("**NRS**") Section 37.100, hereby moves this Honorable Court for entry of an order permitting Plaintiff to enter upon and occupy the Acquisition Area (defined herein) pending the final determination of the action and entry of final judgment, and to do such work on the Acquisition Area as may be required for permitting, construction, operation and maintenance of 230kV/138kV/69kV transmission lines, and associated facilities, which will be generally located in the area of Interstate 15 and Charleston Boulevard, in the County of Clark, State of Nevada (the "**Project**"), and other public purposes.

This Motion is made and based upon all of the papers and pleadings on file herein, the attached Memorandum of Points and Authorities, the Affidavits of Randal Cagle ("**Cagle Affidavit**") and Glenn M. Anderson, MAI, SRA ("**Anderson Affidavit**"), respectively attached hereto as **Exhibits "A"** and **"B"**, together with such other and further evidence and argument as may be presented and considered by this Court at any hearing of this Motion.

NOTICE OF MOTION

TO: ALL PARTIES AND THEIR RESPECTIVE COUNSEL OF RECORD:

PLEASE TAKE NOTICE that the undersigned will bring the above and foregoing, **PLAINTIFF'S MOTION FOR IMMEDIATE OCCUPANCY**, on for hearing before the above-entitled Court in Department I on the 25 day of June, 2013, at 9:00 AM in.

DATED this 30th day of May, 2013.

LEACH JOHNSON SONG & GRUCHOW

By: _____

KIRBY C. GRUCHOW, JR., ESQ.
Nevada Bar No. 6663
MICHAEL W. MCKELLEB, ESQ.
Nevada Bar No. 12040
8945 West Russell Road, Suite 330
Las Vegas, Nevada 89148
Phone: (702) 538-9074
Attorneys for Plaintiff Nevada Power Company d/b/a NV Energy

LEACH JOHNSON SONG & GRUCHOW
8945 West Russell Road, Suite 330, Las Vegas, Nevada 89148
Telephone: (702) 538-9074 – Facsimile (702) 538-9113

I.

FACTUAL BACKGROUND

Plaintiff has commenced this action to condemn certain easement interests on a portion of the property generally located at 400 South Martin L. King Boulevard, Las Vegas, Nevada 89106, and recognized by the Clark County Recorder's Office as APN 139-33-202-009 (the "**Property**"). Plaintiff requires a permanent easement on the Property (the "**PE Acquisition Area**"), as well as a temporary construction easement on the Property (the "**TCE Acquisition Area**") (collectively, the "**Acquisition Area**"). The Acquisition Area is specifically identified in the documents attached to the Verified Complaint as **Exhibits "1", "2"** and **"3"**.

Pursuant to NRS Chapter 37, Plaintiff authorized and directed institution of proceedings, by condemnation or other lawful means, to acquire the Acquisition Area to complete construction of the Project. Prior to said approval, Plaintiff retained a Real Property Appraiser, who appraised the Acquisition Area, in which the above-named Defendants do or may claim an ownership interest. As indicated in the Cagle Affidavit and Anderson Affidavit, the appraised value of the Acquisition Area is $281,000.00 and Plaintiff is willing to offer said amount to purchase the Acquisition Area.

II.

POINTS AND AUTHORITIES

Under the statutory provisions of NRS Chapter 37, the Nevada Legislature has established a procedure whereby Plaintiff can obtain possession of real property sought to be acquired by eminent domain prior to the completion of the condemnation action.

NRS Section 37.100 states in pertinent part:

> 2. The plaintiff may move the court or a judge thereof at any time after the commencement of suit, on notice . . . to the defendant . . . for an order permitting the plaintiff to occupy the premises sought to be condemned, pending the entry of judgment, and to do such work thereon as may be required for the easement, fee, or property rights sought, according to its nature.
>
> . . .

. . .

> 4. [I]f the court determines that the property is being taken for a public use pursuant to NRS 37.010, the court or judge shall take proof, by affidavit or otherwise, of the value of the premises sought to be condemned, the damages which will accrue from the condemnation and the reasons for requiring a speedy occupation, and shall grant or refuse the motion according to the equity of the case and the relative damages which may accrue to the parties.
>
> . . .
>
> 6. In lieu of a bond the plaintiff, with the consent of the court, may deposit with the clerk of the court a sum equal to the value of the premises plus damages, as appraised by the plaintiff.

See Nev. Rev. Stat. § 37.100(2), (4), (6) (2007).

The Cagle Affidavit sets forth the public use of the Acquisition Area, the necessity therefore, the reasons for requiring a speedy occupation, and the value of the premises plus any damages as appraised by Plaintiff. The Cagle Affidavit also states that Plaintiff had the Acquisition Area appraised by a licensed, experienced and competent real estate appraiser and that the fair market value of the Acquisition Area is TWO HUNDRED EIGHTY-ONE THOUSAND and NO/100 DOLLARS ($281,000.00). See also Anderson Affidavit attached hereto as **Exhibit "B"**. Plaintiff is prepared to deposit the above-referenced sum with the Clerk of the Court pursuant to NRS 37.100(6).

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LEACH JOHNSON SONG & GRUCHOW
8945 West Russell Road, Suite 330, Las Vegas, Nevada 89148
Telephone: (702) 538-9074 – Facsimile (702) 538-9113

III.

CONCLUSION

Plaintiff respectfully requests this Honorable Court to grant its Motion for Immediate Occupancy and enter an order permitting Plaintiff to occupy the Acquisition Area and to do such work thereon as may be required pending the entry of final judgment herein.

DATED this 20th day of May, 2013.

LEACH JOHNSON SONG & GRUCHOW

By: _____

KIRBY C. GRUCHOW, JR., ESQ.
Nevada Bar No. 6663
MICHAEL W. MCKELLEB, ESQ.
Nevada Bar No. 12040
8945 West Russell Road, Suite 330
Las Vegas, Nevada 89148
Phone: (702) 538-9074
Attorneys for Plaintiff Nevada Power Company d/b/a NV Energy

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Telephone: (702) 538-9074 – Facsimile (702) 538-9113

EXHIBIT “A”

EXHIBIT “A”

AFFIDAVIT OF PUBLIC USE, NECESSITY AND VALUE

STATE OF NEVADA)
) ss.
COUNTY OF CLARK)

I, RANDAL CAGLE, do hereby swear under penalty of perjury that the assertions contained in this Affidavit are true and correct:

1. I make this Affidavit in support of Plaintiff's Motion for Immediate Occupancy.

2. I am the Manager of Property Services for Nevada Power Company d/b/a NV Energy ("**Plaintiff**"). In my position of Manager, I am familiar with Plaintiff's projects.

3. Plaintiff has commenced this action to acquire right of way needed for permitting, construction, operation and maintenance of 230kV/138kV/69kV transmission lines, and associated facilities, which will be generally located in the area of Interstate 15 and Charleston Boulevard, in the County of Clark, State of Nevada (the "**Project**").

4. Plaintiff seeks to condemn certain easement interests on a portion of the property generally located at 400 South Martin L. King Boulevard, Las Vegas, Nevada 89106, and recognized by the Clark County Recorder's Office as APN 139-33-202-009 (the "**Property**"). Plaintiff requires a permanent easement on the Property (the "**PE Acquisition Area**"), as well as a temporary construction easement on the Property (the "**TCE Acquisition Area**") (collectively, the "**Acquisition Area**"). The Acquisition Area is specifically identified in the documents attached to the Verified Complaint as **Exhibits "1", "2"** and **"3"**.

5. Immediate occupancy of the Acquisition Area is needed for, among other reasons, the following:

(a) NV Energy has existing electrical facilities located within right-of-way owned by The State of Nevada, on relation of its Department of Transportation ("**NDOT**");

(b) NDOT has revoked Plaintiff's rights for its existing facilities located within NDOT's right-of-way ("**NDOT's Right-Of-Way**") so that NDOT can proceed with its Project Neon improvements, which include NDOT's widening of I-15 between the Spaghetti Bowl and Sahara Avenue;

. . .

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(c) NDOT has required that Plaintiff remove Plaintiff's existing facilities from NDOT's Right-Of-Way;

(d) Plaintiff must therefore obtain new rights for its facilities and install new facilities in order to continue to maintain and provide efficient and adequate electrical capacity;

(e) Plaintiff requires immediate occupancy of the Acquisition Area so that it can timely complete the permitting and construction of Plaintiff's new facilities (i.e., the Project) due to the requirement it remove its existing facilities from NDOT's Right-Of-Way; and

(f) A public need and necessity exists for the Project to provide and maintain continued efficient and adequate electrical capacity.

6. Among my duties and responsibilities as Manager is arranging for the appraisal of the portion of the property to be acquired for the Project in order to determine its fair market value. The Acquisition Area has been appraised by a licensed, experienced and competent real estate appraiser, who has determined that the fair market value of the Acquisition Area is $281,000.00. NV Energy wishes to deposit this amount with the Eighth Judicial District Court Clerk to obtain immediate occupancy of the Acquisition Area pursuant to NRS 37.100.

FURTHER AFFIANT SAYETH NAUGHT.

DATED this 7th day of May, 2013.

RANDAL CAGLE, Manager of Property Services
for Nevada Power Company d/b/a NV Energy

SUBSCRIBED and SWORN to before me
this 7th day of May, 2013.

NOTARY PUBLIC in and for said
County and State

HEATHER L. KELLEY
Notary Public State of Nevada
No. 02-73274-1
My appt. exp. Dec. 30, 2013

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EXHIBIT "B"

EXHIBIT "B"

AFFIDAVIT OF GLENN M. ANDERSON, MAI, SRA

STATE OF NEVADA)
) ss.
COUNTY OF CLARK)

I, GLENN M. ANDERSON, MAI, SRA, being first duly sworn upon oath deposes and says that:

1. I have personal knowledge of the facts set forth herein except as to those matters set forth based upon information and belief, and as to those matters, I believe them to be true and correct. If called to testify, I could and would truthfully testify to the facts set forth herein.

2. I make this Affidavit in support of Plaintiff's Motion for Immediate Occupancy.

3. I am now, and all times relevant herein, was a Certified General Appraiser; State of Nevada License No. A.0000555-CG. I am employed with Anderson Valuation Group, LLC ("**AVG**").

4. Before the instant condemnation proceeding was commenced, I, at the request of Nevada Power Company d/b/a NV Energy, inspected and investigated the property at issue in the Complaint in this action, which property is generally located at 400 South Martin L. King Boulevard, Las Vegas, Nevada 89106, and recognized by the Clark County Recorder's Office as APN 139-33-202-009 (the "**Property**"). Plaintiff requires a permanent easement on the Property (the "**PE Acquisition Area**"), as well as a temporary construction easement on the Property (the "**TCE Acquisition Area**") (collectively, the "**Acquisition Area**"). The Acquisition Area is specifically identified in the documents attached to the Verified Complaint as **Exhibits "1", "2"** and **"3"**.

5. Subsequent to my inspection and investigation of the Acquisition Area, I prepared an appraisal report for Nevada Power Company d/b/a NV Energy which sets forth my opinion as to the fair market value of the Acquisition Area and the compensation owed to the property owners for the taking of the Acquisition Area. A true and correct copy of the following appraisal report(s) are attached hereto as **Exhibits "1", "2", "3"** and **"4"** respectively:

(a) August 11, 2011, appraisal report (AVG File No. 153-11) – **Exhibit "1"**;

(b) June 12, 2012, appraisal report (AVG File No. 203-12) – **Exhibit "2";**

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(c) January 11, 2013, appraisal addendum (AVG File No. 203-12) – **Exhibit "3"**; and

(d) March 11, 2013, appraisal report (AVG File No. 069-13) – **Exhibit "4"**.

These appraisals(s) represent a copy of all appraisal(s) of the Property that AVG provided to Plaintiff.

6. After considering all of the pertinent factors affecting the fair market value of the Acquisition Area and the damages, if any, which may accrue from the condemnation, I have estimated the fair market value of the Acquisition Area to be TWO HUNDRED EIGHTY-ONE THOUSAND and NO/100 DOLLARS ($281,000.00) as of March 10, 2013.

7. I hereby certify that:

(a) I have personally inspected the Acquisition Area and the comparables referred to in the Appraisal Report.

(b) The facts and data presented are true and correct to the best of my knowledge.

(c) The appraised value represents my best unbiased judgment of the fair market value of the Acquisition Area.

(d) I have no present or intended future interest in the Acquisition Area.

(e) I am competent and willing to testify to this valuation before this Court.

(f) Compensation for making this appraisal is in no way contingent upon or influenced by the value reported in my appraisal of the Acquisition Area.

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(g) The appraisal of the Acquisition Area was made in compliance with applicable ethical and professional standards.

FURTHER AFFIANT SAYETH NAUGHT.

DATED this 18th day of May, 2013.

GLENN M. ANDERSON, MAI, SRA

SUBSCRIBED and SWORN to before me this 15th day of May, 2013.

NOTARY PUBLIC in and for said County and State

JACQUELINE A. KROGH
Notary Public, State of Nevada
Appointment No. 09-11299-1
My Appt. Expires Oct. 15, 2013

LEACH JOHNSON SONG & GRUCHOW
9345 West Russell Road, Suite 350, Las Vegas, Nevada 89148
Telephone: (702) 538-9074 -- Facsimile (702) 538-9113

EXHIBIT "1"

EXHIBIT "1"

A Summary Appraisal Report of a Proposed Easement Acquisition over a Vacant Portion of an Improved Property

Owned By:
HQ Metro, LLC

Property Located at:
400 South Martin Luther King Boulevard, Las Vegas, Clark County, Nevada

For the Purpose of:
Developing an Opinion of the Value of a Proposed Permanent Easement Acquisition Area as of July 27, 2011

Date of Appraisal Report:
August 11, 2011

File Number:
153-11

Assessor's Parcel Number:
139-33-202-009

Appraisal Prepared By:
Glenn M. Anderson, MAI, SRA
Anderson Valuation Group, LLC
1601 South Rainbow Boulevard
Suite 230
Las Vegas, Nevada, 89146

Anderson Valuation Group, LLC
www.andersonvaluationgroup.com

August 11, 2011

Ms. DeeAnn Kirk, SR/WA
Senior Right-of-Way Agent
Land Services
NV Energy
6226 West Sahara Avenue
Las Vegas, NV 89146

File No: **153-11**
Tax ID: **75-3174818**
Property Owner: **HQ Metro, LLC**
Parcel Number: **139-33-202-009**

Dear Ms. Kirk:

In compliance with your request and authorization, I have inspected the property which can commonly be identified as 400 South Martin Luther King Boulevard, Las Vegas, Clark County, Nevada, for the purpose of preparing the enclosed summary appraisal report. Proposed is the acquisition of a permanent easement over the easterly and southerly portions of this property and the proposed easement is to contain a combined 38,852 square feet. An illustration of the location and configuration of this easement will be provided later in the analysis. The purpose of this easement is to provide an area for the relocation of overhead electrical transmission lines along Alta Drive and Martin Luther King Boulevard.

Briefly, the subject property consists of a site that contains 13.76 acres and has recently been improved with the new Metropolitan Police Headquarters, a multi-building, multi-story office complex with parking structure. This structure was just recently opened in early 2011 and I have not been provided with specific plans or detailed information regarding the size, cost, or other general features of the structure. It is my opinion, based on the location of the proposed easement acquisition, that the new electrical transmission line and relative easement will not directly or indirectly affect the building improvements. The proposed easement area resides along the southerly and easterly boundaries of the property which are currently used for open asphalt paved parking as well as areas for ingress and egress. A more detailed illustration of the proposed easement area, including a legal description and survey map, will be provided later in the analysis. Additionally, a copy of the Grant of Easement which specifically describes the rights intended to be acquired by NV Energy within the easement area is provided in the Addenda for the reader's review.

The proposed easement is part of an electrical transmission line relocation project due to Project Neon's impact on the subject property's immediate neighborhood. Project Neon is a planned upgrade to Interstate 15, the general interchanges and access points in and around the Charleston Boulevard interchange. Various upgrades will occur generally between Sahara Avenue and U.S. Highway 95, including the widening and expansion of the freeway in this area plus the upgrade of interchanges and added access points to provide better vehicle circulation through the surrounding neighborhoods. As a result of this project, an existing transmission line which currently resides along the west side of Interstate 15 must be relocated to make room for this project. The relocation of this transmission line will include a corridor on the west side of Interstate 15 which will include Hastings Avenue, Desert Lane, Alta Drive and Martin Luther King Boulevard. A map which roughly illustrates the new transmission line route is retained in the Addenda for the reader's review.

According to Clark County records, the subject property is currently zoned C-1 (Limited Commercial District), by the City of Las Vegas Planning & Zoning Department. Recently, the City of Las Vegas updated their zoning code under Title 19, effective May 2011. This limited commercial district has a minimum front yard setback of 10 feet, and as such, a portion of the proposed easement will reside within the required minimum setback according to current Las Vegas zoning codes. As will be illustrated by the easement map which will be contained later in this report, a portion of the easement is intended to cross over the property, deviating from the property line. This will occur at the most southeastern corner of the subject property which resides adjacent to the intersection of Martin Luther King Boulevard and Alta Drive. This route will separate a small portion of the site from the larger tract due to the easement. As no building improvements would be allowable within the easement area, and the area which will be separated from the larger tract will be best characterized as a remnant parcel suitable only for ancillary uses to the larger site, I have also estimated compensation for this additional area. The proposed easement will not directly affect this small portion of the site; however, will indirectly affect the development potential of this portion of the property, and therefore, this area is considered to be damaged. For this reason, severance damages have been estimated equal to an estimate of additional compensation due to the owner as a result of creating this remnant portion of the site. Therefore, the total estimate of just compensation includes the value of the part taken plus damages.

In my opinion, the value of the easement area plus damages which reflects my opinion of just compensation for the easement acquisition, as of the effective date of the valuation, July 27, 2011, is:

Four Hundred Sixty-Five Thousand Dollars
($465,000.00)

The following calculation illustrates a summary of the value conclusion.

SUMMARY OF VALUE CONCLUSION

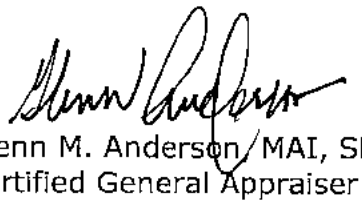
A.	Value of the whole, before the take:	$9,590,000	
B.	Value of the part taken, as part of the whole: Permanent Easement: $375,000	$ 375,000	$375,000
C.	Value of the remainder, as part of the whole: (A - B)	$9,215,000	
D.	Value of the remainder, after the take:	$9,125,000	
E.	Damages (C-D):		$ 90,000
F.	Other: Temporary easements		$ 00
G.	Total Value of the Part Taken (B + E + F) (rounded):		$465,000

This appraisal has been prepared as a summary report intended to comply with the *Uniform Standards of Professional Appraisal Practice* as adopted by the Appraisal Foundation. This report is also intended to comply with the *Code of Professional Ethics of the Appraisal Institute* and the various reporting requirements of NV Energy, as well as the *Uniform Standards for Federal Land Acquisitions* (Yellow Book). The intended use of this report is to assist in easement acquisition negotiations and the intended users include NV Energy and their assignees/ nominees. No other use or users are intended nor authorized.

This Letter of Transmittal must be used in conjunction with the following enclosed descriptive details, appraisal procedures and analysis and is, therefore, not considered a report standing on its own merit.

Thank you for giving me the opportunity to provide these appraisal services.

Sincerely,
Anderson Valuation Group, LLC



Glenn M. Anderson, MAI, SRA
Certified General Appraiser
Nevada License № A.0000555-CG
Expiration Date: January 31, 2012

GMA/jk

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Summary of Salient Facts

Property Location:

The subject property is located at 400 South Martin Luther King Boulevard, Las Vegas, Clark County, Nevada. The Clark County Assessor identifies the subject property as Parcel Number 139-33-202-009, and this is a location in zip code 89106 and Census Tract Number 203.

Site Size:

I have not been provided with a survey which provides an indication of the total property area. Clark County Records included an Assessor's Map which is a reflection of a recently filed map due to the new construction on the subject property. This map indicates that the property contains 13.76 acres. This equates to 599,386 square feet.

Existing Improvements:

Opened in 2011 is the new Metropolitan Police Department Headquarters. This is a campus of multi-story professional buildings with an associated parking garage. A significant amount of surface parking also exists around the eastern and southerly portions of the site. I have not been provided with plans on the property and have not directly inspected the building improvements. It is my opinion that the proposed easement acquisition will not directly or indirectly affect the building improvements or the operational characteristics of the facility. As such, I valued the easement as a function of the underlying land. Photographs of the existing improvements are provided later in this analysis.

Zoning:

The subject site resides in an area zoned C-1 (Limited Commercial District) by the City of Las Vegas Planning and Zoning Department. This zoning classification allows for various forms of commercial development and as built, the recently opened Metropolitan Police Headquarters is considered to be a legal and conforming

use under current zoning requirements. It should be noted that the Las Vegas Municipal Zoning Code was recently updated and the new version (Title 19) became effective in May 2011. Notably, the recent update of the zoning code now indicates that the required minimum front yard setback in the C-1 District is 10 feet, where historically, this setback has been a total of 20 feet. This material change in zoning affects the conclusion of just compensation for the subject property.

In addition, the subject property is located in a city redevelopment area. The subject's immediate area was added to this redevelopment area in 2006. The City of Las Vegas General Plan indicates the subject site is in an area designated for mixed use development.

Proposed Easement Acquisition Area:

The survey map which illustrates the proposed easement acquisition will be provided later within this analysis. Summated, the total easement area is proposed to be 38,835 square feet. The easement is to extend along the subject's easterly boundary line, crossing the southeast corner of the site nearest to the intersection of Alta Drive and Martin Luther King Boulevard and extending west along the Alta Drive corridor for a distance of approximately half of the width of subject properties Alta Drive frontage. This easement acquisition is to accommodate the relocation of an electrical transmission line. From information provided by NV Energy, the easement will accommodate overhead electrical transmission lines, as well as four poles planned to be placed on the property. More specific information with regard to the placement of these poles and the alignment of the easement will be provided later in the report.

It is noted that the subject property is zoned C-1 by the City of Las Vegas. The recent adoption of revised Municipal Codes indicates that the required setback along front and side yards in the C-1 District is 10 feet. As such, an estimated 8,992 square feet of the proposed 38,852 square foot easement will reside within the required setback according to current zoning code. The area within the

setback, in my opinion, will have similar restrictions after the acquisition of the easement as those which existed prior to the acquisition of the easement due to the location within the setback. Conversely, the areas of the easement which reside outside of the setback have no development restrictions in the "before" condition, and therefore, the acquisition will include a much larger portion of the bundle of rights.

As discussed, four poles are intended to be placed within the easement to support the aforementioned electrical transmission lines. The property owner will lose all rights in the pole positions, as the electric transmission line poles will encumber the entire portion of the site in which they reside.

Finally, the route of the proposed easement will cross over a portion of the property, isolating the extreme southeastern corner of the property. As no improvements are allowable in the easement area and the areas must remain open, restricted to parking, ingress and egress, landscape and other similar uses, the isolation of this small remnant piece will render this portion of the property undevelopable by itself. Therefore, this area would also be generally restricted to open space uses such as parking, open landscape, etc. For this reason, it is my opinion that the most southeasterly corner of the site which is isolated as a result of the easement is best characterized as a remnant, in the "after" condition, damaged by the acquisition of the easement. Therefore, severance damages for this small corner of the site are reflected in the total value of the just compensation estimate.

The easement is intended to extend over a portion of the property which has been improved with an asphalt paved parking area and perimeter landscape. Areas for ingress and egress also exist in the proposed easement area. The transmission line will not directly or indirectly affect the recently completed Metropolitan Police Headquarters, which was opened earlier in 2011. These buildings reside set back from the street right-of-ways, which is typical for a governmental facility such as this, allowing for a significant amount of surface parking around the perimeter. In

addition to the building improvements is a parking structure which resides to the rear of the recently constructed office buildings. As the permanent easement and the construction of the transmission lines in my opinion do not directly or indirectly affect the building improvements, I valued only the underlying land. Furthermore, based on a careful analysis of the effects of transmission lines on typical commercial properties and considering the specific easement proposed for the subject property, it is my opinion that no other forms of severance damages exist to the larger parcel, with the exception of the damage to the small remnant property as will be described at the southeast corner. Therefore, the just compensation estimate is equal to the value of the part taken for the easement acquisition plus damages as a result of the creation of a small remnant parcel at the extreme southeast corner of the property.

Again, the reader is referred to additional exhibits and a description of the easement proposed over the subject property which will be provided later in this analysis.

Description of Project:

The acquisition of the permanent easement area over the subject property is due to the impact as a result of the proposed improvements to the Interstate 15 corridor, generally between U.S. Highway 95 and Sahara Avenue. This project is known as Project Neon and the project features will include; the widening of Interstate 15 between U.S. Highway 95 and Sahara Avenue, addition of high occupancy vehicle lanes connecting U.S. Highway 95 and Interstate 15, upgrading access to Oakey Boulevard and Wyoming Street, improved local access to the Las Vegas redevelopment areas, a connection between Industrial Road and Martin Luther King Boulevard via overhead viaduct over Interstate 15, HOV access ramps at Wall Street, new access at Alta Drive, the reconstruction of the Charleston Boulevard and Interstate 15 interchange, and additional collector/distributor roads. As a result of this project, transmission lines are being relocated.

At present, the transmission lines are currently located along the west side of Interstate 15 between approximately Alta Drive and Charleston Boulevard. Under NV Energy's proposed plan, the transmission line will be relocated to a route that will affect properties along Desert Lane, Hastings Avenue, Alta Drive and Martin Luther King Boulevard. I have enclosed a preliminary drawing of the proposed route within the Addenda of this report.

The total Project Neon Highway upgrade project length is approximately 4.83 miles and the current project cost has been budgeted between $1.5 and $1.9 billion. The project is intended to reduce traffic congestion and improve access in the area along Interstate 15 between U.S. Highway 95 and Sahara Avenue. It should be noted that the development of this project has not influenced my value conclusion in the "before" condition.

Highest and Best Use:

As improved, the subject property has recently been developed with the new Metropolitan Police Headquarters. This is considered to satisfy the highest and best use definition, as improved. As vacant, a similar development would be expected. It should be noted, however, that no speculative improvement would be feasible at this location at the present time due to lack of demand for virtually all segments in the real estate market. Conversely, the development of this governmental facility on a build-to-suit basis satisfies the highest and best use definition.

Property Owner:

HQ Metro, LLC

Effective Date of Report:

August 11, 2011

Effective Date of Valuation:

July 27, 2011

Last Date of Inspection:

July 27, 2011

Property Rights Appraised (In the "Before" Condition):

Fee Simple Interest

Hypothetical Conditions/Extraordinary Assumptions:

None

Recommended Just Compensation Value Opinion:

It is my opinion that the value of the proposed easement plus damages as a result of the creation of a small remnant parcel which equates to my opinion of the just compensation value, as of the effective date of the valuation, July 27, 2011, is:

Four Hundred Sixty-Five Thousand Dollars
($465,000.00)

The calculation below illustrates a summary of the value conclusion:

SUMMARY OF VALUE CONCLUSION

A.	Value of the whole, before the take:	$9,590,000	
B.	Value of the part taken, as part of the whole: Permanent Easement: $375,000	$ 375,000	$375,000
C.	Value of the remainder, as part of the whole: (A - B)	$9,215,000	
D.	Value of the remainder, after the take:	$9,125,000	
E.	Damages (C-D):		$ 90,000
F.	Other: Temporary easements		$ 00
G.	Total Value of the Part Taken (B + E + F) (rounded):		$465,000

Purpose and Use of the Appraisal

The purpose of this appraisal report is to develop an opinion of the value of the easement proposed over the referenced parcel of land and part of the analysis in establishing just compensation to the property owner for the acquisition of this easement area. The function of this report is to assist in the easement acquisition negotiations. The intended user of this report includes the client, NV Energy, and their assignees. I do not intend nor authorize any other use or users of the analysis.

Definitions

Assignment:
- An agreement between an appraiser and a client to provide a valuation service;
- The valuation service that is provided as a consequence of such an agreement.

Client, Defined:
The party or parties who engage an appraiser (by employment or contract) in a specific assignment.

Comment:
The client identified by the appraiser in an appraisal, appraisal review, or appraisal consulting assignment (or in the assignment work file) is the party or parties with whom the appraiser has an appraiser-client relationship in the related assignment and may be an individual, group or entity.

Fee Simple Ownership, Defined:
The absolute ownership unencumbered by any other interest or estate subject only to the four powers of government.

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

Intended Use, Defined:
The use or uses of an appraiser's reported appraisal, appraisal review or appraisal consulting assignment opinions and conclusions, as identified by the appraiser based on communication with the client at the time of the assignment.

Intended User, Defined:
The client and any other party as identified by name or type, as users of the appraisal, appraisal review or appraisal consulting report by the appraiser on the basis of communication with the client at the time of the assignment.

Just Compensation:
In condemnation, the amount of loss for which a property owner is compensated when his or her property is taken; should put the owner in as good a position particularly as he or she would be if the property had not been taken; generally held to be market value, but courts have refused to rule that it is always equivalent to market value.[1]

Larger Parcel:
In condemnation, the tract or tracts of land that are under the beneficial control of a single individual or entity and have the same, or an integrated, highest and best use. Elements for consideration by the appraiser in making a determination in this regard are contiguity, or proximity, as it bears on the highest and best use of the property, unity of ownership, and unity of highest and best use.[2]

Market Value, Nevada Revised Statutes, 37.009(6) As Amended:
The following definition of (market) value is provided by Nevada State Law for Eminent Domain:

> "Value" means the highest price, on the date of valuation that would be agreed to by a seller, who is willing to sell on the open market and has reasonable time to find a purchaser, and a buyer, who is ready, willing and able to buy, if both the seller and the buyer had full knowledge of all the uses and purpose for which the property is reasonably adaptable and available. In determining the value, except as otherwise provided in this subsection, the property sought to be condemned must be valued at its highest and best use without considering any future dedication requirements imposed by the entity that is taking the property. If the property is condemned primarily for a profit-making purpose, the property sought to be condemned must be valued at the use to which the entity that is condemning the property intends to put the property, if such use results in a higher value for the property.

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[1] Source: Dictionary of Real Estate Appraisal 4th Ed. (Chicago Appraisal Institute, 2002), Page 154.

[2] Source: Dictionary of Real Estate Appraisal 4th Ed. (Chicago Appraisal Institute, 2002), page 160.

Real Estate, Defined:
An identified parcel or tract of land, including improvements, if any.

Real Property, Defined:
The interests, benefits and rights inherent in the ownership of real estate.

Easement
The right to perform a specific action on a particular land parcel, or portion of a parcel of land, without owning the underlying fee. A continuous easement across multiple tracts of land is often referred to as a right of way.[3]

Reasonable Marketing Time Opinion, Defined:
The reasonable marketing time is an opinion of the amount of time it might take to sell a property interest in real estate at the concluded market value level during the period immediately after the effective date of an appraisal.

Reasonable Exposure Time Opinion, Defined:
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 upon an analysis of past events assuming a competitive and open market.

Exposure time is always presumed to <u>precede</u> the effective date of the appraisal.

Scope of Work, Defined:
The type and extent of research and analyses in an assignment.

[3] *Real Estate Valuation in Litigation, 2nd ed.* (Chicago: Appraisal Institute, 1995), p. 351

Jurisdictional Exceptions

1. The market value definition required by the *Uniform Appraisal Standards for Federal Land Acquisitions* (UASFLA) conflict with Nevada State Law (NRS37.009 (6)). In that regard, this appraisal is based on the definition of market value mandated by Nevada State Law.

2. The *Uniform Standards of Professional Appraisal Practice* (USPAP) Standards Rule 1-2(c) states: "When developing an opinion of market value, the appraiser must also develop an opinion of reasonable exposure time linked to the value opinion." Contrary to this standard, the definition of market value mandated by Nevada State Law does not call for the estimate of value to be "linked" to a specific "exposure time" estimate, rather it is based on an agreement by a seller "who is willing to sell on the open market and has reasonable time to find a purchaser, and a buyer, who is ready, willing, and able to buy, if both the seller and buyer had full knowledge of all the uses and purposes for which the property is reasonably adaptable and available:. Therefore, the previously referenced Standards Rule of USPAP is not relevant to this appraisal assignment and has therefore been omitted (under the USPAP Jurisdictional Exception Rule). This further allows for compliance with UASFLA which states that "the appraiser's estimate of market value shall not be linked to a specific exposure time when conducting appraisals for federal land acquisition purposes under these standards".

3. The *Uniform Standards of Professional Appraisal Practice* (USPAP) Standards Rule 1-4(f) states: "When analyzing anticipated public or private improvements, located on or off the site, an appraiser must analyze the effect on value, if any, of such anticipated improvements to the extent they are reflected in market actions." In contrast, this conflicts with the appraisal report requirements of both Nevada Department of Transportation (NDOT) and Nevada Revised Statutes (NRS). Specifically, the requirements of NDOT state that "the appraiser shall disregard any decrease or increase in the fair market value of the real property caused by the project for which the property is to be acquired, or by the likelihood that the property would be acquired for the project, other than that due to physical deterioration within the reasonable control of the owner". NRS 37.112 (Valuation of Property Subject to Condemnation As Result of Public Work or Project) states "1. Except as otherwise provided in Subsection 2, if the property is subject to condemnation as a result of public work or public improvement, any decrease or increase in the fair market value of the property before the date of valuation which is caused by: (a) the public work or public improvement for which the property is acquired; or (b) the likelihood that the property would be acquired for such a purpose, must be disregarded when assessing the value of the property pursuant to NRS 37.110 and: 2. any decrease or increase in the fair market value of the property before the date of valuation resulting from physical deterioration within the reasonable control of the owner is not required to be disregarded pursuant to Subsection 1."

   Therefore and in this appraisal, we have disregarded any decrease or increase in value of the subject before the date of valuation caused by the proposed project. This is a jurisdictional exception requiring non-compliance of Standards Rule 1-4(f) of USPAP.

Owner of Record and Ten Year Sales History

The current owner of record is identified as HQ Metro, LLC. HQ Metro, LLC acquired the property from PA Metro, LLC and the document was recorded September 2, 2009. This was an interrelated transaction, and therefore, no funds were transferred as the grantee was a wholly owned subsidiary of the grantor. On the same day, PA Metro, LLC acquired the property from Project Alta, LLC. Again, no funds were transferred as it was an interrelated transaction as the grantor owned 100% of the grantee. Project Alta, LLC acquired the subject property as part of a large acquisition from Nevada Alta, LLC in January 2006 for a reported purchase price of $27,687,000.00. I am not aware of any other sales which have occurred on the property of the course of the past ten years from the valuation date. Generally, the subject property remained vacant up until the recent construction of the new Metropolitan Police Department Headquarters which was opened in 2011. Included within the Addenda are excerpts from the Title Report provided for my review. I am not aware of any pending sales, listings or offerings at the present time.

Property Use History:

As discussed, the subject property was recently improved with the new Metropolitan Police Headquarters. This multi-story campus was opened in mid 2011. Prior to the development of this new facility, the property was generally vacant. I am not aware of any other uses intended for this property other than the newly opened Metropolitan Police Department, nor am I aware of any past uses on the site, as the site was generally vacant prior to the current construction. As part of the larger campus, a parking structure resides west of the main buildings while open asphalt paved parking exists along the Martin Luther King and Alta Drive frontage portion of this property.

Method of Valuation and Scope of Work

The subject property consists of an approximate 13.76 acre parcel of land which has recently been improved with the Metropolitan Police Headquarters. Proposed is the acquisition of an easement to accommodate an NV Energy electrical transmission line which will be erected along the subject's southerly and easterly property boundaries. The purpose of this valuation is to develop an opinion of the just compensation for this acquisition.

As discussed, the subject site contains 13.76 acres. The new Metropolitan Police Headquarters includes a campus of various multi-story buildings which has been constructed in the central northwest portion of the site. Adjacent west of the new building is a parking structure. The southerly and easterly components of the site are open asphalt paved parking areas, landscaping and ingress/egress points. A proposed easement is intended to be acquired along the southerly and easterly property boundary lines, crossing over the immediate southeast corner of the site. As such, the proposed easement will affect only the open asphalt paved parking areas, ingress and egress points, as well as landscaped areas. Four poles are proposed for the site which would include two tangent poles and two "dead end poles" to support the proposed electrical transmission lines. This proposed Grant Of Easement is retained in the Addenda for the reader's review. The Grant of Easement defines NV Energy's required rights within the easement area and general allowable uses by the property owner. Generally speaking, the property owner would be restricted from developing any improvements within the easement areas which could be used only, in the "after" condition, for open space such as parking areas, landscape, ingress and egress, etc. The subject property is zoned C-1 by the City of Las Vegas, and as such, a 10 feet setback requirement exists along the street frontages. A portion of the proposed easement will reside within this setback which has use restrictions in the "before" condition highly similar to those restrictions which will be imposed by the acquisition of the easement.

To develop an opinion of the just compensation value, the first step is to develop an opinion of the market value of the site in the "before" condition. Based on the proposed location of the easement, recognizing the restrictions which will be placed on the site within the easement area and noting the current use of these areas, it is my opinion that the easement acquisition will not directly or indirectly affect the building improvement. As the component of the site which will be affected by the easement acquisition includes only the underlying land, I have valued the land component of the property which is the basis for estimating the just compensation value.

To arrive at the value of the value of the underlying site, I have utilized the sales comparison approach. Sales of sites with similar highest and best use characteristics which have recently sold throughout the metropolitan area have been considered. I have identified sales in the subject's immediate market area and expanded the search due to the limitations on the amount of data which is available for review. These sales have been adjusted to the subject for differences which exist which result in an indication of the market value of the underlying land. The unit value concluded for the underlying land is the basis for developing an opinion of the value of the part taken.

The value of the part taken includes an estimate of the value of the proposed easement area. As discussed, a portion of the proposed easement area resides within a required setback according to the City of Las Vegas Zoning Code, C-1. Within this 10 foot setback, in the "before" condition, the owner is restricted to using areas within the setback only for landscape, parking and ingress/egress. The use restrictions after the easement acquisition are similar, and therefore, only a small portion of the bundle of rights will be acquired in this setback area. The balance of the proposed easement resides outside of the required setback, and a more significant portion of the bundle of rights will be acquired as the property owner has full use of these portions of the property in the "before" condition.

After the acquisition of the easement, the property owner will be restricted to using these areas for parking, ingress and egress, landscape, and will not have the ability to erect permanent improvements. Finally, four poles are proposed to be erected on the property. The pole locations will be fully encumbered and the property owner will lose the ability to use the part of the site in which the pole is placed. Therefore, 100% of the bundle of rights are considered acquired at these pole placement locations. Using this formula, I have estimated the value of the part taken.

Deducting the value of the part taken from the value of the site in the "before" condition results in the value of the remainder before the take. To determine if any damages occur as a result of the acquisition of the easement, the value of the property in the "after" condition is also estimated. As will be illustrated by easement maps provided in the context of this report, a portion of the easement will cross the property at the immediate southeast corner of the site. This will result in the separation of this southeasterly corner from the larger site with regard to potential future development. As such, it is my opinion that this corner portion will be severed from the site and will best be described as a remnant piece in the "after" condition, having limited development potential, on its own. In the "after" condition, therefore, I have reduced the remainder of value by an amount equal to additional rights considered to be acquired in this remnant parcel using the same formula for compensation for easement area inside the setback and outside the setback. The reduction of the value in the "after" condition would imply that damages exist which are measured by the additional rights acquired in the small remnant parcel at the extreme southeast corner of the property.

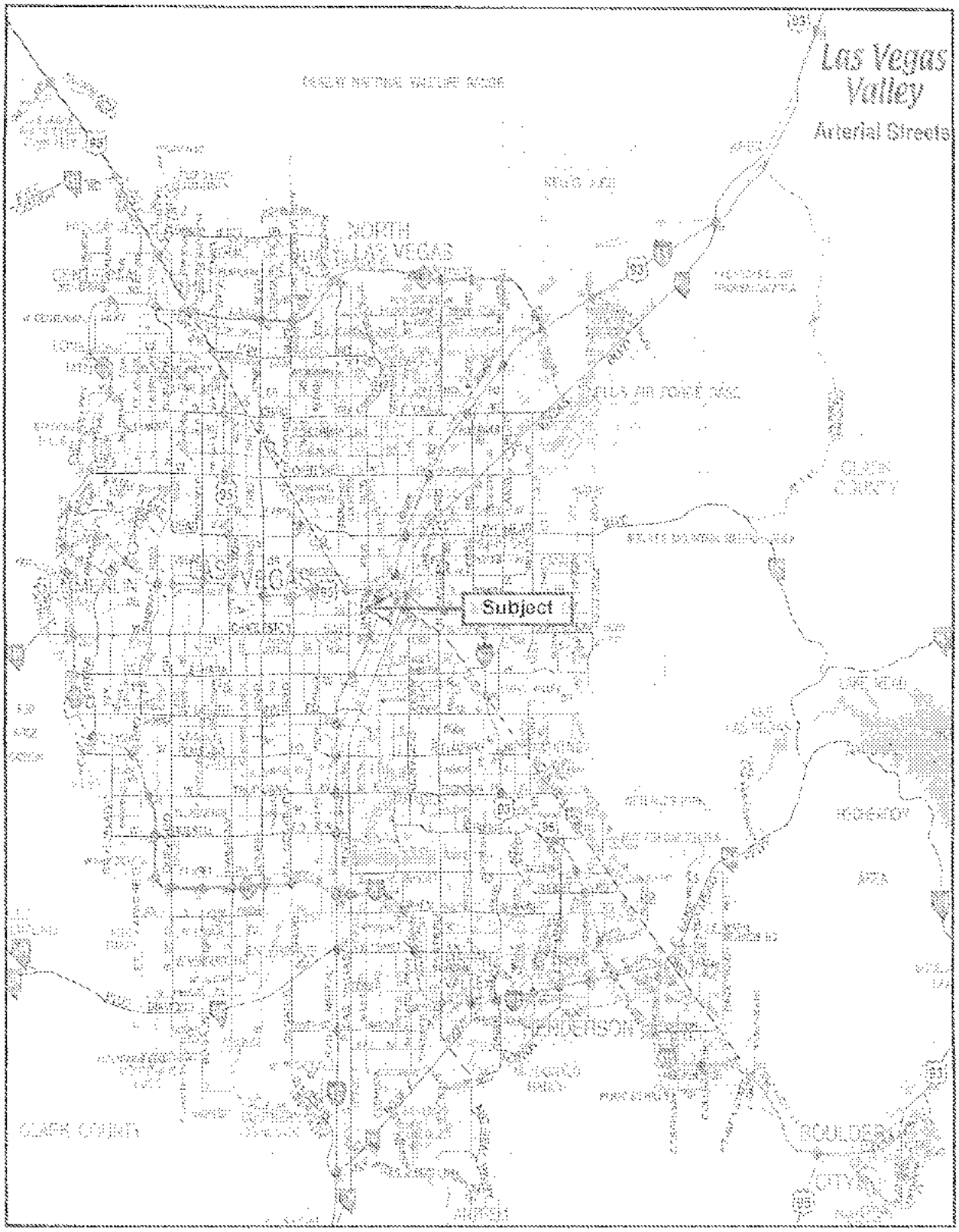
Therefore, combining the value of the part taken and the damages which are measured as the portion of the bundle of rights acquired in the implied remnant parcel results in a value of the just compensation. In the preparation of this assignment, the appraiser contacted, by certified letter, HQ Metro, LLC, who received a copy of the letter. This letter provided an invitation to accompany me

upon inspection of the property and provide any information about the property which might impact the appraisal process. I was not contacted by any representative for the purposes of the valuation.

This appraisal report has been prepared as a summary appraisal report intended to comply with the *Uniform Standards of Professional Appraisal Practice.* This appraisal report is also intended to comply with the *Code of Professional Ethics of the Appraisal Institute*, various appraisal reporting requirements of NV Energy and the *Uniform Standards for Federal Land Acquisitions* (Yellow Book). The intended users of this report include designated agents of NV Energy and their assignees/nominees. The intended use is to assist in the acquisition negotiations to acquire a permanent easement, as will be further described in the context of this analysis.

Information contained in this report was obtained through sources purchased by my office, review of publicly available information, as well as primary research. This information was confirmed with knowledgeable parties in the marketplace, a review of actual transaction deeds and other transaction instruments, as well as other sources in the confirmation process. The date of the valuation is the same as the last date of inspection, July 27, 2011.

Las Vegas Area and City Map



Las Vegas Area and City - General Information

Located in the extreme southern regions of Nevada, the Las Vegas valley area is situated in a broad desert valley in the central portion of Clark County. Comprised of approximately 600 square miles, the Las Vegas valley extends generally northwest to southwest and is bounded by a natural geography. This includes the Sheep Mountains and Desert National Wildlife Range to the north, Sunrise Mountains and Lake Mead to the East, McCullough Mountain Range to the south and Spring Mountains to the west. The Spring Mountains include the Red Rock Canyon National Recreation Area, the Toiyabe National Forest and Mount Charleston, which rises 11,918 feet and is the region's highest peak. The majority of urbanization in the 8,012 square miles of Clark County has occurred within the Las Vegas valley area.

During the last two decades, the Las Vegas valley has emerged as one of the fastest growing metropolitan areas in the nation experiencing a population growth from about 400,000 residents in 1980 to over 2 million in 2010. While the larger valley is generally referred to as Las Vegas, the area is actually comprised of four different municipalities: the cities of Las Vegas, Henderson, North Las Vegas, and unincorporated portions of Clark County. Each of these entities provides similar levels of services, land use planning, ordinances and taxation. The majority of outlying land within Clark County is owned by the Bureau of Land Management (BLM), as well as large portions within the Las Vegas valley. However, the BLM has auctioned off parcels throughout the valley to private investors. Additional lands surrounding the Las Vegas valley are owned by the other government branches including the National Forest Service, National Park Service, and the Department of Defense.

History

Flowing underneath the Las Vegas valley is a system of artesian aquifers. Fed by rainwater and snow melt from the surrounding mountain ranges, this underground lake forced water to the valley surface creating natural springs and oases. The area was named Las Vegas by the first Spanish explorers, which means "the Meadows". Providing a basis for settlement, the springs provided water for early inhabitants dating back as far as 11,000 years. The first Europeans arrived into this portion of the southwest in 1776, blazing a trail which became known as the Old Spanish Trail. This trail connected Santa Fe, New Mexico with modern day Los Angeles via Las Vegas. After various mining, farming, and ranching efforts during the latter parts of the 1800's, Las Vegas was eventually stabilized by the construction of the first railroad line crossing southern Nevada in 1905. The artesian springs provided a critical water stop for the railroad. The original Las Vegas townsite boasted some 1500 residents, brickyards, newspapers, a bank and a tent hotel. In 1906, the first hotel/casino was built downtown and still remains today as the Golden Gate. In 1911, the City of Las Vegas was incorporated with an approximate population of 3,350 residents.

Over the next few decades, Las Vegas experienced a decline due in part to prohibition and suspended railway operations. In was not until the development of the Hoover Dam, between 1928 and 1935 that Las Vegas began to experience significant growth. With the construction of Hoover Dam and the creation of Lake Mead, inexpensive power and water came to Las Vegas. Lake Mead became a tourist destination spurring the development of hotels and casinos in anticipation of this recreational destination. It was also around this time that the gaming industry became notable, centered on the "Glitter Gulch" (now the Fremont Street Experience) in the downtown area. This would eventually evolve into the major tourist, convention, and resort industry that now serves as the primary economic force in the area.

Development of the Las Vegas "Strip" began in the 1940's with the construction of the El Rancho Hotel/Casino and other casinos such as the Thunderbird, Frontier, and the Flamingo. Since that time, properties along this world famous gaming corridor have been developed with a variety of modern amenities and themed appearances to attract visitors. Amenities, such as shopping malls, salons, spas, nightclubs, golfing, and concert arenas are not uncommon in today's hotel/casinos. Away from the Strip, Las Vegas has seen an increase in "neighborhood hotel/casinos." These establishments are generally located away from the established tourist corridors and offer amenities such as bowling centers, movie theaters, day care, restaurant dining, show rooms, night clubs and fast food chain outlets.

Climate

The greater Las Vegas valley resides at an altitude generally ranging from 1,500 to 3,200 feet above sea level. The four seasons are relatively well defined in Las Vegas. Summers experience daily high temperatures typically exceeding 100 degrees with nightly lows in the 70's and extremely low humidity. However, it is not uncommon for humidity to increase markedly for several weeks each summer in association with a moist "monsoonal flow" from the south, typically during July and August. Winter temperatures average near 50 degrees during the day and nightly temperatures rarely drop below freezing. Pacific storms occasionally produce rainfall in Las Vegas. But in general, the Sierra Nevada Mountains of eastern California and the Spring Mountains immediately west of the Las Vegas valley act as effective barriers to moisture.

Population

The Las Vegas valley has historically grown at a rapid rate. From 1997 when the population was 1,170,118 to present day, Las Vegas has seen an approximate 74.03% increase in total population.

The 2010 Clark County population estimate was 2,036,358, a 1.5% increase from the 2009 population of 2,006,347. A mere 3.2% of the Las Vegas population are native Nevadans, 96.8% were born outside of Nevada.

Population Distribution (2010)

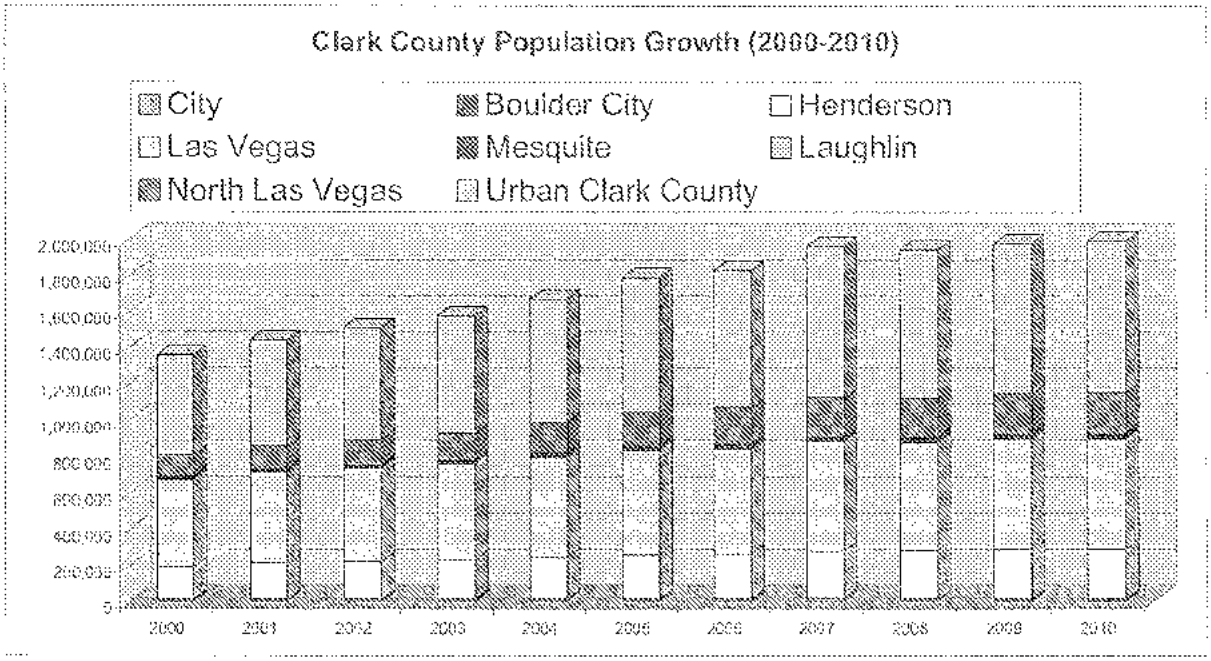
City/Area	Population
Henderson	276,428
Las Vegas	606,656
North Las Vegas	224,940
Unincorporated Clark County	891,305
Boulder City	15,886
Mesquite	21,142
Total Clark County Population 2010	**2,036,358**

Nevada State Demographer

Over 98% of county residents are located in the greater Las Vegas Area. In contrast with historic growth patterns, it is projected that very limited population growth will occur in 2011; however, long-term prospects indicate that average annual growth should continue at an approximate 1% to 3% annual rate into the foreseeable future. The projected rate of growth is anticipated to be slightly lower than over the recent past. However, historical projections by the Nevada State Demographer's office have been conservative with actual growth generally outpacing projections.

Clark County Population 2000-2010											
City	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Boulder City	14,906	14,760	14,842	14,934	15,058	15,367	15,478	15,306	16,884	16,511	15,866
Henderson	179,144	196,780	209,196	217,448	229,964	243,730	261,221	265,790	269,596	275,134	278,425
Las Vegas	482,369	503,185	514,640	528,617	549,571	575,973	579,840	603,093	593,528	607,878	603,656
Mesquite	10,161	11,940	13,216	13,885	15,581	16,600	17,555	19,194	19,794	21,253	21,142
Laughlin	6,293	6,161	6,402	6,952	8,106	8,315	8,456	8,668	8,843	8,134	8,130
North Las Vegas	117,850	127,897	135,937	146,005	164,971	182,159	198,510	215,026	214,661	221,003	224,940
Urban Clark County	550,020	583,957	615,028	650,378	687,653	750,376	759,143	841,357	828,015	832,310	857,923

Source: Nevada State Demographer



Demographics (Las Vegas Valley): **Source: 2011 Las Vegas Perspective**

POPULATION DISTRIBUTION	
Gender	
Male	50.5%
Female	49.5%
Male/Female Ratio	1.02
Education	
Less than 9th Grade	7.3%
Some High School, No Diploma	9.7%
High School Graduate (or GED)	30.0%
Some College, No Degree	24.2%
Associate Degree	7.2%
Bachelor's Degree	14.5%
Master's Degree	5.1%
Professional School Degree	1.7%
Doctorate Degree	0.3%
Housing Unit Types	
Single Family:	58.2%
Condominiums	11.0%
Townhouses	4.9%
Plexes (2-4 Units)	2.4%
Mobile Homes	3.4%
Apartments	20.1%
Marital Status	
Never Married	26.9%
Married, Spouse Present	48.9%
Married, Spouse Absent	5.8%
Widowed	5.3%
Divorced	13.2%
Age	
Under 18	25.5%
18 to 24	8.6%
25 to 34	14.5%
35 to 44	14.6%
45 to 54	13.8%
55 to 64	11.2%
65 and Over	11.8%
Average Age	36.0
Median Age	35.4
Household Income	
Income Less than $15,000	8.7%
Income $15,000 - $24,999	8.2%
Income $25,000 - $34,999	10.1%
Income $35,000 - $49,999	15.5%
Income $50,000 - $74,999	22.2%
Income $75,000 - $99,999	15.0%
Income $100,000 - $149,999	13.2%
Income $150,000 - $249,999	4.6%
Income $250,000 and Over	2.5%
Average Household Income	$73,059
Median Household Income	$58,432

Demographics (Las Vegas Valley): **Source: 2011 Las Vegas Perspective**

POPULATION DISTRIBUTION

Persons per Household	
1	22.8%
2	34.8%
3	17.0%
4	12.9%
5	7.0%
6	3.2%
7 or More	2.4%
Average Persons per Household	2.72

HOUSING

2010 Home Sales Price	
Median New Home	$200,254
Median Resale Home	$123,242
2010 Recorded Homes Sales	
New Homes	5,379
Resale Homes	42,673
Total	48,052
Type of Home Purchased	
New Homes*	11.2%
Resale Homes	88.8%
2010 New Home Sale Price	
Under $200,000	46.2%
$200,000 - $299,999	33.0%
$300,000 - $399,999	9.4%
$400,000 - $499,999	2.9%
$500,000 - $749,999	3.3%
$750,000 or More	5.2%

Source : Home Builders Research, Inc.
*New home sales include 571 high/mid-rise units

APARTMENT HOUSING

Rental Market (Year-end)	
Average Asking Rent per Unit	$756
Average Rent Growth	-1.8%
Average Unit Size (in square feet)	902
Average Asking Rent per square foot	$0.84
Average Occupancy Rate	91.6%

Source: Applied Analysis

Demographics (Las Vegas Valley): **Source: 2011 Las Vegas Perspective**

OWNER/RENTER PROFILE

Marital Status	**Own**	**Rent**
Never Married	21.9%	35.3%
Married, Spouse Present	57.2%	35.0%
Married, Spouse Absent	3.2%	10.2%
Widowed	6.1%	3.8%
Divorced	11.6%	15.8%

Household Income	**Own**	**Rent**
Income Less than $15,000	4.7%	15.3%
Income $15,000 - $24,999	7.0%	10.2%
Income $25,000 - $34,999	7.2%	14.8%
Income $35,000 - $49,999	12.3%	20.7%
Income $50,000 - $74,999	22.5%	21.6%
Income $75,000 - $99,999	19.1%	8.4%
Income $100,000 and Over	27.1%	9.0%
Average Household Income	$76,683	$49,824
Median Household Income	$64,080	$37,349

Type of Home	**Own**	**Rent**
Single Family	84.8%	27.2%
Apartment/Condo/Townhouse	9.5%	67.2%
Plex (2-4 Units)	0.5%	4.4%
Mobile Home	5.1%	1.2%

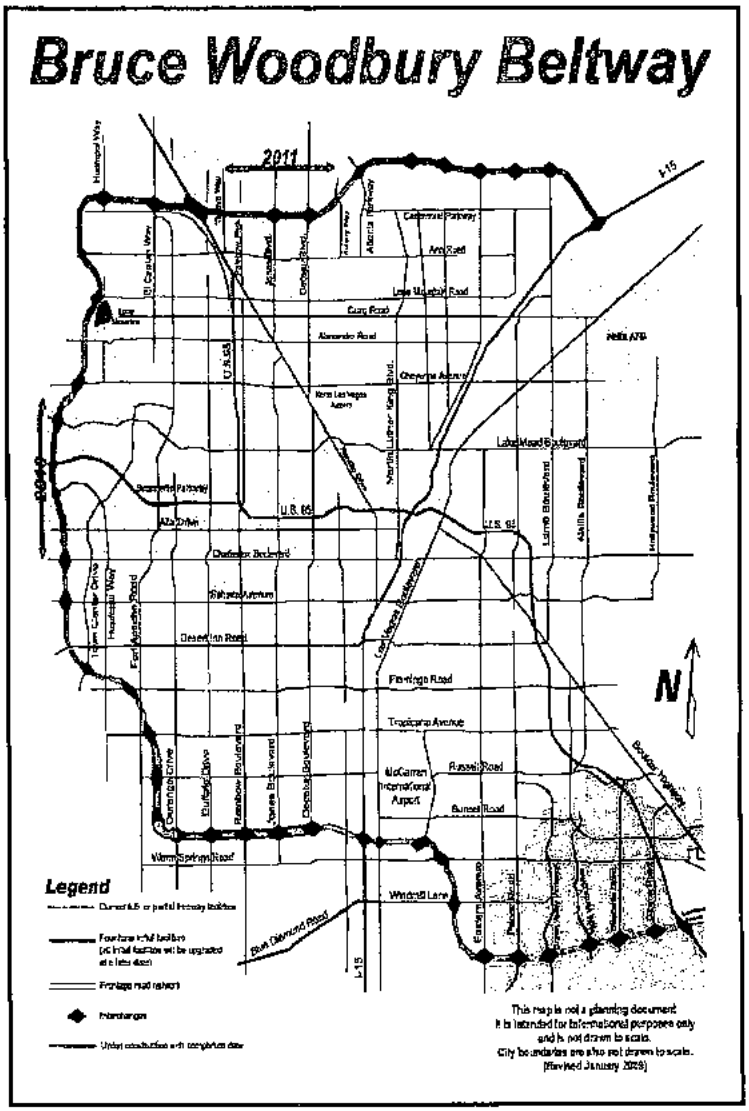
Length of Residence	**Own**	**Rent**
Newcomer	1.3%	5.1%
1 Year or Longer	98.7%	94.9%

Persons per Household	**Own**	**Rent**
1	19.3%	27.7%
2	39.2%	28.6%
3	16.2%	18.0%
4	13.9%	11.4%
5 or More	11.3%	14.3%
Average Household Size (Persons)	2.74	2.68

Transportation

Located in the extreme southern portion of Nevada, Las Vegas is one the country's most remote cities. However, its geographical location places it in the center of California, Nevada, Arizona and Utah which provides Las Vegas with direct routes to several of the Southwest's largest cities. Located 285 miles southeast on U.S. 95/Interstate 515 is Phoenix, Arizona, the 6th largest city in the United States. Traveling west on Interstate 15 provides access to Los Angeles (272 miles) and the southern California Basin. Traveling east on Interstate 15 provides access to Salt Lake City, Utah. North on U.S. 95, is Reno (445 miles) and San Francisco (570 miles). In addition to Interstate freeway systems, the Las Vegas Metropolitan area is serviced by the Union Pacific Railroad which provides direct rail distribution from Los Angeles and Salt Lake City. The railway bisects the city, with various rail spurs connecting to outlying areas of the Las Vegas valley.

Clark County Highway 215 (or the Bruce Woodbury Beltway) is an outer loop expressway which generally encircles the city, originating in the Henderson area at U.S. Highway 95 and terminating at Interstate 15 in the northeast quadrant of the city. This 53 mile stretch of roadway encircles three quarters of the Las Vegas valley. A significant portion of this project was built out in early 2009, including the completion of the widening project between Interstate 15 and Decatur Boulevard to three lanes, including the enhancement of bridge structures. Generally, this expressway is complete to freeway status between U.S. Highway 95 in Henderson to Cheyenne Avenue in the north-west quadrant of the city. Some at-grade interchanges remain in the northwest and north quadrants of the city. The ultimate scheduled completion for the larger Beltway is anticipated by approximately 2013. The facing map provides an overview of this Beltway system.



Source: Clark County Public Works

The Regional Transportation Commission of Southern Nevada (RTC) owns and operates the public mass transit system for Southern Nevada known as Citizens Area Transit, or CAT. This bus system began in December 1992 and over recent years has been upgraded to include new transportation systems such as the Metropolitan Area Express or the Max Line in 2004, and in 2005, the Deuce Double Deck Bus Service was initiated, primarily on the Las Vegas "Strip." In 2010, the RTC launched the Ace Rapid Transit System. The Ace System includes a sleek modern service that will ultimately connect all corners of the valley with the look and feel of a light rail system. The initial Ace Rapid Transit Line will service the Las Vegas "Strip" area. The Ace buses will have rail-like features, including multiple doors for easy loading and stations which will have level platform boarding. The bus stops will include comfortable and modern shelters. Phase 1 of the Ace Line has been completed in the downtown area, and this continues through to the Las Vegas "Strip." A new transit center has also been developed in the downtown district along Bonneville Street to accommodate the Ace Gold Line. In general, the entire RTC Transit System consists of 36 routes served by 360 vehicles carrying more than 190,000 passengers per weekday in the greater Las Vegas valley. A total of 3,567 active bus stops exist in the Las Vegas valley and the fixed route monthly ridership is approximately 4.5 million passengers. The coming years will reveal a transition in the RTC CAT bus service in the form of these new Ace Bus Lines.

Recently, the Nevada Department of Transportation has upgraded the Interstate 15 Expressway generally between Craig Road south to the U.S. Highway 95. Recently, new travel lanes and upgraded interchanges were constructed between the central business district and Craig Road. Express lanes are currently being added to the Interstate 15 corridor between the Las Vegas Spaghetti Bowl south to the 215 Beltway to accommodate the increased traffic flow along this corridor. Construction is also underway on new travel lanes on the U.S. Highway 95 corridor north of Lake Mead Boulevard.

McCarran International Airport is a primary point of entry for most visitors and tourists to the Las Vegas metropolitan area. Expansion has occurred in this facility over the years to accommodate the rapid growth in passenger traffic which has occurred through approximately 2007. More recently, the passenger traffic has declined as a result of the downturn in the economy, as fewer tourists are visiting the Las Vegas area. In 2010 air passenger traffic was recorded at 39,757,359 by McCarran Airport. Despite this decline in passenger traffic, the Clark County Commission voted to proceed with the completion of Terminal 3 in anticipation of long-term growth. Terminal 3 is currently under construction and will accommodate both domestic and international flights.

McCarran International Airport Air Passenger Traffic

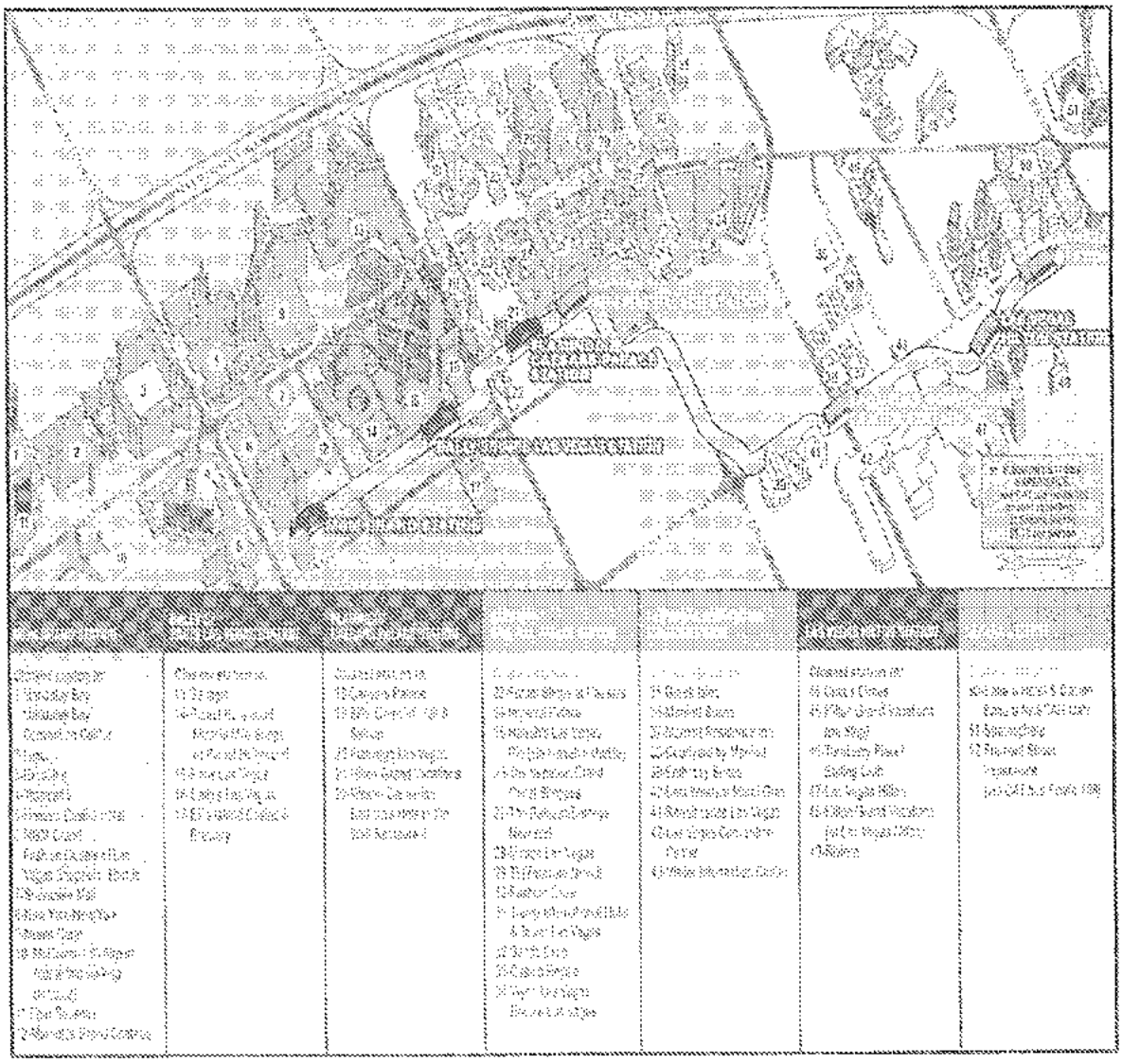
Year	Passengers	% Change
1997	30,315,094	-0.5%
1998	30,227,287	-0.3%
1999	33,715,129	11.5%
2000	36,865,866	9.3%
2001	35,203,808	-4.5%
2002	35,009,011	-0.5%
2003	36,265,932	3.6%
2004	41,441,531	14.3%
2005	44,267,362	6.8%
2006	46,193,329	4.4%
2007	47,728,414	3.3%
2008	44,074,707	-7.7%
2009	40,469,012	-8.2%
2010	39,757,359	-1.8%

Source: Las Vegas Convention & Visitors Authority

Terminal 3 is nearly one-half mile in length, and currently as many as 2,000 skilled laborers are employed on the site. With the recent completion of the City Center project, the Terminal 3 construction project is now the largest in the Las Vegas area. This facility will also include a 6,000 space 8-story parking garage and essential utility plant which is expected to be operational in 2010. Fourteen new gates, including 6 gates reserved for international air service will exist in this new terminal. The total cost of Terminal 3 is anticipated to amount to $2.4 billion. Other projects underway at McCarran International Airport include improved transportation and circulation routes, which will generally be completed in conjunction with the opening of Terminal 3.

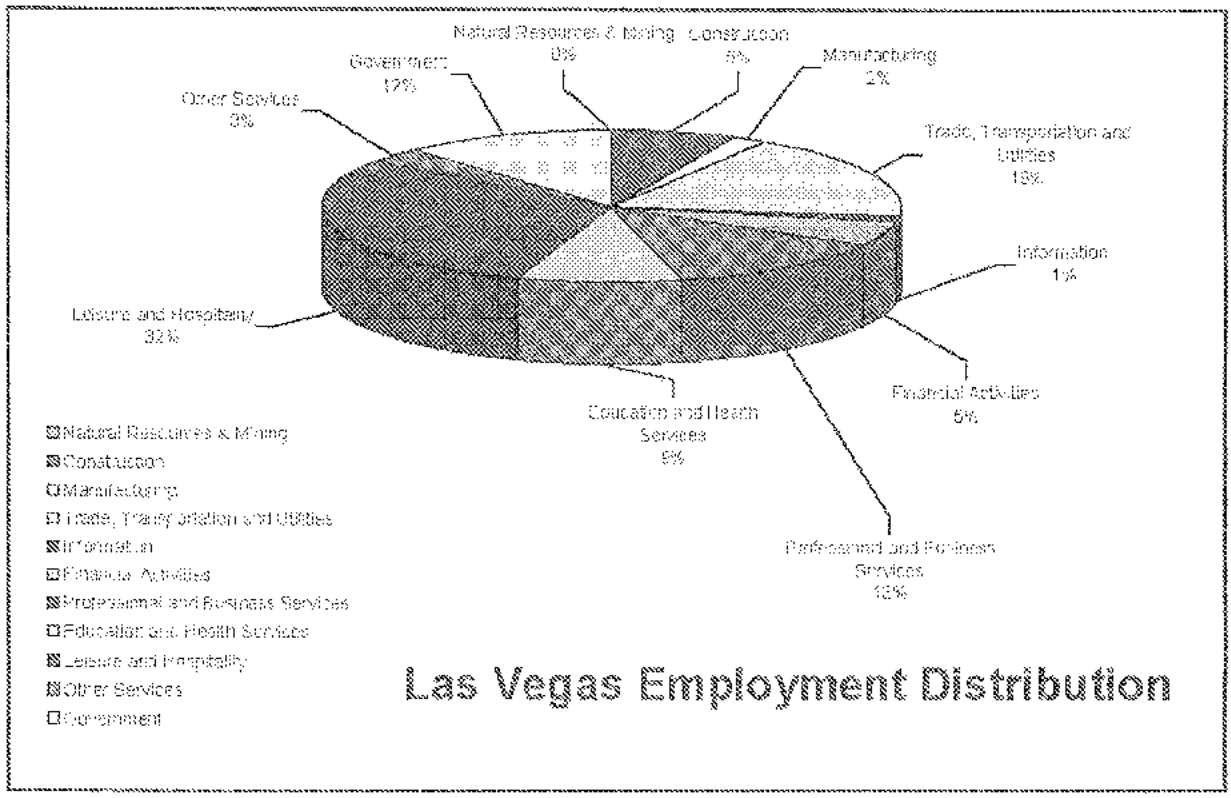
Private and charter aircraft also contribute to tourist volume, with North Las Vegas Airport, Henderson Executive Airport, as well as McCarran providing private aircraft services. Tourist flights to the Grand Canyon and similar destinations, as well as sightseeing flights around the Las Vegas area are available at McCarran Airport and at the smaller airports.

The Las Vegas Monorail is a state-of-the-art driverless rail system that extends approximately 3.9 miles on the east side of the Las Vegas "Strip." The monorail includes 7 stations, completes the total route within 15 minutes, is capable of reaching speeds of up to 50 miles per hour, and operates 365 days a year. The monorail has experienced financial difficulties in the past, due to limitations on ridership, which is somewhat dependent upon convention attendance. One of the main stations within the 3.9 mile route is the Las Vegas Convention Center, providing conventioneers easy access the various hotels on the Las Vegas "Strip." A decrease in convention attendance has resulted in lower ridership on the monorail system. Plans exist for an extension of the monorail to McCarran International Airport which most agree would significantly boost ridership on the system, yet difficulty in obtaining financing for this expansion has stalled this development. Despite the setbacks in lower ridership, this remains an important method of transporting tourists and conventioneers around the Las Vegas "Strip." The following illustrates the route map for this state-of-the-art monorail.



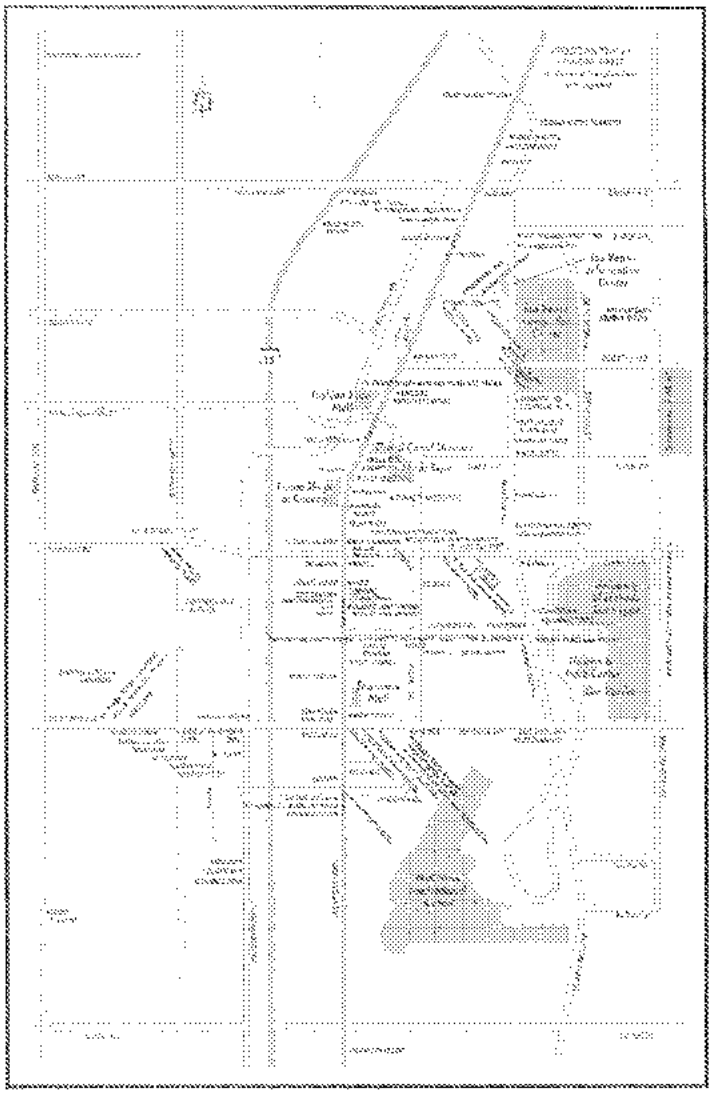
Economy

The economic base of the Las Vegas area is dominated by the tourist/service industries, trade industries, professional services, construction industry, and governmental/municipal agencies, including substantial military base employment. The total Clark County labor force reported for 2010 is 969,100; a decrease of .2% from the total labor force of 971,500 in 2009. The largest employment sector is the leisure and hospitality industry which includes the most tourism related employment. This sector includes jobs related to arts and entertainment, hotel/gaming and recreation, food service and accounts for 32% of the total employment in Las Vegas. Currently Las Vegas–Paradise MSA unemployment is approximately 12.5%. Employment distribution is illustrated in the following chart:



2010 Las Vegas Perspective

Tourism



Generally recognized as Las Vegas Boulevard, between Sahara Avenue and Russell Road, the Las Vegas "Strip" includes fourteen of the fifteen largest hotels in the United States. The dawn of the mega-resort era was trumpeted by the development of The Mirage Hotel and Casino, built in 1989, and generally recognized as the first major hotel/casino in Las Vegas. Featuring a $40 million "volcano", this resort demonstrated the demand for world class type resorts in Las Vegas. Since then, many major hotel/casinos have opened in the Las Vegas Area.

Developed as the first private one billion dollar construction project in Nevada, the MGM Grand introduced the world's largest hotel in 1993 with 5,034 rooms. Today, the MGM Grand includes the 16,800 seat Grand Garden Arena which hosts a variety of sporting events and concerts. Convention/meeting space is available at the MGM and a 171,000 square foot gaming floor, all located on 112 acres at the Tropicana Avenue intersection - diagonally across from the former world's largest hotel, The Excalibur (4,008 rooms built in 1990).

At the south end of Las Vegas "Strip," Circus Circus Corporation opened Mandalay Bay (1999), a 3,211 room hotel/casino and Luxor (1995), a prominent pyramid-shaped facility on the former site of the Hacienda Hotel. Luxor, (4,400+ rooms) with all its rooms in the pyramid along outside walls, includes the world's largest atrium, containing a large indoor entertainment complex. Mandalay Bay includes a world-renowned Four Seasons Hotel located on the top of the tower, House of Blues, shark aquarium, auditorium and restaurant facilities.

The acquisition of the Desert Inn Hotel and its golf course (encompassing 200± acres) by Steve Wynn, former Mirage CEO, occurred in 2000 and was subsequently demolished for a planned 2,716 room resort hotel/casino. This hotel/casino, simply named Wynn Las Vegas opened in April 2005, on the 55th anniversary of the opening of the original Desert Inn. The cost Wynn Casino was estimated at approximately $2.6 billion. Since the opening of Wynn, Encore has been completed and opened December 22, 2008. The Encore was completed at a cost of approximately $2.3 million and includes 2,034 rooms, a 72,000 square foot casino, 11 retail outlets, showroom, multiple restaurants, and other facilities. Encore and Wynn are operated in conjunction with one another directly across from the Fashion Show Mall.

Hotel and Motel Occupancy Levels

Year	Hotel %	Motel %	Combined %
1997	90.3%	68.8%	86.4%
1998	90.3%	67.3%	85.8%
1999	92.1%	68.6%	88.0%
2000	92.5%	71.9%	89.1%
2001	88.9%	63.8%	84.7%
2002	88.8%	60.2%	84.0%
2003	89.6%	60.5%	85.0%
2004	92.0%	68.7%	88.6%
2005	91.8%	72.0%	89.2%
2006	93.2%	65.2%	89.7%
2007	94.0%	64.5%	90.4%
2008	89.8%	57.8%	86.0%
2009	85.3%	50.1%	81.5%
2010	83.5%	52.0%	80.4%

Source: Las Vegas Convention & Visitors Authority

Other notable projects which have been completed of late include the Palazzo, adjacent to the Venetian. This development by the Sands Corporation cost upwards of $1.8 billion. One hundred five thousand square feet of gaming area exists, as well as 3,068 all-suite rooms. A theater, spa, night club, various restaurants, as well as retail outlets also exist in the Palazzo development.

The largest hotel/casino project opened in recent times is the new City Center development. Opened in December 2009, this was the completion of one of the largest privately-funded construction projects in the nation. City Center includes multiple properties, such as the ARIA Resort & Casino, the Mandarin Oriental, Vdara Hotel & Spa, as well as Veer Towers. The ARIA Resort & Casino is the main facility, which includes a full service resort and casino. The Mandarin Oriental, as well as Vdara, are boutique-type properties which include a full complement of services such as restaurants and spas. Veer Towers is primarily a condominium-type complex and the Harmon Hotel is also slated to be part of this larger complex. City Center also boasts Crystals, a retail and entertainment complex similar to other upscale Las Vegas Boulevard Malls, such as Caesar's Forum Shops, the Canal Shoppes at the Venetian, and the Miracle Mile Shops at Planet Hollywood. This project was highly anticipated due to the amount of permanent employment represented by this project and the anticipation that the City Center Development by MGM Mirage would boost tourism in Las Vegas. Upwards to 12,000 permanent employment positions exist in the City Center Complex.

Although some of the aforementioned developments have been completed and opened, others have stalled due to the downturn in the economy. For example, Boyd Gaming ceased construction on the new Encore development which was being erected at the former Stardust site. In mid-2008, Boyd Gaming elected to cease construction activities until economic conditions warrant the completion of the development. Likewise, Turnberry was in the process of constructing Fontainebleau on the North "Strip," however, the project was never completed due to difficulty in obtaining the balance of the financing to complete construction. This project has recently been sold at auction for $150 million, and the buyer, Carl Icahn, has not announced plans for the completion of improvement at the present time. Reportedly, Fontainebleau is nearly 80% complete, and upwards to $2 billion has been spent to date on the project.

General declines in the tourism industry have been noted over the past two years. With the opening of City Center, most participants are hopeful that coming quarters will prove more profitable with a boost in tourism.

Clark County Visitor Volume		
Year	Total Visitors	% Change
1997	30,464,635	2.8%
1998	30,605,128	0.5%
1999	33,809,134	10.5%
2000	35,849,691	6.0%
2001	35,017,317	-2.3%
2002	35,071,504	0.2%
2003	35,540,126	1.3%
2004	37,388,781	5.2%
2005	38,566,717	3.2%
2006	38,914,889	.9%
2007	39,197,000	.7%
2008	37,481,552	-4.4%
2009	36,351,461	-2.68%
2010	37,335,436	+2.71%

The Palms, owned and operated by the Maloof family, opened in November 2001. Despite being located off the Strip, the Palms has remained a popular destination for many, including Hollywood celebrities. The Palms includes 702 rooms and contains 95,000 square feet of casino space, a recording studio, and a 2,200 seat showroom. In October 2005, the second tower, the "Fantasy Tower" opened at a cost of $600 million. This new tower includes a two-story 10,000 square foot suite with a basketball court. This tower is also home to The Playboy club entertainment venue and nightclub. Opened in February 2008 was Palms Place, a 47-story condo/hotel which is located on the west end of the project.

The Fremont Street Experience was developed in 1994 at a cost of $70 million in the Downtown Central Business District. The experience includes a computer-controlled, 12.5 million LED Module color light display which forms a nearly ½-mile long canopy over Fremont Street. As part of a comprehensive pedestrian mall (closing vehicular traffic) along what has historically been called "Glitter Gulch," this project revitalized the older downtown casino district. In August 2007, Fremont East was completed for a reported $5.5 million. Workers widened sidewalks, improved the landscaping, and created an arched gateway that is lighted. The downtown area has been improved with the construction of various neon signs from the Neon Museum along the Fremont east area, as well as the north part of Las Vegas Boulevard. The Gold Nugget Hotel/Casino recently expanded with the introduction of a new hotel tower and additional public spaces.

Historically, tourism has increased consistently as measured by total visitor volume, gaming revenues and other indicators. The introduction of new hotel rooms in Las Vegas historically has resulted in increases in visitor volume, however, the downturn in the national economy has resulted in a reduction of total visitors in Las Vegas, driving hotel occupancy rates down. The graphic illustrations show trends in these primary indicators, which in the last two years have shown declines. The introduction of new rooms has affected average occupancy rates. In response, Las Vegas as a destination has become an attractive alternative to other resort locations as hotel operators are now offering deep discounts and concessions to visitors in an effort to maintain occupancies.

Convention Attendance		
Year	Volume	Change
1996	3,305,507	
1997	3,519,424	6.47%
1998	3,301,705	-6.19%
1999	3,772,726	14.27%
2000	3,853,363	2.14%
2001	5,014,240	30.13%
2002	5,105,450	1.82%
2003	5,657,796	10.82%
2004	5,724,864	1.19%
2005	6,166,194	7.71%
2006	6,307,961	2.30%
2007	6,209,253	-1.56%
2008	5,899,725	-5.00%
2009	4,492,275	-23.09%
2010	4,473,134	-.43%

Another important aspect of the Las Vegas economy and the tourism industry is convention attendance. Las Vegas has a large convention facility, the Las Vegas Convention Center, which includes over 3,000,000 square feet of convention space under a single roof. Other large convention facilities exist around the city, including the Mandalay Place, MGM Grand Garden and Sands Convention Center. Many of the "Strip" hotel/casinos offer some convention venues, but the economic downturn has resulted in significant decline in overall convention attendance, which has also affected the tourism industry in a negative way.

In the final analysis, the tourism industry remains one of the driving forces in the Las Vegas economy. Based on preliminary results early in 2011, it is anticipated that primary indicators will likely stabilize in the coming quarters, although no formidable growth in the industry is anticipated in the near term.

Housing

The housing market continued to deteriorate through the end of 2010. According to the Center for Business and Economic Research at the University of Nevada, Las Vegas, the median Las Vegas single-family home price was $137,900 in the 4th Quarter 2010. This was nearly a 5% decrease from the same quarter in 2009, and reportedly, the Las Vegas area S&P Case-Shiller Home Price Index reported 39 consecutive months of price decline. House pricing has reportedly declined a total of 55.6% from the peak. In 2009, a total of 3,808 single-family permits were issued in Clark County, which is a 34% decline from the number of permits issued in all of 2008, when 5,739 permits were reported. However, in 2010, 4,650 permits were issued which is a modest increase over 2009 of 22%. Considering the number of permits issued over the last three years, permitting has remained relatively consistent; however, well below peak years when annual permitting routinely exceeded 20,000 units.

The apartment market likewise has suffered, although it appears to be stabilizing as an approximate 10% to 11% vacancy in the apartment market has been sustained for the past two quarters. As of the 4th Quarter 2010, the overall apartment vacancy rate valley wide was 10.6%; however, rental rates continue to decline. At the end of 2010, the average apartment rental rate was $757.00 per month, which is a 3.75% decrease from the same period in 2009. Nevada ranks high on the list of states with the highest rate of foreclosure; however, despite this ranking, sales of single-family homes are beginning to accelerate, which may be a leading indication of recovery. However, restrictions in the credit market and therefore difficulty in obtaining conventional financing may slow this rate of recovery. Regardless, it is unlikely that a significant amount of demand will return for new home construction in the coming 12 months.

Office, Industrial and Retail

Occupancy levels in the office market have declined in 2010 as a result of significant construction. Construction of new space has generally outpaced demand. A total inventory of nearly 50 million square feet of space existed at the end of 2010, with a total of 105,814 square feet constructed over the year. Occupancy rates have plummeted from nearly 90% in 2006 for the total office market, to only 76% in 2010.

A collapse of the housing market and the lingering recession has resulted in a supply of available office space that exceeds demand at a rate that far exceeds historic levels. Commensurate office rent levels have also deteriorated to levels which are often inadequate to service debt. Concessions have also become common. An improvement in the condition in the office market is dependent on an improvement in the national economy and an improvement in the housing market. The office market will likely improve trailing an overall recovery.

Occupancy levels in the industrial market decreased from 2009 to 2010. Occupancy levels in 2009 were reported to be 86.3%, while in 2010 occupancy was 83.1%. Nearly 350,905 square feet of new construction was reported at the end of 2010; and only 120,000 square feet was planned. The average industrial lease rate as of December 2010 was reported at $0.56 per square foot, per month (NNN). This is a significant decrease from the reported average lease rate in December 2009, which was reportedly $0.63 per square foot, per month (NNN). A significant negative absorption occurred in the industrial market during 2010 due to recessionary conditions. The deterioration of the construction industry has resulted in a considerable amount of vacant industrial space formally occupied by companies that were associated with new development. Therefore, much of the currently vacant industrial space will likely remain vacant until a general economic recovery occurs and consumers once again begin demanding goods and services.

Average Annual Occupancy Levels - Greater Las Vegas Area

Year	Apartment Occupancy	Office Occupancy	Industrial Occupancy	Retail Occupancy
1999	94.0%	88.0%	88.4%	96.5%
2000	94.3%	89.5%	92.4%	96.9%
2001	93.8%	87.8%	89.3%	95.9%
2002	92.2%	86.1%	88.6%	96.9%
2003	92.9%	89.4%	89.4%	96.5%
2004	94.6%	89.7%	91.3%	96.2%
2005	95.1%	91.6%	97.0%	97.6%
2006	94.0%	89.5%	96.9%	97.5%
2007	92.3%	87.6%	94.0%	96.8%
2008	92.0%	82.7%	91.1%	92.6%
2009	89.0%	77.0%	86.3%	90.0%
2010	89.2%	75.8%	83.1%	89.8%

Source: Applied Analysis and UNLV

There is a limited amount of "heavy" industry in the Las Vegas area, with much of it located in Henderson, at or near the location of the former World War II munitions plants (aka BMI - an acronym for the consortium of companies that established Henderson) and includes such companies as Stauffer Chemical, American Potash and Chemical, Flintkote, Titanium Metals of America, and Kerr-McGee Chemical Corporation. Several large facilities, many of which process mineral products, are also located just outside the valley. These include the Apex industrial area and a new/developing heavy industrial master plan located just north of Apex on land recently acquired from the BLM where a new, natural gas fueled electric power plant have been built. Companies located in the Apex area include, Chemstar, Georgia Pacific, NV Energy and US Avestor. Furthermore, Citicorp, Levi Strauss, GE Capital, IT&T Info Systems, Legg's, Nabisco, Pepsi Cola, Ethel M. Chocolates, Household Financial, Ocean Spray and Coors have all developed major facilities in the Las Vegas valley.

The retail segment of the real estate market expanded and has a total inventory of 51,196,000 square feet. Retail vacancies remained similar between 2009 (at 90%) and 2010 (at 89.8%). Average lease rates were down from the 2009 average lease rate of $1.84 per square foot, per month (NNN) to $1.56 per square foot, per month (NNN) for 2010, indicating a 15.22% decrease. As with the industrial and office segments of the market, the retail real estate market is dependant on the

larger economy. During times of recession, consumer confidence is low due to limited disposable income. As such, retailers struggle and to compensate, many retailers downsize and consolidate to maintain profitability. Others close and this results in lower demand for retail space. Therefore, higher vacancies and lower rents ensue. This trend is expected to persist in the near term and therefore, an increase in average retail occupancy is not expected during the coming months.

The following chart provides an overview of new inventory and net absorption for the office, industrial and retail segments of the real estate market in the Las Vegas valley:

Inventory and Absorption (Leased/For Lease Space, Only, In Square Feet)									
Year	Office			Industrial			Retail*		
	Total Inventory	New Inventory	Net Absorpt'n	Total Inventory	New Inventory	Net Absorpt'n	Total Inventory	New Inventory	Net Absorpt'n
2000	22,159,446	1,453,327	1,503,497	60,364,888	3,110,444	5,573,774	26,341,956	1,692,744	1,850,291
2001	23,551,042	1,499,046	988,208	65,325,586	4,718,675	2,050,507	28,305,307	2,257,064	1,909,018
2002	25,181,209	1,119,495	794,443	68,548,229	3,166,678	3,547,628	28,164,315	794,592	937,057
2003	30,985,552	1,188,150	1,399,782	76,718,263	2,599,931	2,714,855	38,170,422	2,630,089	2,692,629
2004	33,366,011	1,860,204	1,748,179	78,916,358	2,264,595	3,269,831	40,848,840	3,184,019	3,021,872
2005	37,398,389	4,032,378	3,238,186	82,435,938	3,519,586	5,555,282	42,184,810	1,335,970	1,076,965
2006	41,003,968	3,605,579	2,549,857	87,901,081	5,465,143	5,147,197	44,316,060	2,131,250	1,743,043
2007	44,681,664	3,677,696	2,354,913	96,413,819	8,512,738	4,809,905	48,728,503	4,412,443	4,102,143
2008	46,553,573	2,741,062	425,745	102,421,433	3,215,779	2,906,094	50,471,690	1,900,053	383,869
2009	49,505,156	956,880	-1,946,066	103,559,197	1,043,890	-3,538,935	51,811,333	1,329,376	-49,988
2010	49,739,251	105,814	-557,878	103,621,757	350,905	-2,213,770	51,196,016	184,584	228,807

*Includes Power Centers, "Anchored" Community and Neighborhood Centers, only. Source: Applied Analysis

Construction

Construction in the Las Vegas area, as noted earlier, provides for approximately 5% of the employment base. Many of the construction jobs are involved in residential housing, which has generated record or near record new home sales over the course of the past ten years. The following building permits summary includes single-family construction, multifamily construction, public buildings, hotel and motel construction, as well as commercial buildings.

Clark County New Construction - Building Permits Summary

Year	Permits Issued	% Change	Total Valuation	% Change
1996	28,232	6.6%	$4,325,820,000	33.1%
1997	21,687	-23.2%	$3,526,995,000	-18.5%
1998	22,257	2.6%	$3,708,329,000	5.1%
1999	21,582	-3.0%	$3,291,183,000	-11.2%
2000	22,891	6.1%	$3,657,613,000	11.1%
2001	23,860	4.2%	$3,307,646,000	-9.6%
2002	23,702	-0.7%	$5,362,512,000	62.1%
2003	29,637	25.0%	$6,275,493,000	17.0%
2004	34,144	15.2%	$6,938,625,000	10.6%
2005	32,288	-5.4%	$6,679,487,000	-3.7%
2006	23,054	-28.6%	$7,462,231,000	10.4%
2007	14,974	-35.05%	$8,675,305,000	13.98%
2008	6,840	-54.32%	$5,162,109,000	-40.50%
2009	4,209	38.46%	$1,568,241,000	-69.62%
2010	4,853	15.3%	$ 916,788,000	-41.54%

The permits reported do not include miscellaneous permits which may include garages, spas and pools, fences, patios and mobile homes, however, these are included in the Total Valuation category. The severe decline in permitting activity in 2010, when compared to preceding years, reflects the down turn in the economy which has resulted in deterioration in demand for all forms of real estate. Restrictions in the credit markets has exasperated the trend as little available financing has restricted developers ability to fund new development. This trend is expected to continue through 2011.

Utilities

Water is supplied by the Las Vegas Valley Water District (Las Vegas and Clark County areas); electricity by NV Energy; natural gas by Southwest Gas Company and sewer is owned by respective municipalities. Public water is supplied by the city in both North Las Vegas and Henderson. Utility services have proven adequate and dependable, with rates comparable to, or below those, in adjoining western states.

Schools
As of the 2009/2010 school years, the Clark County School District operates 356 schools. To operate the 356 schools, the district employs an estimated 38,523 people, including 18,168 teachers. There are over 300,000 students enrolled in the Clark County School District, ranking it 5th largest in the nation. Development of new school facilities has been rapid in the past, successfully funded by major state bond issues and generally kept pace with local growth. The district also operates one of the nation's largest school construction and modernization programs. In addition to public schools, there are 42 private and church-sponsored schools having enrollments of 100 or more students. Higher education is provided by the Southern Nevada Vocational Technical Center, Area Technical Training Center, College of Southern Nevada, Nevada State College and the University of Nevada-Las Vegas to name a few. In all, seventeen private colleges and universities exist.

The University of Nevada-Las Vegas (UNLV) is situated on 340 acres near the Las Vegas Strip. With a faculty and staff of over 3,300, UNLV offers more than 220 undergraduate, master's and doctoral degree programs. Since it's opening in 1957, enrollment at UNLV has steadily increased with a current enrollment of approximately 28,000 students for the 2009/2010 school years.

Community Services
There are 15 full service hospitals licensed for 3,863 beds. In addition, Las Vegas has 7 specialty hospitals providing for services including long-term acute care, spinal cord and brain injury.

The Las Vegas area employs nearly 4,600 police officers, with departments in Las Vegas, Henderson, Boulder City, North Las Vegas and the Nevada Highway Patrol. Nearly 1,940 firefighting personnel are on staff in the area, manning 62 stations. Two ambulance companies serve the southern Nevada area, providing emergency and non-emergency transportation.

The Cashman Field complex offers 122,000 square feet of exhibit space, a 2,000 seat auditorium and a 10,000 seat baseball stadium for the 51's, a "Triple A" team. The Thomas and Mack Center and Sam Boyd Stadium are home to UNLV sports teams, as well hosting a wide variety concerts, sporting and other events. The National Finals Rodeo is held annually at the Thomas & Mack center and provides a substantial contribution to the area's economy with more than 175,000 fans, of which an estimated 90 percent are out of town visitors. Numerous concerts and shows are available for local residents and tourist alike, including a variety of long-running shows in the various hotel/casinos and special appearances by numerous celebrities, bands and other showmen in the numerous, varied, venues throughout the area. Some of the largest venues include the Thomas and Mack Center, the MGM Grand Garden, the Mandalay Bay Events Center among others.

The Las Vegas Motor Speedway (LVMS) is a motor sports entertainment complex encompassing over 1,000 acres just northwest of Nellis AFB. LVMS has 24 different racing venues, including a 1.5 mile super-speedway, 2.5 mile road course, 4,000 foot drag strip, paved and dirt short tracks, motor-cross circuits, stadium truck racing facilities, go-carts, BMX, etc. The main facility seats approximately 107,000 people along the 1.5 mile super speedway, has a 40,000 car parking area and 100-space RV park. Host to an annual NASCAR race, this $200 million facility opened in September 1996 for the Indy Racing League's Las Vegas 500, breaking all previous attendance records for a Nevada sporting event, with over 60,000 race fans in attendance. Speedway Industrial Park, an adjacent part of the Las Vegas Motor Speedway facility, completed 1.4 million square feet of industrial/flex space in 1997/98.

In addition, an array of family attractions exists throughout the Las Vegas area including various attractions within the hotel and casinos: museums and art galleries, performing art centers as well as cultural organizations and events. Sixty one golf courses are interspersed throughout the valley as well as public parks, including public and private courses.

Taxes

Nevada does not have state taxes, personal or corporate income taxes, admissions taxes, inheritance or gift taxes, or franchise tax on income. Property tax rate in Nevada is limited to a total of $3.64 per $100 of assessed value. Assessment is at 35% of taxable value. The state sales tax is 7.75% for Clark County and does not apply to food products for home use. Nevada's Freeport Law, which exempts goods in transit and not to be delivered within the State from taxation, has caused a great influx of warehousing to the State. Primarily because of the state gaming taxes, Nevada has an individual tax load well below most states. However, state gaming tax is substantially below that of other states with any legal form of gaming, giving Nevada casinos a substantial edge over competing out-of-state gaming markets.

Government

The County operates as an independent political entity, administered by a County Manager who is supervised by an elected seven man Board of Commissioners. Unlike many counties in the nation where County government tends to control rural areas, with city governments controlling urbanized areas, the substantial urban areas (most notably the Las Vegas "Strip") located within unincorporated areas of the county give Clark County government substantial political and economic clout. Occasional political discussion of consolidation or expanded city incorporation has always been thwarted a trend which is likely to continue. The City of Las Vegas and the County do, however, share a common police force, The Las Vegas Metropolitan Police Department. The three cities within the area all have council-manager forms of government, with elected Mayor's having an equal vote on an elected council and a City Manager facilitating daily operations at the direction of the council.

Each city operates independent fire departments, jail and court systems with North Las Vegas and Henderson each having a police force. The County and City's administrations have proven to be effective in providing for, and protecting, public and private interests.

A number of major federal government facilities operate in the Las Vegas valley. This includes Nellis Air Force Base in the northeast part of the valley and the Indian Springs Auxiliary Air Base, located 25 miles northwest of the Las Vegas valley, and its surrounding bombing and gunnery range (operated by Nellis AFB). The Department of Energy's (DOE) operations office and the Nevada Test Site (NTS) is located roughly 65 miles north of the Las Vegas City center and encompasses an area larger than the state of Rhode Island or approximately 1,350 square miles.

The Nevada Test Site was originally established as the Atomic Energy Commission's on-continent proving ground, with an initial primary function of testing nuclear weapons. Approximately 5,000 people are employed at the NTS, including 50 military, with an additional 2,000 people in test site related employment in Las Vegas.

Nellis Air Force Base includes 12,000 square miles of air space, north of the Las Vegas valley, and approximately 3,000,000 acres of land. This is the largest installation in the Air Combat Command. Currently, Nellis AFB accounts for approximately 5% of Clark County's gross product. Nellis AFB is one of the largest employers in Southern Nevada with 7,100 military and 2,700 civilian personnel. Additionally, the base averages about 1,000 temporary duty personnel. Its primary purpose is for Air Combat Training, hosting domestic as well as allied aircraft for this function. The world famous Thunderbirds Air Demonstration Squadron is also based at this facility. This base continues to grow as other facilities around the nation are downsized or closed.

Recreation Areas

Recognized primarily for its entertainment and gaming attractions, Las Vegas is centrally located to a wide variety of recreational opportunities. Las Vegas is located approximately 35 miles southeast of the Mt. Charleston ski and recreation area with neighboring trails and camping in the Toiyabe National Forest/Spring Mountains National Recreation Area. Just west of and visible from most of the valley are the shear red sandstone cliffs of Red Rock National Recreation Area, within which is the Spring Mountain Ranch State Park. Lake Mead National Recreation Area is approximately one-half-hour driving distance from most of the valley, and includes the largest man-made lake in the country. Lake Mead Recreational area offers activities for boaters and fisherman as well as hikers and photographers. Three of America's four desert ecosystems meet in this national recreation area. In addition, within daily driving distance are Hoover Dam, Valley of Fire State Park and Zion, Bryce, Grand Canyon and Death Valley National Parks.

Floyd Lamb State Park is located at the northern portion of the valley. These recreation areas are open year-round and offer a variety of government-supervised facilities. A large off-road recreation area is available in Las Vegas Dunes, at the northeast corner of the valley and numerous protected wilderness areas and various points of interest are in immediate surrounding areas. Located northwest of the Las Vegas area is the Southern Nevada Wildlife refuge which encompasses approximately 2,200 square miles of land.

Summary

The greater Las Vegas area has grown at a rapid rate throughout recent history, and should continue to do so into the long-term future. The long-term increase tends to indicate the long-term strength of the local economy and strong demand for Las Vegas' diversified tourist opportunities.

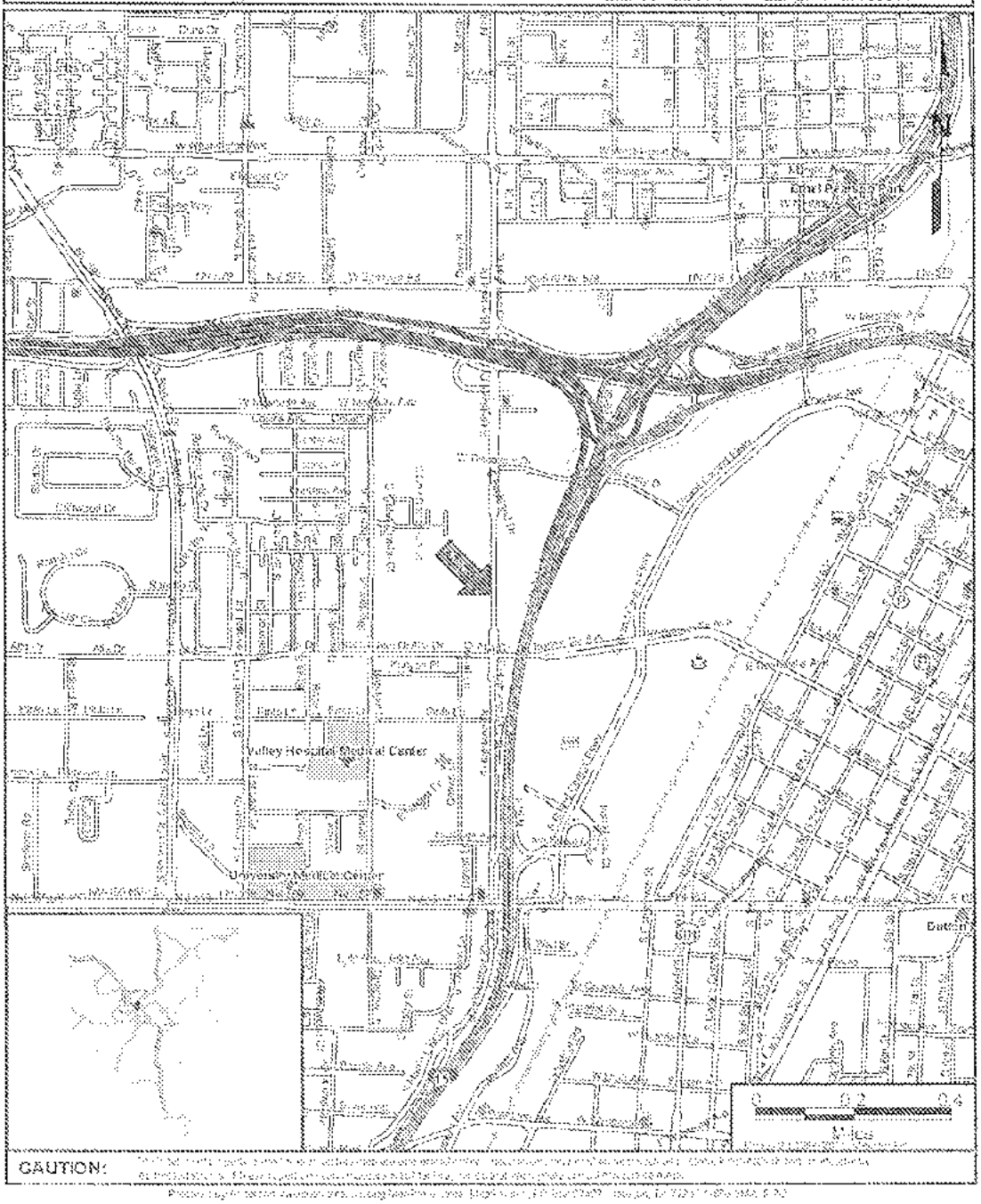
Current declines in the market are anticipated to continue in the short-term; however, the significant investment in the infrastructure of the tourism industry should result in long-term growth.

Market Area Location Map

File No. 153-11

LOCATION MAP

Borrower or Owner: HQ Metro, LLC
Subject Address: 400 S Martin L King Blvd. Census Tract: 0052.03
City: Las Vegas County: Clark State: NV Zip Code: 89106
Lender or Client: NV Energy Lat: 36.169054 Long: -115.1509 / /



CAUTION:

Market Area Description

The subject property resides at 400 South Martin Luther King Boulevard, which is north of Alta Drive and west of Interstate 15. Neighborhood boundaries would include Maryland Parkway to the east, U.S. Highway 95 to the north, Decatur Boulevard to the west and Sahara Avenue to the south.

Access into the subject's market area is provided by way of U.S. Highway 95 and Interstate 15. U.S. Highway 95 forms the northern boundary of the market area and is a major freeway in the metropolitan area. Full interchanges exist at Martin Luther King Boulevard, Rancho Drive, and Decatur Boulevard in the subject's market area. Additionally, this freeway connects with Interstate 15 just north of the subject. Interstate 15 is located just east of the subject and is a major interstate extending south into Los Angeles and north into Utah. Access to Interstate 15 is available east of the subject property by way of Charleston Boulevard, south of the subject at Sahara Avenue; or, as stated, north of the subject by way of U.S. Highway 95.

The subject is located just north of a planned land use area identified as the Las Vegas Medical District. The Las Vegas Medical district is defined as areas west of Martin Luther King Boulevard, north of Charleston Boulevard, east of Rancho Drive, and south of Alta Drive; encompassing a total of 214 acres. Since the development of the University Medical Center in 1945 this area has been slowly transitioning from a residential area to a medical district. University Medical Center is generally located at the northwest corner of Charleston Boulevard and Shadow Lane. University Medical Center is the only Level I trauma center in the state of Nevada and is also the only hospital in southern Nevada which is run by Clark County. This facility includes 564 beds, a burn unit, as well as a children's hospital. Valley Hospital, located on Shadow Lane also exists in this medical district. This facility offers a maternity center, stroke center, certified chest pain center, as well as a surgery center.

According to the Las Vegas Medical District Land Use plan, properties within the district have been designated for uses which include high density residential, medical support, major medical, professional office, and service commercial. Any use not previously mentioned will be prohibited unless approved upon appeal to the Director of Planning and Development. The plan was established June 19, 2002 and was amended August 1, 2007 and the purpose is to create a regional medical district which will provide a complete range of medically related services.

Charleston Boulevard is located ±one mile south of the subject and is identified as a major east/west thoroughfare in the Las Vegas valley. Development along Charleston Boulevard includes a variety of uses including medical office, professional office, as well as some retail uses. The University of Nevada School of Medicine is also located along the north side of Charleston Boulevard at Shadow Lane. This campus focuses on the clinical studies for students attending the medical school.

Retail development in the subject's market area can be found at the Meadow's Mall, located along the west side of Valley View Drive, just south of U.S. Highway 95. This mall is anchored by Dillard's, JC Penny, Macy's and Sears and includes an additional 140 specialty shops and eateries. This mall was originally developed in 1978; however, was renovated in 1995 and again in 2003.

The Las Vegas Central Business District is located just east of Interstate 15, generally centered around the area near Fremont Street and Main Street. Fremont Street is home to the downtown tourist district. This street is closed to vehicular traffic between Main Street and approximately Las Vegas Boulevard. This pedestrian mall now offers a venue for outdoor entertainment, retail kiosks and other events. The majority of the street is covered with a metal barrel vault which serves as the source for nightly light and sound shows.

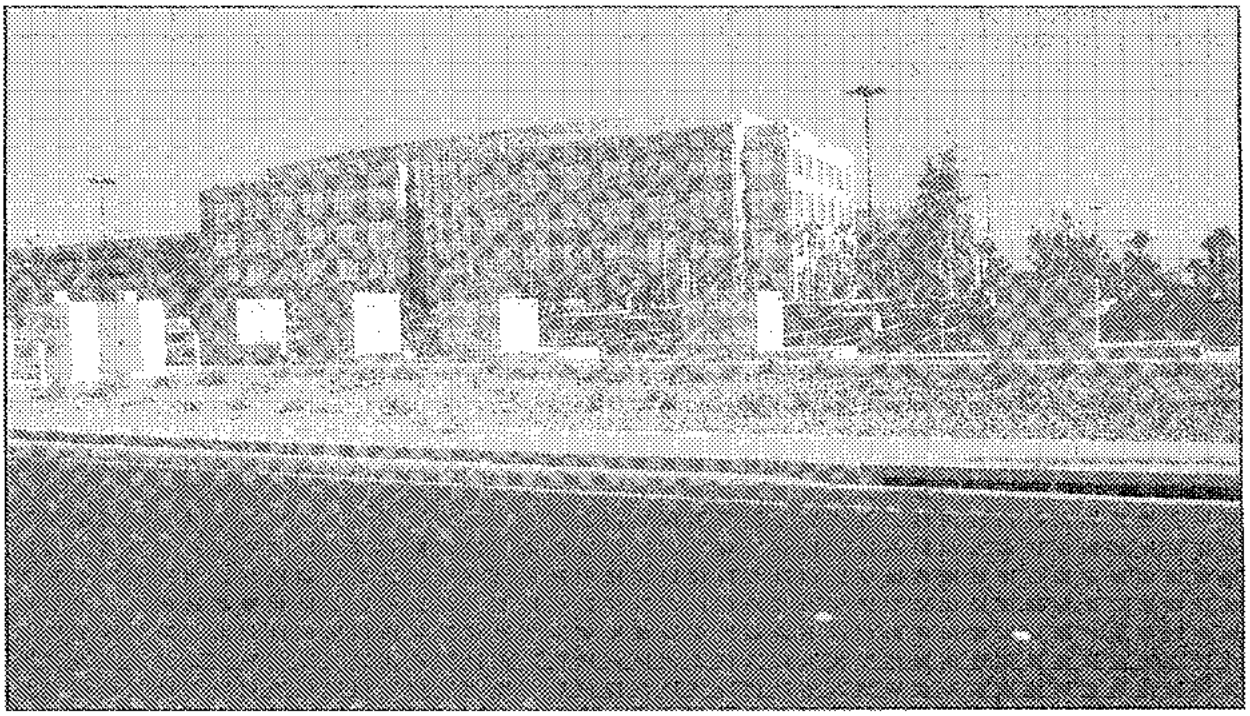
Immediately surrounding the Fremont Street tourist district are various high rise professional buildings as well as municipal facilities such as the Regional Justice Center, the Federal Courthouse, and the Las Vegas City Hall. Under construction is the new Las Vegas City Hall which is being developed along Main Street between Lewis and Clark Streets. This seven story structure will contain approximately 310,000 square feet and is budgeted to cost nearly $146 million dollars. The City of Las Vegas plans to move into the new facility in 2012 at which time the existing City Hall located at Stewart Avenue and Las Vegas Boulevard will be acquired by Zappo's, an affiliate of Amazon.com. Currently, Zappo's occupies commercial space in the City of Henderson, however, will move the operations to the old City Hall to accommodate upwards to 1,000 employees. In addition, Zappo's will also acquire approximately seven acres directly east of the City Hall to allow for future growth. As many as 3,000 employees may work in the Zappo's complex within the next ten years.

Located just west of the Central Business District is Symphony Park. This commercial subdivision is home to the Las Vegas Outlet Mall which has recently undergone a significant expansion including the addition of numerous stores as well as parking structures. To the north of the Las Vegas Outlet Mall is the World Market Center, a furniture wholesale display facility, which was originally planned to include upwards to 12 million square feet of space. The first several phases have been completed; however, construction has stalled due to the downturn in the economy. The Lou Ruvo Brain Institute, an affiliate of the Cleveland Clinic, has also recently opened in the Symphony Park subdivision as the first phase of the larger medical district planned for this area. A LEED Certified office building known as the Molasky high rise is also located in the downtown Symphony Park area adjacent to the recently constructed new Internal Revenue Service building. The Clark County Government Center anchors the Symphony Park area and is located adjacent to the Regional Transportation Commission office building. Finally, under construction is the new Smith Center which will be the focal point of Symphony Park. This is a performing arts center which will feature the 2,050 seat main auditorium known as

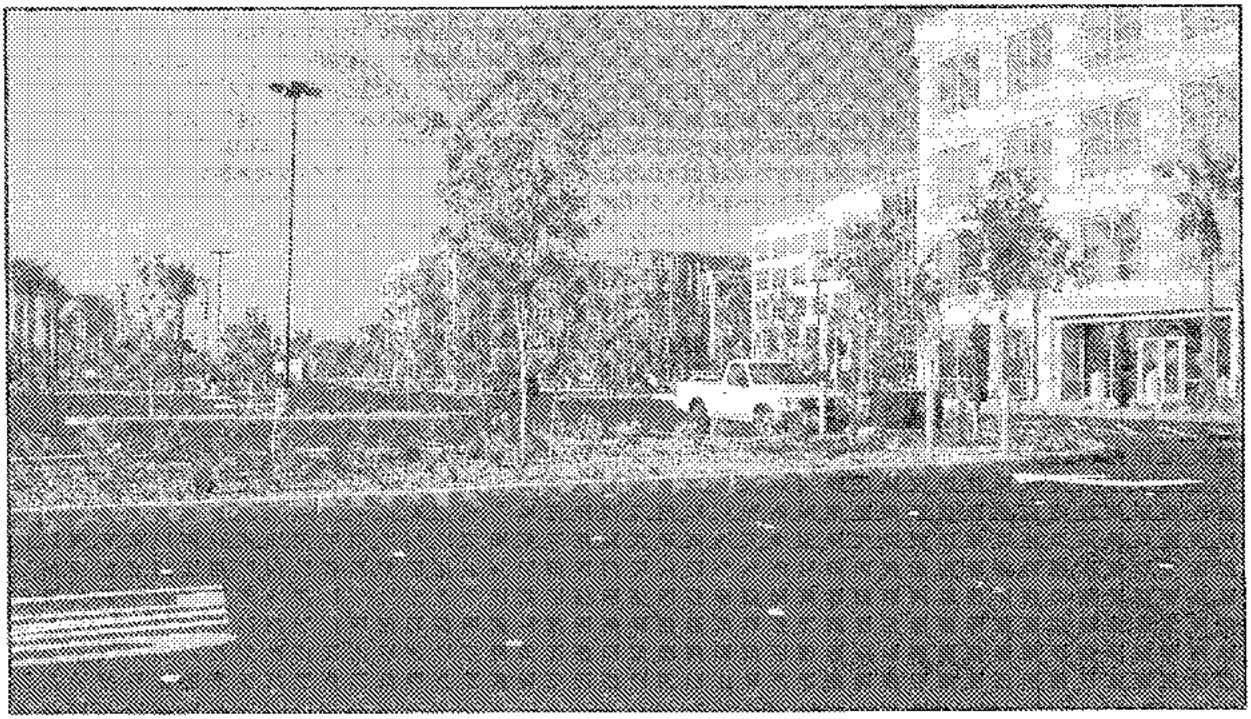
Reynolds Hall. In addition, the Smith Center will have a 300 seat cabaret theatre, a 200 seat studio theatre, educational venues and will also host the Lied Children's Museum. Symphony Park is immediately accessible by Alta Drive which passes under Interstate 15.

In the final analysis, the subject property is located just north of the Las Vegas Medical District, just west of the Las Vegas Central Business District, and is easily accessed by way of U.S. Highway 95 or Interstate 15. The immediate area is categorized as being in transition. As various projects are underway in the area such as the Smith Center and the new City Hall, I anticipate stable conditions in the area in the near future due to the centralized location.

Subject Photographs

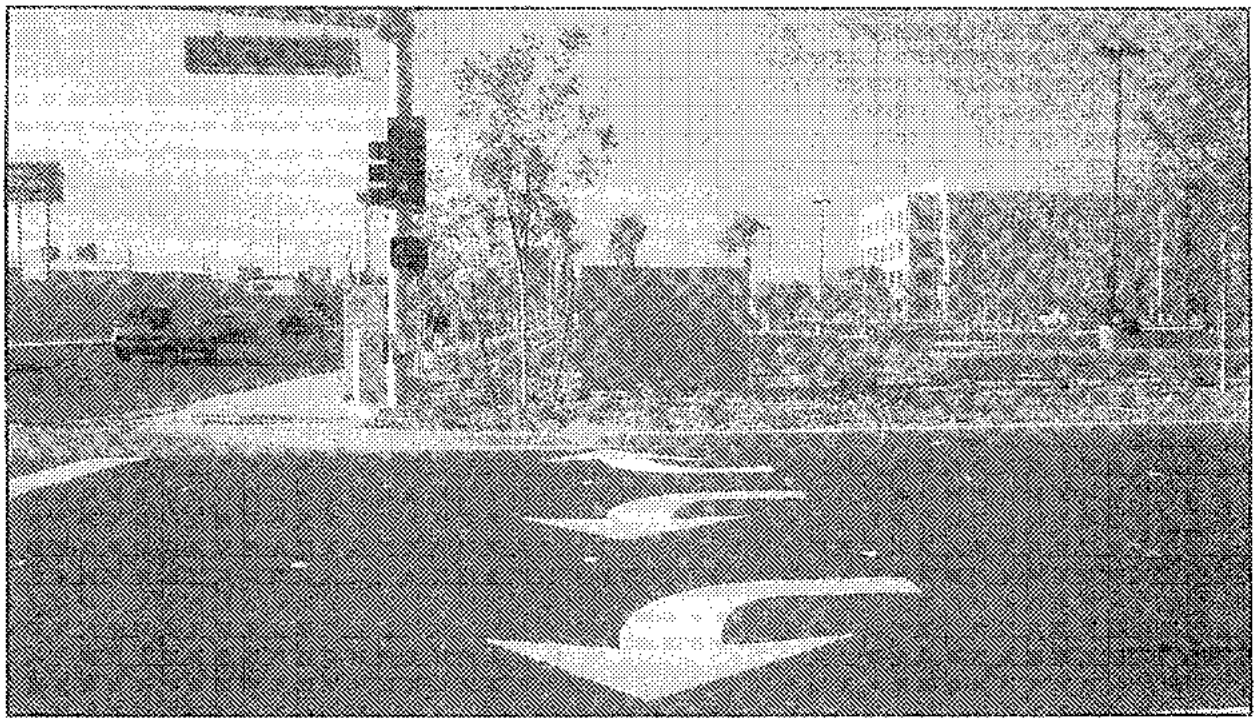


1. Overview of subject property (new Metropolitan Police Headquarter Campus) facing northwest from Alta Drive.

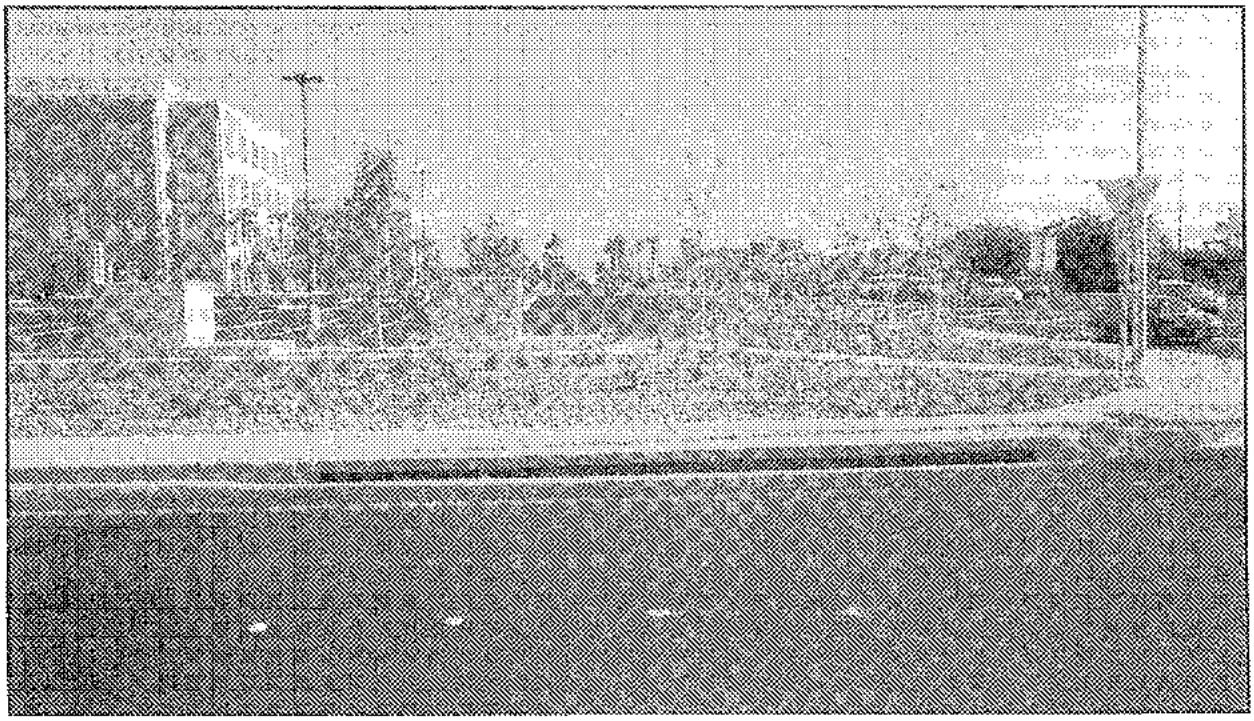


2. View of new Metropolitan Police Headquarter Campus facing southwest from near north property line.

Subject Photographs, continued

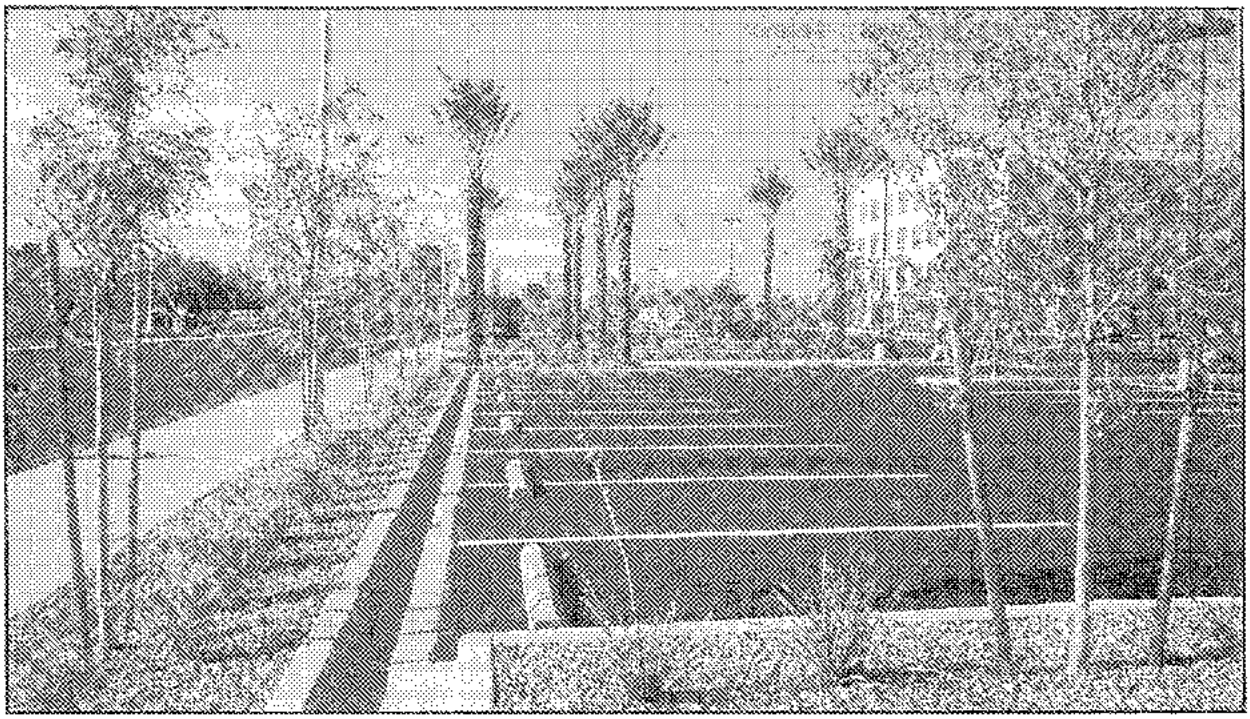


3. View south from Metro Plaza Drive overlooking proposed easement area along Martin Luther King Boulevard.

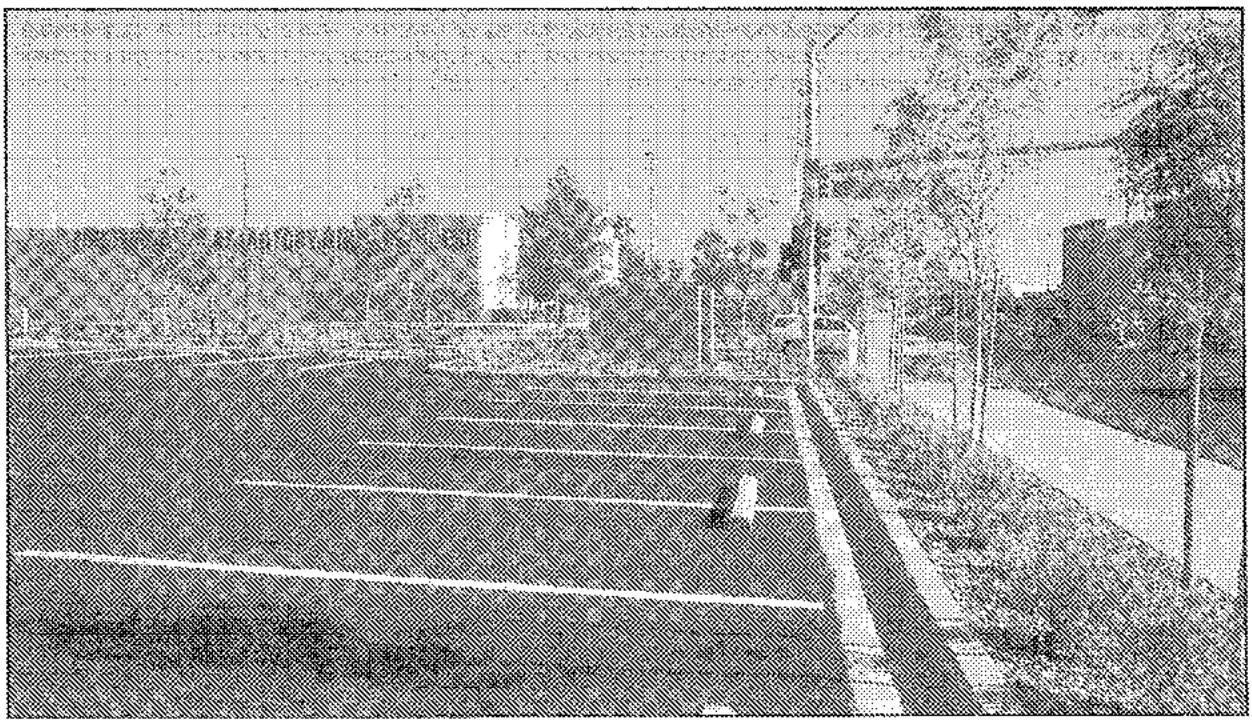


4. View north over eastern portion of site and proposed easement area from Alta Drive.

Subject Photographs, continued

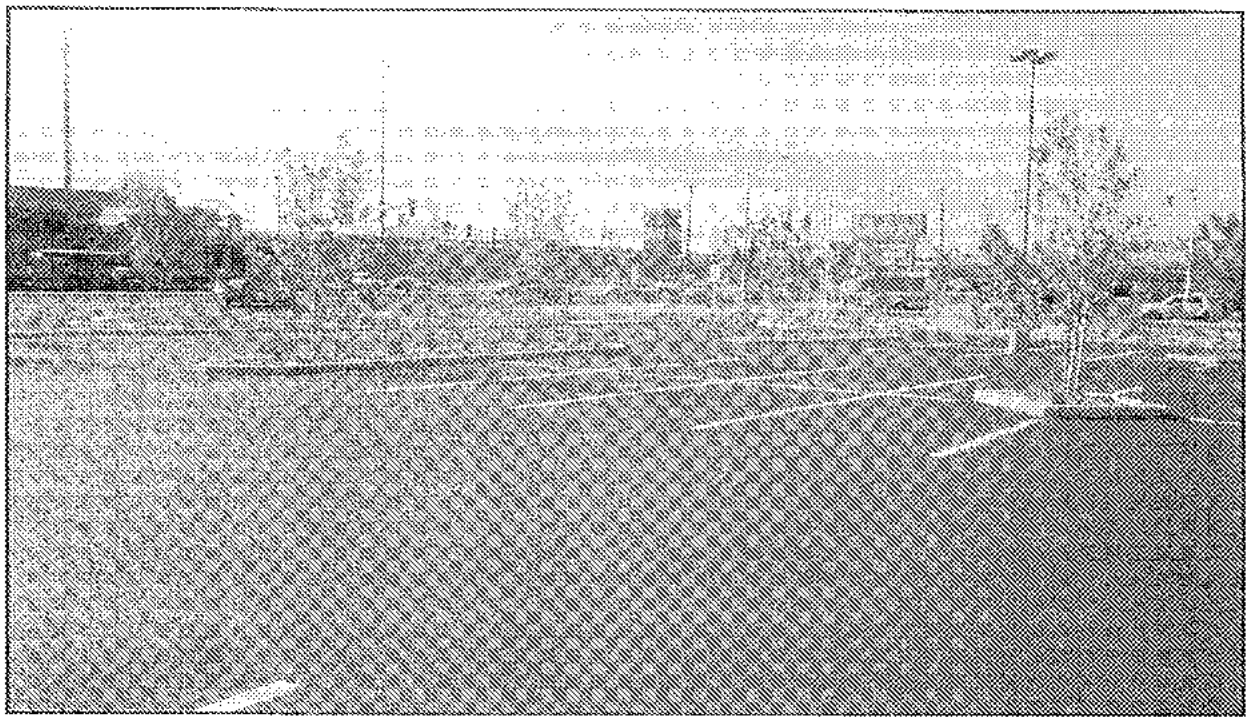


5. Facing south overlooking proposed easement area along Martin Luther King Boulevard.

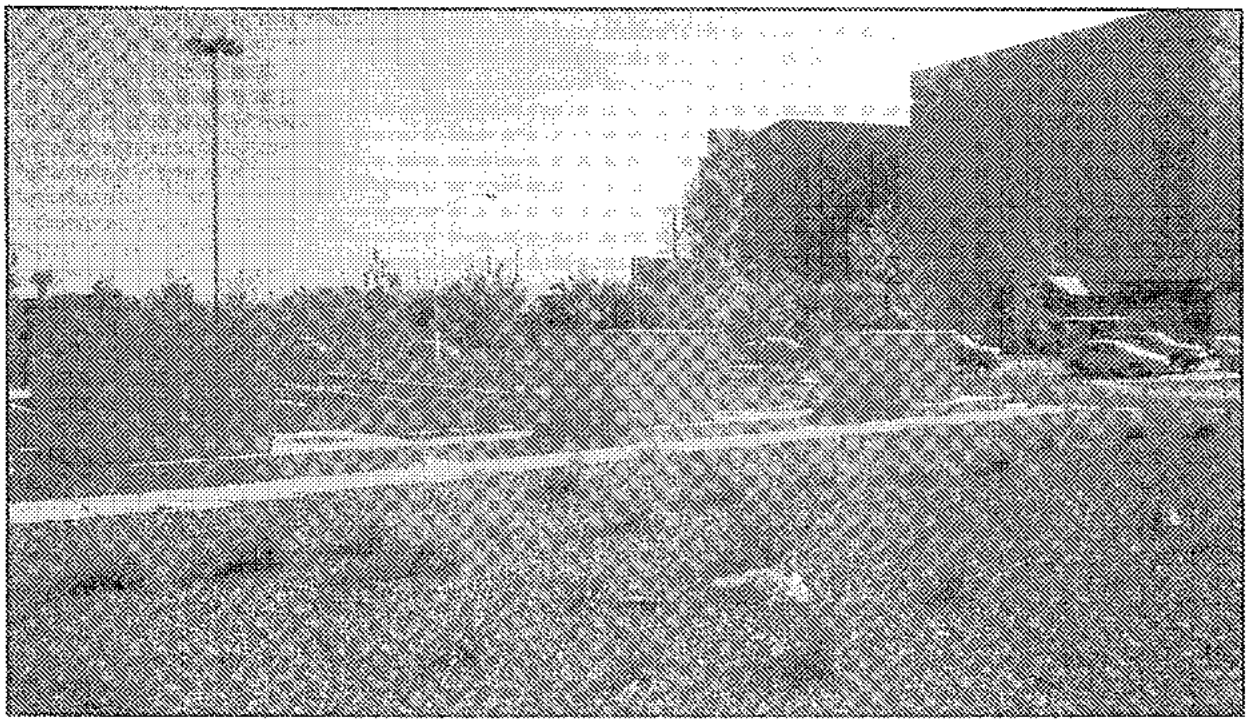


6. View north, again, overlooking proposed easement area along Martin Luther King Boulevard and over the Metro Plaza Drive access point.

Subject Photographs, continued

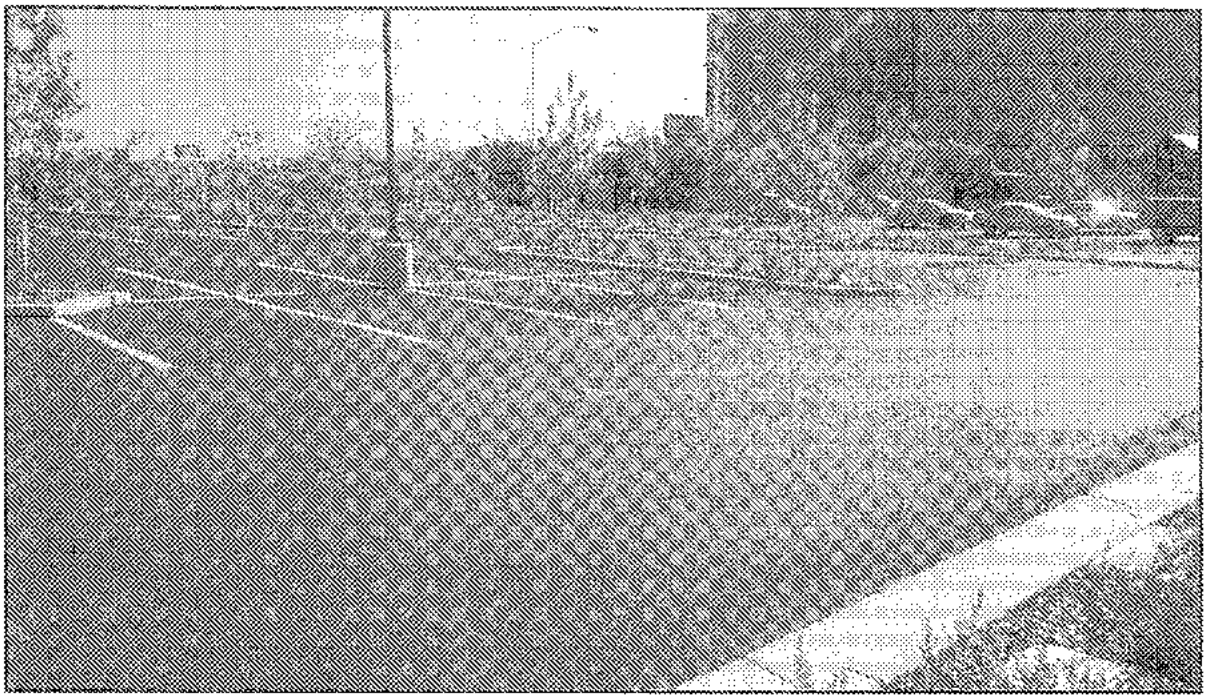


7. View of subject's most southeasterly corner and location where proposed transmission line will cross over property, resulting in an isolated corner island or remnant parcel.

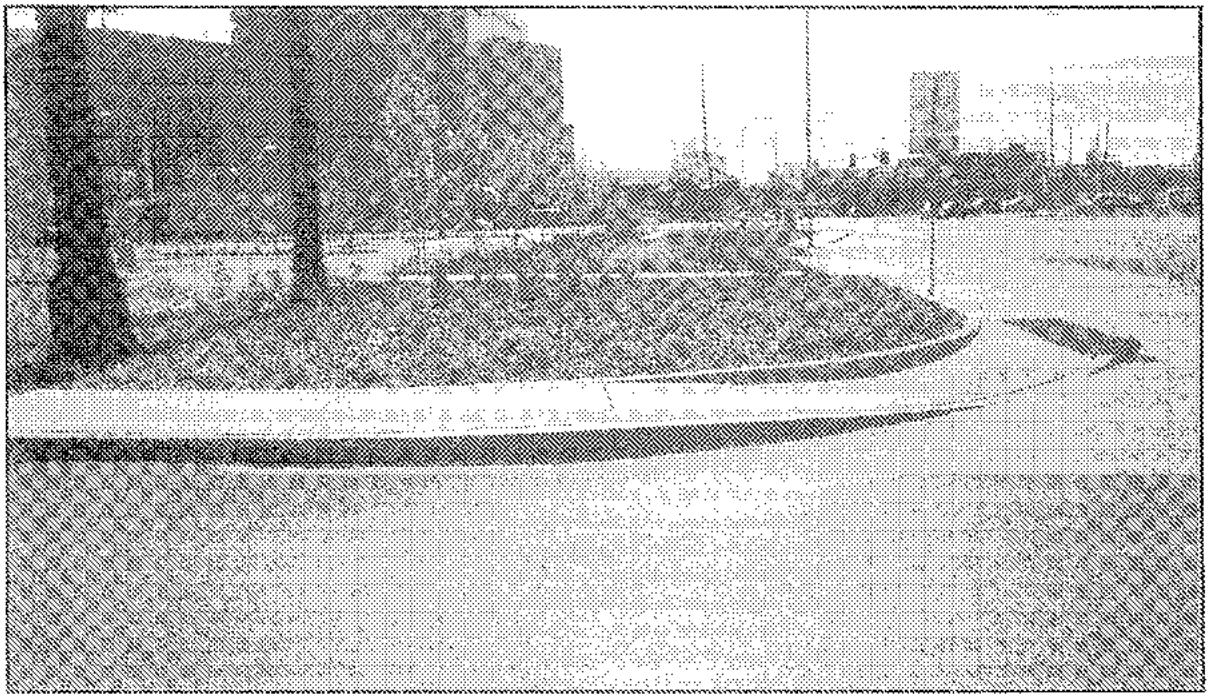


8. Additional view of anticipated isolated island area after installation of transmission line.

Subject Photographs, continued



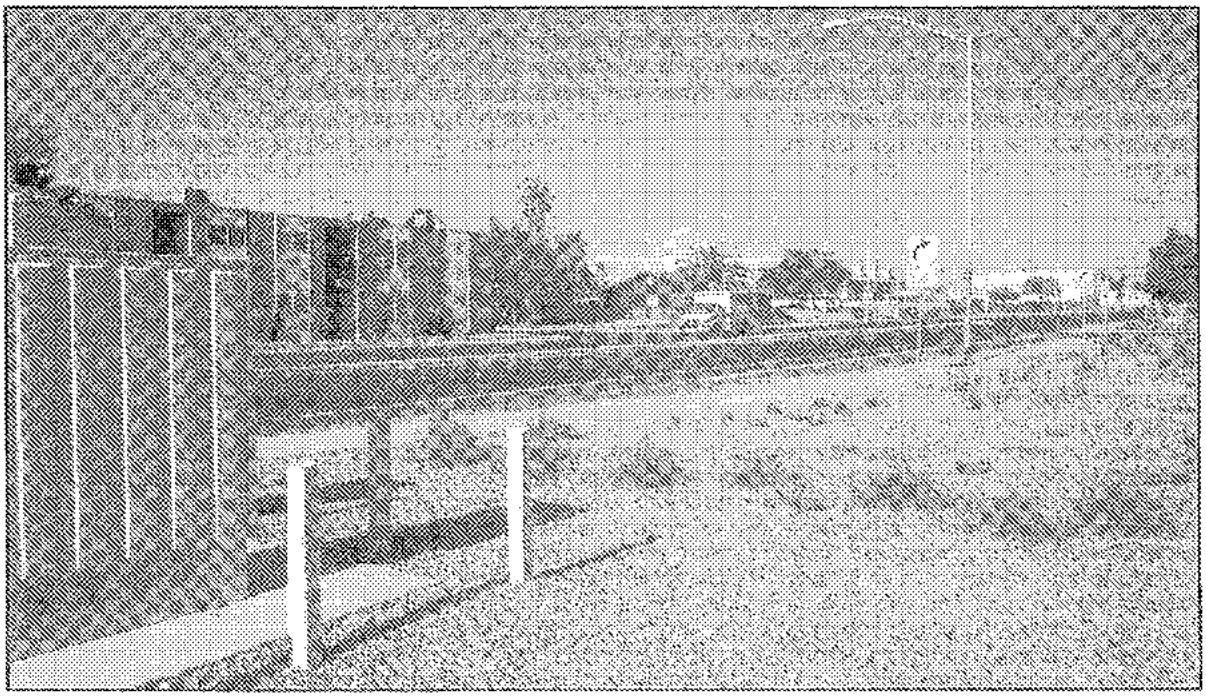
9. View northeast over approximate location of where electrical transmission line will cross subject's property.



10. View east of proposed easement area along Alta Drive.

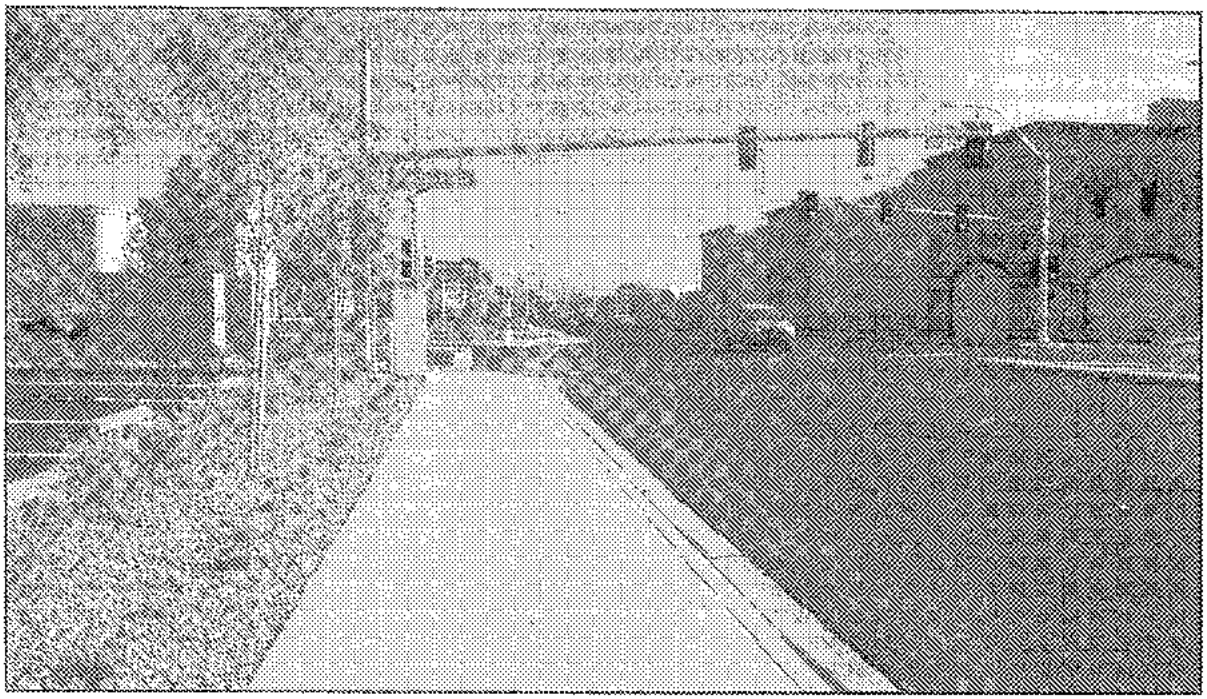
Subject Photographs, continued

11. View west along proposed easement area fronting Alta Drive.



12. View across Alta Drive facing southwest and approximate alignment of transmission line where it will cross Alta Drive to Desert Lane.

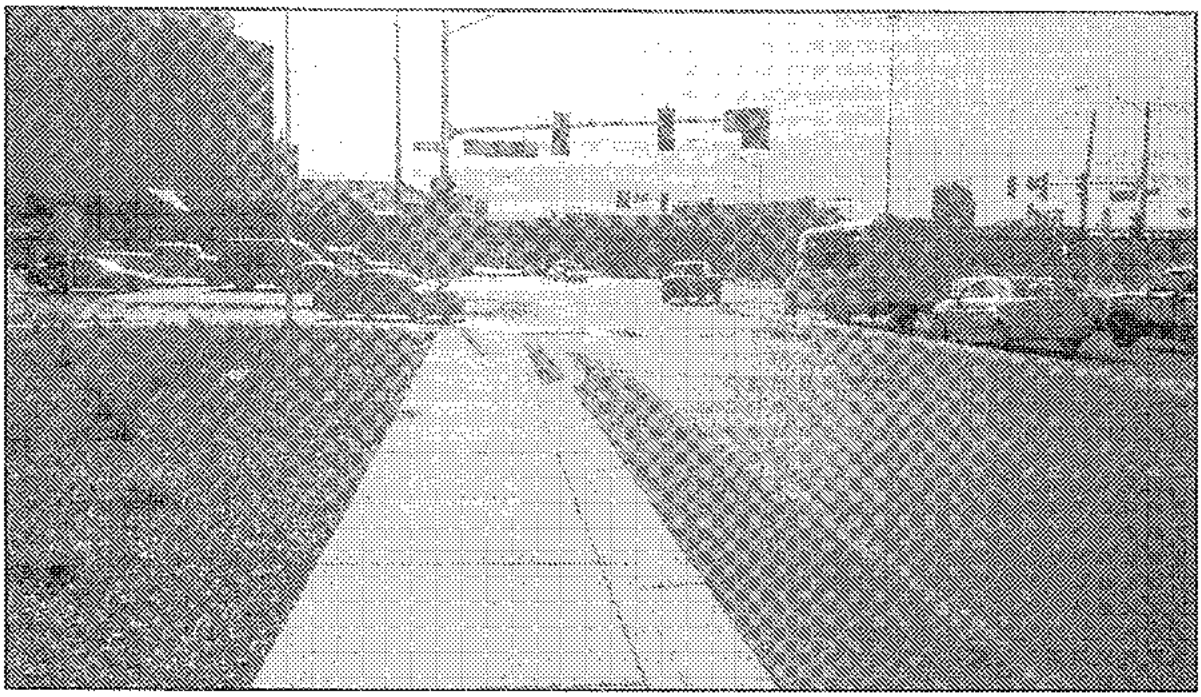
Subject Photographs, continued



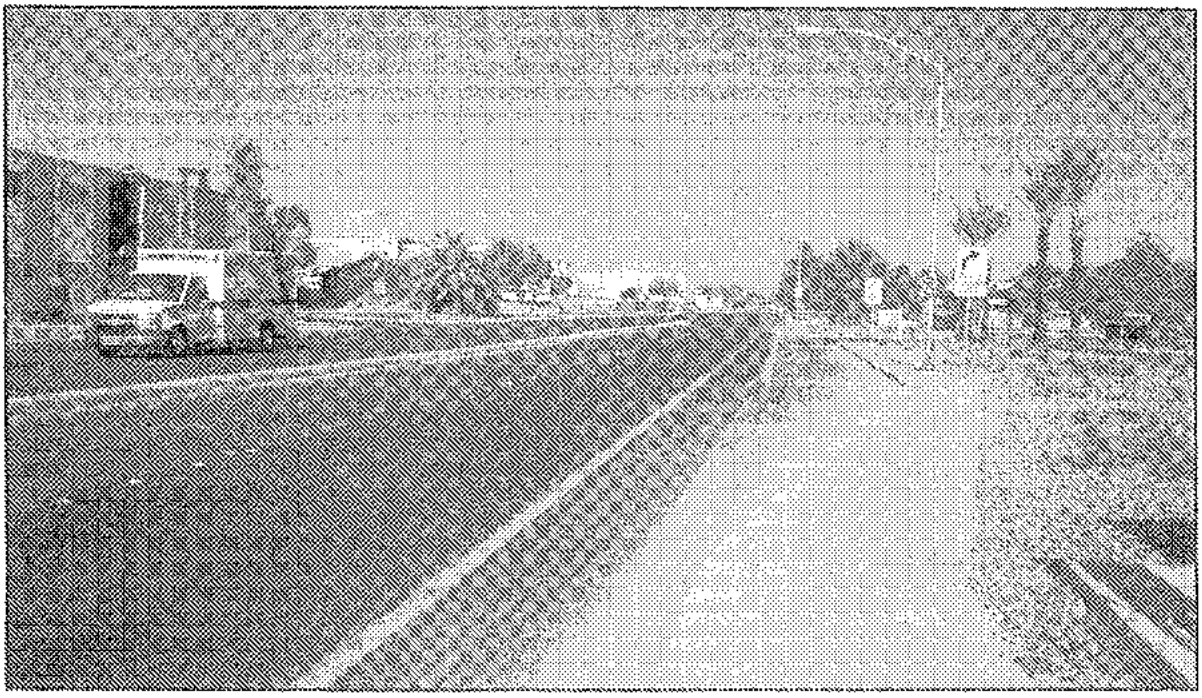
13. View north on Martin Luther King Boulevard.

14. View south on Martin Luther King Boulevard.

Subject Photographs, continued

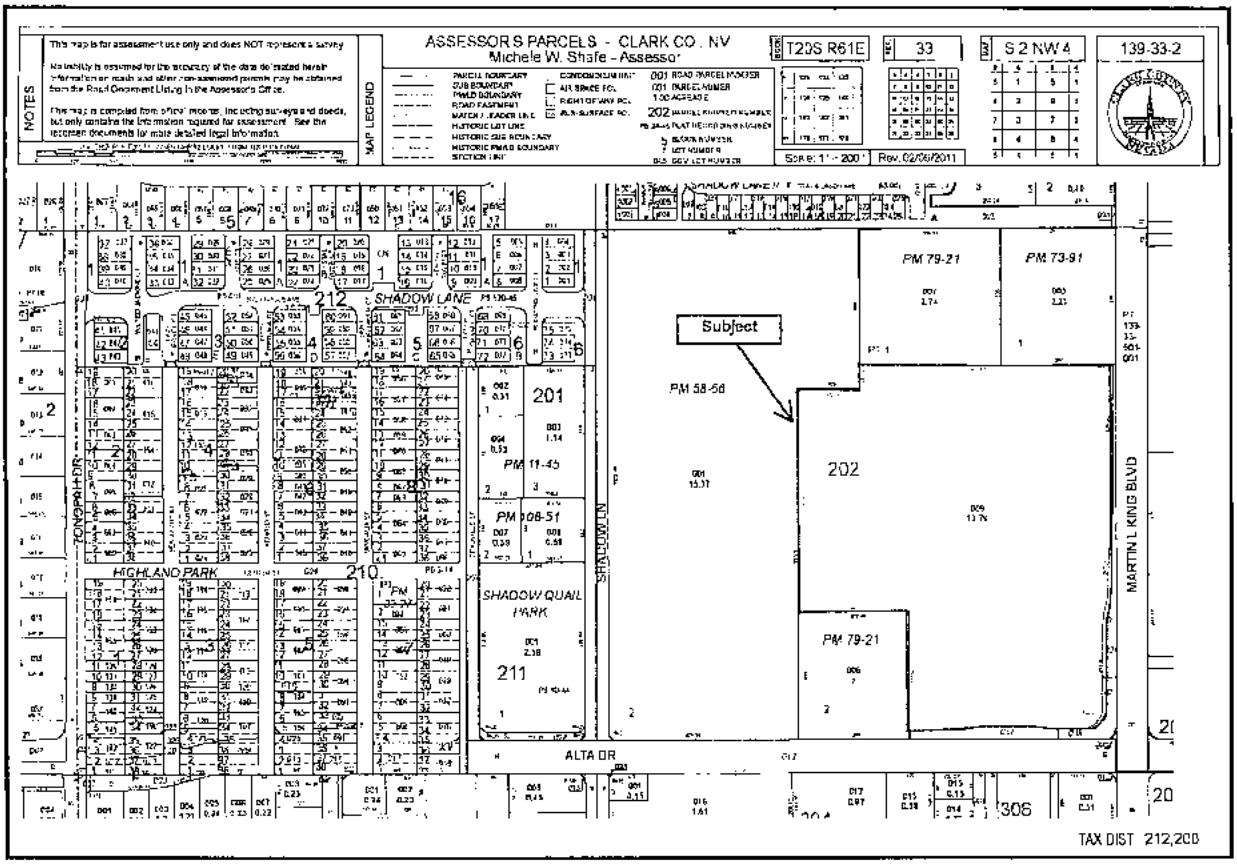


15. View east on Alta Drive.



16. View west on Alta Drive.

Clark County Assessor's Parcel Map

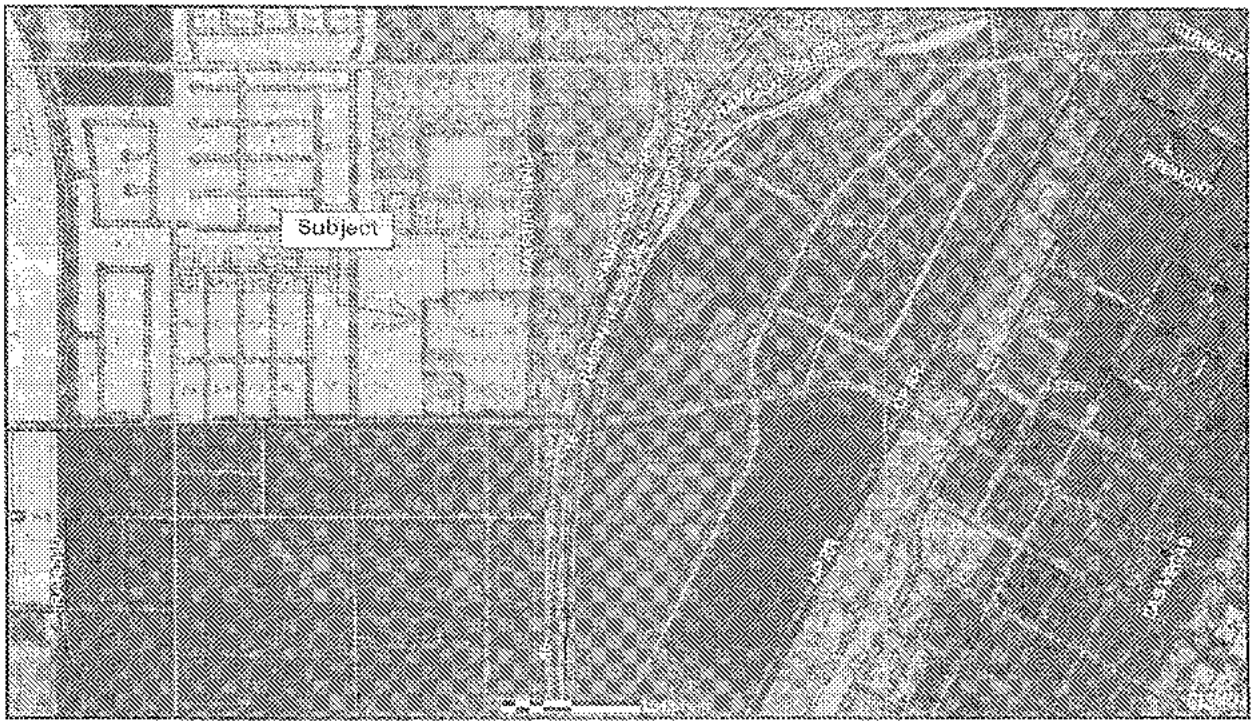


Description of Subject Property - Site

Shape, Dimensions and Area:

In accordance with the preceding Assessor's Parcel Map, the subject property has a modestly irregular configuration; however, based on the overall size of the site is suitable to accommodate a wide range of development. The subject contains a total of 13.76 acres which equates to 599,386 square feet.

Zoning:

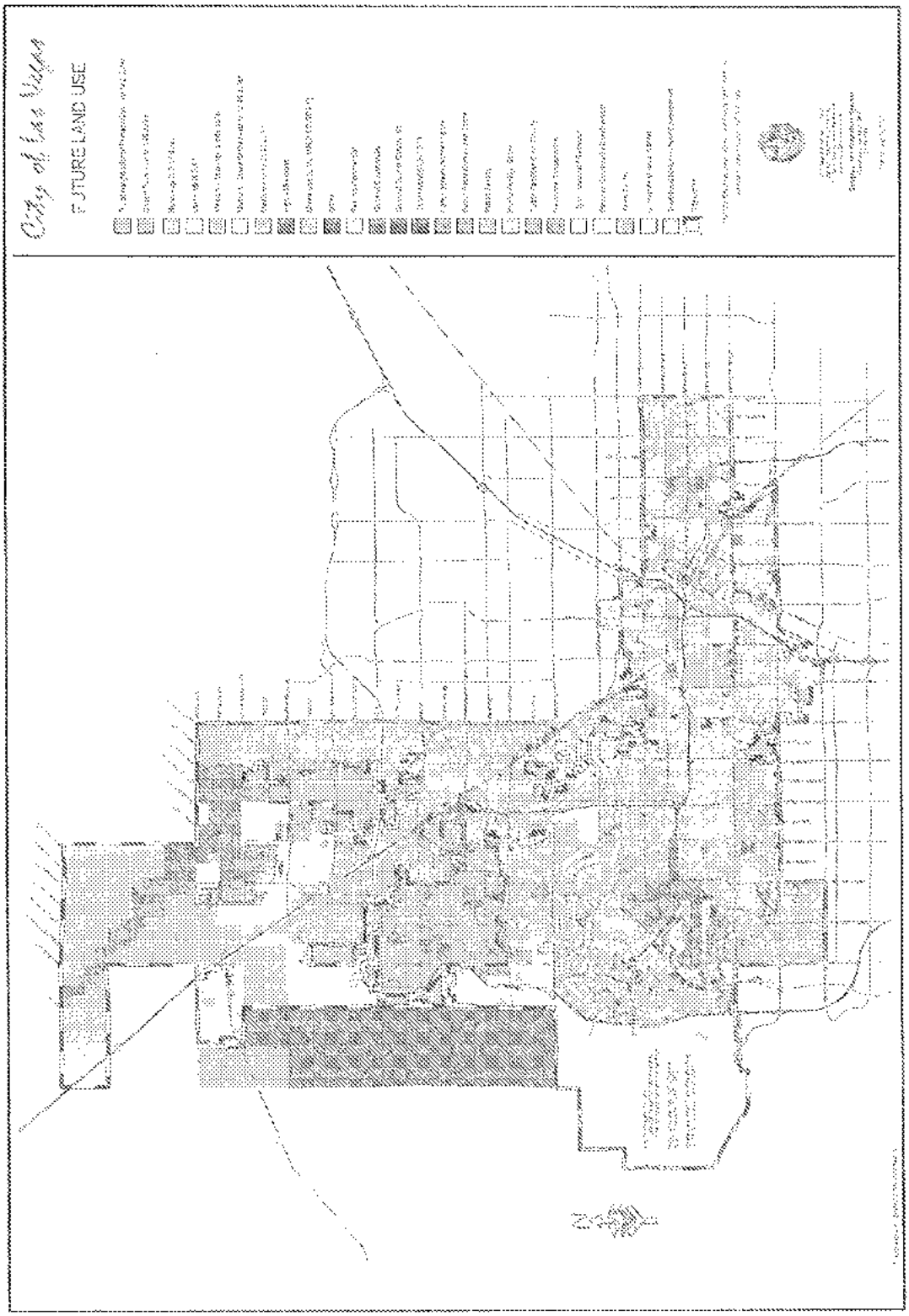


The subject site resides in an area zoned C-1 (Limited Commercial District) as defined by the City of Las Vegas. This district is intended to provide most retail shopping and personal services and may be appropriate for mixed use development. An excerpt from the C-1 Limited Commercial District Zoning Code is made as an attachment to this report in the Addenda. It should be noted that the City of Las Vegas Zoning Code has recently been updated, now known as the City of Las Vegas Unified Development Code under Title 19. This zoning code became effective in approximately May 2011. According to the current zoning code,

minimum front yard and side yard setbacks are now 10 feet as opposed to the older version of the zoning code which had a 20 foot setback requirement. Therefore, this is a significant reduction in the required setback from the previous zoning code. This affects the estimate of just compensation for the proposed easement acquisition. This will be further described in the context of the valuation of the easement later in this analysis.

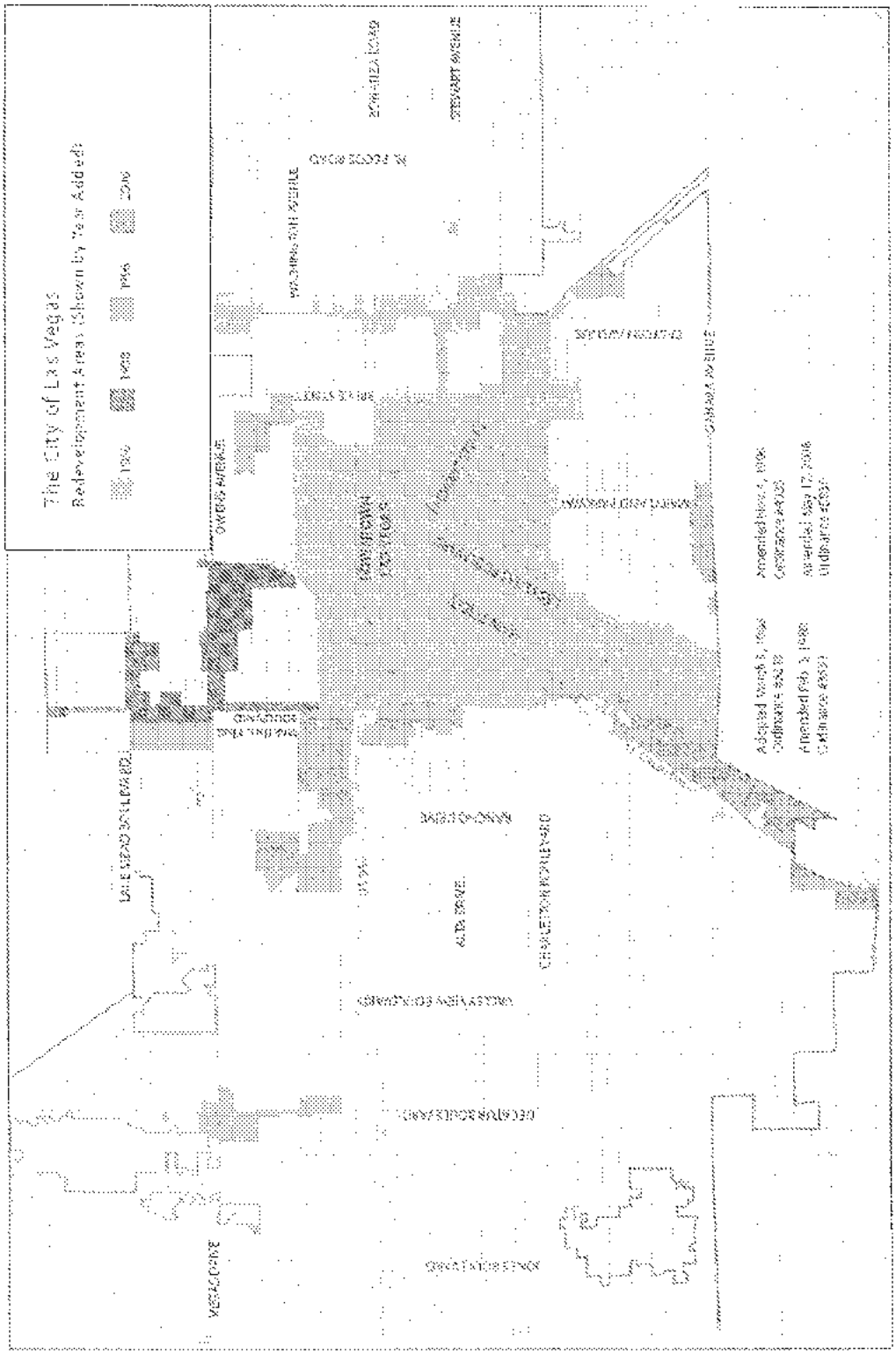
Master plan overlays also affect this property. The subject is located within a land use designation known as Mixed Use and the following map illustrates future land use designations throughout the City of Las Vegas.

City of Las Vegas Future Land Use:



Finally, the subject property is also located in the redevelopment area as defined by the City of Las Vegas. This redevelopment area designation was added in 2006. The following map illustrates redevelopment areas around the Las Vegas metropolitan area and the year in which they were designated as such.

City of Las Vegas Redevelopment Areas:



Utilities and Street Improvements:

The subject site has corner orientation at Martin Luther King Boulevard and Alta Drive. Martin Luther King Boulevard is an asphalt paved north/south arterial thoroughfare, and concrete curbs and sidewalks exist along the subject's frontage. Alta Drive forms the subject's southerly boundary and likewise is an arterial thoroughfare which is an east/west roadway. Alta Drive provides direct access east under Interstate 15 to Symphony Park, connecting with Bonneville and extending into the Las Vegas Central Business District. Martin Luther King Boulevard extends north where an interchange with U.S. Highway 95 exists, and south, Martin Luther King Boulevard connects with Charleston Boulevard where an interchange with Interstate 15 exists. A stoplight controls the intersection of Alta Drive and Martin Luther King Boulevard. Likewise, a stoplight has been installed at Metro Plaza Drive which is the new primary access into the Metropolitan Police Department complex. This stoplight intersection exists near the northeast corner of the larger site, far removed from the intersection of Alta Drive and Martin Luther King Boulevard. The reader is referred to the preceding photographs which further illustrate the characteristics of these streets and the offsite infrastructure.

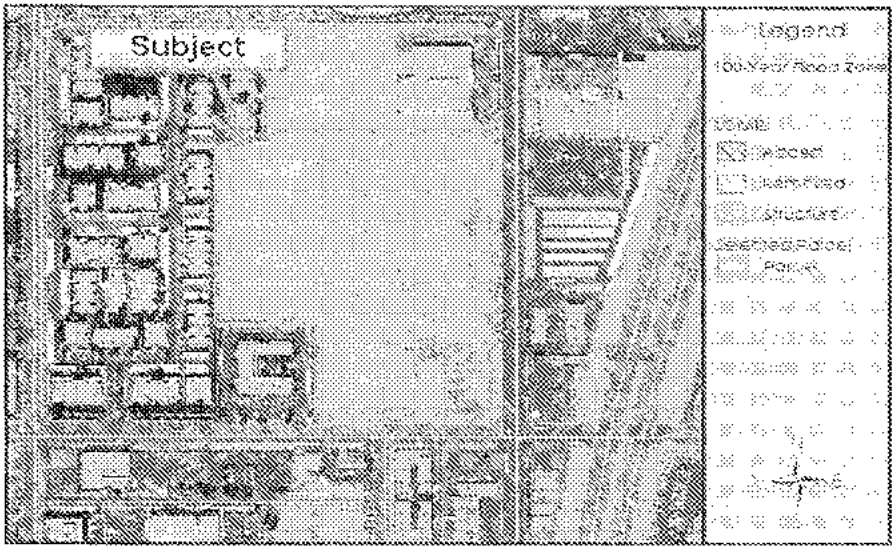
All utilities are available to the subject property. This includes electricity by NV Energy, gas by Southwest Gas Corporation, telephone by Century Link, water services by the Las Vegas Valley Water District and sewer by Clark County Sanitation.

Topography and Soils Conditions:

I have not been provided with a study made to determine the surface or subsurface soil conditions at the subject property. From visual observation, the site has an even topography and is generally at grade to adjacent thoroughfares. Recently developed is the new Metropolitan Police Department headquarters, and as such, I presume adequate soils studies were conducted to insure suitability for the new development. I did not observe any signs of toxic contamination at the time of inspection, and again, as the subject property was recently developed, I presume

the site was tested for any potential toxic contamination and any necessary remediation occurred. For purposes of the valuation, I presume no adverse soil conditions exist.

Flood Hazard Designation:



According to the Federal Emergency Management Agency, Flood Insurance Rate Map, Community Panel Number 32003C2170 E, the subject property is located in Zone X, or areas outside of the 100 year flood zone.

Legal Description:

The subject property is a part of the South ½ of the Northwest ¼ of Section 33, Township 20 South, Range 61 East, M.D.B.&M. A more extensive legal description is provided as part of the Title Report retained in the Addenda for the reader's review.

Tax Data:

The Clark County Assessor identifies the subject property as Parcel 139-33-202-009. The current assessed value for the underlying land is $1,048,926.00. The supplemental assessed value for the improvements is identified as $32,219,228.00. The tax rate per $100.00 assessed in this district is 3.2782 and the current taxes,

as assessed, are reported to be $34,385.89. The property tax, however, for new construction supplemental property tax is reported to be $264,052.68 annually. As the subject property improvements were only recently completed, the Clark County Assessor has not yet fully assessed the subject property and established the long term property assessment, and therefore, stabilized taxes. A copy of the Treasurer's Information regarding this property is retained in the Addenda for the reader's review.

Improvements:

According to available information, the Metropolitan Police Department Headquarters located on the subject property totals approximately 370,000 square feet, including two four-story buildings and a single-story building making up the larger complex. In addition, a secured 1,600 space parking structure for employees also exists, adjacent west of the office building campus. The project is generally complete and is now open; however, I am unaware of the status of occupancy, as it is likely overall move-ins for all employees will occur on a staggered basis. The building was recently completed and is a good quality office complex. As the proposed easement will not directly or indirectly affect these improvements, I have not fully inspected the subject buildings. Furthermore, I have not been provided with plans or other information regarding these recently completed structures.

The easement acquisition will cross over a portion of the site which is used for primarily surface parking. Reportedly, approximately 500 surface parking spaces exist and this at grade area is located along the eastern and southern perimeters of the site. Landscape buffers, lighting standards and ingress/egress points along both Alta Drive to the south and Martin Luther King Boulevard to the east, also exist. A stoplight intersection has been installed for access to the complex known as Metro Plaza Drive. This signalized intersection is located at the northeast corner of the property. Therefore, the areas located within the proposed easement area consist of asphalt paved parking and drought tolerant desert type landscape. Photographs of these characteristics were identified earlier.

Highest and Best Use Analysis

Preface:

The highest and best use for a property, such as the subject, is determined through the application of four tests; the legally permissible, physically possible, economically feasible and that use, among alternative uses, which provides the highest net return to the owner. These tests were applied from a vacant and from an improved perspective. *As is*, the subject property consists of a 13.76 acre parcel of land which has recently been improved with an approximate 370,000 square foot office campus which is occupied by the Metropolitan Police Department. In addition, a 1,600 space parking structure was developed and the balance of the property includes surface parking. The site is zoned C-1 by the City of Las Vegas and has corner orientation at Alta Drive and Martin Luther King Boulevard.

Legally Permissible Use:

Zoned C-1, Limited Commercial, by the City of Las Vegas, a variety of commercial type uses would be allowable in accordance with the zoning code. Furthermore, the property is master planned by the City of Las Vegas for mixed use and is further located in a redevelopment area. Recently, the subject site was improved with the new Metropolitan Police Department Headquarters, a multi-building office campus with associated parking structure. This is considered to be a legally permissible use of the subject property and satisfies the legally permissible test of highest and best use.

Physically Possible Use:

The subject site contains 13.76 acres and has corner orientation on two primary thoroughfares just west of the Las Vegas Central Business District. Martin Luther King Boulevard forms the easterly boundary of the site and an interchange with U.S. Highway 95 exists to the north. Martin Luther King Boulevard intersects with Charleston Boulevard to the south, where an additional interchange with Interstate 15 exists. Alta Drive extends east into the Las Vegas Central Business District. The

subject site is serviced by all normal utilities and is at grade to the adjacent thoroughfares. Based on the overall size, corner orientation at two major thoroughfares, proximity to freeway interchanges and the proximity to the Las Vegas Central Business District, numerous uses could be accommodated on the site. Recently developed is the new Metropolitan Police Department Headquarters which is considered a physically possible use of the site. The development includes approximately 370,000 square feet of office space and a 1,600 space parking structure. A considerable amount of surface parking also resides on the eastern and southern portions of the site. As developed, the new office campus satisfies the physically possible test of highest and best use.

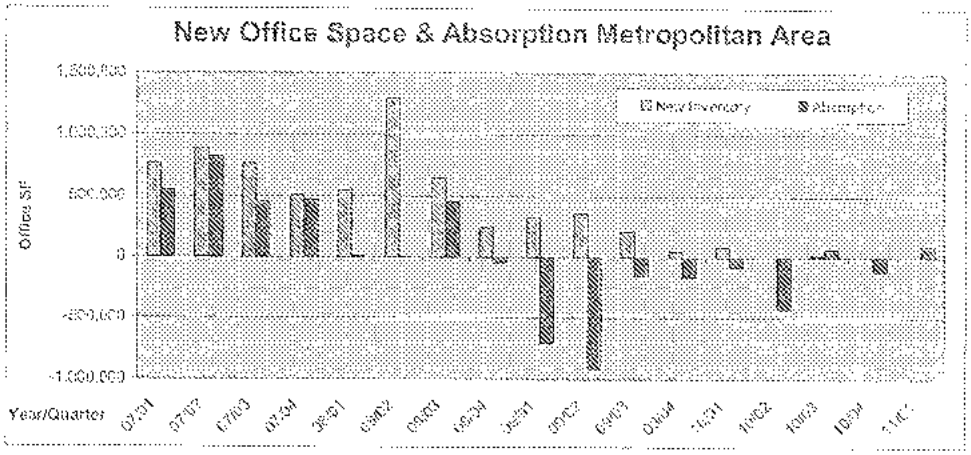
Economically Feasible and Maximally Productive Use:

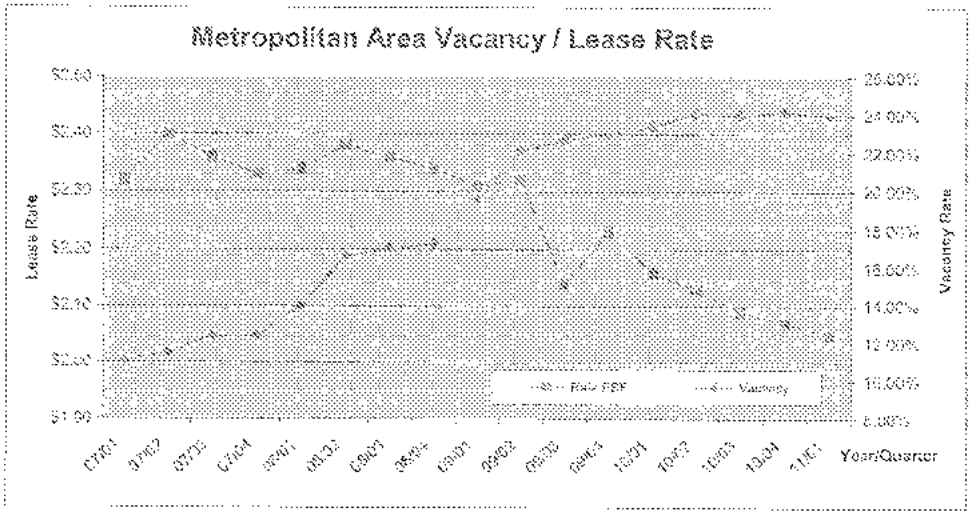
From the preceding two tests of highest and best use, the most likely candidate for development of the subject property would be some form of mixed use property. Likewise, the overlying zoning code of C-1 would dictate that some form of commercial improvement would be constructed. As developed, the property has been improved with a governmental use, the Metropolitan Police Department Headquarters. This is primarily an office development and has been constructed on a build-to-suit basis. As a build-to-suit improvement, the facility was customized to accommodate this tenant who would be unable to duplicate this space in the existing speculative market.

To determine if office development is a feasible use of the property, presuming the site vacant, I have considered to condition of the office market in the Las Vegas metropolitan area. The following graphic provides a summary of trends in the office market as reported by Applied Analysis. Applied Analysis publishes a survey known as the *Las Vegas Quarterly Office Market Report*, which is a summary of information provided by property owners, property brokers, as well as property managers. The following provides trends in the office market through the most recent survey which is 1st Quarter 2011.

Office Market Conditions-Metropolitan Area:

Historical Absorption and New Inventory Metropolitan Las Vegas Valley						
Year/Qtr	New Inventory	Absorption	Avail. Inventory	Total Inventory	Vacancy	Rate PSF
07/01	766,758	550,662	4,665,075	41,899,057	11.10%	$2.32
07/02	865,293	820,355	4,953,237	43,170,495	11.50%	$2.40
07/03	765,825	456,870	5,470,348	44,125,213	12.40%	$2.36
07/04	507,976	470,336	5,521,295	44,661,684	12.40%	$2.33
08/01	551,350	9,410	6,326,461	45,466,810	14.00%	$2.34
08/02	1,291,553	1,413	7,992,538	47,339,341	16.70%	$2.38
08/03	651,386	457,505	8,150,117	48,009,799	17.00%	$2.36
08/04	246,773	-42,583	8,412,469	48,551,573	17.30%	$2.34
09/01	329,375	-709,134	9,564,930	48,905,971	19.60%	$2.31
09/02	264,630	-920,567	10,866,782	49,275,091	22.10%	$2.32
09/03	214,628	-154,557	11,231,914	49,455,228	22.70%	$2.14
09/04	48,047	-163,718	11,406,779	49,505,158	23.00%	$2.23
10/01	84,814	-81,169	11,629,800	49,717,951	23.40%	$2.16
10/02	0	-426,624	11,995,997	49,718,251	24.10%	$2.13
10/03	21,000	68,860	11,937,562	49,739,251	24.00%	$2.09
10/04	0	-118,745	12,056,297	49,739,251	24.20%	$2.07
11/01	0	97,344	12,019,286	50,075,139	24.00%	$2.05
AVG	*395,742*	*18,733*			*18.8%*	*$2.25*





As illustrated on the previous graphic, the office market has deteriorated significantly over recent times. This is measured by a significant increase in overall vacancy and a decline in lease rates. Negative net absorption has occurred in 7 of the last 10 quarters and much of the positive net absorption has been in built-to-suit complexes. The current valley wide vacancy rate, therefore, stands at 24%, which would indicate a substantial amount of inventory remains available and should serve the needs of the speculative office market in the coming years, presuming little new inventory is added.

According to the Applied Analysis survey, the subject property is located in the Central North submarket which generally exists north of Charleston Boulevard between Rancho Drive and Pecos Road, south of Lake Mead Boulevard. The exception would be the Central Business District, which is excluded from this area. The Central North submarket has a vacancy rate of 8.5%; however, a limited amount of total office inventory exists within this submarket. The average lease rate in this submarket is $1.78 per square foot, per month, based on gross terms.

The subject property is best aligned with the Downtown District due to the proximity to the Central Business District. As discussed, Alta Drive provides direct access into the Central Business District as an underpass exists under Interstate 15, just east of this location. The Central Business District has a current vacancy rate of 10% and an average lease rate of $2.63 per square foot, per month. This higher average occupancy is due to the legal community which resides in the downtown area. The Federal, State and District Courthouses all exist in the downtown area, and therefore, many legal firms have occupied space in the Downtown District. Other professional firms have also located in the downtown area, which has resulted in an office market which has a much lower vacancy rate when compared to the average vacancy throughout the metropolitan area.

In the final analysis, the subject site is suitable for mixed use and/or office development. This would include professional office due to the proximity to the Central Business District and easy accessibility by way of Alta Drive. The site could also accommodate various form of medical office development due to the proximity to the medical district, as described earlier. The University Medical Center and Valley Hospital are located nearby, and numerous other medical office facilities reside in the area.

Overall, a significant amount of available office inventory exists valley wide. A greater demand for office exists in the Central Business District; however, the difficulty in obtaining financing for new development and the perceived risk in the market for speculative improvements would make a speculative development at the subject risky. Therefore, these factors combined would result in a likely holding period prior to development. A prospective buyer would likely hold the property for some undetermined period prior to development of a likely mixed use primarily office development. The site could also potentially accommodate other forms of construction, such as commercial/retail properties, in conjunction with office development. It is noted furniture stores and Costco exist nearby.

As improved, the build-to-suit Metropolitan Police Department Headquarters satisfies the economically feasible test of highest and best use. If the site were vacant, it is unlikely that a speculative improvement would be developed at the present time. Therefore, a speculative developer would likely hold the property until market conditions improve. Alternatively, the site could accommodate various owner users or build-to-suit transactions; however, the size of the property severely limits the number of potential users in today's economic environment.

Highest and Best Use Conclusion:

The highest and best use of the subject property, as currently improved with the Metropolitan Police Department Headquarters, satisfies the highest and best use definition. As vacant, the site would likely be held as a speculative investment prior to any potential speculative development. Conversely, the site could accommodate an owner user or a build-to-suit transaction, yet a limited number of users exist in the marketplace given the overall size of the property.

Land Valuation

In accordance with the highest and best use conclusion on the preceding page, the existing Metropolitan Police Department Headquarters satisfies the highest and best use definition, as improved. Alternately, the site could accommodate other forms of mixed use development such as office and/or commercial development; however, some speculative holding period would likely be necessary unless a build-to-suit tenant existed or the property was being developed by an owner user. To arrive at an indication of the market value of the subject site, as vacant, I have researched the marketplace and found sales with similar physical attributes, locational characteristics, and highest and best use characteristics. The sales found included some transactions which occurred in relative close proximity to the subject, including properties in the Central Business District and the periphery of that in the immediate area. As a limited amount of data exists available for review in the immediate area, I have expanded the search for larger commercially orientated sites which have recently sold. Again, as vacant, the site could accommodate various forms of commercial development. The following pages, therefore, contain a summary of the sales considered, a map which illustrates the location of each relative to the subject, as well as abstracts with plot plans for further identification of these transactions.

Land Sales Summary Chart

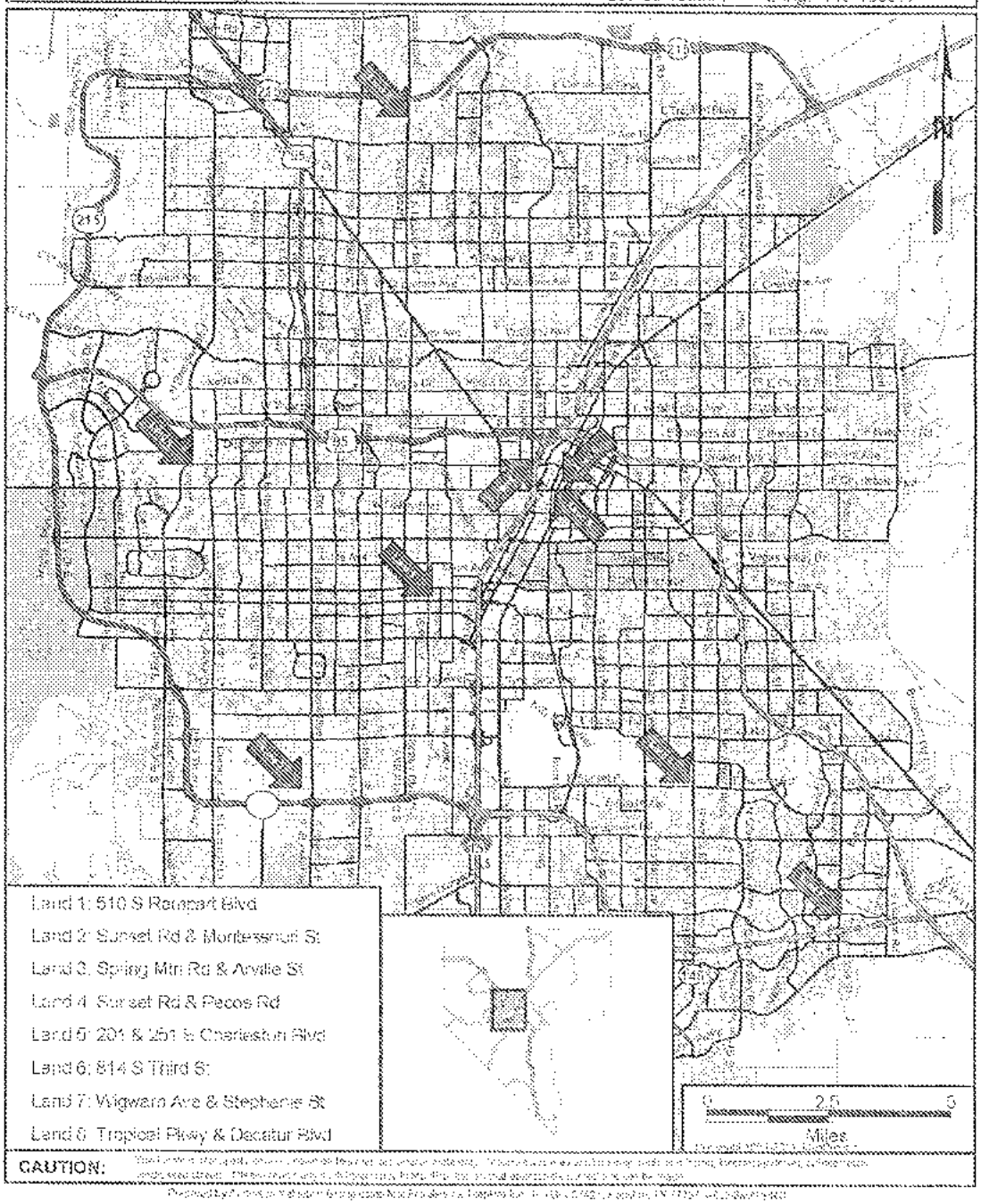
Land Sales Summary Chart					
Comp No.	**Location/APN/Description**	**Sales Date**	**Sales Price**	**Size Sq. Ft.**	**Price/ Sq. Ft.**
1	510 South Rampart Boulevard APN: 138-32-723-001 Zoned PD (Las Vegas); part of Boca Park; REO sale.	10/10	$11,750,000	1,021,046	$11.51
2	Northeast corner of Sunset Road and Montessouri Street APN: 163-34-810-41 & -042 Zoned M-D (Clark County); vacant lot to be used for In & Out Restaurant distribution facility.	6/10	$ 2,058,256	147,843	$13.92
3	North side of Spring Mountain Road, east of Arville Street. APN: 162-18-505-001 & -007 Zoned R-E and M-1 (Clark County); ROI to C-2 (Clark County); REO sale.	4/10	$ 2,700,000	188,179	$14.35
4	North side of Sunset west side of Pecos Road APN: 162-36-802-032, -037 & -038 Zoned C-2 & M-D (Clark County); assemblage for future use as museum site.	6/10	$ 5,150,000	351,965	$14.63
5	201 and 251 East Charleston Boulevard APN: 139-34-410-057 and -257 Zoned C-2 (Las Vegas); originally planned as high rise; buyer owns building in Arts District; REO sale.	4/10	$ 672,000	41,818	$16.07
6	814 South Third Street APN: 139-34-401-014 Zoned C-2 (Las Vegas); originally planned as Stan-Hi condo tower; buyer approached seller; property never listed.	5/10	$ 810,000	34,848	$23.24
7	Southeast corner of Wigwam Avenue and Stephanie Street APN: 178-15-310-008 Zoned CC (Community Commercial), Henderson. Planned grocery store site.	2/11	$ 7,157,385	736,164	$ 9.72
8	Northwest corner of Tropical Parkway and Decatur Boulevard APN: 125-25-614-001 Zoned C-1 (North Las Vegas) Planned grocery store site	4/11	$ 6,738,834	396,396	$17.00

Land Sales Location Map

File No. 153-11

LOCATION MAP

Borrower or Owner: HQ Metro, LLC
Subject Address: 400 S Martin L King Blvd
City: Las Vegas County: Clark
Lender or Client: NV Energy
Census Tract: 0002.03
State: NV Zip Code: 89106
Lat: 36.166254 Long: -115.100971

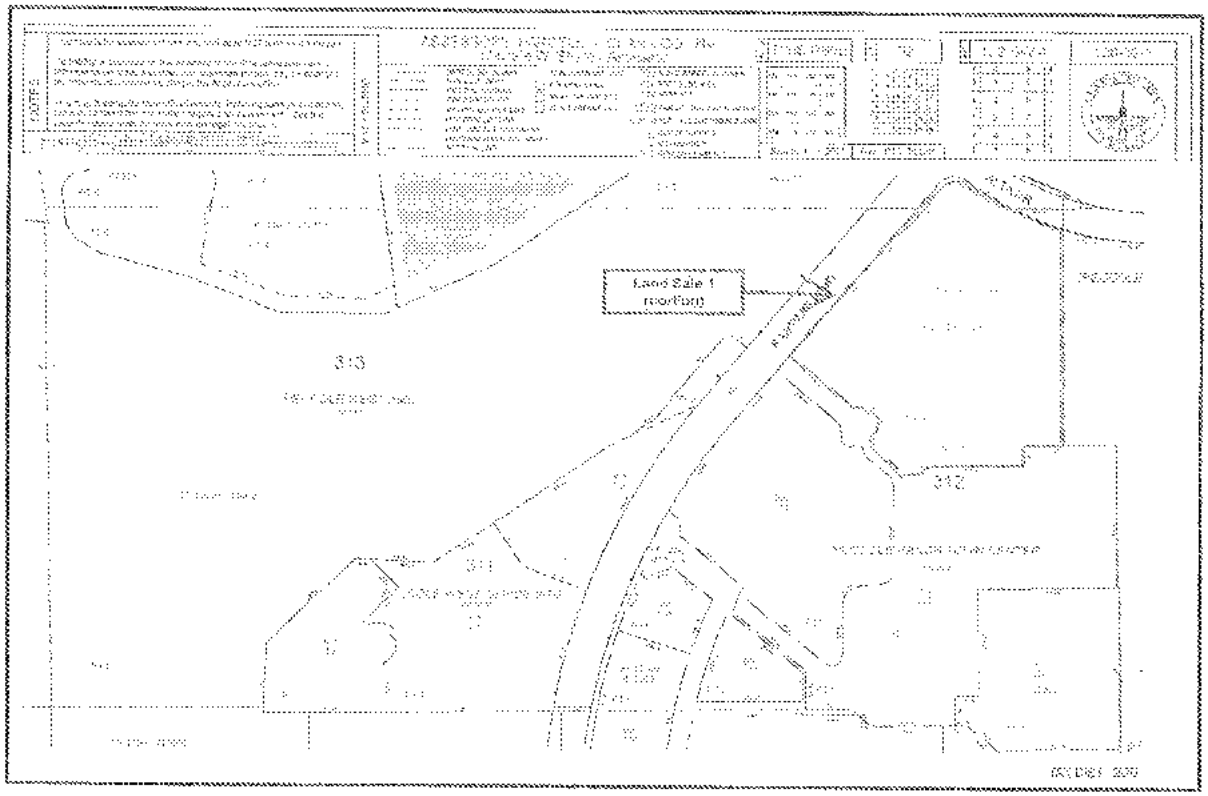


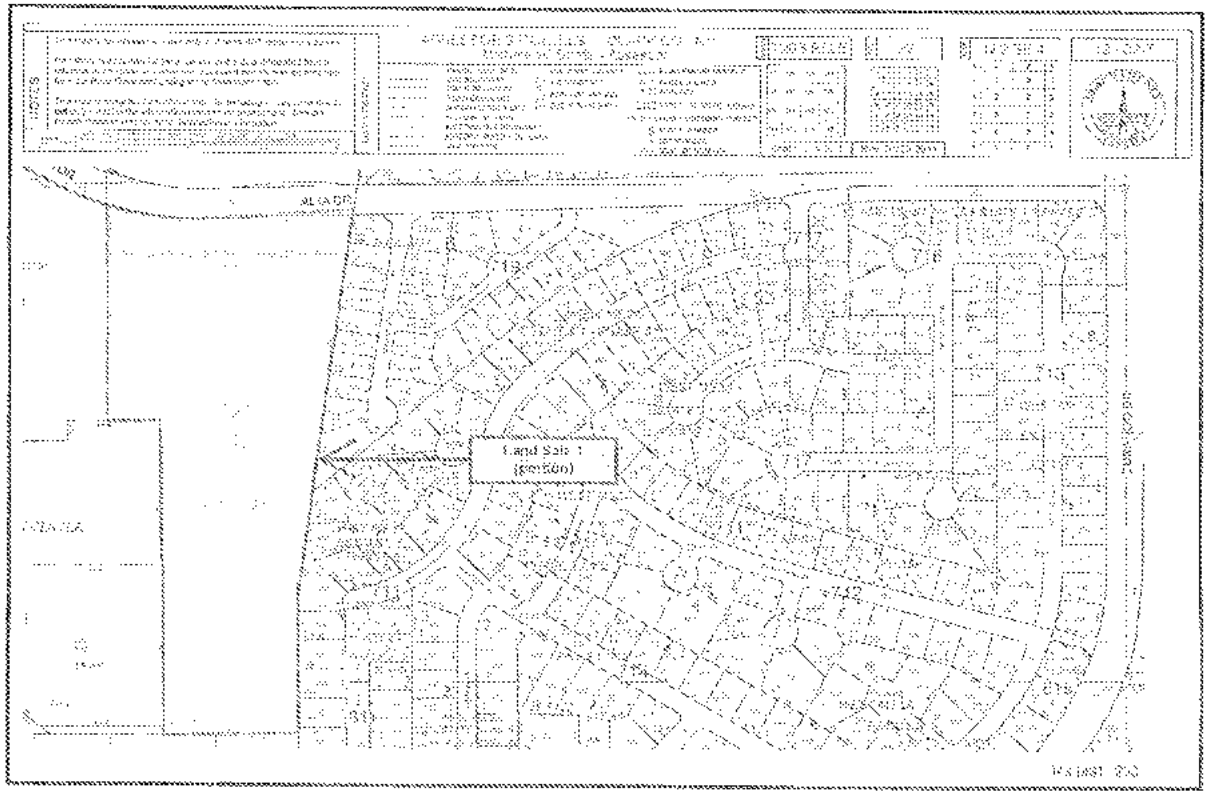
CAUTION:

Comparable Land Sale Abstract Number 1

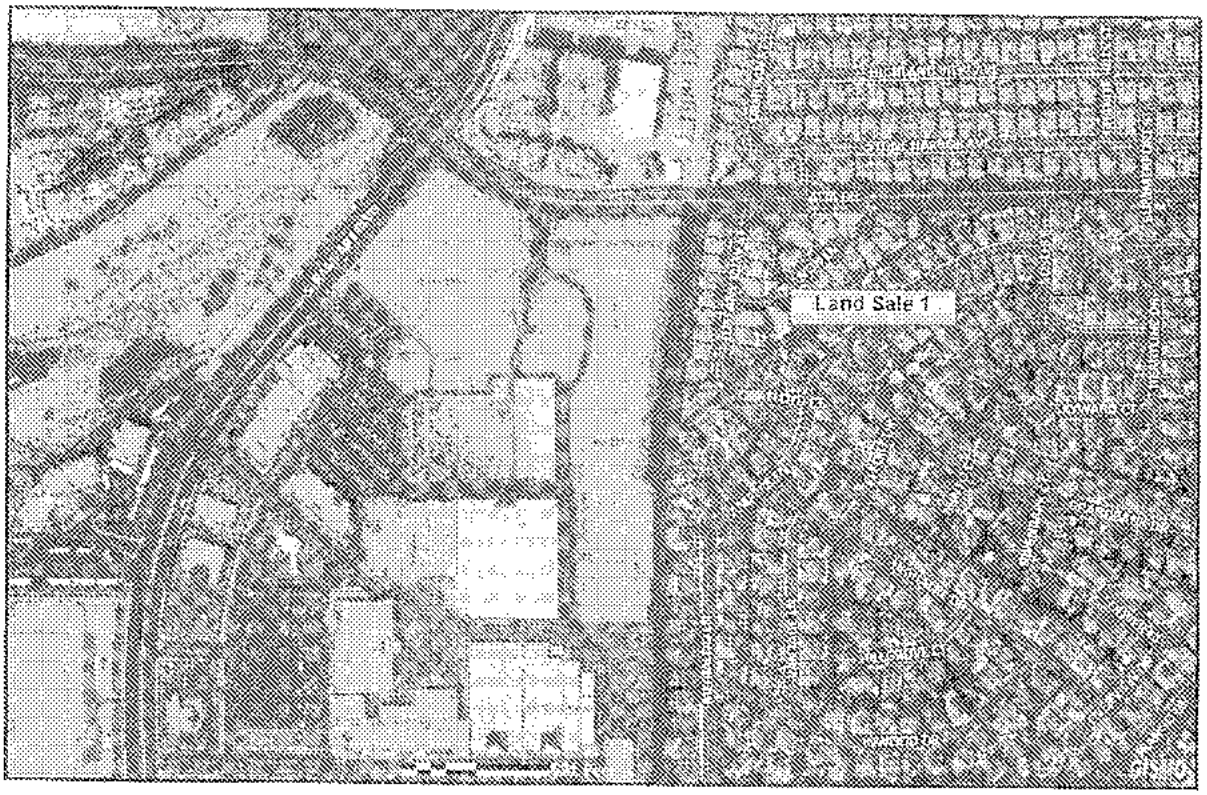
APN:	138-32-723-001
Location:	510 South Rampart Boulevard, Las Vegas, Clark County, Nevada
Grantor:	City National Bank
Grantee:	RA Southeast Land Company, LLC
Deed Date:	September 20, 2010
Recording Date:	October 4, 2010
RPTT:	$59,925.00
Document Number:	20101004/04030
Legal Description:	Lot 1, Block 1, Peccole Ranch Town Center, Plat Book 86, Page 23, Section 32, Township 20 South, Range 60 East
Size:	1,021,046 Sq. Ft.
Zoning:	PD (Las Vegas)
Land Use:	Mixed Use Commercial
Utilities:	Available at site
Access:	Rampart Boulevard and Alta Drive
Topography:	Even to sloping
Sale Price:	$11,750,000.00
Unit Price:	$11.51/Sq. Ft.
Financing:	Cash to Seller
Remarks:	This is a premium commercial lot located adjacent to Boca Park in the Summerlin area cattycorner from the Suncoast Hotel/Casino. This was an REO transaction and specific development plans are unknown.
Verified With:	Clark County Records, Deed, Seller's Representative Lynne Sullivan would only confirm price.
Verification Date:	December 2010
Appraiser:	Glenn M. Anderson, MAI, SRA, Certified General Appraiser

Comparable Land Sale Number 1 - Plot Plans





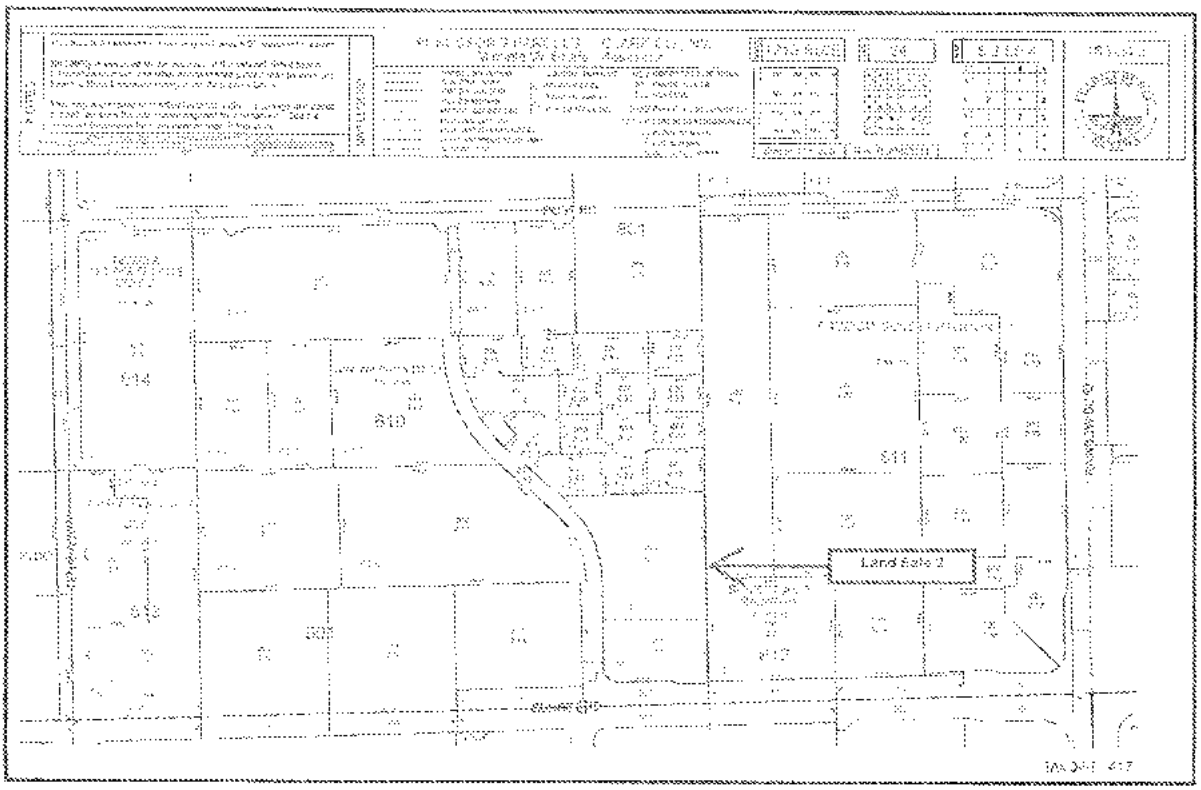
Comparable Land Sale Number 1 – Aerial Photograph, continued

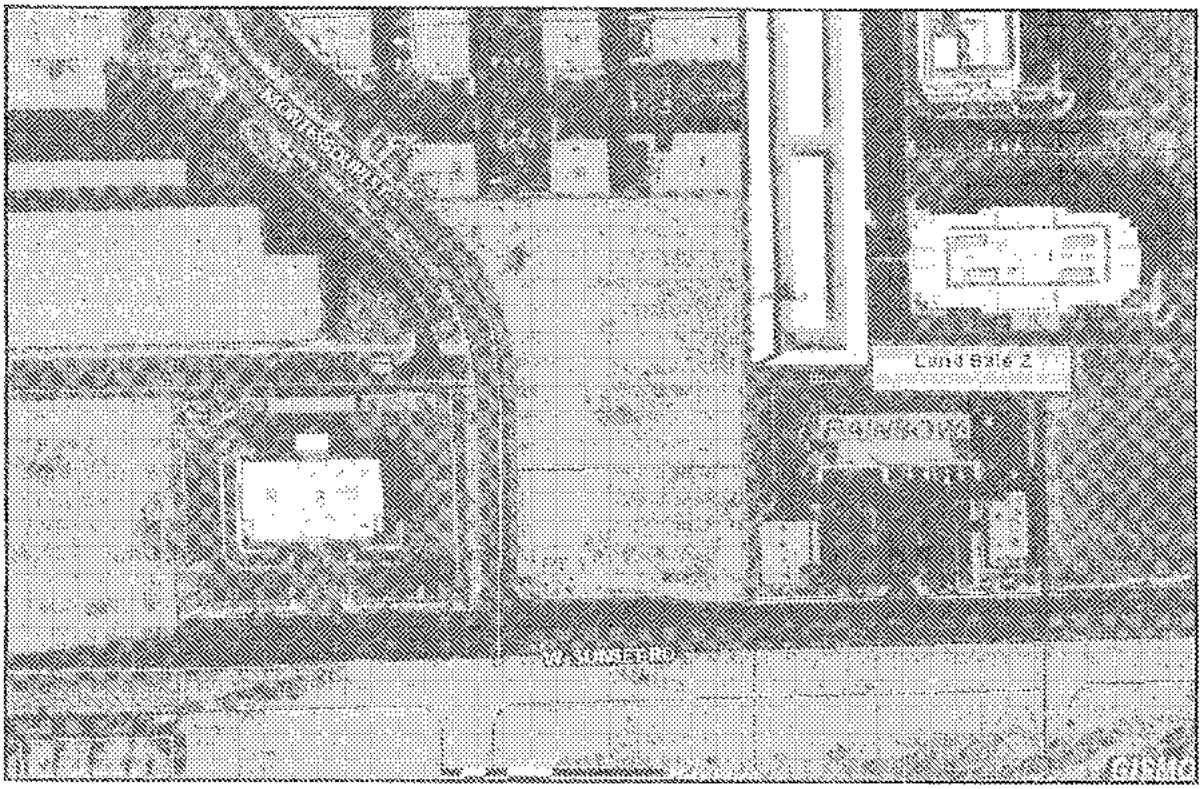


Comparable Land Sale Abstract Number 2

APN:	163-34-810-041 and -042
Location:	Northeast corner of Sunset Road and Montessouri Street, Las Vegas, Clark County, Nevada
Grantor:	CPI Three, LLC
Grantee:	In-N-Out Burgers, Inc.
Deed Date:	June 11, 2010
Recording Date:	June 15, 2010
RPTT:	$10,498.35
Document Number:	20100615/03305
Legal Description:	A portion of Lot 1-5, File 161, Page 35, Lot 1 Centra Park West, Book 126, Page 94, Southeast ¼, Section 24, Township 21 South, Range 60 East.
Size:	147,843 Sq. Ft.
Zoning:	M-D, Design Manufacturing (Clark County)
Land Use:	Vacant, future commercial/industrial
Utilities:	Available at site
Access:	Sunset Road and Montessouri Street
Topography:	Level
Sale Price:	$2,058,256.00
Unit Price:	$13.92/Sq. Ft.
Financing:	Cash to Seller
Remarks:	Site is located in a predominately mixed use commercial area where industrial development exists to the north, mid-rise office and retail buildings exist to the east. Site is located just north of the 215 Beltway at the Rainbow interchange. Site is intended to be developed with a distribution facility for In-N-Out Burger. Property was listed for $20.00 per square foot.
Verified With:	County Records, Deed, Collier's International, Paul Sweetland, Broker
Verification Date:	September, 2010
Appraiser:	Eric J. Anderson, Certified General Appraiser

Comparable Land Sale Number 2 - Plot Plan and Photograph

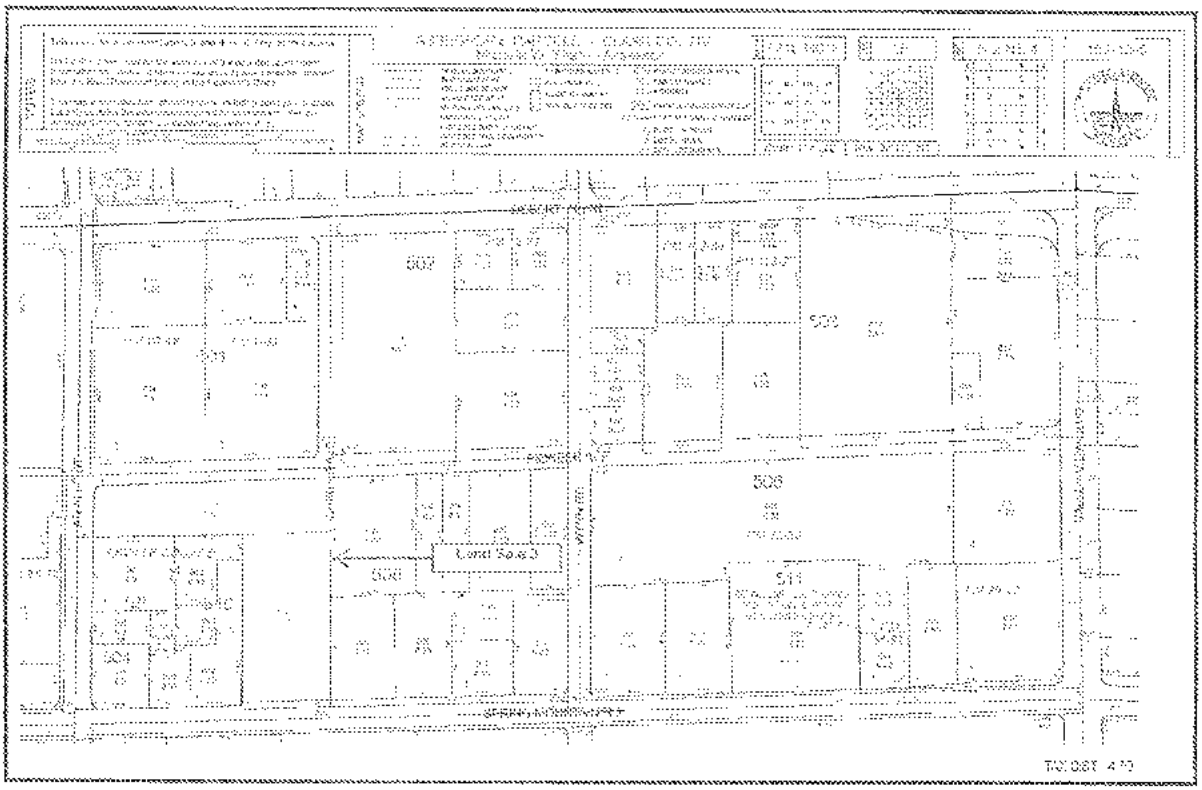


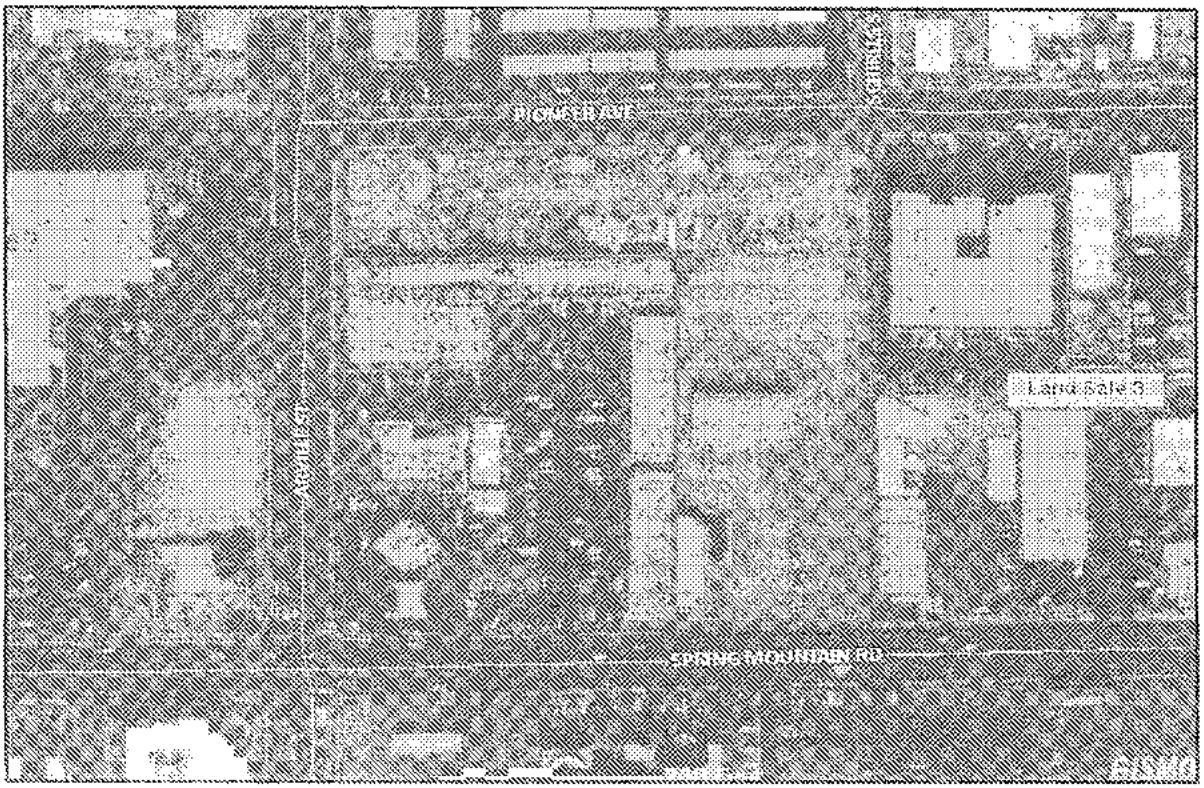


Comparable Land Sale Abstract Number 3

APN:	162-18-505-001 and -007
Location:	North side of Spring Mountain Road east of Arville Street, Las Vegas, Clark County, Nevada
Grantor:	Hammi Bank
Grantee:	567 Investment, LLC
Deed Date:	April 26, 2010
Recording Date:	April 28, 2010
RPTT:	$13,770.00
Document Number:	20100428/00579
Legal Description:	The South ½ of the Northwest ¼ of the Northeast ¼ of Section 18, Township 21 South, Range 61 East
Size:	188,179 Sq. Ft.
Zoning:	R-E and M-1 (Clark County), ROI to C-2 (Clark County)
Land Use:	Vacant, future commercial
Utilities:	At site
Access:	Spring Mountain Road, Arville Street and Pioneer Avenue
Topography:	Level
Sale Price:	$2,700,000.00
Unit Price:	$14.35/Sq. Ft.
Financing:	Cash to Seller
Remarks:	This was an REO transaction and multiple offers were made and the highest price was accepted. This site is suitable for retail type development along the Spring Mountain commercial corridor in the Chinatown District of Las Vegas.
Verified With:	County Records, Deed, Seller's Representative, Yosef Park
Verification Date:	May 2011
Appraiser:	Glenn M. Anderson, MAI, SRA, Certified General Appraiser

Comparable Land Sale Number 3 - Plot Plan and Photograph

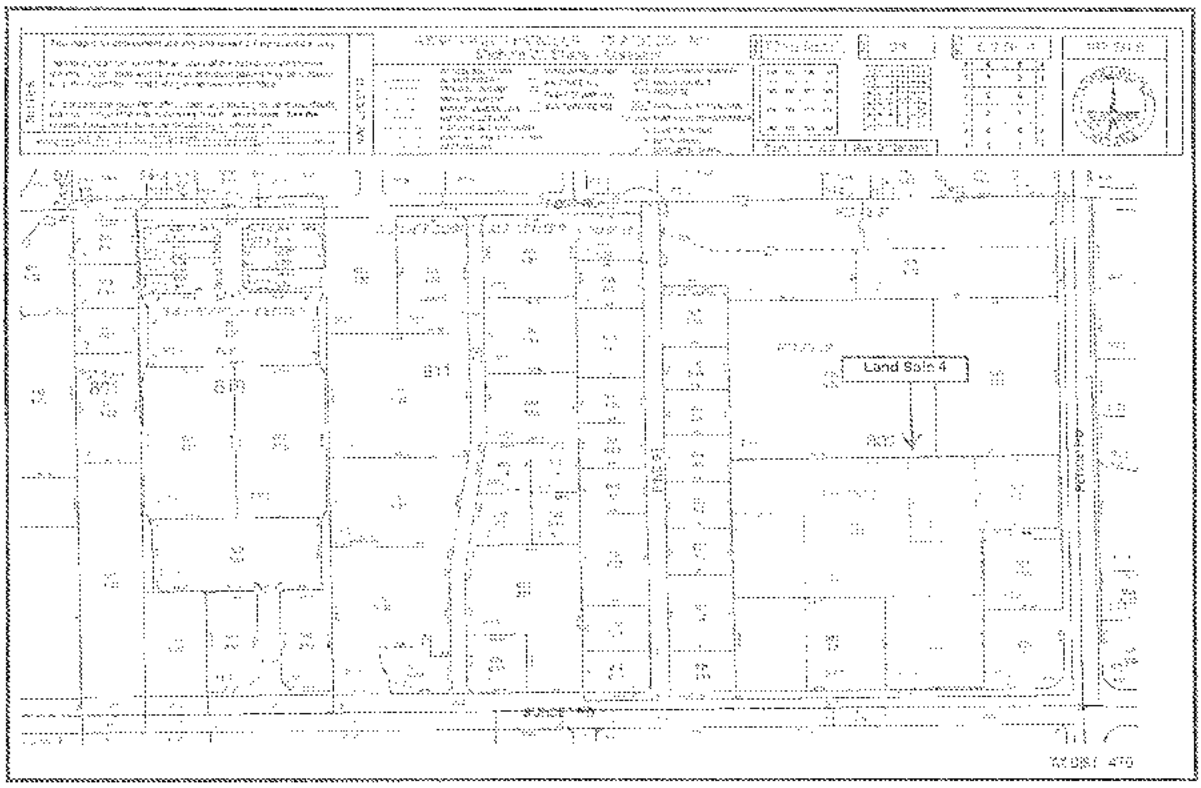


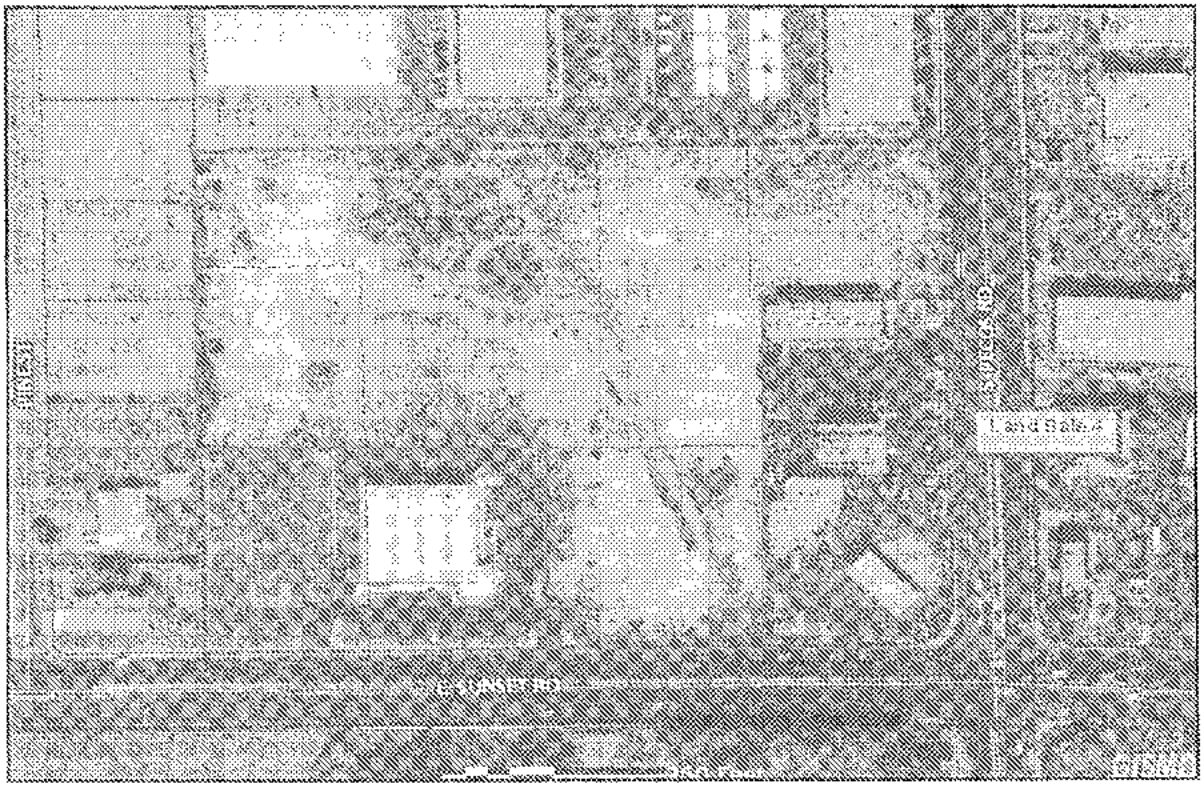


Comparable Land Sale Abstract Number 4

APN:	162-36-802-032, -037 and -038
Location:	North side of Sunset, west side of Pecos Road, Las Vegas, Clark County, Nevada
Grantor:	Friendship Union General Partnership, Song and Juhyun Kim, Pecos Sunset Partners, LLC
Grantee:	Lacy J. Harber and Dorothy J. Harber
Deed Date:	May 26, 2010 and June 16, 2010
Recording Date:	June 1, 2010 and June 21, 2010
RPTT:	$26,265.00
Document Number:	20100601/03160; 20100601/03173; 20100621/03411
Legal Description:	Those portions of Parcels 1, 2 and 3, File 10, Page 62, Southeast ¼, Southeast ¼, Section 36, township 21 South, Range 61 East.
Size:	351,965 Sq. Ft.
Zoning:	C-2 and M-D (Clark County)
Land Use:	Vacant, future commercial
Utilities:	Available at site
Access:	Sunset Road and Pecos Road
Topography:	Level
Sale Price:	$5,150,000.00
Unit Price:	$14.63/Sq. Ft.
Financing:	Cash to Seller
Remarks:	Transaction is an assemblage of parcels surrounding the intersection on Sunset Road and Pecos. Industrial development exists to the northwest of this location while commercial improvements exist along the primary thoroughfares. Reportedly, this site was assembled with the intention of developing a museum facility for Wayne Newton and potentially the relocation of the Liberace Museum among others
Verified With:	County Records, Deed, Declarations of Value
Verification Date:	May 2011
Appraiser:	Glenn M. Anderson, MAI, SRA, Certified General Appraiser

Comparable Land Sale Number 4 - Plot Plan and Photograph

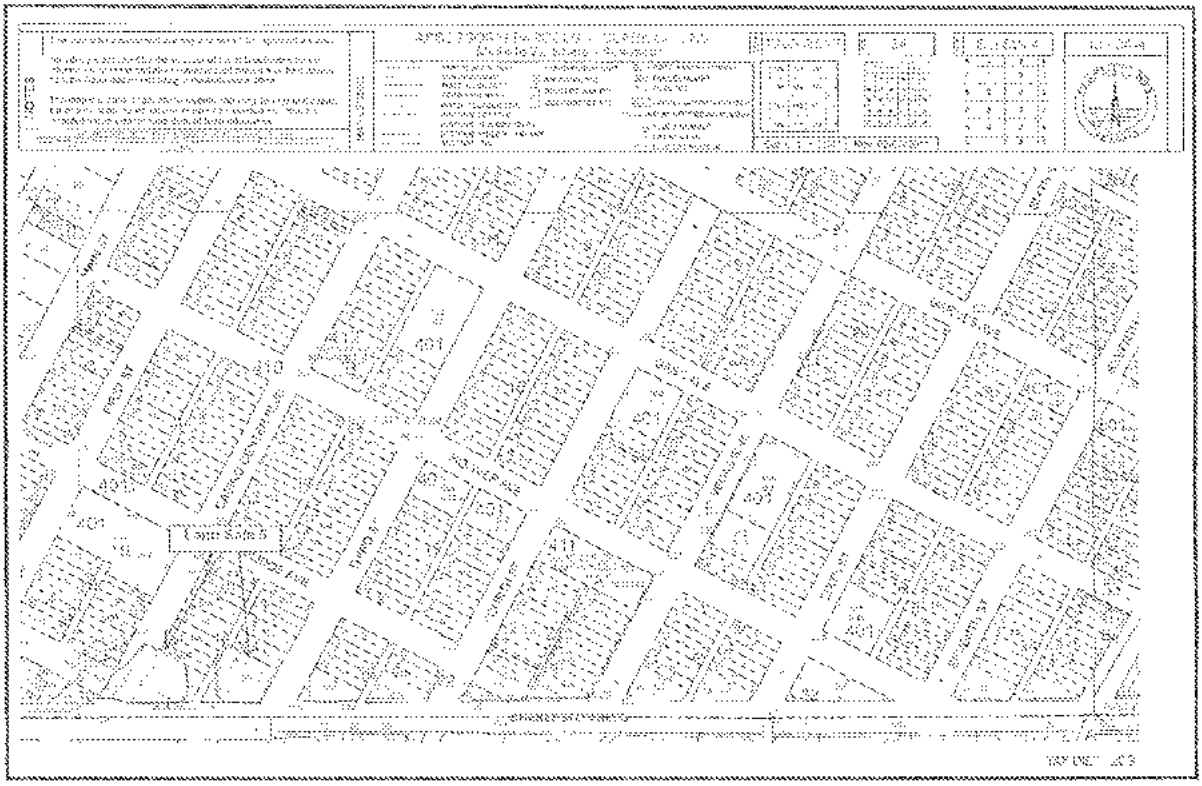


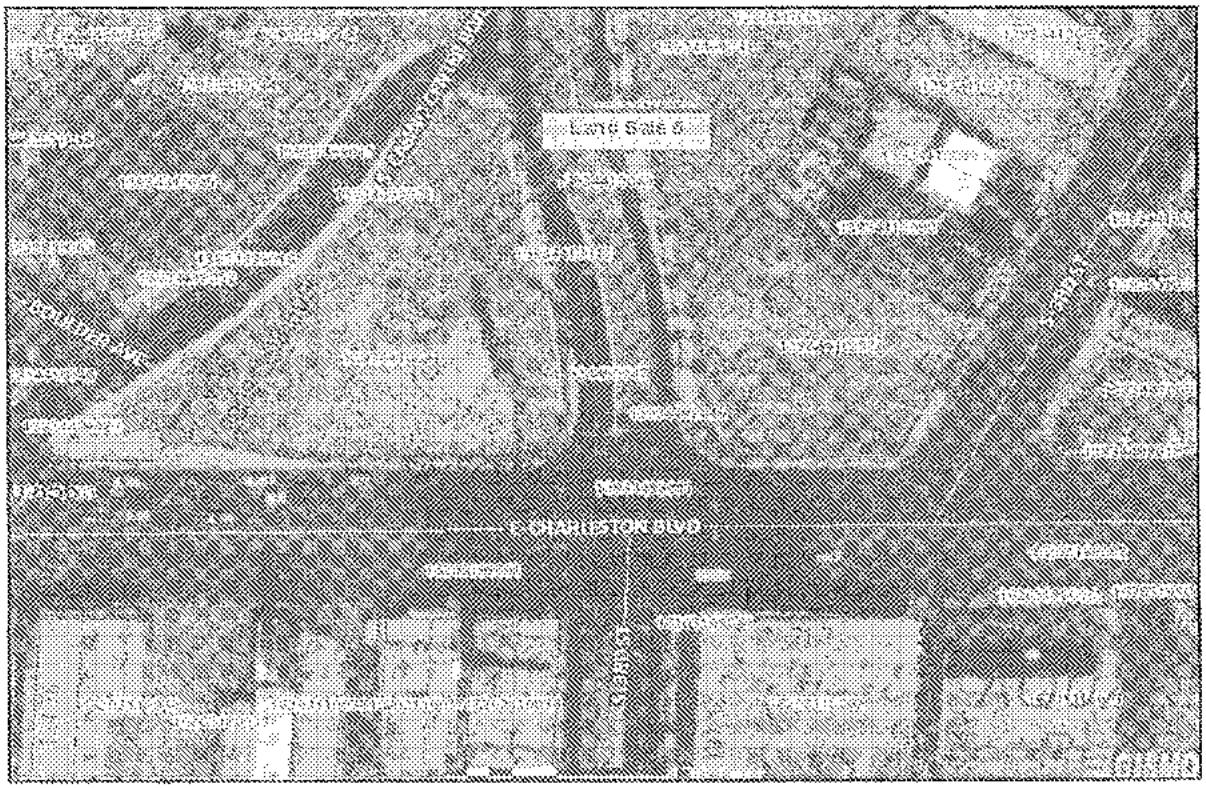


Comparable Land Sale Abstract Number 5

APN:	139-34-410-047 and -257
Location:	201 and 251 East Charleston Boulevard, Las Vegas, Clark County, Nevada
Grantor:	Irwin Union Collateral, Inc.
Grantee:	RE Group, LLC
Deed Date:	April 22, 2010
Recording Date:	April 22, 2010
RPTT:	$3,427.20
Document Number:	20100422/02922; 20100422/02937
Legal Description:	Lots 13 and 22, Block 14, South Addition, Clark County
Size:	41,818 Sq. Ft. (Combined)
Zoning:	C-2 (Las Vegas)
Land Use:	Vacant, future commercial
Utilities:	Available at site
Access:	Charleston Boulevard and Casino Center Boulevard
Topography:	Even
Sale Price:	$672,000.00 (Combined)
Unit Price:	$16.07/Sq. Ft.
Financing:	Cash to Seller
Remarks:	This represents the acquisition of two sites originally intended for high rise condominium development along the Charleston Boulevard corridor. Properties were foreclosed upon by the bank and this represents an REO transaction. Property is located in the Arts District and buyer owns an Arts District Building nearby. Sites remain vacant.
Verified With:	County Records, Deed, Declaration of Value
Verification Date:	May 2010
Appraiser:	Glenn M. Anderson, MAI, SRA, Certified General Appraiser

Comparable Land Sale Number 5 - Plot Plan and Photograph

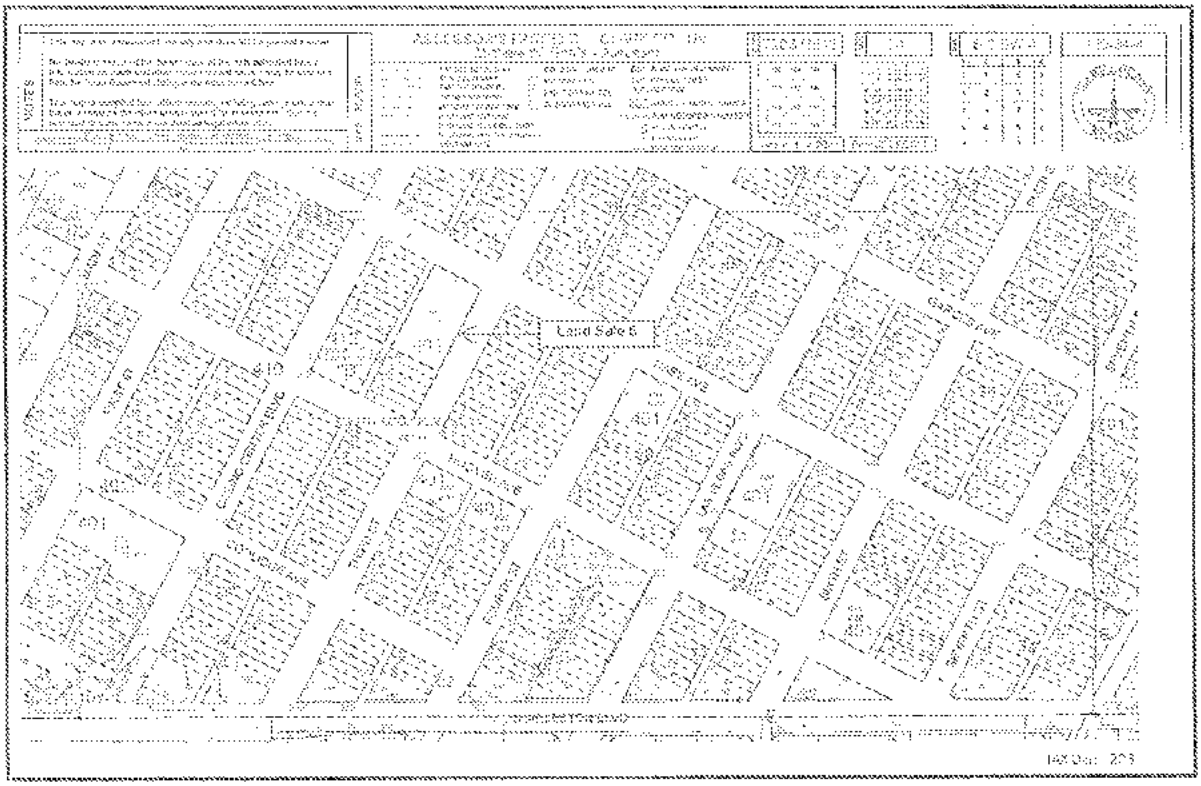


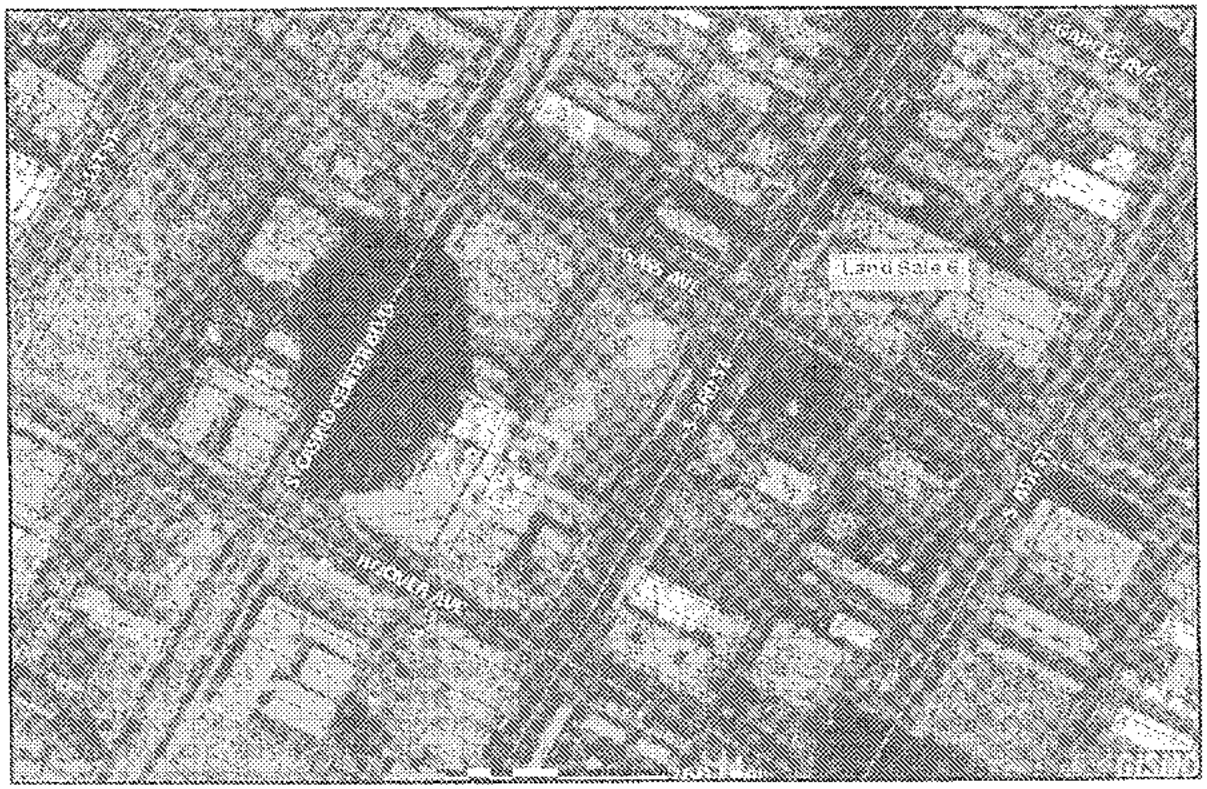


Comparable Land Sale Abstract Number 6

APN:	139-34-401-014
Location:	814 South Third Street, Las Vegas, Clark County, Nevada
Grantor:	StanHi, LLC
Grantee:	Sharet Davidyan
Deed Date:	May 12, 2010
Recording Date:	May 18, 2010
RPTT:	$4,131.00
Document Number:	20100518/03428
Legal Description:	Southwest ¼, Southwest ¼, Section 34, Township 20 South, Range 61 East, Lot 22 South Addition, Book 1 of Plats, Page 51, formerly Lots 23 through 32.
Size:	34,848 Sq. Ft.
Zoning:	C-2 (Las Vegas)
Land Use:	Vacant, future high rise condo site
Utilities:	Available at site
Access:	Third Street and Gass Avenue
Topography:	Level
Sale Price:	$810,000.00
Unit Price:	$23.24/Sq. Ft.
Financing:	Cash to Seller
Remarks:	Property was intended for development of the StanHi condominiums which was cancelled by the developer, Sam Cherry as a result of market declines. Sam Cherry also developed Newport Lofts. Reportedly, buyer approached the seller directly and property was never on open market for sale.
Verified With:	County Records, Deed, Seller Sam Cherry
Verification Date:	June 2010
Appraiser:	David J. Wrzesinski, Certified General Appraiser

Comparable Land Sale Number 6 - Plot Plan and Photograph

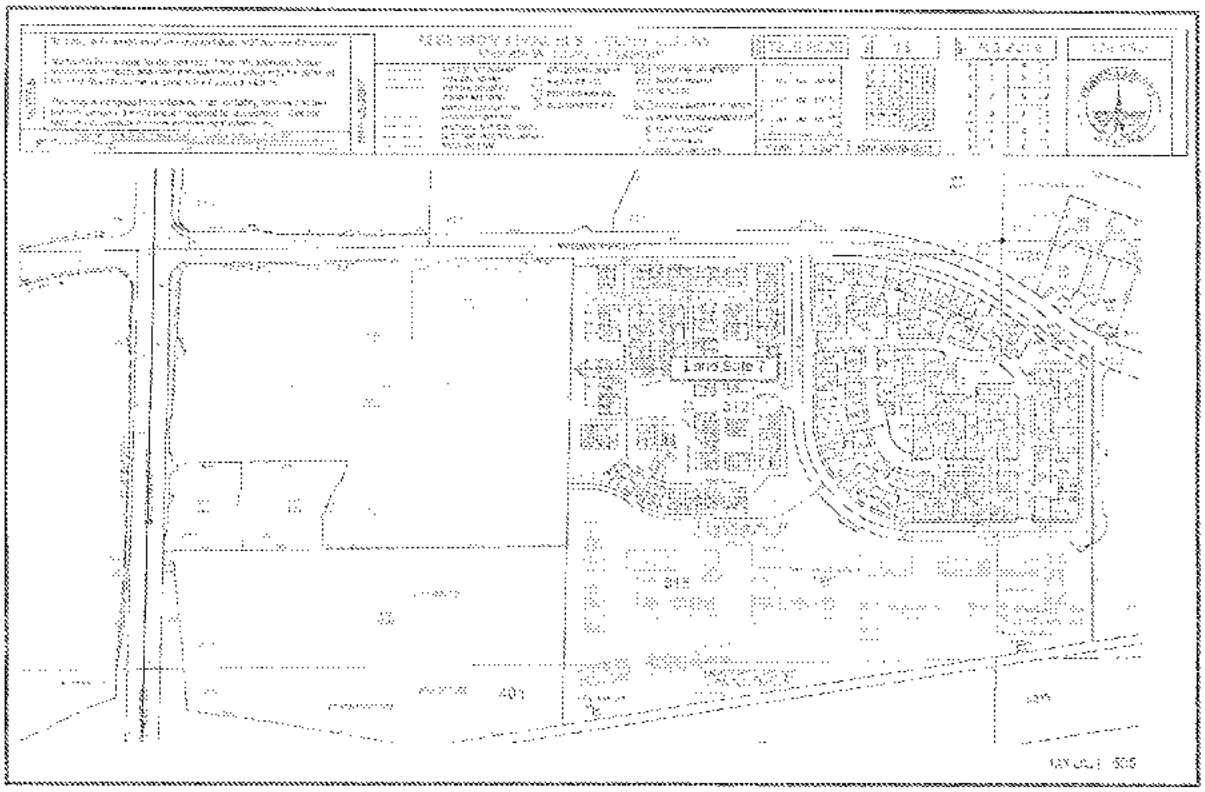


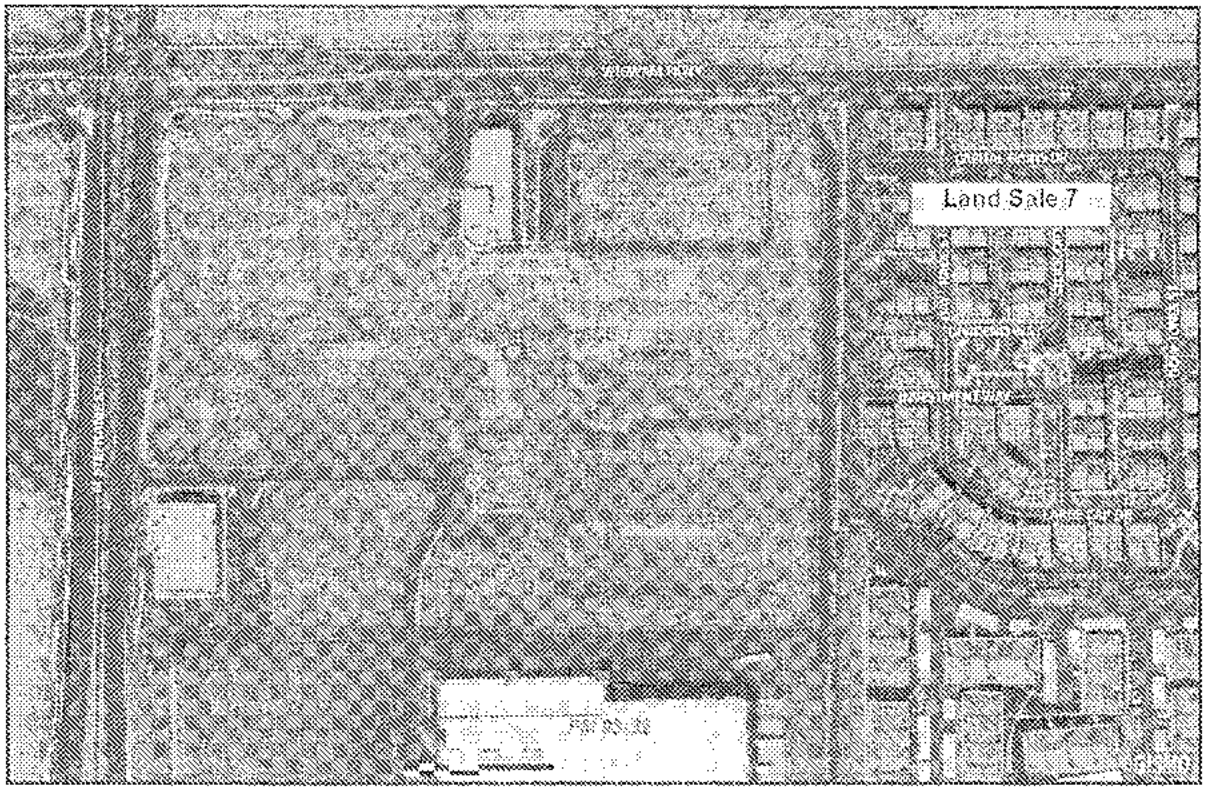


Comparable Land Sale Abstract Number 7

APN:	178-15-310-008 (portion)
Location:	78 North Stephanie Street, Henderson, Clark County, Nevada
Grantor:	WG Stephanie, LLC
Grantee:	Winco Foods, LLC
Deed Date:	February 14, 2011
Recording Date:	February 18, 2011
RPTT:	$36,406.35
Document Number:	20110218/01865
Legal Description:	A portion of the Southwest ¼ of Section 15, Township 22 South, Range 62 East, M.D.B.&M., City of Henderson, Clark County, Nevada.
Size:	736,164 Sq. Ft.
Zoning:	CC, Henderson
Land Use:	Vacant Commercial
Utilities:	Available at site
Access:	Wigwam Avenue and Stephanie Street
Topography:	Level
Sale Price:	$7,157,385.00
Unit Price:	$9.72/Sq. Ft.
Financing:	Cash to Seller
Remarks:	This site was acquired with the intention of developing a new grocery store. The property was originally entitled and planned for a mixed use mid-rise condominium community. The original sales office was developed and, at the date of transaction, existed on the property. The buyer will demolish the sales office in favor of the new retail center proposed to accommodate a WinCo Foods.
Verified With:	County Records, Deed, Jim Zeiter (seller representative)
Verification Date:	June 2011
Appraiser:	Glenn M. Anderson, MAI, SRA, Certified General Appraiser

Comparable Land Sale Number 7 - Plot Plan and Photograph

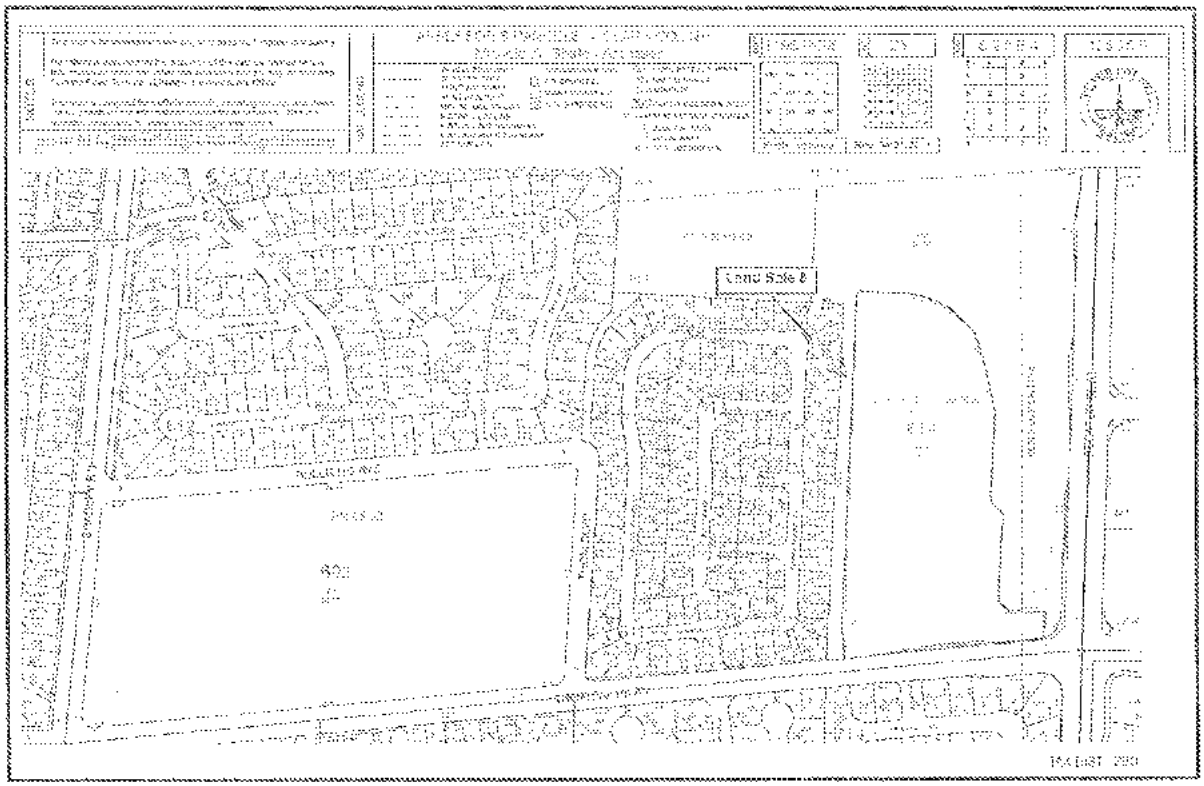


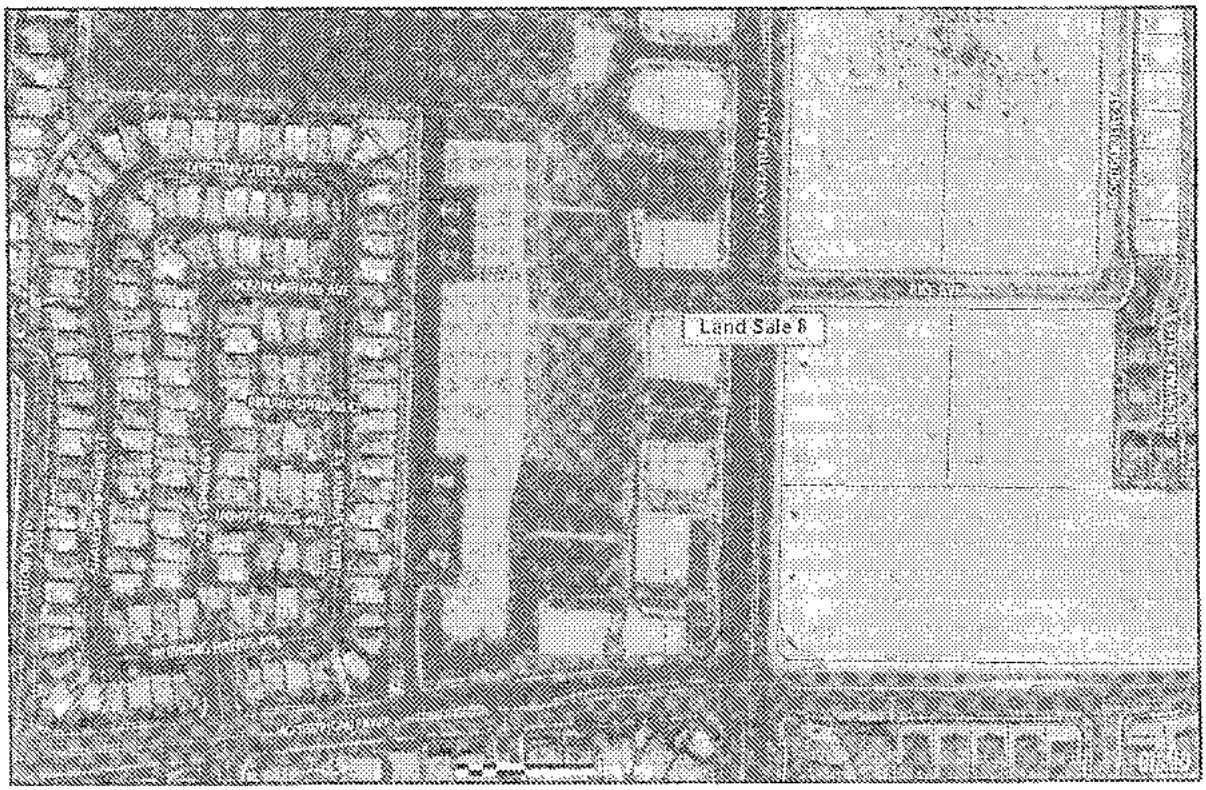


Comparable Land Sale Abstract Number 8

APN:	125-25-614-003
Location:	Northwest corner of Tropical Parkway and Decatur Boulevard, Las Vegas, Clark County, Nevada
Grantor:	WinCo Foods, LLC
Grantee:	Decatur 215, LLC
Deed Date:	April 13, 2011
Recording Date:	April 13, 2011
RPTT:	$34,368.90
Document Number:	201104130/02654
Legal Description:	Northeast ¼ of Section 25, Township 19 South, Range 60 East, M.D.B.&M, and Northwest ¼ of Section 30, Township 19 South, Range 61 East, M.D.B.&M, City of Las Vegas, Clark County, Nevada, being a portion of Lot 1 as shown in Book 140 of Plats, Page 0042, Clark County Official Records.
Size:	396,396 Sq. Ft.
Zoning:	C-1 (Limited Commercial District)
Land Use:	Vacant Retail Site
Utilities:	Available at site
Access:	Decatur Boulevard and Tropical Parkway
Topography:	Level
Sale Price:	$6,738,834
Unit Price:	$17.00/Sq. Ft.
Financing:	Cash to Seller
Remarks:	This site is located adjacent south to an existing Target store. This was the acquisition of a retail pad as part of a larger complex and therefore includes asphalt paved parking areas and a building envelope. The buyer intends to construct a new WinCo grocery store and will likely reconfigure the pad to include the building improvement at the south end of the site, and therefore, some additional paving and reconfiguration of the onsite improvements will be necessary.
Verified With:	County Records, Deed, Property Leasing Broker
Verification Date:	July 2011
Appraiser:	Glenn M. Anderson, MAI, SRA, Certified General Appraiser

Comparable Land Sale Number 8 - Plot Plan and Photograph





Land Valuation – Analysis & Conclusion

Analysis:

Land Sale Number 1 is an REO transaction. After foreclosure, the bank sold this property which is adjacent to the Boca Park Shopping Center. Recently, the Tivoli Village mixed use shopping center was developed across Alta Drive from this comparable's location. Adjacent to this site in Boca Park is a large community sized shopping center with tenants that include Total Wine, Vons, Target, Cheesecake Factory, Kona Grill and other similar occupants. Reportedly, Fry's Electronics plans to occupy the former Great Indoors store. Furthermore, this site is near the Queensridge Master Planned Community, Summerlin, and caddy corner to the Suncoast Hotel/Casino. The plan is a mixed use development. In comparison to the subject, I have made an upward adjustment for conditions of sale. This REO transaction occurred on an expedited schedule at a discounted price. An upward consideration is made for the larger size, which is offset by the superior location adjacent to Boca Park and the other amenities which exist nearby. A modest upward consideration is made for physical attributes. When compared to the subject, this comparable has an uneven topography and portions of the site reside behind the aforementioned shopping center, which make parts of the site less appealing than those portions which front the primary thoroughfares. Overall, this price paid per square foot is considered slightly less than the subject could command due primarily to the conditions of sale.

Land Sale Number 2 is a property located at the northeast corner of Sunset Road and Montessouri Street. This improved commercial pad site was intended to be developed with a distribution facility for In-N-Out Burger. Although this development plan is industrial, the site has commercial orientation along the Sunset Road corridor just west of Rainbow Boulevard where an interchange exists with Highway 215. Adjacent land uses are commercial, and furthermore, mid-rise office buildings exist just east of this location. In comparison to the subject, I have made a modest downward consideration for size, which is smaller than the subject site.

An upward adjustment is made for location, as well as zoning, as this site was intended for industrial development. Overall, this price paid is considered to be less than the subject could command.

Land Sale Number 3 is a property located along the north side of Spring Mountain Road, east of Arville Street. This "L" shaped site also has frontage on Pioneer Avenue to the north. This is an REO transaction which occurred based on an expedited schedule at a reduced price. For this reason, upward adjustment is made under conditions of sale. The property is to be rezoned for commercial development and the site wraps around other retail improvements at the intersection of Arville Street and Spring Mountain Road. A limited amount of direct frontage exists on Spring Mountain Road, however, which is the primary thoroughfare adjacent to the property. In comparison to the subject, a downward adjustment is made for smaller size. An upward adjustment is made for the inferior location. Other factors are similar and this price paid per square foot, prior to adjustments, is slightly less than the subject could command.

Land Sale Number 4 is an assemblage of properties generally located at the corner of Sunset Road and Pecos Road. These vacant sites are intended for commercial development which may include retail facilities, as well as a display building to accommodate memorabilia from Wayne Newton and other past and present Las Vegas entertainers. This commercial property has orientation on two primary thoroughfares, and again, was an assemblage of multiple sites. In comparison to the subject, an upward adjustment is made for the inferior location when compared to the subject's proximity to the Central Business District. Other factors are generally similar and this price paid per square foot is considered to be less than the subject could command.

Land Sale Number 5 are two properties which are separated by 3rd Street, both with frontage along Charleston Boulevard. These two properties were entitled for high rise condominium development and this project was cancelled due to the downturn in the economy. The lender acquired the properties through foreclosure and subsequently sold the sites based on a reduced marketing schedule and reduced price for quick sale. An upward adjustment is therefore made for conditions of sale. Downward adjustments are made for the much smaller size and the superior location, with direct frontage on Charleston Boulevard at the recently re-aligned 3rd Street. An upward adjustment is made for the physical attributes, as the combined property is separated by a public thoroughfare. In comparison to the subject, the price paid per square foot is considered somewhat indicative of what the subject would command prior to adjustments.

Land Sale Number 6 is a property located in the Central Business District. This site was planned to be developed with the StanHi Lofts condominium development, a sister project to the Newport Lofts, which is generally caddy corner to this location. The project was cancelled as a result of the downturn in the economy. Reportedly, the buyer approached the grantor, and therefore, no marketing occurred on the site. This was a speculative acquisition and no immediate plans for development exist. In comparison to the subject, I have made downward adjustments under the categories of size due to the smaller size, superior location in the Central Business District, and the zoning, as the site was entitled for a high-rise condominium. This price paid is considered more than the subject could command.

Land Sale Number 7 is a relatively recent acquisition of a site which is planned for a new WinCo grocery store. Located in Henderson along the Stephanie Street corridor, this is a location just north of an interchange with Highway 215. This site was originally planned to be developed with a mixed use mid-rise condominium development. A sales office was erected; however, the project was cancelled due to the downturn in the economy. The buyer intends to demolish the existing sales

office in favor of the new grocery store anchored retail complex for the Winco grocer. In comparison to the subject, I have made an upward adjustment for the larger size and the inferior location. Physical attributes likewise would warrant an upward adjustment as some demolition of the existing improvement is necessary, and other site work will be required prior to development. In comparison to the subject, this price paid is considered less than the subject could command.

Land Sale Number 8 was the acquisition of a commercial pad as part of a larger shopping center complex near the intersection of Decatur Boulevard and Highway 215 in the North Las Vegas area. Target anchors a larger center and various retail pads remain available for acquisition and development. WinCo acquired one of these pads and intends to develop a large grocery store. The pad site includes onsite improvements such as asphalt paving; however, much of this will require reconfiguration as the buyer intends to develop a store near the south end of the site, and therefore, additional paving and reconfiguration will be necessary. In comparison to the subject, the only adjustment deemed necessary is for physical attributes. I have made a downward adjustment under this category, as onsite improvements exist as part of a larger retail complex. The size is similar, as is the general location at a premium retail site in the North Las Vegas area near the 215 interchange. Overall, this provides a reasonably good indicator for the subject after consideration for the existing onsites.

The eight land sales indicate a range in unit prices paid on similar commercial sites suitable for mixed use, office and/or retail development, ranging from $9.72 per square foot to $23.24 per square foot. I have accomplished adjustments to the various sales in a qualitative manner. Although quantitative adjustments are preferred, the lack of substantial amounts of data which could be used to extract paired sale adjustments limits the reliability of a quantitative analysis. As such, I have prepared a qualitative analysis which is considered appropriate in today's market. I have made adjustments under conditions of sale, size, location, offsites, zoning, as well as physical attributes. It is notable that I have not made any

market condition adjustments or adjustments for time, given the relatively flat and stable market conditions. Although market conditions continue to deteriorate, land sales information would tend to indicate that little change in prices paid over the course of the past 12 months is noted in the marketplace. This adjustment grid can be found on the following page.

Adjustment Chart/Grid:

SALE #	1	2	3	4	5	6	7	8
SALES DATE	Oct-10	Jun-10	Apr-10	Jun-10	Apr-10	May-10	Feb-11	Apr-11
SALES PRICE	$11,750,000	$2,058,256	$2,700,000	$5,150,000	$672,000	$810,000	$7,157,385	$6,738,834
SIZE (SF)	1,021,046	147,843	188,179	351,965	41,818	34,848	736,164	396,396
UNADJUSTED PRICE PER SF	$11.51	$13.92	$14.35	$14.63	$16.07	$23.24	$9.72	$17.00
ADJUSTMENTS								
MARKET COND. (TIME)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
ADJUSTED PRICE / SQ. FT.	**$11.51**	**$13.92**	**$14.35**	**$14.63**	**$16.07**	**$23.24**	**$9.72**	**$17.00**
CONDITIONS OF SALE	25.00%	0.00%	25.00%	0.00%	25.00%	0.00%	0.00%	0.00%
ADJUSTED PRICE / SQ. FT.	**$14.38**	**$13.92**	**$17.94**	**$14.63**	**$20.09**	**$23.24**	**$9.72**	**$17.00**
SIZE	+	-	-	0	-	-	+	0
LOCATION	-	+	+	+	-	-	+	0
OFFSITES	0	0	0	0	0	0	0	0
ZONING	0	+	0	0	0	0	0	0
PHYSICAL ATTRIBUTES	+	0	0	0	+	-	+	-
TOTAL PERCENTAGE ADJUSTMENT	++	++	0	+	-	--	++	-

In the final analysis, therefore, I have carefully considered all of the sales contained in the preceding analysis and have reconciled the unit value which would apply to the subject property presuming the site vacant and available for development to its highest and best use at $16.00. This provides an indication of the market value of the subject property, as vacant, in the "before" condition, as follows:

Land Valuation - Summarized

Total Site Area (Square Feet)	599,386
Value per Square Foot	$ 16.00
Indicated Market Value, As Vacant (rounded):	**$ 9,590,000.00**

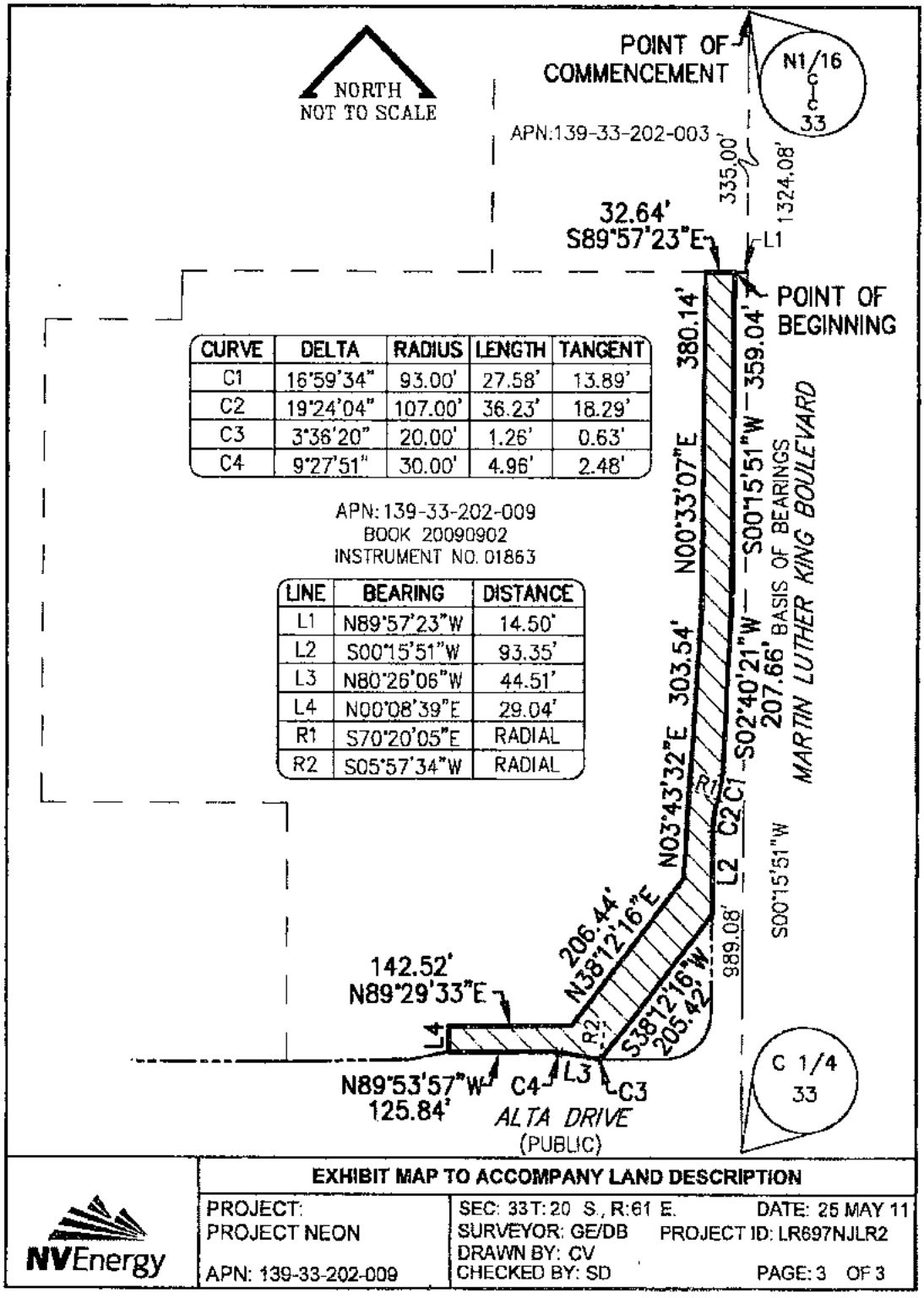
Estimate of the Value of the Rights to be Acquired in the Proposed Permanent Easement

Proposed is an acquisition of a permanent easement over the easterly and southern portions of the subject property. The total easement area to be acquired is proposed to contain 38,852 square feet and will be illustrated on the following pages. This permanent easement will be acquired to allow for the installation of electrical transmission lines over the subject. Four poles are proposed for the subject, including two tangent poles and two dead-end poles which will range from 120 to 140 feet in height. A route map which roughly identifies the route of the proposed transmission line through the neighborhood is retained in the Addenda for the reader's review. These poles will be installed on the property to suspend multiple electrical transmission lines approximately 75 feet above the ground. According to information provided by NV Energy, it is my understanding that the poles will occupy approximately 25 square feet of site area each, for a combined total of 100 square feet to be occupied by these poles.

The balance of the easement will reside partially within the required 10 foot setback area, according to current City of Las Vegas C-1 zoning, while the balance will reside outside of the setback area in an area that is currently available for development by the property owner. As discussed, this easement will cross over the portion of the recently constructed police headquarters which is open asphalt paved parking and landscaped areas. A Grant of Easement, which specifically describes the use to which the easement area will be placed, is provided in the Addenda for the reader's review. Generally, no permanent building improvements are allowed within the easement area, as this area must remain open to accommodate access for the maintenance and repair of the aforementioned electrical transmission lines. In its current condition and after recent construction of the police headquarters, it is apparent that this portion of the site is used for open parking, landscape and ingress/egress, all uses which are compatible with the proposed easement.

Photographs which illustrate the characteristics of the proposed easement area were presented earlier in the report. Again, the following page includes exhibits which illustrate the proposed easement route.

Proposed Easement Map:



CURVE	DELTA	RADIUS	LENGTH	TANGENT
C1	16°59'34"	93.00'	27.58'	13.89'
C2	19°24'04"	107.00'	36.23'	18.29'
C3	3°36'20"	20.00'	1.26'	0.63'
C4	9°27'51"	30.00'	4.96'	2.48'

LINE	BEARING	DISTANCE
L1	N89°57'23"W	14.50'
L2	S00°15'51"W	93.35'
L3	N80°26'06"W	44.51'
L4	N00°08'39"E	29.04'
R1	S70°20'05"E	RADIAL
R2	S05°57'34"W	RADIAL

NVEnergy

EXHIBIT MAP TO ACCOMPANY LAND DESCRIPTION

PROJECT: PROJECT NEON	SEC: 33 T: 20 S., R: 61 E.	DATE: 25 MAY 11
APN: 139-33-202-009	SURVEYOR: GE/DB DRAWN BY: CV CHECKED BY: SD	PROJECT ID: LR697NJLR2 PAGE: 3 OF 3

The first step in developing an opinion of the just compensation value is to develop an opinion of the just compensation for the part taken. The part taken will include the acquisition of surface rights to accommodate the new electrical transmission line easement in accordance with the Grant of Easement which is retained in the Addenda for the reader's review. As discussed, this easement will include areas which are located within the required setback in accordance with the C-1 zoning code, while other portions of the easement will reside outside of the required setback. In addition, four poles were proposed to be placed on the property which will occupy approximately 25 square feet each for a combined total of 100 square feet. The easement and the poles will be located in a portion of the site which has been dedicated for open asphalt paved parking, landscape and ingress/egress points as part of the recently completed police headquarters facility.

To determine the value of the rights to be acquired in the easement, I have first considered the proposed easement acquisition area which resides within the required setback in accordance with the C-1 zoning code, per the City of Las Vegas. The City of Las Vegas has recently updated the City Zoning Code, which went into effect generally in May 2011. Historically, the setback area for the C-1 zoning code was 20 feet; however, this has been altered and is now a 10 foot setback. As such, I have estimated that the total area of the proposed easement which resides in the setback measures approximately 8,992 square feet. I have estimated the length of the easement, which directly fronts Martin Luther King Boulevard and Alta Drive, at approximately 899.17 lineal feet, and using a 10 foot setback would result in 8,992 square feet within the setback. It is noted that a portion of the proposed easement will cross over the southeasterly most corner of the site, and this would be outside of required setback areas.

Within the setback area, four poles are proposed to be placed within the easement. Again, based on information submitted for my review, the poles will occupy approximately 25 feet of the site each, and four poles were proposed for a

combined 100 square feet. As such, this would be deducted from the area calculated to be within the setback, as a different portion of the bundle of rights were acquired where the poles will be placed.

In the "before" condition, areas within the required setback according to the C-1, Limited Commercial Zoning Code per the City of Las Vegas, are generally required to remain open from ground to sky and the 10 foot area can be used only for landscape, parking, ingress and egress, areas to accommodate public utilities, and other similar uses which do not include any permanent improvements. As such, in the "before" condition, the available rights in this area are restricted by city zoning. For this reason, it is my opinion that the acquisition of the easement will have minimal impact on the ability to use this portion of the site, as the easement acquisition will require similar restrictions. Therefore, it is my opinion that minimal rights will be lost by the property owner in this portion of the site due to the acquisition of the easement.

It is my opinion that the just compensation for the easement acquisition in the setback area is 10% of the underlying land value. Conversely, poles are proposed to be placed within this portion of the easement and it is my opinion that they will impact these portions of the site by 100%, as the property owner will lose all ability to use this component of the property. Again, the poles will occupy approximately 25 square feet each for a combined 100 feet for all four poles. One hundred percent of the underlying land value is considered a reasonable compensation amount for these portions of the site.

The balance of the easement resides outside of the setback area. As discussed earlier, the total easement area is 38,852 square feet, and deducting the total area calculated to be located within the setback or occupied by poles, of 8,992 square feet would result in the portion of the proposed easement area which resides outside of the setback to contain 29,860 square feet. In the "before" condition, the property owner has full right of use of this portion of the site. As discussed, the

recently constructed police headquarters facility includes substantial at grade open asphalt paved parking area which exists along Martin Luther King Boulevard and Alta Drive. Therefore, in the "before" condition, the use to which this component of the site has been put as part of the recently completed development is compatible with the easement uses allowable uses. However, the property owner has the ability to use this area in an alternate manner in the future.

It is my opinion that the total portion of the bundle of rights acquired, therefore, in this unrestricted portion of the proposed easement area is 75%. Therefore, I have factored 75% against the total underlying land value to estimate of value of the total easement area outside of the setback to reflect my opinion of the value of the part taken for this component of the easement area.

The following page contains a summary of the value of the part taken calculation. The total value of the part taken has been estimated at $375,000.00 based on the narratively described formula used.

Value of the Part Taken

Value of the Part Taken in 10 Foot Setback

Easement 8,892 sq. ft. @ $16.00/sq. ft. x 10%	$	14,230.00
Pole Placement 100 sq. ft. @ $16.00/sq. ft. x 100%	$	1,600.00
Value of the Part Taken Within 10' Setback	$	15,830.00
Value of the Part Taken Outside Setback 29,860 sq. ft. @ $16.00/sq. ft. x 75%:	$	358,320.00
Value of the Park Taken (Rounded):	**$**	**375,000.00**

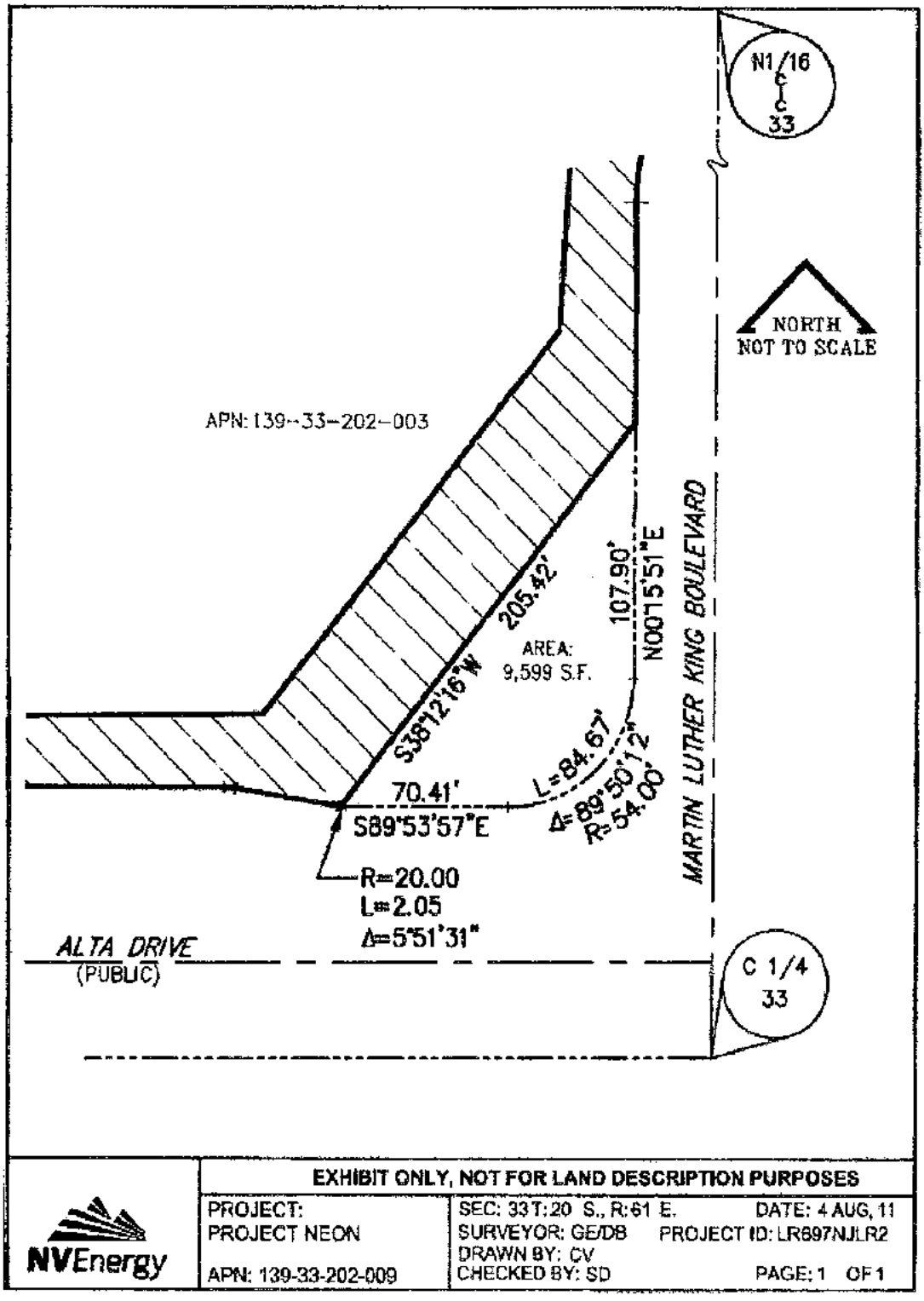
To develop an opinion of the value of the remainder before the take, the value of the part taken is simply deducted from the value of the property in the "before" condition. Again, as the easement affects only the land component of the property, the land component of the property has been valued. The land value was estimated in the preceding section at $9,590,000.00. Deducting the value of the part taken from the underlying land value results in the value of the remainder as part of the whole at $9,215,000.00. This will be summarized at the end of the section. It should be noted that the acquisition of the easement will not affect site improvements, as the property owner will retain the ability to continue to use the property in the manner which it was designed. Again, the easement crosses over an asphalt paved and landscaped component of the recently completed police headquarters site.

Value in the "After" Condition

The next step in this process is to develop an opinion of the market value of the property in the "after" condition or after the acquisition of the permanent easement area for the purposes of the development of an electrical transmission line. As discussed, the uses allowable within the easement area are highly similar to the current uses which exist within the proposed easement area, including open asphalt paved parking, landscaped areas, as well as areas for ingress and egress. Therefore, the installation of the easement will not have a detrimental effect on the use of the property as a current Metropolitan Police Headquarters. Consideration must be given to any potential future use or to determine whether the installation of the electrical transmission lines will affect the value of the remainder.

The first consideration is to determine if the location of the easement affects the remainder parcel. In my opinion, the most southeasterly corner of the site is adversely affected by the easement route. From the preceding map, it was illustrated that the easement will reside along the eastern boundary which directly fronts Martin Luther King Boulevard and the southerly boundary which fronts Alta Drive. However, over the immediate southeast corner of the site adjacent to the Martin Luther King Boulevard/Alta Drive intersection, the transmission line route will cross over a portion of the property. As such, it will isolate a triangular shaped "island" at that portion of the site. Therefore, if alternate development were to occur or various improvements were proposed for the front corner or the southeastern most corner of the property in the "before" condition, restrictions on this potential development would exist in the "after" condition. As the small triangular parcel will now be, in effect, severed from the larger parcel, its development potential as an open portion of the site will be limited due to the size and shape. As such, it is my opinion that the acquisition of the easement will render this portion of the site a remnant which would be suitable only for open space uses such as parking, landscape, signage, etc. The following page provides an illustration of this area, complete with measurements.

Corner Exhibit:



It is my opinion that the easement acquisition, in effect, includes this corner portion of the site. Based on this assumption, the rights acquired in this small triangular parcel which would be rendered a remnant in the "after" condition are estimated using a similar formula when valuing the easement acquisition. Therefore, I have estimated that 10% of the rights will be acquired within the required setback area of 10 feet which would wrap around the corner, while the balance of the area outside of the setback would have a value of the rights taken equal to 75% of the underlying unit value.

NV Energy has provided the length of the property line as it "wraps" around the corner of the site of 265.03', which has provided me with an estimate of the area within the setback in this triangular area of approximately 2,650 square feet (265.03 sq. ft. x 10 sq. ft. within setback). The total area of this triangular remnant has been estimated based on information provided by NV Energy at 9,599 square feet which would therefore result in an area outside of the setback in this future remnant parcel of 6,949 square feet (9,599 sq. ft. minus 2,650 sq. ft.). Combined, therefore, it is my opinion that the acquisition of the easement will in effect result in similar rights acquired in this future remnant component at $90,000.00. The following provides a summary of this calculation:

Rights Acquired in Future Remnant Area:

Area in Setback: 265.03 sq. ft. x 10 sq. ft. = 2,650 sq. ft. x $16.00/sq. ft. x 10%	$ 4,240.00
Area Outside Setback: 9,599 sq. ft. - 2,650 sq. ft. = 6,949 sq. ft. x $16.00/sq. ft. x 75%	$ 83,390.00
Total Value of Rights Taken in Remnant (Rounded):	**$ 90,000.00**

To determine if any adverse effects apply to the balance of the remainder property, I have considered the location of the easement to determine any effect electrical transmission lines and pole placement will have on a property such as the subject. As illustrated on preceding maps, the easement will exist along the property perimeter along Martin Luther King Boulevard and Alta Drive over a portion of the site which has been dedicated for asphalt paved parking, landscaping and ingress/egress. Four poles are planned for the property, which will reside primarily in the setback areas and in landscaped buffers along the street thoroughfares. Therefore, the easement acquisition, the pole placement, as well as the installation of electrical transmission lines will not affect the owner or occupant's ability to use the property as it was recently designed and built.

Throughout the Las Vegas metropolitan area, electrical transmission lines are routinely erected and extended along arterial thoroughfares providing transmission of electricity to substations in neighborhoods throughout the valley where the electricity is then distributed for consumption. To determine if the existence of the referenced transmission lines will affect the unit value of the larger property in the "after" condition, we have considered a paired land sale analysis with the primary difference between the land sales which will be sited on the following pages being the existence of a transmission line on some of the land sales and the absence of a transmission line on the other land sales. It is noted that some of these sales are dated having occurred in 2005; however, they are considered relevant as the real estate market was considered more stable at that time. We have also included a group of sales which occurred more recently.

The first group of sales we have analyzed is a group of land sales considered suitable for commercial, office and/or multi-family development in the southwest segment of the Las Vegas marketplace. The southwest market or the area generally in the vicinity of the 215 Beltway, between approximately Rainbow Boulevard and Flamingo Road, was an active land sale transaction area in 2005. We have selected sales from that general area which occurred in 2005, generally

between April and December of that year. The relative sales selected are all similar with respect to highest and best use characteristics, general location, relative size and other factors. The primary difference between these sales is the existence or absence of a transmission line along the arterial frontage which abuts these properties.

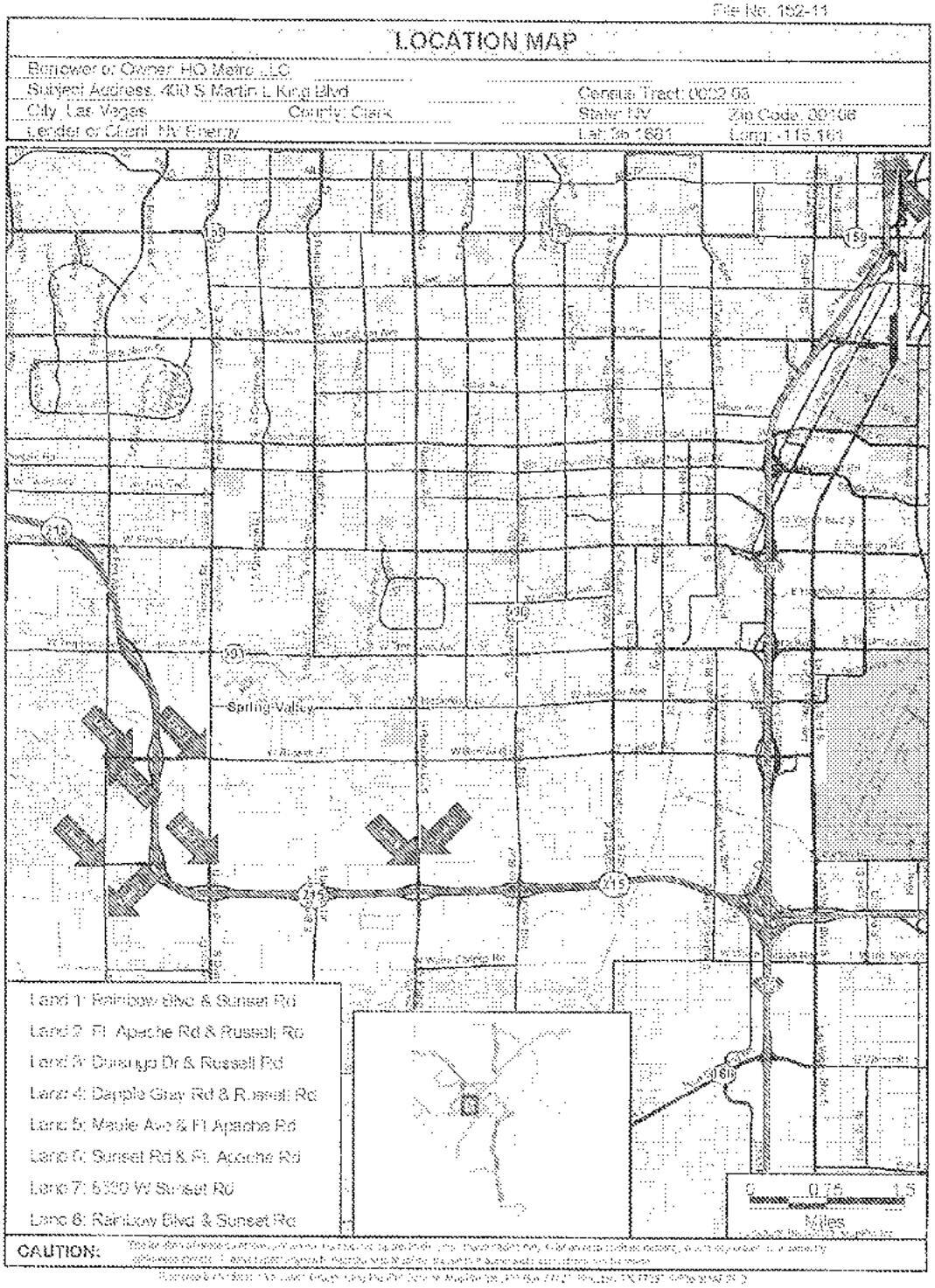
Commercial Land Sales With Transmission Lines Summary Chart

Sale No.	Location	Sales Date/ Deed No.	Price	Size/Net Sq. Ft.	Price/ Sq. Ft.
1	Southeast corner of Rainbow Boulevard and Sunset Road APN: 176-02-101-001	10/05 20051025/03737	$ 4,650,000	155,074	$29.99
2	Northeast corner of Ft. Apache Road and Russell Road APN: 163-29-401-007	8/05 & 3/05 20050812/0389 20050317/01168	$ 9,900,000	363,283	$27.25
3	Northwest corner of Durango Drive and Russell Road APN: 163-29-801-018	8/05 20050815/04147	$ 4,000,000	180,774	$22.13
4	Northeast corner of Dapple Gray Road and Russell Road APN: 163-29-411-001	12/05 N/A	$11,800,000	402,494	$29.32
			Weighted Average		**$27.55**

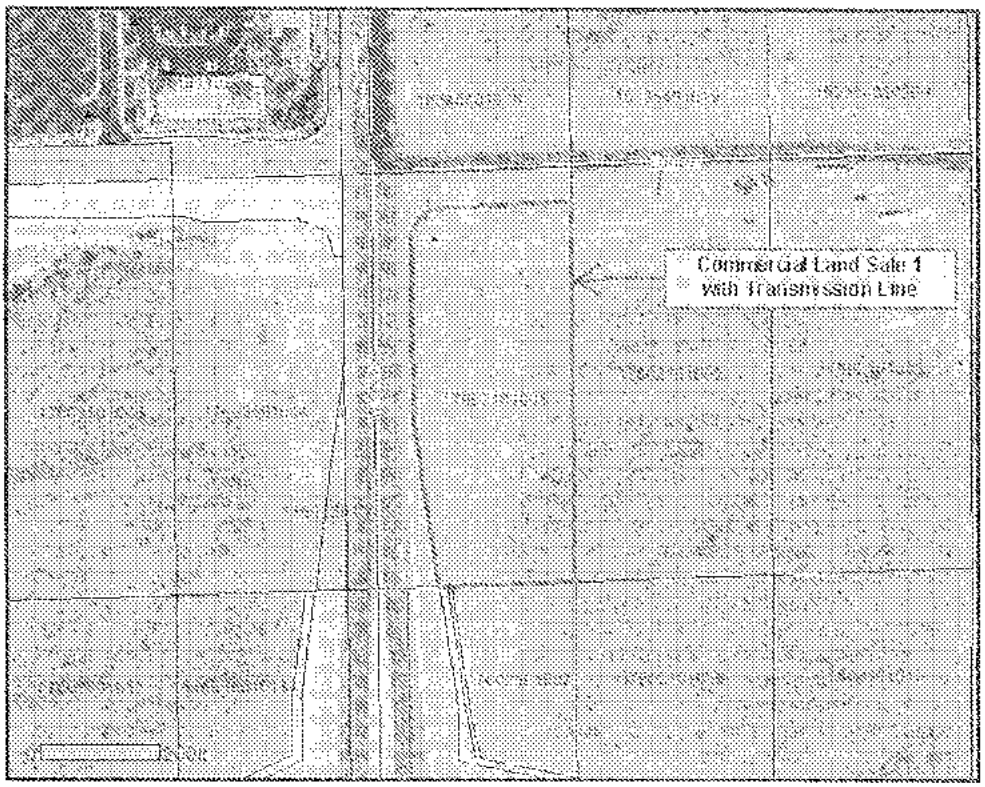
Commercial Land Sales With No Transmission Lines Summary Chart

Sale No.	Location	Sales Date/ Deed No.	Price	Size/Net Sq. Ft.	Price/ Sq. Ft.
5	Northeast corner of Maule Avenue and Ft. Apache Road APN: 176-05-221-001	12/05 20051227/04545	$4,200,000	187,308	$22.42
6	Southwest corner of Sunset Road and Ft. Apache Road APN: 176-06-516-001	8/05 20050804/04306	$4,600,000	168,142	$27.36
7	8530 West Sunset Road APN: 163-33-401-009	6/05 20050616/05057	$4,750,000	202,118	$23.50
8	Southwest corner of Rainbow Boulevard and Sunset Road APN: 176-03-501-014	4/05 20050406/01262	$4,000,000	146,797	$27.25
			Weighted Average		**$24.92**

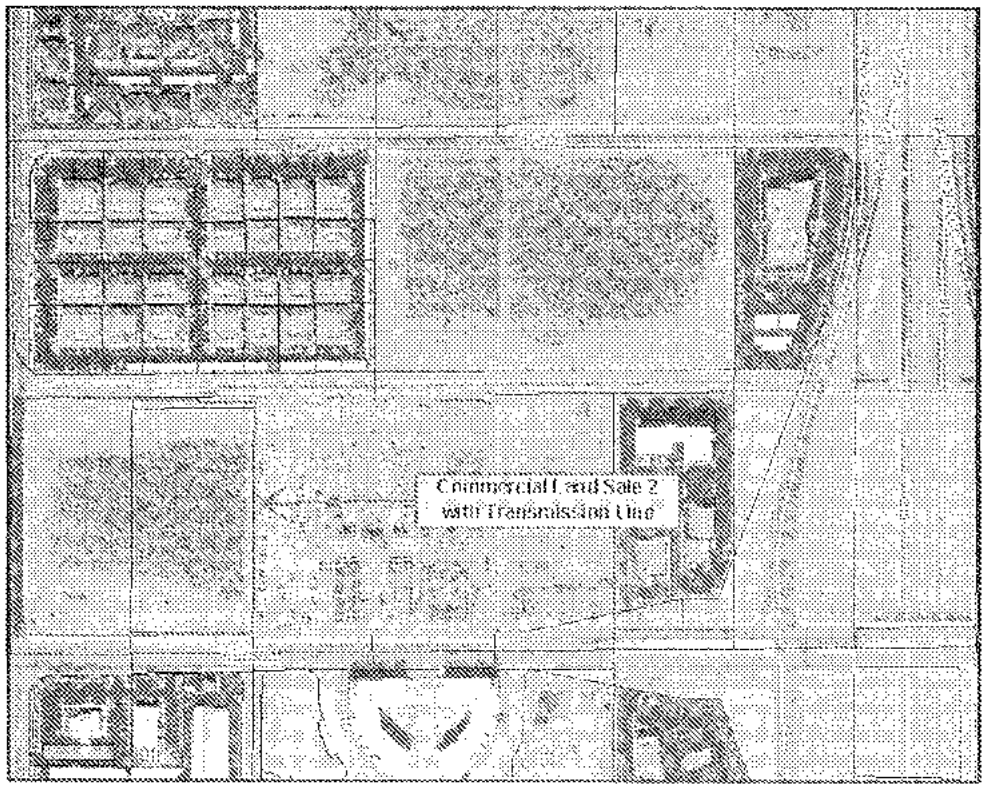
Commercial Land Sales Location Map



Commercial Land Sales With Transmission Lines - Photographs



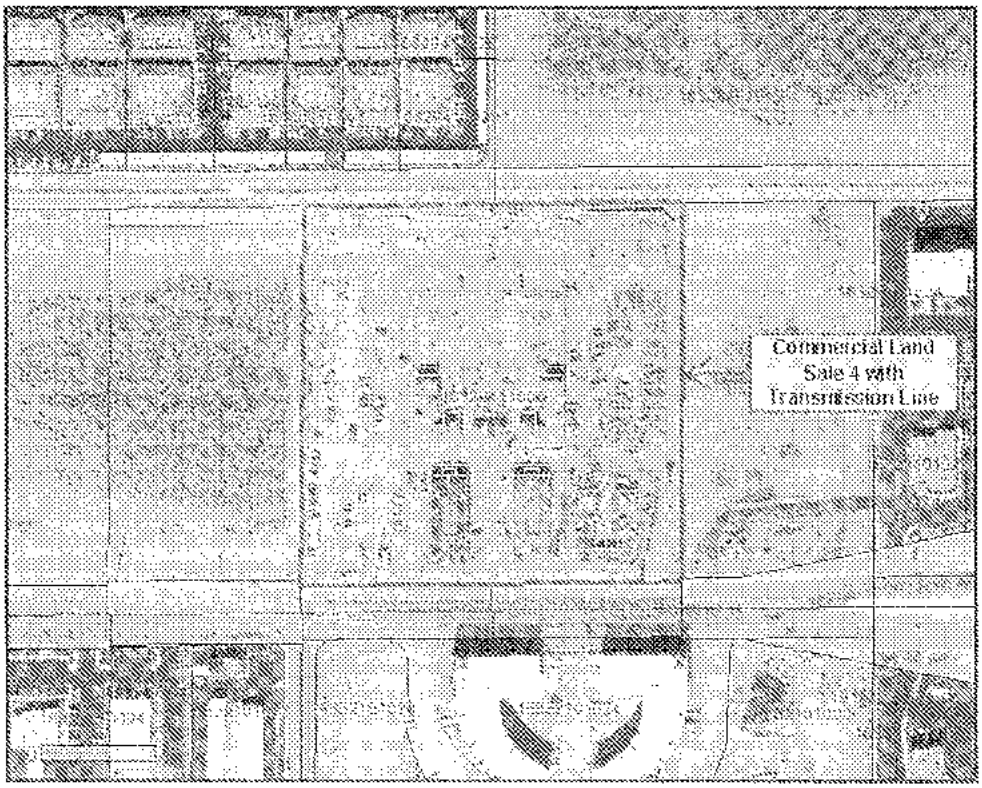
Commercial Sale No. 1 With Transmission Line: Southeast corner of Rainbow Boulevard and Sunset Road



Commercial Sale No. 2 With Transmission Line: Northeast corner of Ft. Apache Road and Russell Road

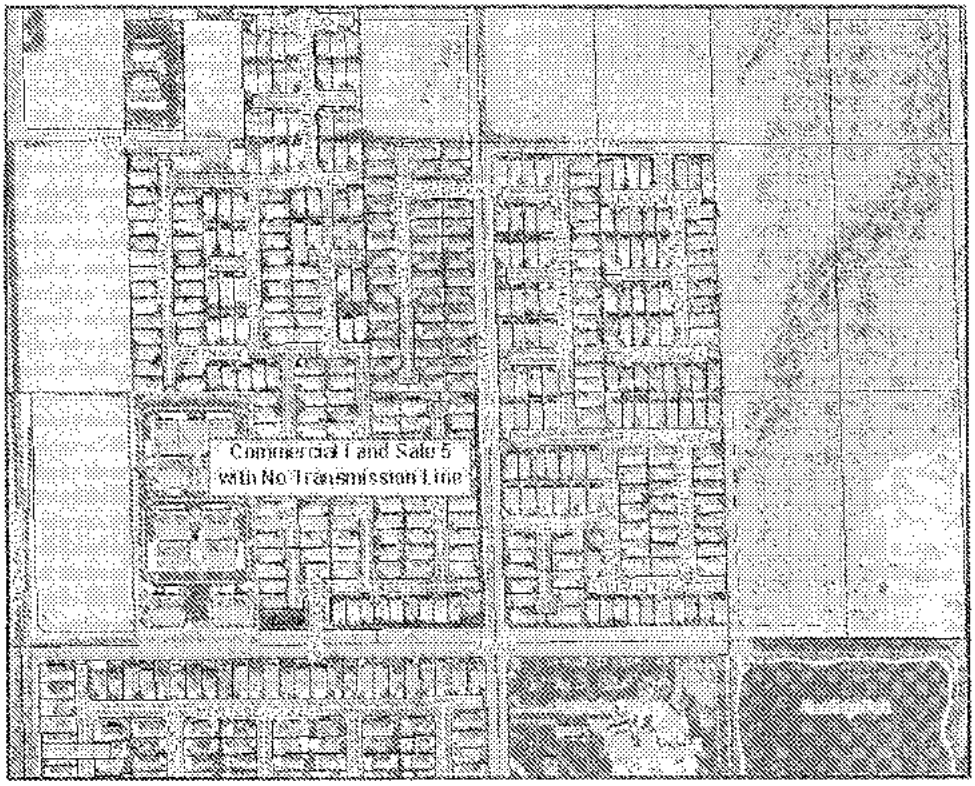
Commercial Land Sales With Transmission Lines - Photographs

Commercial Sale No. 3
With Transmission Line:
Northwest corner of Durango Drive and Russell Road

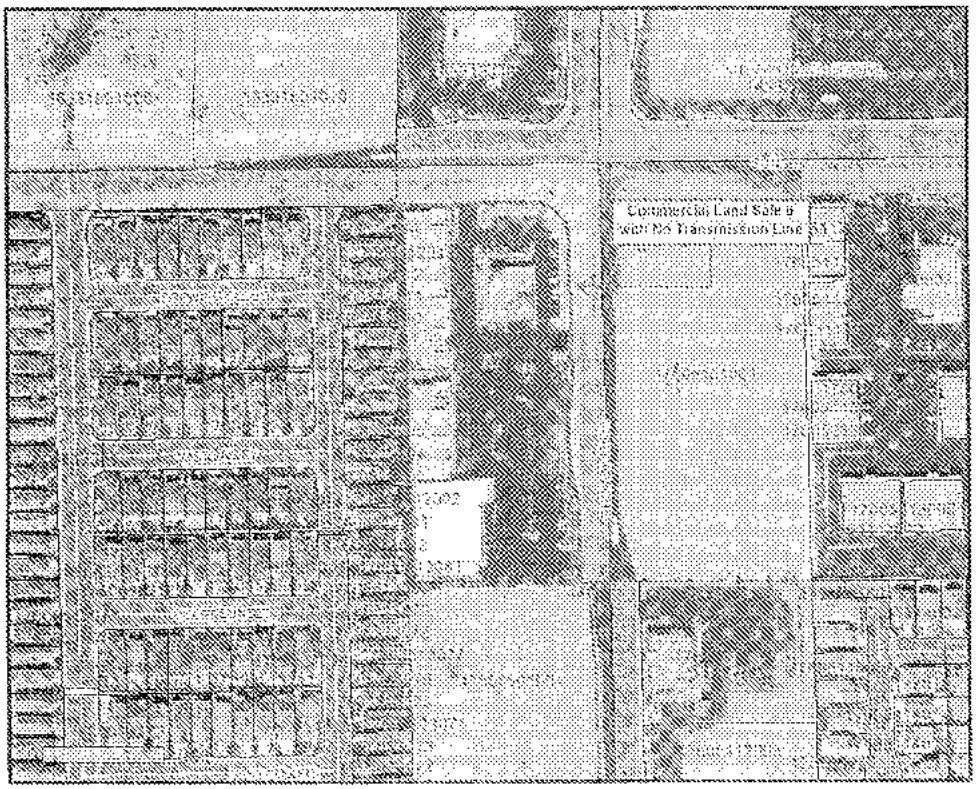


Commercial Sale No. 4
With Transmission Line:
Northeast corner of alignment of Dapple Gray Road and Russell Road

Commercial Land Sales With No Transmission Lines - Photographs

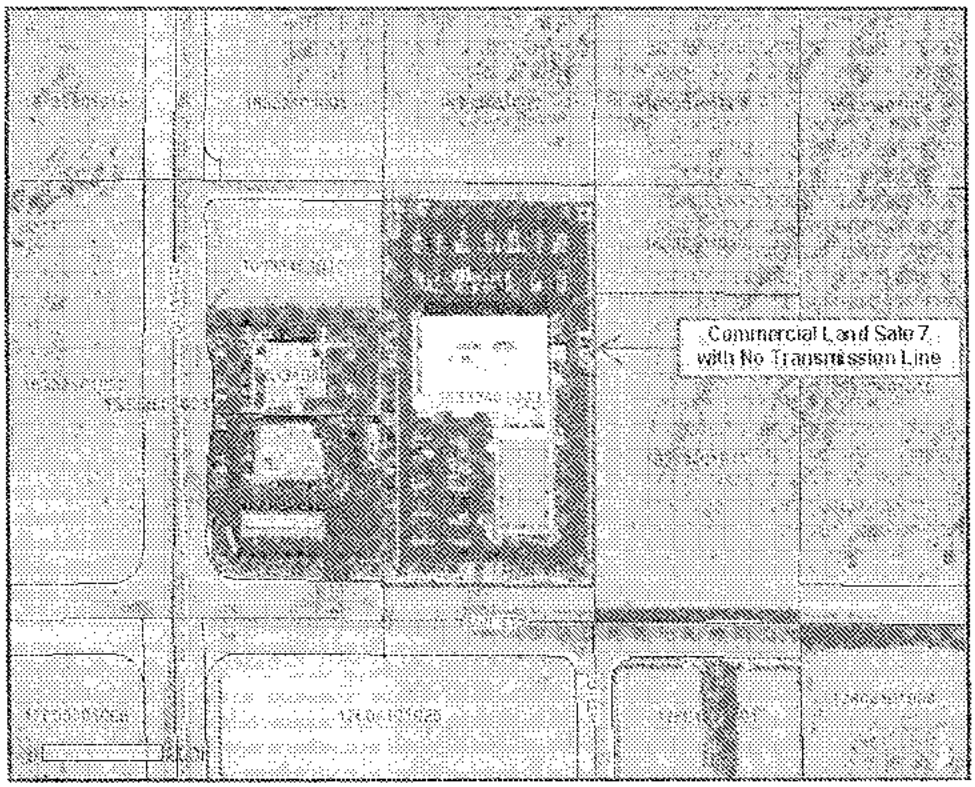


Commercial Land Sale No. 5 Without Transmission Line:
Northeast corner of Maule Avenue and Ft. Apache Road

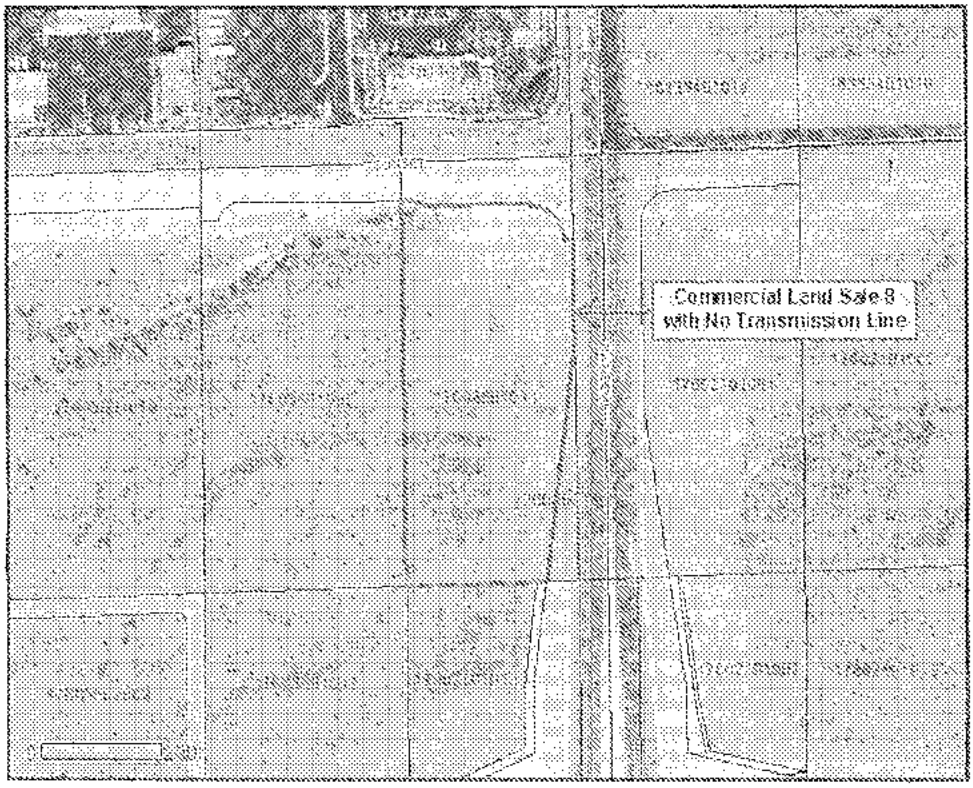


Commercial Land Sale No. 6 Without Transmission Line:
Southwest corner of Sunset Road and Ft. Apache Road

Commercial Land Sales With No Transmission Lines - Photographs



Commercial Land Sale No. 7
Without Transmission Line:
8530 West Sunset Road



Commercial Land Sale No. 8
Without Transmission Line:
Southwest corner of Rainbow Boulevard and Sunset Road

As can be seen from the chart, the weighted averages of these two groupings of sales does not illustrate any diminution in value as a result of the existence of the transmission lines. Again, these sites were generally similar to one another with respect to highest and best use characteristics, general location, physical attributes and other features.

The next group of land sales reflects more recent transfers of commercial related properties. These properties are primarily located within the southwest portion of the Las Vegas valley, with one sale noted in the north central portion. Each of these land sales is zoned for commercial use. Again, the primary difference between each sale is the existence or absence of a transmission line.

Commercial Land Sales With Transmission Lines Summary Chart

Sale No.	Location	Sales Date/ Deed No.	Price	Size/Net Sq. Ft.	Price/ Sq. Ft.
1	Northwest corner of Post Road & Durango Drive APN: 163-32-701-028	7/10 20100709/01942	$ 864,000	187,744	$4.60
2	Northeast corner of Ft. Apache Road and Russell Road APN: 163-29-401-007	9/10 20100907/03735	$2,129,000	171,257	$5.86
3	5612 South Rainbow Boulevard APN: 163-26-405-001	11/10 20101123/02712	$1,690,000	330,606	$5.11
			Weighted Average		**$4.61**

Commercial Land Sales With No Transmission Lines Summary Chart

Sale No.	Location	Sales Date/ Deed No.	Price	Size/Net Sq. Ft.	Price/ Sq. Ft.
4	South side of Tropicana Avenue, east of Grand Canyon Drive APN: 163-30-501-003	12/10 20101229/01561	$800,000	201,300	$3.97
5	4725 Fort Apache Road APN: 163-19-802-004	2/11 20110222/02141	$915,000	175,111	$5.22
6	Northeast corner of Losee Road & Lone Mountain Road APN: 124-36-401-006	3/11 20110323/02764	$850,000	184,694	$4.60
			Weighted Average		**$4.57**

Commercial Land Sales Location Map

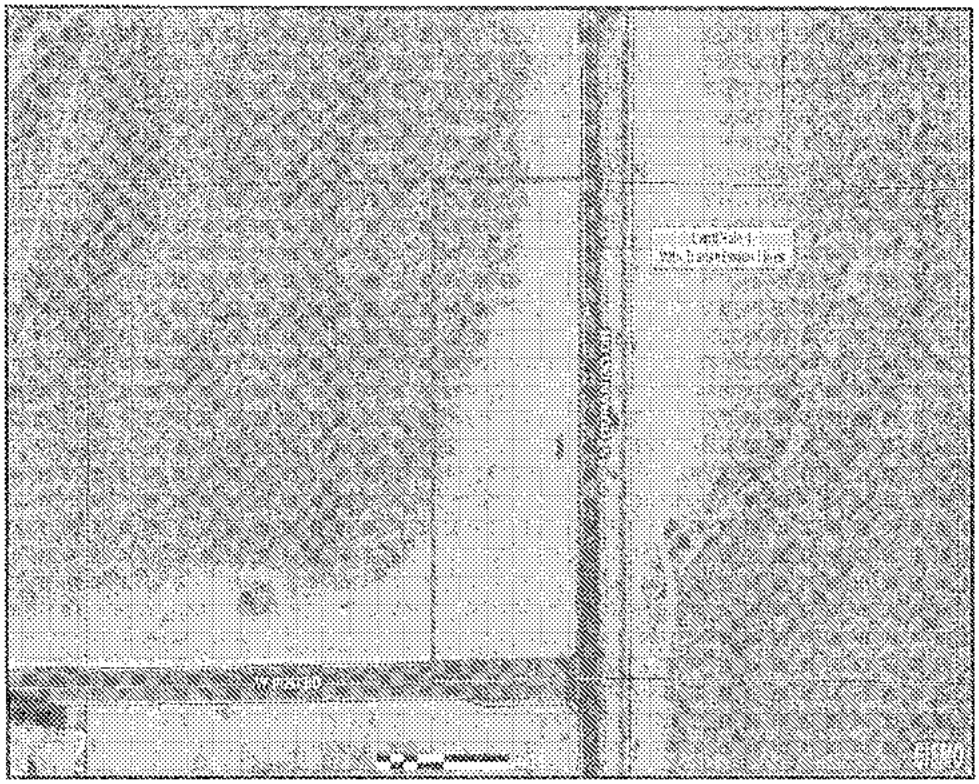
File No. 153-11

LOCATION MAP

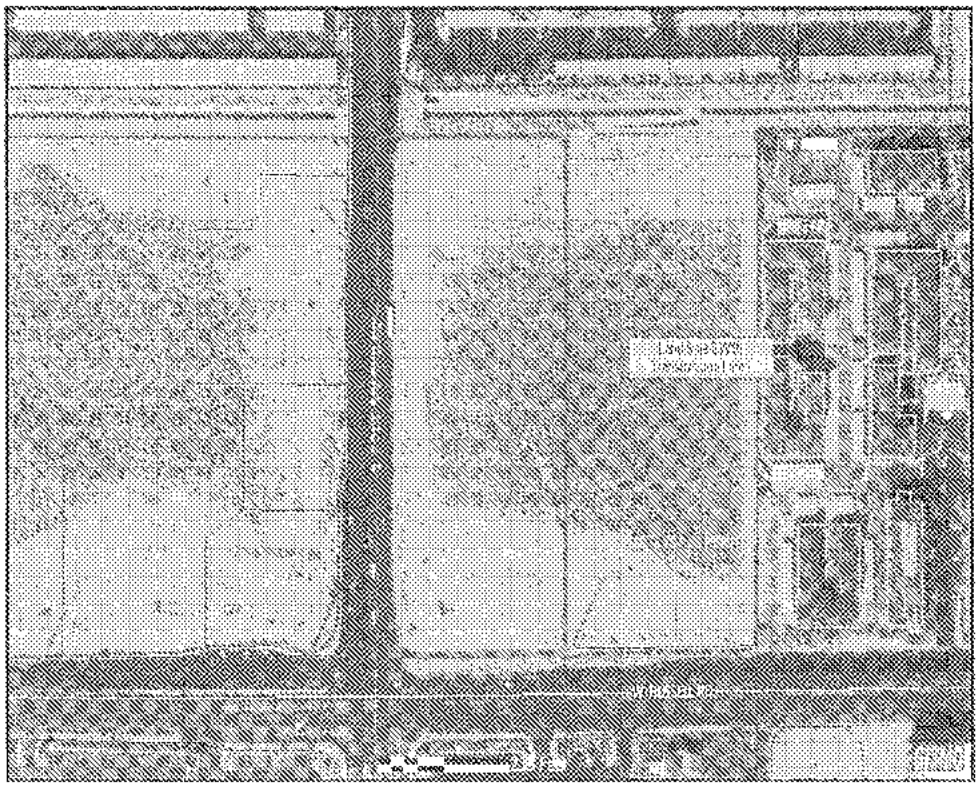
Borrower or Owner: HQ Metro, LLC
Subject Address: 400 S Martin L King Blvd — Census Tract: 0302.03
City: Las Vegas — County: Clark — State: NV — Zip Code: 89106
Lender or Client: NV Energy — Lat: 36.135054 — Long: -115.130677

CAUTION:

Commercial Land Sales With Transmission Lines – Aerial Photographs

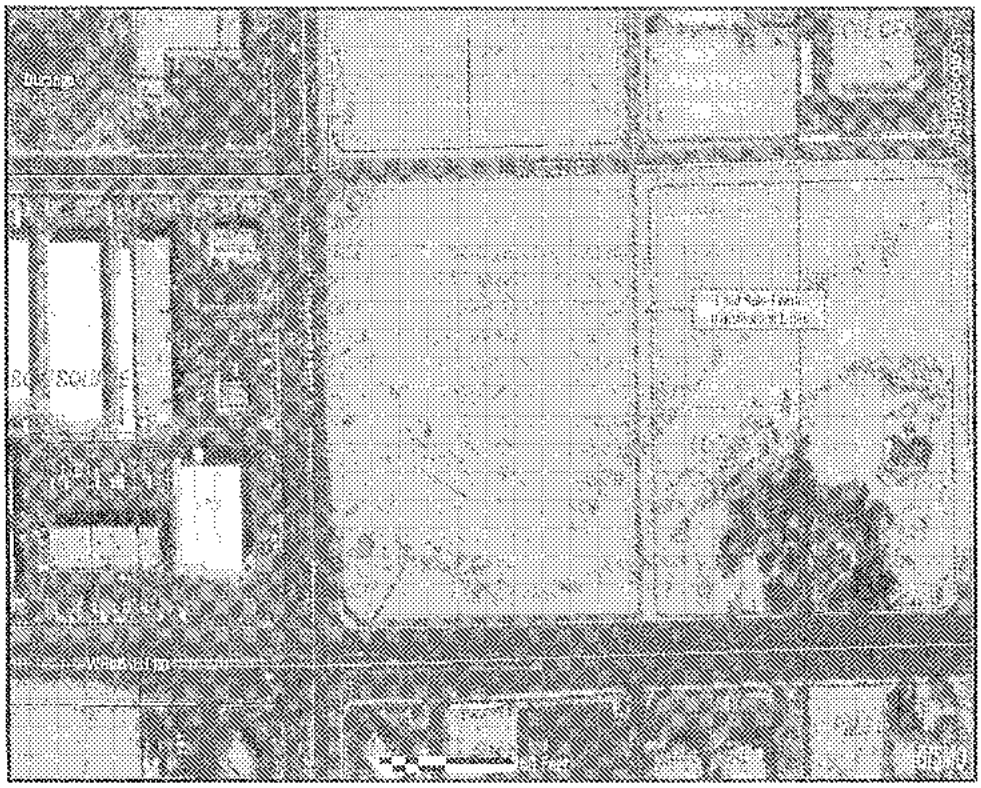


Commercial Land Sale No. 1 With Transmission Line:
Northwest corner of Post Road & Durango Drive



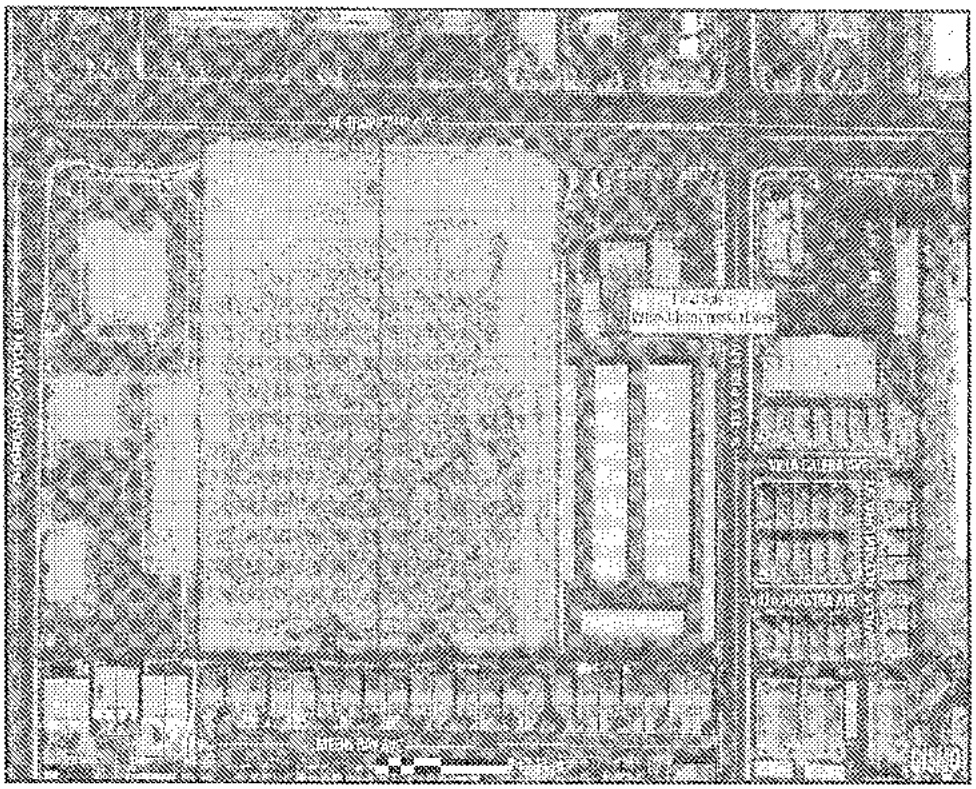
Commercial Land Sale No. 2 With Transmission Line:
Northeast corner of Ft. Apache Road and Russell Road

Commercial Land Sales With Transmission Lines – Aerial Photographs

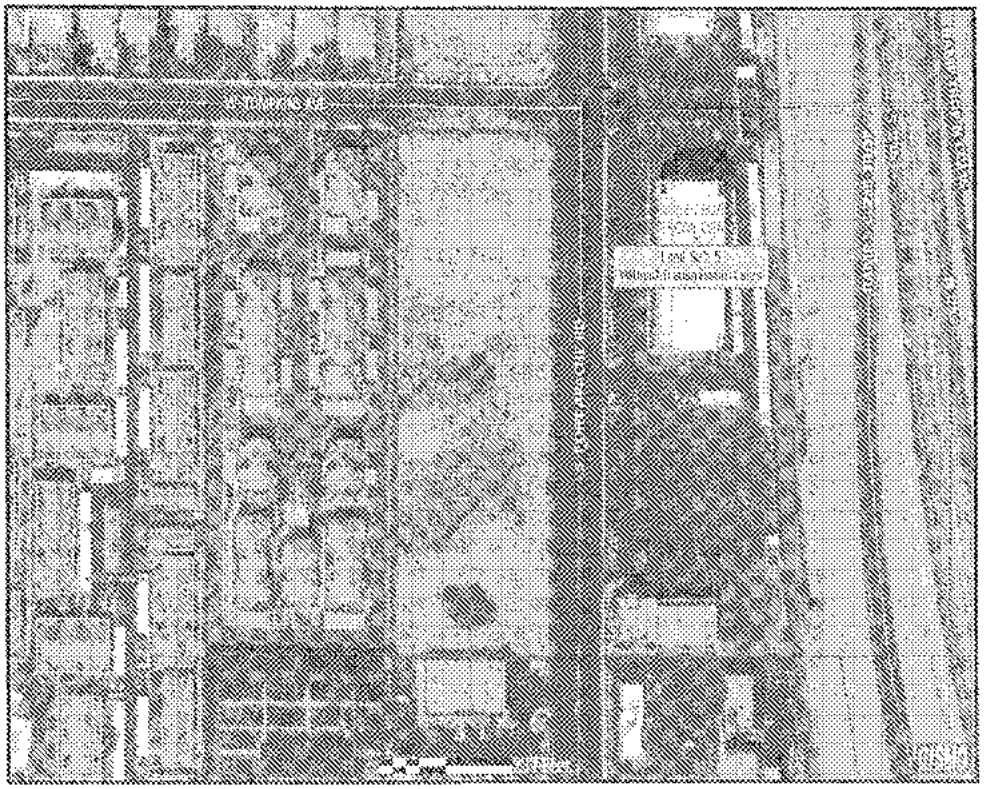


Commercial Land Sale No. 3
With Transmission Line:
5612 South Rainbow Boulevard

Commercial Land Sales Without Transmission Lines – Aerial Photographs

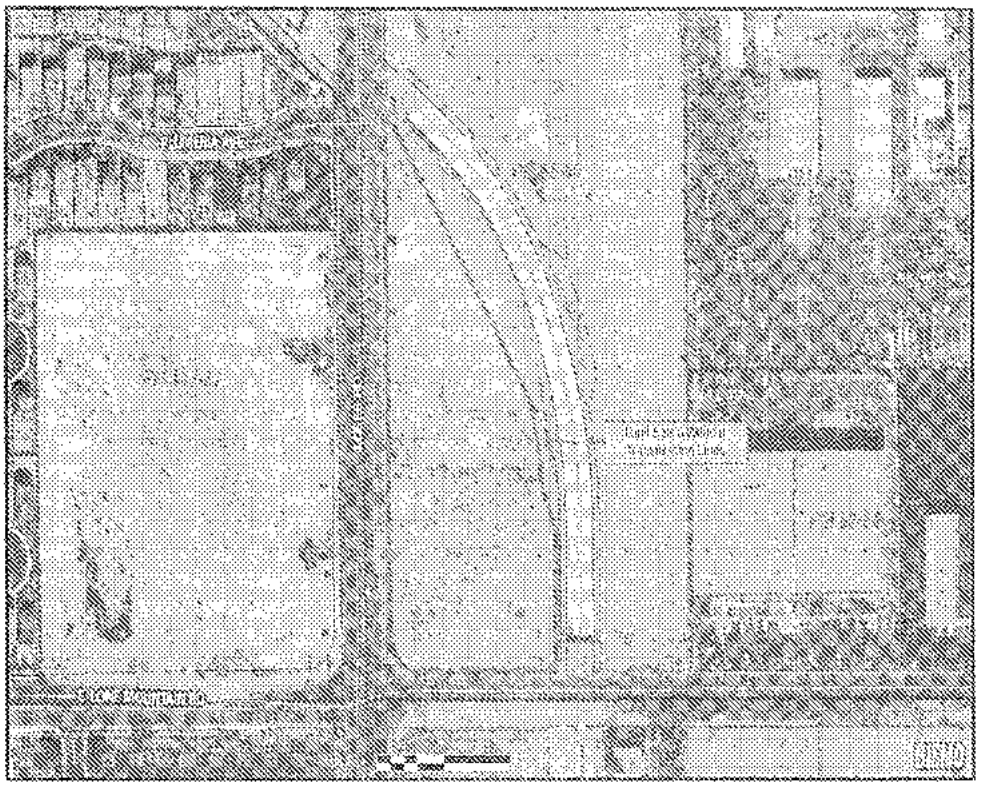


Commercial Land Sale No. 4 Without Transmission Line: South side of Tropicana Avenue, east of Grand Canyon Drive



Commercial Land Sale No. 5 Without Transmission Line: 4725 Fort Apache Road

Commercial Land Sales Without Transmission Lines – Aerial Photographs



Commercial Land Sale No. 6
Without Transmission Line:
Northeast corner of Losee Road
& Lone Mountain Road

As with the older transactions, the weighted averages of these two groups of sales does not illustrate any diminution in value as a result of the existence of the transmission lines. Again, these sites were generally similar to one another with respect to highest and best use characteristics, general location, physical attributes and other features.

These two samplings of paired sales are indicative of the preponderance of data which exists in the marketplace which does not support a diminution in value as a result of the existence of transmission lines.

The potential for the diminution in property value as a result of the existence of transmission lines has been studied for many years. We have summarized findings of some of these studies as published in the *Appraisal Institute Appraisal Journal*. This publication is sponsored by the Appraisal Institute where articles, study summaries and other features are memorialized for the benefit of the Appraisal Institute members.

Published in the summer 2009 edition of the Appraisal Journal, volume LXXVII, is an article authored by James Chalmers, PhD and Frank Voorvaart, PhD, entitled "High Voltage Transmission Lines: Proximity, Visibility and Encumbrance Effects". This study is best summarized by the last paragraph of the article which is stated here:

> "The professional literature cited, combined with the results reported here, support the position that a presumption of material negative effects of HVTLs on property values is not warranted. An opinion supporting HVTLs effects would have to be based on market data particular to the situation in question and could not be presumed or based on casual, anecdotal observation. It is fair to presume that the direction of the effect would in most circumstances be negative, but the existence of a measurable effect and the magnitude of such an effect can only be determined by empirical analysis of actual market transactions."

This tends to support the assumption that immediate and specific market transaction data is the best support to determine if a value diminution exists as a result of the power lines.

Other studies have been conducted which provide a similar conclusion.

A study submitted to the Appraisal Journal in 1967 by William Kinnard, Jr. entitled *Tower Lines and Residential Property Values* concluded among other things, "The value of most residential properties is neither appreciably nor measurably affected adversely by adjacency to or intersection by overhead electric transmission line rights-of-way."

According to a July, 1992 article in the Appraisal Journal, prepared by Hsiang-Tekung, PhD and Charles Seagle, it was concluded "No measurable price differences could be detected between homes located adjacent to power transmission lines and comparable homes located further away." This study did provide additional information which indicated that some survey participants were unaware of health risks which were thought to exist at the time. Knowing this, may have changed the perception of some participants, according to the article.

Since 1992, numerous other health studies have been conducted which generally dismisses health risks associated with proximity to electrical transmission lines, although some weak links continue to be studied relative to childhood leukemia.

In July, 2003, Marvin Wolverton, PhD, MAI (of the University of Nevada Las Vegas), and Steven Bottemiller, MAI, published a report regarding an earlier study that examined price relative to power line location. The implications and conclusions in that paper stated "The data does not support a finding of price affect from abutting a HVTL (high voltage transmission line) right-of-way." This was a statistical confirmation of a preceding study which had similar conclusions.

The preponderance of studies on this matter, indicate that the best indication of whether a diminution in value occurs as a result of electrical transmission lines is direct market extraction. The data which exists in the marketplace does not support a diminution in value.

The value of the remainder in the "after" condition or after the acquisition of the easement equates to the value of the reminder site (before the acquisition) less the additional rights which would be acquired in the small triangular component of the property at the southeast corner. In my opinion, this area will be rendered a remnant after the acquisition of the easement which will cross over the corner portion of the site. Therefore, I have deducted my opinion of the value of the rights acquired in this rendered remnant parcel from the remainder value for the acquisition, which results in a value of the remainder in the "after" condition of $9,125,000.00. This is summarized in the following calculation:

Value of the Remainder in "After" Condition:

Remainder Value	$ 9,215,000.00
Less: Rights Acquired in Remnant	($ 90,000.00)
Value of the Remainder in "After" Condition:	**$ 9,125,000.00**

Therefore, the rights acquires in the triangular portion of the site located at the southeast corner of the property as a result of the physical attributes of this portion of the site in the "after" condition will render this area a remnant. Therefore, in my opinion, in the "after" condition, damages occur as a result of this particular easement acquisition which severs a small corner of the property. No other forms of severance damages and/or special benefits were identified. Therefore, the value of the acquisition and the opinion of the just compensation value for the acquisition

of the proposed easement is equal to the value of the part taken plus the additional value of the rights to be acquired in the rendered remnant parcel as of the effective date of the valuation, July 27, 2011, to be:

$465,000.00

The following contains a summary of the calculation which results in an indication of my opinion of the recommended just compensation for the easement acquisition.

Summary Value Conclusions

SUMMARY OF VALUE CONCLUSION

A.	Value of the whole, before the take:	$9,590,000	
B.	Value of the part taken, as part of the whole: Permanent Easement: $375,000	$ 375,000	$375,000
C.	Value of the remainder, as part of the whole: (A - B)	$9,215,000	
D.	Value of the remainder, after the take:	$9,125,000	
E.	Damages (C-D):		$ 90,000
F.	Other: Temporary easements		$ 00
G.	Total Value of the Part Taken (B + E + F) (rounded):		$465,000

Assumptions and Limiting Conditions

This appraisal assignment has been made with the following general assumptions:

1. No responsibility is assumed for the legal description or for matters including 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.

3. Responsible ownership and competent property management are assumed.

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. The 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. Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property, was not observed by the appraiser. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation, or other potentially hazardous materials may affect the value of the property. The value opinion is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.

8. It is assumed that there is full compliance with all applicable federal, state and local environmental regulations and laws unless non-compliance is stated, defined and considered in the appraisal report.

9. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a non-conformity has been stated, defined and considered in the appraisal report.

10. It is assumed that all required licenses, certificates of occupancy, consents or other legislative or administrative authority from any local, state or national government or private entity or organization have been or can be obtained or renewed for any use on which the value opinion contained in this report is based.

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 trespass unless noted in the report.

All reports issued by this appraiser are subject to the following general limiting conditions:

1. The distribution, if any, of the total valuation in this report between land and improvements applies only 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.

2. 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 appraiser, and in any event, only with proper written qualification and only in its entirety.

3. The appraiser herein, by reason of this appraisal, is not required to give further consultation, testimony or be in attendance in court with reference to the property in question unless arrangements have been previously made.

4. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news, sales or other media without the prior written consent and approval of the appraiser.

5. The American with Disabilities Act ("ADA") became effective January 26, 1992. I have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the 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 that 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. Since we have no direct evidence relating to this issue, I did not consider possible non-compliance with the requirements of ADA in estimating the value of the property.

This appraisal has been developed and the report is provided subject to the following specific assumptions, extraordinary assumptions, hypothetical conditions and additional limiting conditions:

1. All the information provided by the client, NV Energy, is assumed accurate and, therefore, the value of the just compensation is contingent upon the project occurring consistent with the submitted right-of-way plans.

2. The value of the just compensation is subject to the hypothetical condition that the proposed right-of-way take occurs in accordance with the plans submitted for our review. Any variation in this right-of-way plan would warrant reevaluation of the analysis.

3. We assume the permanent easement will restrict the use of the surface to parking, landscape and areas for ingress and egress.

Certification of Value

The undersigned does hereby certify that, except as otherwise noted in this appraisal report, to the best of my 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 my personal, impartial and unbiased professional analyses, opinions and conclusions.

3. I 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. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.

5. My engagement in this assignment was not contingent upon developing or reporting predetermined results.

6. My 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. The appraisal assignment was not based on a requested minimum valuation, a specific valuation or the approval of a loan.

8. The appraiser has not performed services regarding the subject property within the three year period immediately preceding acceptance of the assignment, as an appraiser or in any other capacity.

9. I have made a personal inspection of the property that is the subject of this report.

10. No one provided significant professional assistance to the person signing this report.

11. My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice* (USPAP) as adopted by the Appraisal Standard's Board of the Appraisal Foundation and as mandated by Nevada State Law's Standards of Practice for real estate appraisers (Nevada Administrative Code Chapter 645C).

12. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

13. As of the date of this report, I, Glenn M. Anderson, MAI, SRA, have completed the requirements under the continuing education program of the Appraisal Institute.

14. The appraiser is competent and qualified to perform the appraisal assignment. The appraiser's State of Nevada license/certification has not been revoked, suspended, canceled or restricted.

15. This report has been prepared as a summary appraisal 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*.

16. In my opinion, the value of the easement area plus damages which reflects my opinion of just compensation for the easement acquisition, as of the effective date of the valuation, July 27, 2011, is:

Four Hundred Sixty-Five Thousand Dollars
($465,000.00)

Appraiser _____ Date August 11, 2011
Glenn M. Anderson, MAI, SRA

ADDENDA

Appraiser's Qualifications

QUALIFICATIONS
Glenn M. Anderson, MAI, SRA

LICENSING

Certified General Appraiser, State of Nevada, License No. A.0000555-CG
Certified General Appraiser, State of Arizona, License No. 31426

PROFESSIONAL DESIGNATIONS/AFFILIATIONS

MAI - Member of the Appraisal Institute, September, 1995
SRA - Member - Appraisal Institute, November, 1989
Past President (2002), Las Vegas Chapter, Appraisal Institute
Member, Commission of Appraisers of Real Estate State of Nevada, 7/1/2011 – 6/30/2014

EDUCATION

B.S., Arizona State University, Bachelor of Science, Real Estate/Finance, 1986

Sample of Core Appraisal Courses Completed:

SREA Course 101	1986	Introduction of Appraising Real Property
SREA Course 102	1986	Applied Residential Property Valuation
SREA Course 201	1986	Principles of Income Property Appraising
SREA Course 202	1986	Applied Income Property Valuation
AIREA Seminar	1987	Standards of Professional Practice
AIREA Course 1BA Part A, Seminar	1990	Capitalization Theory and Techniques
AIREA Seminar	1991	Comprehensive Appraisal Workshop
Appraisal Institute	1993	Course 410, 420 Standards of Professional Practice, Parts A & B
Appraisal Institute	1996	Course 520 - Highest and Best Use
Appraisal Institute	2001	Course 410 & 420 - Standards of Professional Appraisal Practice and Code of Ethics
Appraisal Institute	2007	The Appraiser as an Expert Witness
Appraisal Institute	2009	Condemnation Appraising

Attended other Various Seminars and Courses, 1984 to Present

EXPERIENCE

Anderson Valuation Group, LLC, Partner, Las Vegas, Nevada	2005 to Present
Gary H. Kent, Inc., Independent Fee Appraiser, Las Vegas, Nevada	1991 to 2004
McFadden & Associates, Staff Appraiser, Scottsdale, Arizona	1984 to 1991

Anderson Valuation Group, LLC
1601 South Rainbow Boulevard, Suite 230
Las Vegas, Nevada 89146
Telephone: 702•307•0888
Fax: 702•307•0894
e-mail glenn@andersonvaluationgroup.com

QUALIFICATIONS
Glenn M. Anderson, MAI, SRA
Page Two

Type of Properties Appraised/Services Provided:

Retail Centers
Residential Subdivisions
Golf Courses
Industrial Properties
Leasehold/Leased Fee Estates
Health/Fitness Centers
Condemnation (total and partial takes)
Master Planned Communities (Residential & Commercial)
Apartments
Litigation Support
Office Buildings
Hotels/Casinos
Medical Offices
Vacant Land (all types)

Service Areas:

Southern Nevada, Northern Nevada, Northern Arizona

Clients Serviced:

Government Agencies

Federal Housing Administration
Nevada Department of Transportation
Las Vegas Valley Water District
Clark County School District
NV Energy
State of Nevada
Clark County
Attorney General's Office (Nevada)
Regional Transportation Commission (RTC)
City of North Las Vegas
City of Henderson
City of Las Vegas
City of Boulder City
FHLMC
FNMA
District Attorney's Office
Internal Revenue Service (IRS)
Small Business Administration (SBA)

Private Clients

Banks and other Lenders, Attorneys, Individual Clients; list available upon request

Court Fees/Court Qualifications:

Hourly rate for court testimony and deposition: $350.00

I have not published any articles/documents in the last four years.

Anderson Valuation Group, LLC
1601 South Rainbow Boulevard, Suite 230
Las Vegas, Nevada 89146
Telephone: 702•307•0888
Fax: 702•307•0894
e-mail glenn@andersonvaluationgroup.com

Court Testimony/Deposition Within Last Four Years:

Zaghi Nasser, an individual; Plaintiffs vs. County of Clark, a Political subdivision of the State of Nevada; Defendants; District Court, Clark County, Nevada, Case No. A 526843 (deposition).

Dawood N. Shalomi and Regine Y. Shalomi, plaintiffs, v. Western Technologies, Inc. an Arizona Corporation; defendants, United States District Court Case No. CV-0168 – DMP (LRL) (deposition).

Joseph A. Kennedy, Sr., Trustee of the Joken Trust and Joken Trust v. Louisa Sue-Hue Kwo, District Court Case No. A469969 (court testimony).

County of Clark, plaintiff v. Monica Rozelle, 1983 Rozelle Family Trust, Rozelle Family Limited, Partner, Pat Rozelle, Budget Rent-A-Car, Las Vegas, District Court Case No. 03-A 462673-C (deposition).

Nevada Power Company v. 4520 Arville, District Court, Case No. 08-A571743, Dept. No. II (deposition).

FMC Pahrump, LLC, United States Bankruptcy Court, District of Nevada, Case No. BK-08-15600-LBR, Chapter 11 (court testimony).

Nevada Power Company v. 4185 West Harmon, District Court, Case No. A571746, Dept. No. XV (deposition).

Nevada Power Company v. 3 KIDS, LLC, Case No. A571745 (deposition).

NV Energy v. Vegas Valley Investment, LLC, District Court, Case No. A-09-592829-C (deposition).

Sun West Bank v. Kyle Canyon Investments II, LLC, District Court, Case No. A-09-596620-C (court testimony).

NV Energy v. Tropical & Losee, LLC, District Court, Case No. A-09-577141-C (deposition).

NV Energy v. Frehner Enterprises, LLC, District Court, Case No. A-09-570685-C (deposition).

Nevada Power Company v. 3 KIDS, LLC, Case No. A571745 (trial testimony).

Community Bank of Nevada v. Thomas H. McCormick et al. Case No. A571927, Dept. XI (deposition).

Anderson Valuation Group, LLC
1601 South Rainbow Boulevard, Suite 230
Las Vegas, Nevada 89146
Telephone: 702•307•0888
Fax: 702•307•0894
e-mail glenn@andersonvaluationgroup.com

Court Testimony/Deposition Within Last Four Years, continued:

NV Energy v. 4250 Arville, District Court, Case No. 08-A571743 (trial testimony).

Clark County Credit Union v. Casino Center Properties et al, District Court, Case No. A-10-620308-C (court testimony).

NV Energy v. Tiberti Company et al, District Court, Case No. A575426 (deposition).

City of Las Vegas v. Maro Burunsuzyan, Case No. A540728, District Court (trial testimony).

NV Energy v. Las Vegas Valley Investment, Case No. A09592829-C, District Court (deposition & trial testimony).

CCCU v. Fort Apache Urgent Care, LLC, Case No. A-10-631249, District Court (court testimony).

Nevada Power Company v. Marvin James Schiff Trust, et al, Case No. A-09-589133-C, District Court (deposition).

FNBN Properties II, LLC v. Desert Inn Pioneer, LLC et al, Case No. A-09-594488-C, District Court (court testimony).

FNBN Properties II, LLC v. Spring Mountain Wynn Investments, LLC, Case No. A-10-613639-C, District Court (court testimony).

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Anderson Valuation Group, LLC
1601 South Rainbow Boulevard, Suite 230
Las Vegas, Nevada 89146
Telephone: 702•307•0888
Fax: 702•307•0894
e-mail glenn@andersonvaluationgroup.com

Grant of Easement

APN: 139-33-202-009

WHEN RECORDED MAIL TO:
Land Services
NV Energy
P.O. Box 98910 MS 9
Las Vegas, NV 89151-0001

GRANT OF EASEMENT

HQ Metro, LLC, an Arizona limited liability company, ("**Grantor**") for One Dollar ($1.00) and other and good valuable consideration, receipt of which is hereby acknowledged, grants and conveys to Nevada Power Company, a Nevada corporation, d/b/a NV Energy ("**Grantee**"), its successors and assigns, a perpetual right and easement:

1. to construct, operate, add to, modify, maintain and remove aboveground and/or underground communication facilities and electric line systems for the distribution and transmission of electricity, consisting of poles, other structures, wires, cables, conduit, duct banks, manholes, vaults, transformers, service boxes/meter panels, cabinets, bollards, anchors, guys, and other equipment, fixtures, apparatus, and improvements ("**Utility Facilities**") upon, over, under and through the property described in Exhibit "A" hereto and by this reference made a part of this Grant of Easement ("**Easement Area**");

2. for the unrestricted passage of vehicles and pedestrians within, on, over and across the Easement Area and the property described in Exhibit "B" hereto and by this reference made a part of this Grant of Easement (the "**Property**"); and

3. for the ingress of vehicles and pedestrians to and the egress of vehicles and pedestrians from, the Easement Area and the Property; and

4. to remove, clear, cut or trim any obstruction or material (including trees, other vegetation and structures) from the surface or subsurface of the Easement Area as Grantee may deem necessary or advisable for the safe and proper use and maintenance of the electric line systems and communication facilities in the Easement Area.

Grantee will be responsible for any damages, proximately caused by Grantee negligently constructing, operating, adding to, maintaining, or removing the Utility Facilities, to any tangible, personal property or improvements owned by Grantor and located on the Easement Area on the date Grantor signs the Grant of Easement. However, this paragraph does not apply to, and Grantee is not responsible for, any damages caused when Grantee exercises its rights under numbered paragraph 4 above.

Grantor covenants for the benefit of Grantee, its successors and assigns, that no building, structure or other real property improvements will be constructed or placed on or within the Easement Area without the prior written consent of Grantee (which Grantee will not unreasonably withhold), such structures and improvements to include, but not be limited to, drainage, trees, bridges, signage, roads, fencing, storage

facilities, parking canopies, and other covered facilities. Grantee and Grantor must document Grantee's consent by both signing Grantee's standard, recordable use agreement. Grantor retains, for its benefit, the right to maintain, use and otherwise landscape the Easement Area for its own purposes; provided, however, that all such purposes and uses do not interfere with Grantee's rights herein and are in all respects consistent with the Grantee's rights herein, Grantee's electrical practices, and the National Electrical Safety Code.

GRANTOR:

HQ Metro, LLC

_____

By:
Title:

STATE OF _____)

COUNTY OF _____)

This instrument was acknowledged before me on _____, 20___ by

_____ as _____ of

_____.

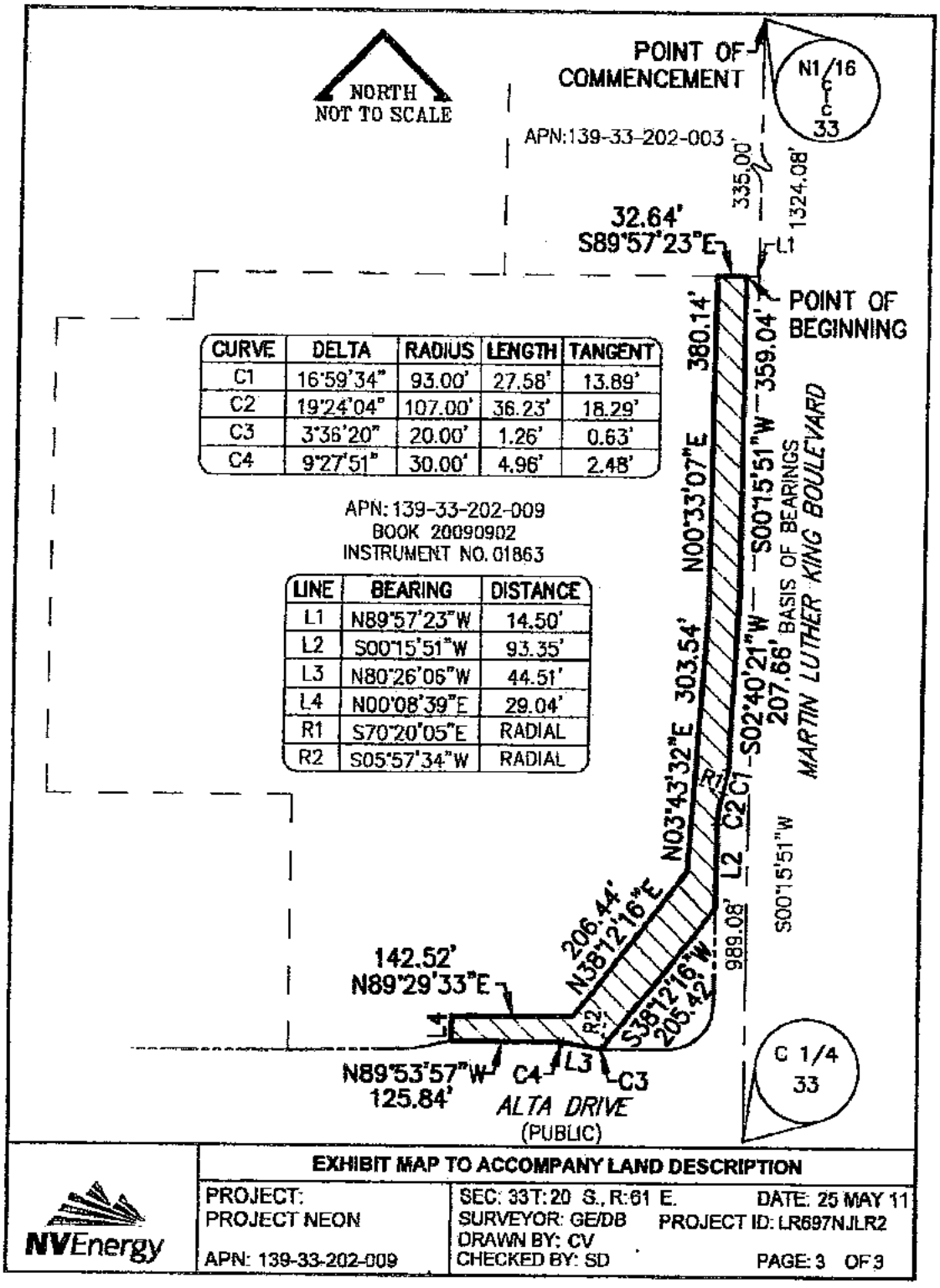
_____
Signature of Notarial Officer

Seal Area →

APN: 139-33-202-009
RW# 0149-2011dak
Proj. #LR697NJLR2
Project Name: Project Neon Land Rights
Reference Document: 20090902:01863
GOE

Easement Legal Description
Transmission Line Route Map

Proposed Easement Map:



CURVE	DELTA	RADIUS	LENGTH	TANGENT
C1	16°59'34"	93.00'	27.58'	13.89'
C2	19°24'04"	107.00'	36.23'	18.29'
C3	3°36'20"	20.00'	1.26'	0.63'
C4	9°27'51"	30.00'	4.96'	2.48'

APN: 139-33-202-009
BOOK 20090902
INSTRUMENT NO. 01863

LINE	BEARING	DISTANCE
L1	N89°57'23"W	14.50'
L2	S00°15'51"W	93.35'
L3	N80°26'06"W	44.51'
L4	N00°08'39"E	29.04'
R1	S70°20'05"E	RADIAL
R2	S05°57'34"W	RADIAL

NVEnergy

EXHIBIT MAP TO ACCOMPANY LAND DESCRIPTION

PROJECT: PROJECT NEON	SEC: 33T: 20 S., R: 61 E.	DATE: 25 MAY 11
APN: 139-33-202-009	SURVEYOR: GE/DB DRAWN BY: CV CHECKED BY: SD	PROJECT ID: LR697NJLR2 PAGE: 3 OF 3

NVEnergy

EXHIBIT A

PROJECT ID: LR697NJLR2
PROJECT NEON
APN: 139-33-202-009
25 MAY, 2011
PREPARED BY: CV
CHECKED BY: SD
PAGE 1 OF 3

05.25.11

LAND DESCRIPTION:

A PORTION OF THE LAND DESCRIBED IN THAT CERTAIN "GRANT BARGAIN AND SALE DEED" RECORDED SEPTEMBER 2, 2009 IN BOOK 20090902 AS INSTRUMENT NO. 01863 OF OFFICIAL RECORDS IN THE COUNTY RECORDER'S OFFICE, CLARK COUNTY, NEVADA, SITUATE IN THE SOUTHEAST QUARTER (SE 1/4) OF THE NORTHWEST QUARTER (NW 1/4) OF SECTION 33, TOWNSHIP 20 SOUTH, RANGE 61 EAST, M.D.M., CITY OF LAS VEGAS, CLARK COUNTY, NEVADA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID SOUTHEAST QUARTER (SE 1/4);

THENCE SOUTH 00°15'51" WEST, ALONG THE EAST LINE OF SAID SOUTHEAST QUARTER (SE 1/4) A DISTANCE OF 335.00 FEET; THENCE NORTH 89°57'23" WEST, DEPARTING SAID EAST LINE, 14.50 FEET TO THE **POINT OF BEGINNING**, SAME BEING THE WESTERLY RIGHT-OF-WAY OF MARTIN LUTHER KING BOULEVARD AS DESCRIBED IN THAT CERTAIN "GRANT DEED" RECORDED AUGUST 26, 2009 IN BOOK 20090826 AS INSTRUMENT NO. 02171 OF OFFICIAL RECORDS IN THE COUNTY RECORDER'S OFFICE, CLARK COUNTY, NEVADA;

THENCE ALONG SAID WESTERLY RIGHT-OF-WAY THE FOLLOWING FIVE (5) COURSES: 1) SOUTH 00°15'51" WEST, 359.04 FEET; 2) SOUTH 02°40'21" WEST, 207.66 FEET TO THE BEGINNING OF A CURVE, CONCAVE WESTERLY, HAVING A RADIUS OF 93.00 FEET; 3) SOUTHWESTERLY 27.58 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 16°59'34" TO THE BEGINNING OF A REVERSE CURVE, HAVING A RADIUS OF 107.00 FEET, A RADIAL LINE TO SAID BEGINNING BEARS SOUTH 70°20' 05" EAST; 4) SOUTHWESTERLY 36.23 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 19°24'04"; 5) SOUTH 00°15'51" WEST, 93.35 FEET;

THENCE SOUTH 38°12'16" WEST, DEPARTING SAID RIGHT-OF-WAY, 205.42 FEET TO THE NORTHERLY RIGHT-OF-WAY OF ALTA DRIVE AS DESCRIBED IN THAT CERTAIN "GRANT DEED" RECORDED AUGUST 26, 2009 IN BOOK 20090826 AS INSTRUMENT NO. 02169 OF OFFICIAL RECORDS IN THE COUNTY 'S OFFICE, CLARK COUNTY, NEVADA, SAME BEING THE BEGINNING OF A NON-TANGENT CURVE, CONCAVE NORTHERLY, HAVING A RADIUS OF 20.00 FEET, A RADIAL LINE TO SAID BEGINNING BEARS SOUTH 05°57'34" WEST; THENCE ALONG SAID NORTHERLY RIGHT-OF-WAY THE FOLLOWING FOUR (4) COURSES: 1) NORTHWESTERLY 1.26 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 3°36'20"; 2) NORTH 80°26'06" WEST, 44.51 FEET TO THE BEGINNING OF A CURVE, CONCAVE SOUTHERLY, HAVING A RADIUS OF 30.00 FEET; 3) NORTHWESTERLY ALONG SAID CURVE, 4.96 FEET THROUGH A CENTRAL ANGLE OF 9°27'51"; 4) NORTH 89°53'57" WEST, 125.84 FEET; THENCE NORTH 00°08'39" EAST, DEPARTING SAID NORTHERLY RIGHT-OF-WAY, 29.04 FEET; THENCE NORTH 89°29'33" EAST, 142.52 FEET; THENCE NORTH 38°12'16" EAST, 206.44 FEET; THENCE NORTH 03°43'32" EAST, 303.54 FEET; THENCE NORTH 00°33'07" EAST, 380.14 FEET TO THE NORTH BOUNDARY OF SAID LAND DESCRIBED IN AFOREMENTIONED "GRANT BARGAIN AND SALE DEED" BOOK 20090902, INSTRUMENT NO. 01863; THENCE SOUTH 89°57'23" EAST, ALONG SAID NORTH BOUNDARY, 32.64 FEET TO THE **POINT OF BEGINNING**, AS SHOWN ON THE "EXHIBIT MAP TO ACCOMPANY LAND DESCRIPTION" ATTACHED HERETO AND MADE A PART HEREOF.

CONTAINING 38,852 SQUARE FEET.

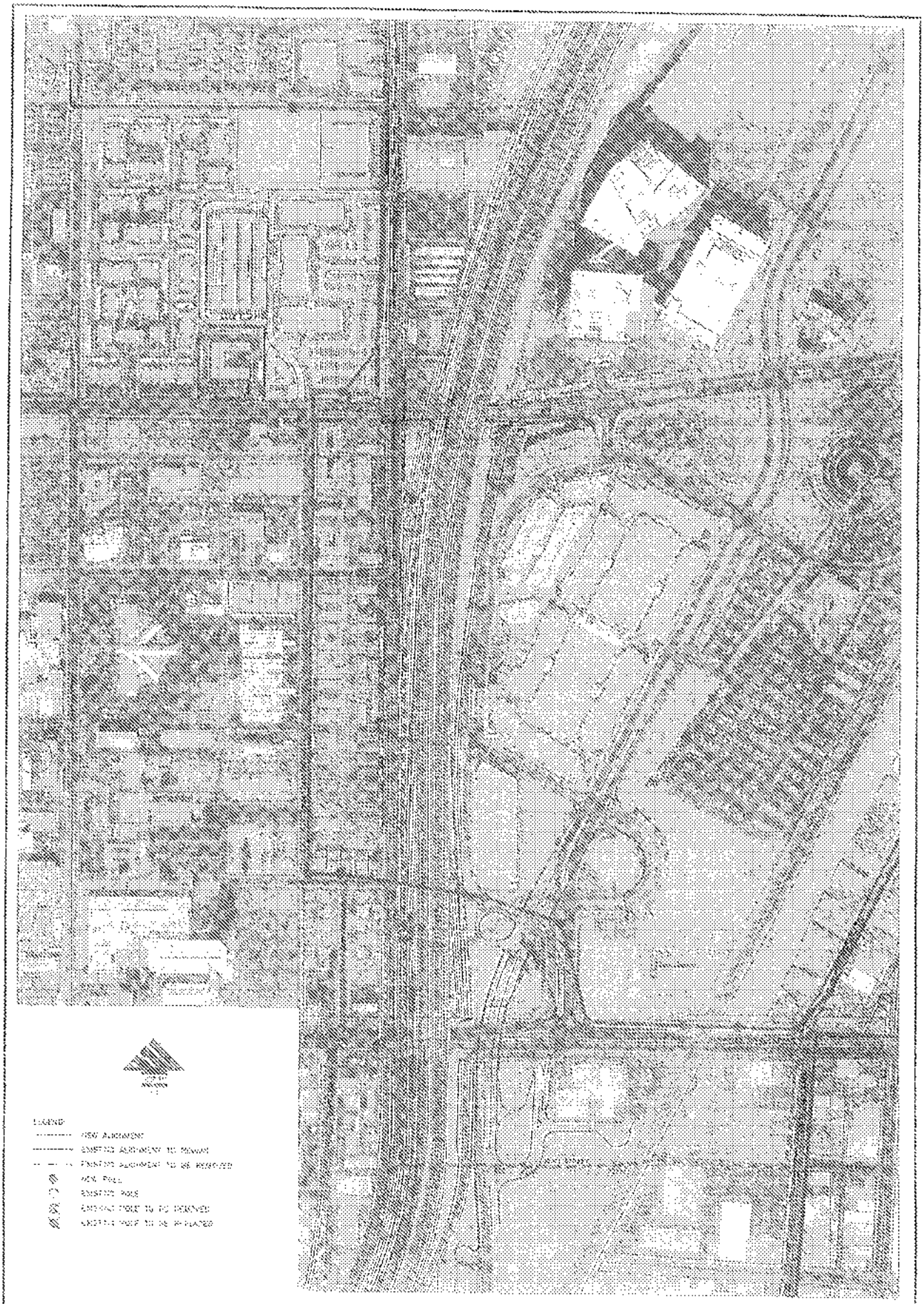
BASIS OF BEARINGS:

SOUTH 00°15'51" WEST BEING THE BEARING OF THE EAST LINE OF THE NORTHWEST QUARTER (NW 1/4) OF SECTION 33, TOWNSHIP 20 SOUTH, RANGE 61 EAST, M.D.M., CLARK COUNTY, NEVADA AS SHOWN ON THAT CERTAIN MAP ON FILE IN THE CLARK COUNTY RECORDER'S OFFICE, CLARK COUNTY, NEVADA, IN FILE 79, PAGE 21 OF PARCEL MAPS.

END OF LAND DESCRIPTION.

NOTE: THIS LAND DESCRIPTION IS NOT INTENDED FOR THE PURPOSE OF SUBDIVIDING LAND NOT IN CONFORMANCE WITH NEVADA REVISED STATUTES.

CORBIN L, VAN NEST, PLS
STATE OF NEVADA NO. 14349
FOR AND AT THE INSTANCE OF NV ENERGY


LEGEND
NEW ALIGNMENT
EXISTING ALIGNMENT TO REMAIN
EXISTING ALIGNMENT TO BE REMOVED
NEW POLE
EXISTING POLE
EXISTING POLE TO BE REMOVED
EXISTING POLE TO BE REPLACED
NVEnergy
138/69 kV TRANSMISSION LINE
CR-HI / GA-SH / LE-SH
PROJECT NEON LINE RELOCATION EXHIBIT

Notification Letter

Anderson Valuation Group, LLC
www.andersonvaluationgroup.com

June 9, 2011

HQ Metro, LLC
c/o G. Molenda
Community Finance Corporation
335 North Wilmot, Suite 420
Tucson, AZ 85711-2635

Re: Proposed Electrical Transmission Line Over the Property Located At 404 South Martin Luther King Boulevard/APN No: 139-33-202-009

To Whom It May Concern:

Anderson Valuation Group, LLC, as an independent contractor, has been retained by NV Energy to prepare an appraisal regarding an estimate of just compensation for the proposed electrical transmission line easement acquisition over the above referenced property. To provide an illustration of the proposed easement which is to be acquired by NV Energy, I have attached information which provides the location and magnitude of the easement proposed.

As part of our investigation and analysis, we will arrange to visit the property and inspect the site in the coming weeks. You, or your authorized representative, are welcome to accompany us upon our inspection which will generally occur during normal business hours (8:00 a.m. to 5:00 p.m. Monday through Friday). If you wish to accompany us upon our inspection or provide any relevant information which you deem important to the appraisal process, kindly contact our office at the phone number provided at the base of this letter to arrange an appointment. Any specific questions regarding the NV Energy project, or information regarding the specifics of the proposed easement should be directed to the NV Energy Land Services Department, Ms. DeeAnn Kirk, (702) 402-2419.

Thank you for your time and cooperation in this matter.

Sincerely,

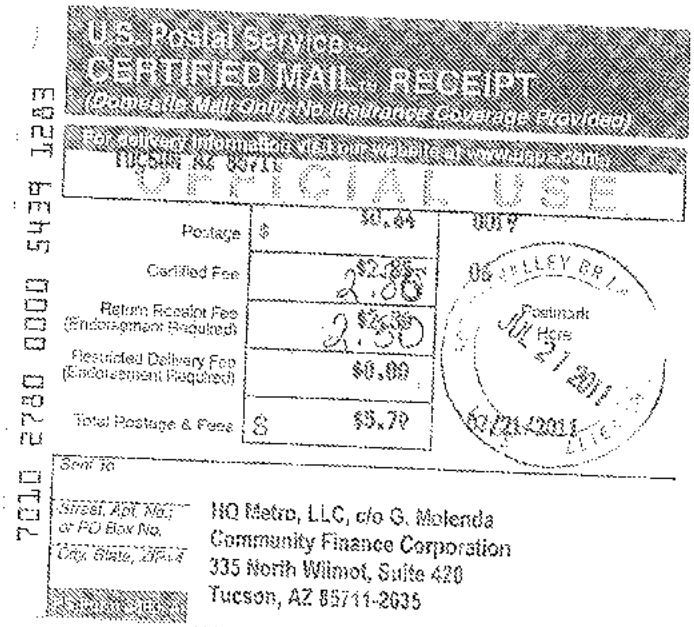
Anderson Valuation Group, LLC

Glenn M. Anderson, MAI, SRA
Certified General Appraiser
Nevada License Nº. A.0000555-CG
Expiration Date: January 31, 2012

GMA:dm
Attachments

Mailed on 7/21/11
due to not receiving
mapping from NV Energy
until 7/20/11 - DM

1601 S Rainbow Blvd, Ste 230 | Las Vegas, Nevada 89146 | 702.307.0888 | fax 702.307.0894



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TUCSON, AZ 85711

OFFICIAL USE

Postage	$0.84
Certified Fee	$2.30
Return Receipt Fee (Endorsement Required)	$2.30
Restricted Delivery Fee (Endorsement Required)	$0.00
Total Postage & Fees	$5.79

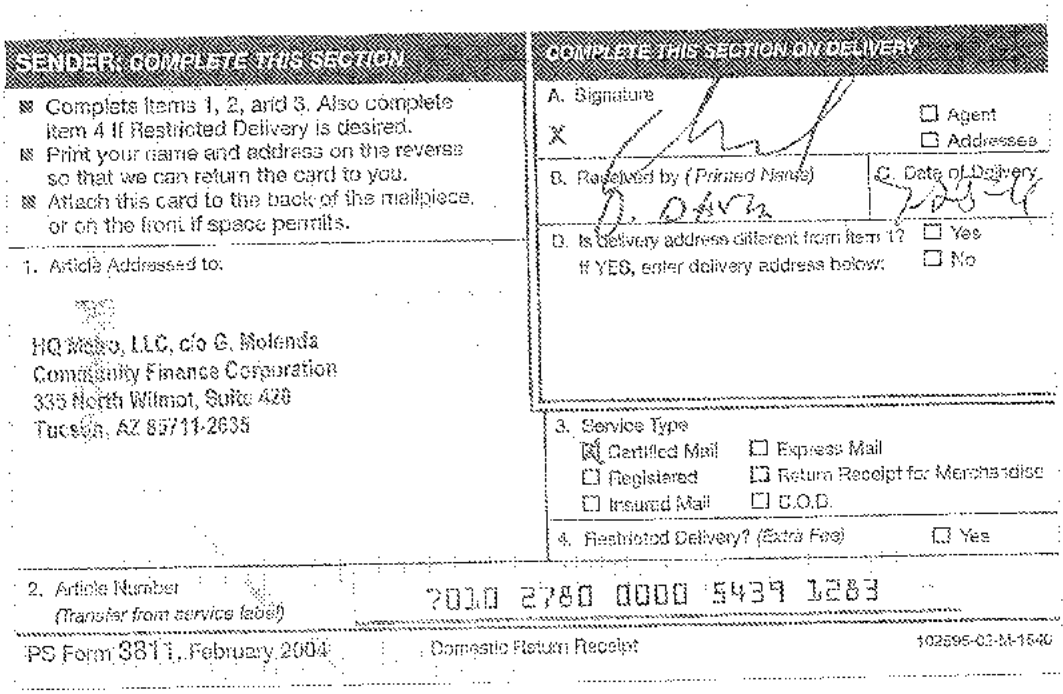
Postmark Here
JUL 21 2011
07/21/2011

7010 2780 0000 5439 1283

Sent To
HQ Metro, LLC, c/o G. Molenda
Community Finance Corporation
335 North Wilmot, Suite 420
Tucson, AZ 85711-2635

Street, Apt. No.; or PO Box No.
City, State, ZIP+4

PS Form 3800, August 2006



SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

HQ Metro, LLC, c/o G. Molenda
Community Finance Corporation
335 North Wilmot, Suite 420
Tucson, AZ 85711-2635

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X
☐ Agent
☐ Addressee

B. Received by (Printed Name) D. DAVIS
C. Date of Delivery 7-22-11

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type
☒ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

2. Article Number (Transfer from service label) 7010 2780 0000 5439 1283

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

Title Report Excerpt

Lawyers Title of Nevada
3100 West Sahara Ave.
Suite 115
Las Vegas, NV 89102

Order #: **03501768**

Your Reference #:

NV Energy
6226 W. Sahara Ave., MS9
Las Vegas, NV 89146

Attn: **DEE ANN KIRK**

Title Officer: Brenda Jenkins
Proposed Buyer(s):
Sales Price: $
Proposed Lender:
Loan Amount: $

Property Address: 404 S. Martin L. King Boulevard, Las Vegas, Nevada

PRELIMINARY REPORT

Dated as of April 8, 2011 at 7:30 a.m.

In response to the application for a policy of title insurance referenced herein, **Lawyers Title of Nevada** hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a policy or policies of title insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an exception herein or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations or Conditions of said policy forms.

The printed Exceptions and Exclusions from the coverage and Limitations on Covered Risks of said policy or policies are set forth in Attachment One. The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than that set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. Limitation on Covered Risks applicable to the CLTA and ALTA Homeowner's Policies of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limit of Liability for certain coverages are also set forth in Attachment One. Copies of the policy forms should be read. They are available from the office which issued this report.

This report (and any supplements or amendments hereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a Binder or Commitment should be requested.

The policy(s) of title insurance to be issued hereunder will be policy(s) of **Commonwealth Land Title Insurance Company.**

Please read the exceptions shown or referred to herein and the exceptions and exclusions set forth in Attachment One of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered. It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects, and encumbrances affecting title to the land.

Lawyers Title, A Division of Commonwealth
Land Title Insurance Company

By: _____
Authorized Signatory

SCHEDULE A

The form of policy of title insurance contemplated by this report is:

None

The estate or interest in the land hereinafter described or referred to covered by this report is:

A fee

Title to said estate or interest at the date hereof is vested in:

HQ Metro, LLC, an Arizona limited liability company

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

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

EXHIBIT "A"

All that certain real property situated in the County of Clark, State of Nevada, described as follows:

A parcel of land lying within the Southeast Quarter (SE ¼) of the Northwest Quarter (NW ¼) of Section 33, Township 20 South, Range 61 East, M.D.M. City of Las Vegas, Clark County, Nevada, described as follows:

COMMENCING at the Northeast corner of the Southeast corner (SE ¼), same being the Westerly right of way of Martin Luther King Boulevard, South 00°15'51" West, 335.00 feet to the Southeasterly corner of Lot 1 as shown by map thereof on file in File 73, Page 91 of Parcel Maps in the Clark County Recorders Office, Nevada:
Thence along the South line of said Lot 1, North 89°57'23" West, 14.50 feet to the Point of Beginning;
Thence along the Westerly right of way of said Martin Luther King Boulevard the following five (5) courses:

1) South 00°15'51" West, 359.04 feet;
2) Thence South 02°40'21" West, 207.66 feet;
3) Thence curving to the right along an arc having a radius of 93.00 feet, concave Westerly, through a central angle of 16°59'34", an arc length of 27.58 feet to a point of reverse curvature;
4) Thence curving to the left along an arc having a radius of 107.00 feet, concave Easterly, through a central angle of 19°24'04" an arc length of 26.23 feet;
5) Thence South 00°15'51" West, 201.25 feet;

Thence curving to the right along an arc transitioning from said Westerly right of way to the Northerly right of way of Alta Drive, having a radius of 54.00 feet, concave Northwesterly, through a central angle of 89°50'12" an arc length of 84.67 feet;
Thence along the Northerly right of way of said Alta Drive the following eight (8) courses:

1) North 89°53'57" West, 70.41 feet;
2) Thence curving to the right along an arc having a radius of 20.00 feet, concave Northerly, through a central angle of 09°27'51", an arc length of 3.30 feet;
3) Thence North 80°26'06" West, 44.51 feet;
4) Thence curving to the left along an arc having a radius of 30.00 feet, concave Southerly, through a central angle of 09°27'51" an arc length of 4.96 feet;
5) Thence North 89°53'57" West, 125.84 feet;

6) Thence curving to the left along an arc having a radius of 30.00 feet concave Southerly, through a central angle of 12°01'41" an arc length of 6.30 feet;
7) Thence South 78°04'22" West, 39.69 feet;
8) Thence South 88°49'44" West, 140.97 feet to the East boundary of Lot 2 as shown by map thereof on file in File 79, page 21 of Parcel Maps in the Clark County Recorder's Office, Nevada;

Thence departing said right of way, along the East boundary of said Lot 2, North 00°06'03" East, 290.06 feet;
Thence departing said East boundary, along the North boundary of said Lot 2, North 89°53'57" West, 279.06 feet to the East boundary of Lot 2 as shown by map thereof on file in File 58, page 66 of Parcel Maps in the Clark County Recorders Office, Nevada.
Thence along the boundaries of said Lot 2, the following three (3) courses:

1) North 00°16'25" East, 542.41 feet;
2) Thence South 89°53'57" East, 155.93 feet;
3) Thence North 00°16'25" East, 55.05 feet to the Southwest corner of that certain Order of Condemnation recorded March 24, 2008 in Book 20080324 of Official Records as Instrument No. 01868 in the Clark County Recorder's Office, Nevada.

Thence along the South boundary of said Order of Condemnation and the aforementioned Lot 1, South 89°57'23" East, 632.09 feet to the Point of Beginning.

EXCEPTING THEREFROM those portions as conveyed to the City of Las Vegas by Grant Deeds recorded August 26, 2009 in Book 20090826 as Document Nos. 02169, 02171 and 02172, Official Records.

Assessor's Parcel Number: **139-33-202-009**

SCHEDULE B – Section A

The following exceptions will appear in policies when providing standard coverage as outlined below:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.

2. Any facts, rights, interests or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may asserted by persons in possession of the Land.

3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.

4. Any encroachment, encumbrance, violation, variation or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.

5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the Public Records.

6. Any lien or right to a lien for services, labor or material not shown by the public records.

SCHEDULE B – Section B

At the date hereof Exceptions to coverage in addition to the printed exceptions and exclusions in said policy form would be as follows:

1. Taxes for the fiscal year 2011-2012 a lien not yet due or payable
   New Assessor's Parcel No.: 139-33-202-009

2. A lien of supplemental taxes, if any, assessed pursuant to the provisions of the Nevada Revised Statute 361.260

3. The property described herein is located within the boundaries of the City of Las Vegas and is subject to any fees that may be charged against said property by the hereinbefore mentioned district.

4. Water rights, claims or title to water.

5. Reservation in the Patent from the State of Nevada

Recorded:	November 14, 1902
Book	F of Misc., page 265 and 266 of Official Records

6. Matters contained in the dedication statement or elsewhere on the tract or parcel map shown below, which among other things provides:

Tract/Parcel Map:	Parcel Map on file in File 79 of Parcel Maps, page 21, Official Records.

   A drainage easement on the Northerly portion of said property as per said map.

7. An easement for the purpose shown below and rights incidental thereto as set forth in a document

Granted to:	Nevada Power Company and Central Telephone Company
Purpose:	power and communication lines
Recorded:	May 1, 1978
Book:	880 Doc/Inst. No. 839802 of Official Records

8. The terms, covenants and provisions of that certain City of Las Vegas Notice of Zoning Action recorded April 21, 2009 in Book 20090421 Doc/Inst. No. 01989 of Official Records, and the effect of any failure to comply with same.

   The terms, covenants and provisions of that certain City of Las Vegas Notice of Zoning Action recorded May 14, 2009 in Book 20090514 Doc/Inst. No. 01865 of Official Records, and the effect of any failure to comply with same.

9. An unrecorded lease with certain terms, covenants, conditions and provisions set forth therein.

Lessor:	Project Alta, LLC, a Nevada limited liability company and Project Alta II, LLC, a Nevada limited liability company
Lessee:	Clark County, Nevada
Disclosed by:	Memorandum of Lease and Purchase Option
Recorded:	September 2, 2009
Book	20090902 Doc/Inst. No. 00688 of Official Records

   An Assignment of Lease by and between Project Alta, LLC, Project Alta II, LLC, as assignor and HQ Metro, LLC, as assignee, recorded September 2, 2009 in Book 20090902 as Document No. 01864, Official Records

By the provisions of an agreement entitled "Subordination, Non-disturbance and Attornment Agreement

Dated:	September 1, 2009
Executed by:	Wells Fargo Bank, N.A.; HQ Metro, LLC, an Arizona limited liability company and Clark County, Nevada
Recorded:	September 2, 2009
Book	20090902 Doc/Inst. No. 01866 of Official Records

Said instrument was made subordinate to the lien of the document or interest shown: as Document No. 20090902-01865, Official Records.

By the provisions of an agreement entitled "Subordination, Non-disturbance and Attornment Agreement

Dated:	September 1, 2009
Executed by:	Wells Fargo Bank, N.A.; HQ Metro, LLC, an Arizona limited liability company and Clark County, Nevada
Recorded:	September 2, 2009
Book	20090902 Doc/Inst. No. 01868 of Official Records

Said instrument was made subordinate to the lien of the document or interest shown: as Document No. 20090902-01867, Official Records.

By the provisions of an agreement entitled "Subordination, Non-disturbance and Attornment Agreement

Dated:	September 1, 2009
Executed by:	Wells Fargo Bank, N.A.; HQ Metro, LLC, an Arizona limited liability company and Clark County, Nevada
Recorded:	September 2, 2009
Book	20090902 Doc/Inst. No. 01870 of Official Records

Said instrument was made subordinate to the lien of the document or interest shown: as Document No. 20090902-01869, Official Records.

10. The terms, covenants and provisions of that certain Agreement recorded September 2, 2009 in Book 20090902 Doc/Inst. No. 01861 of Official Records, and the effect of any failure to comply with same.

    An Assignment Agreement by and between HQ Metro, LLC, as Assignor and Wells Fargo Bank, N.A., as Assignee recorded September 2, 2009 in Book 20090902 as Document No. 01871, Official Records.

11. A deed of trust to secure an indebtedness in the amount shown below, and any other obligations secured thereby.

Amount:	$176,260,000.00
Dated:	September 1, 2009
Trustor:	HQ Metro, LLC, an Arizona limited liability company
Trustee:	Nevada Title Agency
Beneficiary:	Wells Fargo Bank, N.A.
Recorded:	September 2, 2009
Book	20090902 Doc/Inst. No. 01865 of Official Records

12. A deed of trust to secure an indebtedness in the amount shown below, and any other obligations secured thereby.

Amount:	$Not disclosed
Dated:	September 1, 2009
Trustor:	HQ Metro, LLC, an Arizona limited liability company
Trustee:	Nevada Title Agency
Beneficiary:	Wells Fargo Bank, N.A.
Recorded:	September 2, 2009
Book	20090902 Doc/Inst. No. 01867 of Official Records

13. A Subordinate Note Deed of Trust to secure an indebtedness in the amount shown below, and any other obligations secured thereby.

Amount:	$13,041,433.00
Dated:	September 1, 2009
Trustor:	HQ Metro, LLC, an Arizona limited liability company
Trustee:	Nevada Title Company
Beneficiary:	Project Alta, LLC, a Nevada limited liability company and Project Alta II, LLC, a Nevada limited liability company
Recorded:	September 2, 2009
Book	20090902 Doc/Inst. No. 01869 of Official Records

An assignment of the beneficial interest under said deed of trust which names

As Assignee:	Mark L. Fine & Associates, a Nevada corporation as Trustee of the Project Alta Liquidating Trust U/A/D December 31, 2009
Recorded:	January 6, 2010
Book	20100106 Doc/Inst. 03873 of Official Records

14. A financing statement filed in the office of the County Recorder, showing:

Debtor:	HQ Metro, LLC c/o Community Finance Corporation
Secured Party	Wells Fargo Bank, N.A.
Recorded:	September 2, 2009
Book	20090902 Doc/Inst. No. 01872 of Official Records

15. A financing statement filed in the office of the County Recorder, showing:

Debtor:	HQ Metro LLC c/o Community Finance Corporation
Secured Party	Project Alta, LLC
Recorded:	September 2, 2009
Book	20090902 Doc/Inst. No. 01873 of Official Records

A change to the above financing statement was filed

Recorded:	February 1, 2010
Book	20100201 Doc/Inst. No. 03013 of Official Records
Nature of Change:	Assignment

16. An easement for the purpose shown below and rights incidental thereto as set forth in a document

Granted to:	City of Las Vegas, a municipal corporation
Purpose:	streetlight purposes
Recorded:	September 25, 2009
Book:	20090925 Doc/Inst. No. 02933 of Official Records

17. An easement for the purpose shown below and rights incidental thereto as set forth in a document

Granted to:	City of Las Vegas, a municipal corporation
Purpose:	pedestrian walkway
Recorded:	September 25, 2009
Book:	20090925 Doc/Inst. No. 02934 of Official Records

18. An easement for the purpose shown below and rights incidental thereto as set forth in a document
Granted to: City of Las Vegas, a municipal corporation
Purpose: traffic
Recorded: September 25, 2009
Book: 20090925 Doc/Inst. No. 02935 of Official Records

19. An easement for the purpose shown below and rights incidental thereto as set forth in a document
Granted to: Las Vegas Valley Water District, a quasi municipal corporation
Purpose: pipelines
Recorded: October 21, 2009
Book: 20091021 Doc/Inst. No. 02768 of Official Records

20. An easement for the purpose shown below and rights incidental thereto as set forth in a document
Granted to: Las Vegas Valley Water District, a quasi municipal corporation
Purpose: pipelines
Recorded: October 21, 2009
Book: 20091021 Doc/Inst. No. 02769 of Official Records

21. An easement for the purpose shown below and rights incidental thereto as set forth in a document
Granted to: Las Vegas Valley Water District, a quasi municipal corporation
Purpose: pipelines
Recorded: October 21, 2009
Book: 20091021 Doc/Inst. No. 02770 of Official Records

22. An easement for the purpose shown below and rights incidental thereto as set forth in a document
Granted to: Las Vegas Valley Water District, a quasi municipal corporation
Purpose: pipelines
Recorded: October 21, 2009
Book: 20091021 Doc/Inst. No. 02771 of Official Records

23. The terms, covenants and provisions of that certain "Encroachment Agreement", recorded October 22, 2009 in Book 20091022 Doc/Inst. No. 00939 of Official Records, and the effect of any failure to comply with same.

24. An easement for the purpose shown below and rights incidental thereto as set forth in a document
Granted to: Nevada Power Company, a Nevada corporation
Purpose: power lines
Recorded: November 6, 2009
Book: 20091106 Doc/Inst. No. 00712 of Official Records

25. An easement for the purpose shown below and rights incidental thereto as set forth in a document
Granted to: Central Telephone Company d/b/a Centurylink
Purpose: communication lines
Recorded: January 12, 2010
Book: 20100112 Doc/Inst. No. 03305 of Official Records

26. An easement for the purpose shown below and rights incidental thereto as set forth in a document

Granted to:	Cox Communications Las Vegas, Inc.
Purpose:	cable lines
Recorded:	February 18, 2010
Book:	20100218 Doc/Inst. No. 01014 of Official Records

27. The terms, covenants and provisions of that certain "Agreement Subjecting Deed of Trust to Easement", recorded March 3, 2010 in Book 20100303 Doc/Inst. No. 04303 of Official Records, and the effect of any failure to comply with same.

28. The terms, covenants and provisions of that certain "Agreement Subjecting Deed of Trust to Easement", recorded March 3, 2010 in Book 20100303 Doc/Inst. No. 04304 of Official Records, and the effect of any failure to comply with same.

29. The terms, covenants and provisions of that certain "Agreement Subjecting Deed of Trust to Easement", recorded March 3, 2010 in Book 20100303 Doc/Inst. No. 04305 of Official Records, and the effect of any failure to comply with same.

30. The terms, covenants and provisions of that certain "Access Easement Agreement", recorded October 4, 2010 in Book 20101004 Doc/Inst. No. 03385 of Official Records, and the effect of any failure to comply with same.

31. Discrepancies, conflicts in boundary lines, shortage in area, encroachments or any other facts which a correct survey would disclose, and which are not shown by the public records.

32. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.

33. Rights of tenants, as tenants only, under unrecorded lease agreements.

END OF SCHEDULE B EXCEPTIONS

PLEASE REFER TO THE "NOTES AND REQUIREMENTS SECTION" WHICH FOLLOWS FOR INFORMATION NECESSARY TO COMPLETE THIS TRANSACTION

NOTES AND REQUIREMENTS

1: EFFECTIVE JULY 1, 2003, ALL DOCUMENTS, EXCEPT MAPS, SUBMITTED FOR RECORDING WITH THE OFFICE OF THE CLARK/NYE COUNTY RECORDER, MUST COMPLY WITH NRS 247.110, AS FOLLOWS:

(a) Be on 20# paper that is 8 ½ inches by 11 inches in size;
(b) Have a margin of 1 inch on the left and right sides and at the top and bottom of each page;
(c) Have a space of 3 inches by 3 inches at the upper right corner of the first page and have a margin of 1 inch at the top of each succeeding page;
(d) Not contain printed material on more than one side of each page;
(e) Print that is NO smaller than 10 point Times New Roman font and contains no more than 9 lines of text per vertical inch; and
(f) MUST NOT be printed in any ink other than black.

ANY DOCUMENT NOT COMPLYING WITH THESE GUIDELINES WILL BE SUBJECT TO AN ADDITIONAL, MINIMUM COUNTY NON-CONFORMING RECORDING CHARGE OF $25.00 PER DOCUMENT.

2: The information on the attached plat is provided for your convenience as a guide to the general location of the subject property. The accuracy of this plat is not guaranteed, nor is it a part of any policy, report or guarantee to which it may be attached.

3. Taxes for the fiscal year 2010-2011 in the total amount of $43,092.49 are Paid in Full.
Assessor's Parcel No: 139-33-202-009

4. This report is a preliminary investigation ONLY of the property contained herein. This is not an abstract; it is a report derived from a review of various documents of record. No reliance should be placed on the contents hereof without first obtaining the approval of an Officer of the Company

Typist: bj1
Date Typed: April 14, 2011

ATTACHMENT ONE

AMERICAN LAND TITLE ASSOCIATION
RESIDENTIAL TITLE INSURANCE POLICY (6-1-87) EXCLUSIONS

In addition to the Exceptions in Schedule B, you are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of any law or government regulation. This includes building and zoning ordinances and also laws and regulations concerning:
   - land use
   - improvements on the land
   - land division
   - environmental protection

   This exclusion does not apply to violations or the enforcement of these matters which appear in the public records at policy date.
   This exclusion does not limit the zoning coverage described in Items 12 and 13 of Covered Title Risks.
2. The right to take the land by condemning it, unless:
   - a notice of exercising the right appears in the public records on the Policy Date
   - the taking happened prior to the Policy Date and is binding on you if you bought the land without knowledge of the taking
3. Title Risks:
   - that are created, allowed, or agreed to by you
   - that are known to you, but not to us, on the Policy Date- unless they appeared in the public records
   - that result in no loss to you
   - that first affect your title after the Policy Date – this does not limit the labor and material lien coverage in Item 8 of Covered Title Risks
4. Failure to pay value for your title.
5. Lack of a right:
   - to any land outside the area specifically described and referred to in Item 3 of Schedule A
     or
   - in streets, alleys, or waterways that touch your land

   This exclusion does not limit the access coverage in Item 5 of Covered Title Risks.

In addition to the Exclusions, you are not insured against loss, costs, attorneys' fees, and the expenses resulting from:

1. Any rights, interests, or claims of parties in possession of the land not shown by the public records.
2. Any easements or liens not shown by the public records. This does not limit the lien coverage in Item 8 of Covered Title Risks.
3. Any facts about the land which a correct survey would disclose and which are not shown by the public records. This does not limit the forced removal coverage in Item 12 of Covered Title Risks.
4. Any water rights or claims or title to water in or under the land, whether or not shown by the public records.

CALIFORNIA LAND TITLE ASSOCIATION STANDARD COVERAGE POLICY – 1990
EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
   (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims, or other matters:
   (a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant;
   (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
   (c) resulting in no loss or damage to the insured claimant;
   (d) attaching or created subsequent to Date of Policy; or
   (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage or for the estate or interest insured by this policy.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with the applicable doing business laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by this policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws.

SCHEDULE B, PART I
EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

PART I

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records. Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the public records.
6. Any lien or right to a lien for services, labor or material not shown by the Public Records.

FORMERLY AMERICAN LAND TITLE ASSOCIATION LOAN POLICY (10-17-92) WITH A.L.T.A. ENDORSEMENT-FORM 1 COVERAGE EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
   (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims, or other matters:
   (a) created, suffered, assumed or agreed to by the insured claimant;
   (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
   (c) resulting in no loss or damage to the insured claimant;
   (d) attaching or created subsequent to Date of Policy (except to the extent that this policy insures the priority of the lien of the insured mortgage over any statutory lien for services, labor or material or to the extent insurance is afforded herein as to assessments for street improvements under construction or completed at Date of Policy); or
   (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with applicable doing business laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any statutory lien for services, labor or materials (or the claim of priority of any statutory lien for services, labor or materials over the lien of the insured mortgage) arising from an improvement or work related to the land which is contracted for and commenced subsequent to Date of Policy and is not financed in whole or in part by proceeds of the indebtedness secured by the insured mortgage which at Date of Policy the insured has advanced or is obligated to advance.
7. Any claim, which arises out of the transaction creating the interest of the mortgagee insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on:
   (i) the transaction creating the interest of the insured mortgagee being deemed a fraudulent conveyance or fraudulent transfer; or
   (ii) the subordination of the interest of the insured mortgagee as a result of the application of the doctrine of equitable subordination; or
   (iii) the transaction creating the interest of the insured mortgagee being deemed a preferential transfer except where the preferential transfer results from the failure:
      (a) to timely record the instrument of transfer; or
      (b) of such recordation to impart notice to a purchaser for value or a judgement or lien creditor.

The above policy form may be issued to afford either Standard Coverage or Extended Coverage.
In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records. Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.
6. Any lien or right to a lien for services, labor or material not shown by the Public Records.

2006 AMERICAN LAND TITLE ASSOCIATION LOAN POLICY (06-17-06)
EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
   (i) the occupancy, use, or enjoyment of the Land;
   (ii) the character, dimensions, or location of any improvement erected on the Land;
   (iii) the subdivision of land; or
   (iv) environmental protection;
   or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
   (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
   (a) created, suffered, assumed, or agreed to by the Insured Claimant;
   (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
   (c) resulting in no loss or damage to the Insured Claimant;
   (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 13, or 14); or
   (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law.
6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
   (a) a fraudulent conveyance or fraudulent transfer, or
   (b) a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the Insured Mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b).

The above policy form may be issued to afford either Standard Coverage or Extended Coverage.
In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) that arise by reason of:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material not shown by the Public Records.

FORMERLY AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY (10-17-92)
EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
   (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims, or other matters:
   (a) created, suffered, assumed or agreed to by the insured claimant;
   (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
   (c) resulting in no loss or damage to the insured claimant;
   (d) attaching or created subsequent to Date of Policy, or
   (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the estate or interest insured by this policy.
4. Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on:
   (i) the transaction creating the estate or interest insured by this policy being deemed a fraudulent conveyance or fraudulent transfer; or
   (ii) the transaction creating the estate or interest insured by this policy being deemed a preferential transfer except where the preferential transfer results from the failure:
      (a) to timely record the instrument of transfer; or
      (b) of such recordation to impart notice to a purchaser for value or a judgement or lien creditor.

The above policy form may be issued to afford either Standard Coverage or Extended Coverage.
In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records. Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.
6. Any lien or right to a lien for services, labor or material not shown by the Public Records.

2006 AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY (06-17-06)
EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
   (i) the occupancy, use, or enjoyment of the Land;
   (ii) the character, dimensions, or location of any improvement erected on the Land;
   (iii) the subdivision of land; or
   (iv) environmental protection;
   or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
   (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
   (a) created, suffered, assumed, or agreed to by the Insured Claimant;
   (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
   (c) resulting in no loss or damage to the Insured Claimant;
   (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or
   (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is
   (a) a fraudulent conveyance or fraudulent transfer; or
   (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

The above policy form may be issued to afford either Standard Coverage or Extended Coverage.
In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) that arise by reason of:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material not shown by the Public Records.

CLTA HOMEOWNER'S POLICY OF TITLE INSURANCE (10-22-03)
ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE (10-22-03)
EXCLUSIONS

In addition to the Exceptions in Schedule B, You are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of any law or government regulation. This includes ordinances, laws and regulations concerning:
   a. building
   b. zoning
   c. Land use
   d. improvements on Land
   e. Land division
   f. environmental protection

   This Exclusion does not apply to violations or the enforcement of these matters if notice of the violation or enforcement appears in the Public Records at the Policy Date.
   This Exclusion does not limit the coverage described in Covered Risk 14, 15, 16, 17 or 24.
2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not apply to violations of building codes if notice of the violation appears in the Public Records at the Policy Date.
3. The right to take the Land by condemning it, unless:
   a. notice of exercising the right appears in the Public Records at the Policy Date; or
   b. the taking happened before the Policy Date and is binding on You if You bought the Land without Knowing of the taking.
4. Risks:
   a. that are created, allowed, or agreed to by You, whether or not they appear in the Public Records;
   b. that are Known to You at the Policy Date, but not to Us, unless they appear in the Public Records at the Policy Date;
   c. that result in no loss to You; or
   d. that first occur after the Policy Date – this does not limit the coverage described in Covered Risk 7, 8.d, 22, 23, 24 or 25.
5. Failure to pay value for Your Title.
6. Lack of a right:
   a. to any Land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
   b. in streets, alleys, or waterways that touch the Land.

   This Exclusion does not limit the coverage described in Covered Risk 11 or 18.

LIMITATIONS ON COVERED RISKS

Your insurance for the following Covered Risks is limited on the Owner's Coverage Statement as follows:

- For Covered Risk 14, 15, 16 and 18, Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.

The deductible amounts and maximum dollar limits shown on Schedule A are as follows:

	Your Deductible Amount	Our Maximum Dollar Limit of Liability
Covered Risk 14:	1.00% of Policy Amount or $ 2,500.00 (whichever is less)	$ 10,000.00
Covered Risk 15:	1.00% of Policy Amount or $ 5,000.00 (whichever is less)	$ 25,000.00
Covered Risk 16:	1.00% of Policy Amount or $ 5,000.00 (whichever is less)	$ 25,000.00
Covered Risk 18:	1.00% of Policy Amount or $ 2,500.00 (whichever is less)	$ 5,000.00

CLTA HOMEOWNER'S POLICY OF TITLE INSURANCE (01-01-08)
ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE (01-01-08)
EXCLUSIONS

In addition to the Exceptions in Schedule B, You are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of those portions of any law or government regulation concerning:

   a. building;
   b. zoning;
   c. land use;
   d. improvements on the Land;
   e. land division; and
   f. environmental protection.

   This Exclusion does not limit the coverage described in Covered Risk 8.a., 14, 15, 16, 18, 19, 20, 23 or 27.

2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not limit the coverage described in Covered Risk 14 or 15.

3. The right to take the Land by condemning it. This Exclusion does not limit the coverage described in Covered Risk 17.

4. Risks:

   a. that are created, allowed, or agreed to by You, whether or not they are recorded in the Public Records;
   b. that are Known to You at the Policy Date, but not to Us, unless they are recorded in the Public Records at the Policy Date;
   c. that result in no loss to You; or
   d. that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8.e., 25, 26, 27 or 28.

5. Failure to pay value for Your Title.

6. Lack of a right:

   a. to any land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
   b. in streets, alleys, or waterways that touch the Land.

This Exclusion does not limit the coverage described in Covered Risk 11 or 21.

LIMITATIONS ON COVERED RISKS

Your insurance for the following Covered Risks is limited on the Owner's Coverage Statement as follows:

- For Covered Risk 16, 18, 19 and 21 Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.

The deductible amounts and maximum dollar limits shown on Schedule A are as follows:

	Your Deductible Amount	Our Maximum Dollar Limit of Liability
Covered Risk 16:	1.00% of Policy Amount Shown in Schedule A or $ 2,500.00 (whichever is less)	$ 10,000.00
Covered Risk 18:	1.00% of Policy Amount Shown in Schedule A or $ 5,000.00 (whichever is less)	$ 25,000.00
Covered Risk 19:	1.00% of Policy Amount Shown in Schedule A or $ 5,000.00 (whichever is less)	$ 25,000.00
Covered Risk 21:	1.00% of Policy Amount Shown in Schedule A or $ 2,500.00 (whichever is less)	$ 5,000.00

ATTACHMENT ONE
(CONTINUED)

ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (10/13/01)
EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the Land; (ii) the character, dimensions or location of any improvements now or hereafter erected on the Land; (iii) a separation in ownership or a change in the dimensions or areas of the Land or any parcel of which the Land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the Land has been recorded in the Public Records at Date of Policy. This exclusion does not limit the coverage provided under Covered Risks 12, 13, 14, and 16 of this policy.
   (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the Land has been recorded in the Public Records at Date of Policy. This exclusion does not limit the coverage provided under Covered Risks 12, 13, 14, and 16 of this policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the Public Records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without Knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
   (a) created, suffered, assumed or agreed to by the Insured Claimant;
   (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
   (c) resulting in no loss damage to the Insured Claimant;
   (d) attaching or created subsequent to Date of Policy (this paragraph does not limit the coverage provided under Covered Risks 8, 16, 18, 19, 20, 21, 22, 23, 24, 25 and 26); or
   (e) resulting in loss or damage which would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of the Insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with applicable doing business laws of the state in which the Land is situated.
5. Invalidity or unenforceability of the lien of the Insured Mortgage, or claim thereof, which arises out of the transaction evidenced by the Insured Mortgage and is based upon usury, except as provided in Covered Risk 27, or any consumer credit protection or truth in lending law.
6. Real property taxes or assessments of any governmental authority which become a lien on the Land subsequent to Date of Policy. This exclusion does not limit the coverage provided under Covered Risks 7, 8(e) and 26.
7. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to advances or modifications made after the Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This exclusion does not limit the coverage provided in Covered Risk 8.
8. Lack of priority of the lien of the Insured Mortgage as to each and every advance made after Date of Policy, and all interest charged thereon, over liens, encumbrances and other matters affecting the title, the existence of which are Known to the Insured at:
   (a) The time of the advance; or
   (b) The time a modification is made to the terms of the Insured Mortgage which changes the rate of interest charged, if the rate of interest is greater as a result of the modification than it would have been before the modification. This exclusion does not limit the coverage provided in Covered Risk 8.
9. The failure of the residential structure, or any portion thereof to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This exclusion does not apply to violations of building codes if notice of the violation appears in the Public Records at Date of Policy.

ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (01/01/08)

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to

   (i) the occupancy, use, or enjoyment of the Land;

   (ii) the character, dimensions, or location of any improvement erected on the Land;

   (iii) the subdivision of land; or

   (iv) environmental protection;

   or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.

   (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.

2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.

3. Defects, liens, encumbrances, adverse claims, or other matters

   (a) created, suffered, assumed, or agreed to by the Insured Claimant;

   (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;

   (c) resulting in no loss or damage to the Insured Claimant;

   (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 16, 17, 18, 19, 20, 21, 22, 23, 24, 27 or 28); or

   (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.

4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.

5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury, or any consumer credit protection or truth-in-lending law. This Exclusion does not modify or limit the coverage provided in Covered Risk 26.

6. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to Advances or modifications made after the Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11.

7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching subsequent to Date of Policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11(b) or 25.

8. The failure of the residential structure, or any portion of it, to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This Exclusion does not modify or limit the coverage provided in Covered Risk 5 or 6.

EXHIBIT "A"

All that certain real property situated in the County of Clark, State of Nevada, described as follows:

A parcel of land lying within the Southeast Quarter (SE ¼) of the Northwest Quarter (NW ¼) of Section 33, Township 20 South, Range 61 East, M.D.M. City of Las Vegas, Clark County, Nevada, described as follows:

COMMENCING at the Northeast corner of the Southeast corner (SE ¼), same being the Westerly right of way of Martin Luther King Boulevard, South 00°15'51" West, 335.00 feet to the Southeasterly corner of Lot 1 as shown by map thereof on file in File 73, Page 91 of Parcel Maps in the Clark County Recorders Office, Nevada:
Thence along the South line of said Lot 1, North 89°57'23" West, 14.50 feet to the Point of Beginning;
Thence along the Westerly right of way of said Martin Luther King Boulevard the following five (5) courses:

6) South 00°15'51" West, 359.04 feet;
7) Thence South 02°40'21" West, 207.66 feet;
8) Thence curving to the right along an arc having a radius of 93.00 feet, concave Westerly, through a central angle of 16°59'34", an arc length of 27.58 feet to a point of reverse curvature;
9) Thence curving to the left along an arc having a radius of 107.00 feet, concave Easterly, through a central angle of 19°24'04" an arc length of 26.23 feet;
10) Thence South 00°15'51" West, 201.25 feet;

Thence curving to the right along an arc transitioning from said Westerly right of way to the Northerly right of way of Alta Drive, having a radius of 54.00 feet, concave Northwesterly, through a central angle of 89°50'12" an arc length of 84.67 feet;
Thence along the Northerly right of way of said Alta Drive the following eight (8) courses:

9) North 89°53'57" West, 70.41 feet;
10) Thence curving to the right along an arc having a radius of 20.00 feet, concave Northerly, through a central angle of 09°27'51", an arc length of 3.30 feet;
11) Thence North 80°26'06" West, 44.51 feet;
12) Thence curving to the left along an arc having a radius of 30.00 feet, concave Southerly, through a central angle of 09°27'51" an arc length of 4.96 feet;
13) Thence North 89°53'57" West, 125.84 feet;
14) Thence curving to the left along an arc having a radius of 30.00 feet concave Southerly, through a central angle of 12°01'41" an arc length of 6.30 feet;

15) Thence South 78°04'22" West, 39.69 feet;
16) Thence South 88°49'44" West, 140.97 feet to the East boundary of Lot 2 as shown by map thereof on file in File 79, page 21 of Parcel Maps in the Clark County Recorder's Office, Nevada;

Thence departing said right of way, along the East boundary of said Lot 2, North 00°06'03" East, 290.06 feet;

Thence departing said East boundary, along the North boundary of said Lot 2, North 89°53'57" West, 279.06 feet to the East boundary of Lot 2 as shown by map thereof on file in File 58, page 66 of Parcel Maps in the Clark County Recorders Office, Nevada.

Thence along the boundaries of said Lot 2, the following three (3) courses:

4) North 00°16'25" East, 542.41 feet;
5) Thence South 89°53'57" East, 155.93 feet;
6) Thence North 00°16'25" East, 55.05 feet to the Southwest corner of that certain Order of Condemnation recorded March 24, 2008 in Book 20080324 of Official Records as Instrument No. 01868 in the Clark County Recorder's Office, Nevada.

Thence along the South boundary of said Order of Condemnation and the aforementioned Lot 1, South 89°57'23" East, 632.09 feet to the Point of Beginning.

EXCEPTING THEREFROM those portions as conveyed to the City of Las Vegas by Grant Deeds recorded August 26, 2009 in Book 20090826 as Document Nos. 02169, 02171 and 02172, Official Records.

Assessor's Parcel Number: **139-33-202-009**

C-1 Zoning Code Excerpt

19.08.070

C-1 LIMITED COMMERCIAL DISTRICT

The C-1 District is intended to provide most retail shopping and personal services, and may be appropriate for mixed use developments. This district should be located on the periphery of residential neighborhoods and should be confined to the intersections of primary and secondary thoroughfares along major retail corridors. The C-1 District is consistent with the Service Commercial and the Neighborhood Center categories of the General Plan.

BUILDING PLACEMENT (See Figure 1)		TABLE 1
A.	Minimum Lot Width	100 feet
B.	Max. Lot Coverage	50% [1,2]
C.	Minimum Front Yard Setback	10 feet
D.	Minimum Side Yard Setback	10 feet
E.	Minimum Corner Side Yard Setback	10 feet
F.	Minimum Rear Yard Setback	20 feet [3]

Footnotes:

1. *Senior citizen apartments may be permitted to exceed the lot coverage limitation upon approval of a Site Development Plan Review application in accordance with LVMC 19.16.100.*
2. *Lot coverage for mixed-use developments may be increased up to a maximum of seventy-five percent of the net lot area upon the approval of a Site Development Plan Review application in accordance with LVMC 19.16.100.*
3. *Rear yard setbacks may be affected by the residential adjacency standards set forth in LVMC 19.08.040(H).*

FIGURE 1 - BUILDING PLACEMENT

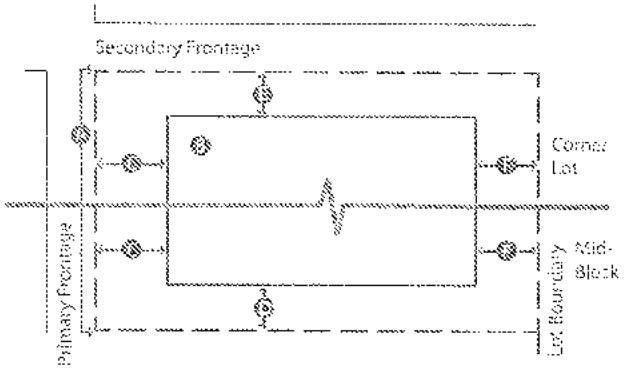
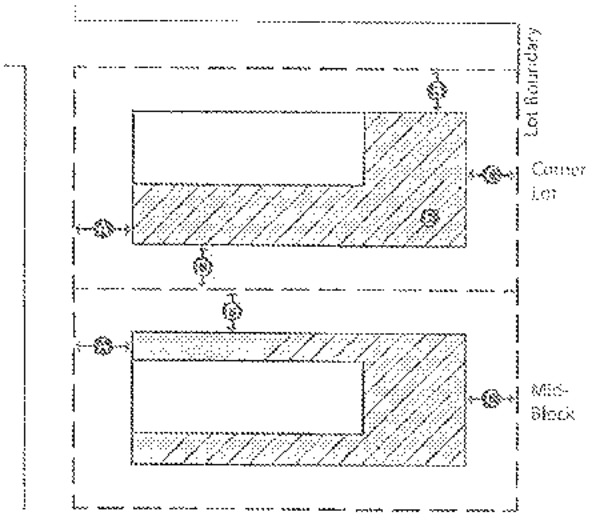


FIGURE 2 - ACCESSORY STRUCTURES

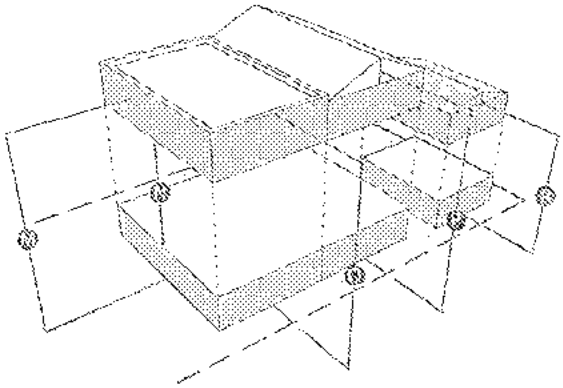


ACCESSORY STRUCTURES (See Figure 2)		TABLE 2
A.	Minimum Front Yard Setback	20 feet
B.	Minimum Corner Side Yard Setback	15 feet
C.	Minimum Rear Yard Setback	8 feet
D.	Minimum Side Yard Setback	5 feet
E.	Size and Coverage	Not to exceed the aggregate floor area of the principal structure [1]

Footnotes:

1. *The aggregate total of the ground floor areas of all structures (excluding carports and detached trash enclosures) shall not exceed the percentage of lot coverage permitted.*

FIGURE 3 - BUILDING HEIGHT



BUILDING HEIGHT [1] (See Figure 3)		TABLE 3
M.	Stories	NA [2]
N.	Floors	NA [2]
O.	Flat Roof - Max. Height	NA [2]
P.	Pitched Roof - Max. Height	NA [2]
R.	Accessory Bldg. - Stories	Not to exceed the height of the principal structure

Footnotes:

1. *Building heights may be affected by the residential adjacency standards set forth in LVMC 19.06.040(H).*
2. *For parcels that are outside the Neighborhood Revitalization Area, the maximum building height for mixed-use development is ten stories, or one hundred fifty feet, whichever is less. For purposes of the foregoing, the "Neighborhood Revitalization Area" means the area so designated in the Las Vegas 2020 Master Plan adopted by Ordinance No. 5250, as the boundaries of that area may be amended from time to time.*

LANDSCAPE BUFFERS AND TURF LIMITATIONS (See Figure 4)		TABLE 4
A.	Landscape Buffer - Minimum Zone Depths	15 feet - Adjacent to Right-of-Way [1] 8 feet - Interior Lot Lines

B.	Primary Structure	
C.	Turf Coverage	25% of landscapable area
D.	Impermeable Surfaces	Should be minimized to reduce stormwater quality management impacts

Footnotes:

1. *When a principle structure is built at a less restrictive building setback, the setbacks shall prevail.*

PARKING (see Figure 4)		TABLE 5
E.	Minimum On-site Parking Requirement [1]	Shall be as outlined in LVMC 19.12.160 based on the approved use

Footnotes:

1. *Shall meet the parking area design standards as outlined in LVMC 19.08.110.*
2. *Handicapped parking shall be calculated as provided for in LVMC 19.18.050(E).*

FENCES AND WALLS		
Front Yard Wall/Fence (see Figure 5)		TABLE 6
A.	Maximum primary wall height	5 feet
B.	Maximum solid wall base height	2 feet
C.	Maximum Pilaster height	18 inches
D.	Maximum on-center distance between Pilasters	24 feet
E.	Decorative Cap feature	5 inches
Front yard wall/fence with Standard Stepback [1]		
F.	Maximum secondary wall height	2 feet
G.	Minimum spacing between wall sections - Outside Dimensions	5 feet

Footnotes:

1. *Retaining walls along the front property line may not exceed two feet in height. Where the grade of the front yard slopes at a ratio greater than 2:1, multiple retaining walls may be constructed, provided there is a minimum distance of five feet between retaining walls for landscaping. (See Figure 5).*

FIGURE 4 - LANDSCAPE BUFFER AND TURF LIMITATIONS

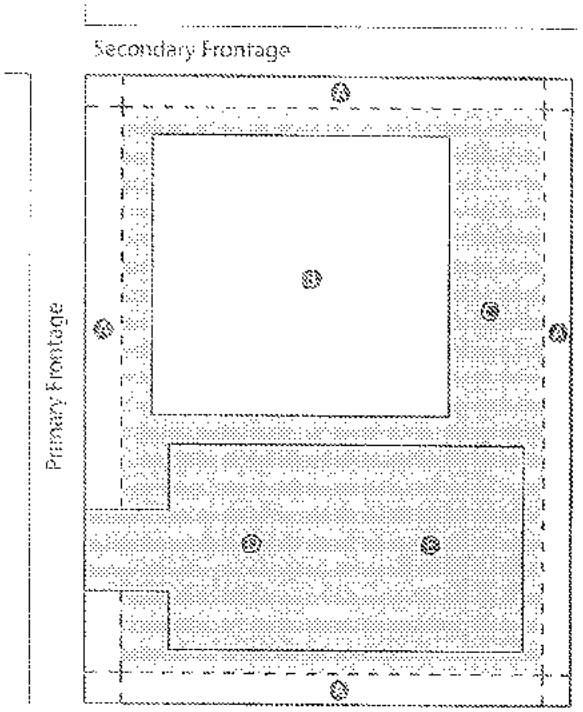


FIGURE 5 - FRONT YARD WALL/FENCE WITH STANDARD STEPBACK

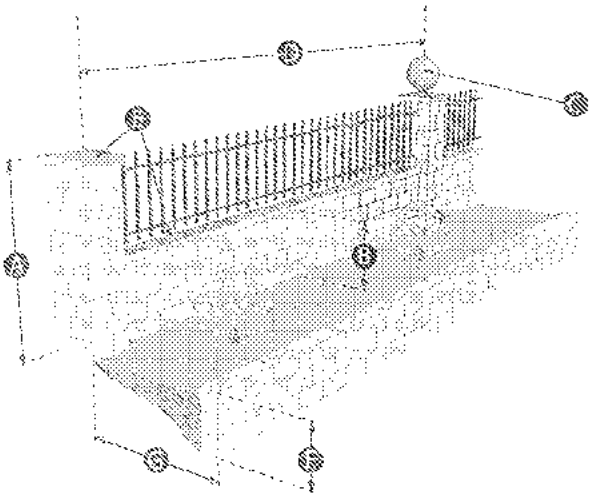


FIGURE 6 - RETAINING AND PERIMETER WALL

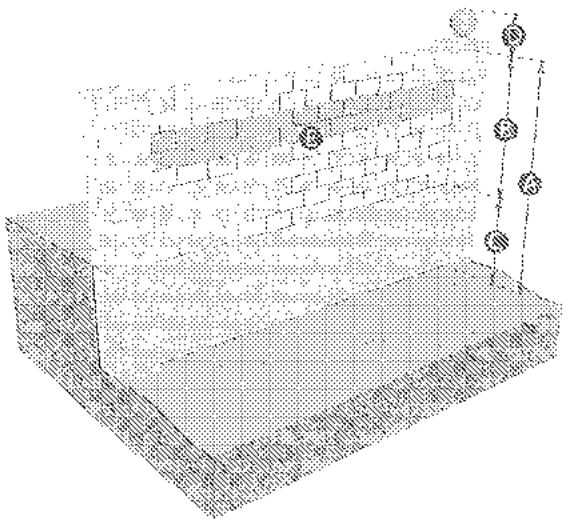
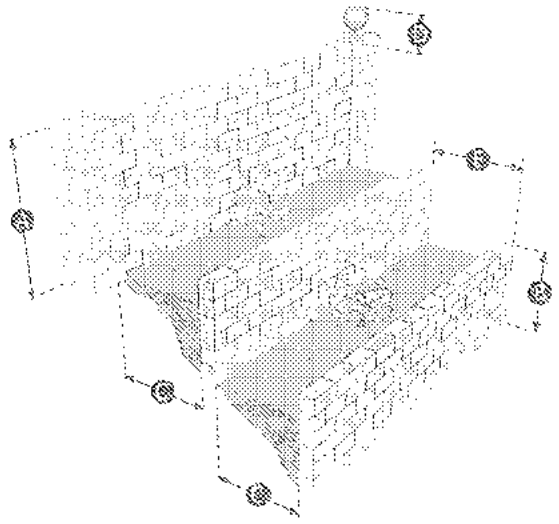


FIGURE 7 - RETAINING AND PERIMETER WALL STANDARD STEPBACK



Perimeter and Retaining Walls (see Figure 6)	Table 2
Perimeter and Retaining Walls with Slopes ≤ 20%	
A. Maximum Overall Height	10 feet
B. Maximum Perimeter Wall Height	6 - 8 feet
C. Maximum Retaining Wall Height	4 feet
D. Maximum Pilaster Height	18 inches
E. Contrasting Material	20%
Perimeter and Retaining Walls with Slopes > 20%	
A. Maximum Overall Height	12 feet
B. Maximum Perimeter Wall Height	6 - 8 feet
C. Maximum Retaining Wall Height	6 feet
D. Maximum Pilaster Height	18 inches
E. Contrasting Material	20%

Perimeter and Retaining Walls - Stepped Back (see Figure 7)	Table 3
A. Maximum Primary wall Height	6 - 8 feet
B. Maximum Secondary wall Height	4 feet
C. Minimum spacing between wall sections - Inside Dimensions	4 feet
D. Maximum Pilaster Height	18 inches
E. Minimum spacing between wall sections - Outside Dimensions	5 feet

Treasurer's Information

Property Account Inquiry - Summary Screen

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

Parcel ID	139-33-202-009	Tax Year	2012	District	212	Rate	3.2782

Situs Address:	400 S MARTIN L KING BLVD LAS VEGAS
Legal Description:	ASSESSOR DESCRIPTION: PT SE4 NW4 SEC 33 20 61 GEOID: PT S2 NW4 SEC 33 20 61

Status:
Active
Taxable

Property Characteristics	
Tax Cap Increase Pct.	6.3
Tax Cap Limit Amount	45807.32
Tax Cap Reduction	0.00
Land Use	3-35: PROFESSIONAL AND BUSINESS SERVICES
Cap Type	Other
Acreage	13.76
Supplemental Tax	1056210.73

Property Values	
Land	1048926
Total Assessed Value	1048926
Net Assessed Value	1048926
Supplemental Assessed Value	32219228
Exemption Value New Construction	0
New Construction - Supp Value	32219228

Property Documents	
2009090201863	9/2/2009

Role	Name	Address	Since	To
Owner	H Q METRO L L C	%G MOLENDA %COMMUNITY FINANCE CORP 335 N WILMOT #420 , TUCSON, AZ 85711-2635 UNITED STATES	9/26/2009	Current

Summary

Item	Amount
Taxes as Assessed	$34,385.89
Less Cap Reduction	$0.00
Net Taxes	$34,385.89

PAST AND CURRENT CHARGES DUE TODAY

Tax Year	Charge Category	Amount Due Today
THERE IS NO PAST OR CURRENT AMOUNT DUE as of 8/3/2011		$0.00

NEXT INSTALLMENT AMOUNTS

Tax Year	Charge Category	Installment Amount Due
2012	Property Tax Principal	$8,596.48
2012	New Construction - Supplemental Property Tax	$264,052.68
2012	Las Vegas Artesian Basin	$525.64
NEXT INSTALLMENT DUE AMOUNT due on 8/15/2011		$273,174.80

TOTAL AMOUNTS DUE FOR ENTIRE TAX YEAR

Tax Year	Charge Category	Remaining Balance Due
2012	Property Tax Principal	$34,385.89
2012	New Construction - Supplemental Property Tax	$1,056,210.73
2012	Las Vegas Artesian Basin	$525.64
TAX YEAR TOTAL AMOUNTS DUE as of 8/3/2011		$1,091,122.26

PAYMENT HISTORY	
Last Payment Amount	$10,773.12
Last Payment Date	3/10/2011
Fiscal Tax Year Payments	$0.00
Prior Calendar Year Payments	$21,546.25
Current Calendar Year Payments	$21,546.24

EXHIBIT “2”

EXHIBIT “2”

A Summary Appraisal Report of a Proposed Easement Acquisition over a Vacant Portion of an Improved Property

Owned By:
HQ Metro, LLC

Property Located at:
400 South Martin Luther King Boulevard, Las Vegas, Clark County, Nevada

For the Purpose of:
Developing an Opinion of the Value of a Proposed Permanent Easement Acquisition Area as of June 10, 2012

Date of Appraisal Report:
June 12, 2012

File Number:
203-12

Assessor's Parcel Number:
139-33-202-009

Appraisal Prepared By:
Glenn M. Anderson, MAI, SRA
Anderson Valuation Group, LLC
1601 South Rainbow Boulevard
Suite 230
Las Vegas, Nevada, 89146

Anderson Valuation Group, LLC
www.andersonvaluationgroup.com

June 12, 2012

Ms. DeeAnn Kirk, SR/WA
Senior Right-of-Way Agent
Land Services
NV Energy
6226 West Sahara Avenue
Las Vegas NV 89146

File No: 203-12
Property Owner: HQ Metro, LLC
Parcel Number: 139-33-202-009

Dear Ms. Kirk:

In compliance with your request and authorization, I have inspected the property which can commonly be identified as 400 South Martin Luther King Boulevard, Las Vegas, Clark County, Nevada, for the purpose of preparing the enclosed summary appraisal report. Proposed is the acquisition of a permanent easement over the easterly and southerly portions of this property and the proposed easement is to contain a combined 16,861 square feet. An illustration of the location and configuration of this easement will be provided later in the analysis. The purpose of this easement is to provide an area for the relocation of overhead electrical transmission lines along Alta Drive and Martin Luther King Boulevard.

Briefly, the subject property consists of a site that contains 13.76 acres and has recently been improved with the new Metropolitan Police Headquarters, a multi-building, multi-story office complex with parking structure. This structure was just recently opened in early 2011 and I have not been provided with specific plans or detailed information regarding the size, cost, or other general features of the structure. It is my opinion, based on the location of the proposed easement acquisition, that the new electrical transmission line and relative easement will not directly or indirectly affect the building improvements. The proposed easement area resides along the southerly and easterly boundaries of the property which are currently used for open asphalt paved parking as well as areas for ingress and egress. A more detailed illustration of the proposed easement area, including a legal description and survey map, will be provided later in the analysis. Additionally, a copy of the Grant of Easement which specifically describes the rights intended to be acquired by NV Energy within the easement area is provided in the Addenda for the reader's review.

The proposed easement is part of an electrical transmission line relocation project due to Project Neon's impact on the subject property's immediate neighborhood. Project Neon is a planned upgrade to Interstate 15, the general interchanges and access points in and around the Charleston Boulevard interchange. Various upgrades will occur generally between Sahara Avenue and U.S. Highway 95, including the widening and expansion of the freeway in this area plus the upgrade of interchanges and added access points to provide better vehicle circulation through the surrounding neighborhoods. As a result of this project, an existing transmission line which currently resides along the west side of Interstate 15 must be relocated to make room for this project. The relocation of this transmission line will include a corridor on the west side of Interstate 15 which will include Desert Lane, Alta Drive and Martin Luther King Boulevard.

According to Clark County records, the subject property is currently zoned C-1 (Limited Commercial District), by the City of Las Vegas Planning & Zoning Department. Recently, the City of Las Vegas updated their zoning code under Title 19, effective May 2011. This limited commercial district has a minimum front yard setback of 10 feet, and as such, a portion of the proposed easement will reside within the required minimum setback according to current Las Vegas zoning codes. The balance of the easement will reside in areas that have full development potential or areas that are outside of the minimum setback. Currently, all of these areas are used for landscape buffers and open asphalt paved parking. The acquisition of the easement will not directly affect the operation of the new police headquarters as these areas are improved with uses that would be allowable within the new easement areas in accordance with the Grant of Easement requirements. Conversely, the easement will restrict any future development potential and applicable compensation is estimated for the acquisition of the easement in the required setback area, the areas outside of the required setback as well as for areas that will be fully encumbered by a pole placement. According to NV Energy, two power poles are proposed to be installed within the easement area to support transmission lines. These poles will occupy a portion of the site outside the setback. These will be steel structures and the total area estimated to be occupied by the poles is approximately 100 square feet combined. A further description of the character of the easement, the location and the proposed uses will be provided later within the analysis. According to information provided by NV Energy, however, the area will be used for the placement of the two poles, while the balance of the easement area can continue to be used for open parking, landscape buffers and ingress/egress similar to the existing use.

In my opinion, the value of the easement area and my opinion of just compensation for the easement acquisition, as of the effective date of the valuation, June 10, 2012, is:

One Hundred Sixty Thousand Dollars
($160,000.00)

The following calculation illustrates a summary of the value conclusion.

SUMMARY OF VALUE CONCLUSION

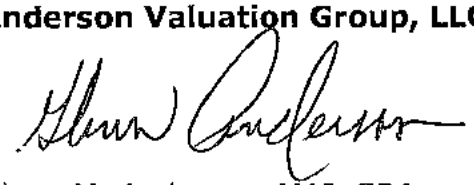
A.	Value of the whole, before the take (land only):	$9,590,000	
B.	Value of the part taken (permanent easement) as part of the whole:	$ 160,000	$160,000
C.	Value of the remainder, as part of the whole: (A - B)	$9,430,000	
D.	Value of the remainder, after the take:	$9,430,000	
E.	Damages (C-D):		$ .00
F.	Other: Temporary easements		$ .00
G.	Total Value of the Part Taken (B + E + F) (rounded):		$160,000

This appraisal has been prepared as a summary report intended to comply with the *Uniform Standards of Professional Appraisal Practice* as adopted by the Appraisal Foundation. This report is also intended to comply with the *Code of Professional Ethics of the Appraisal Institute* and the various reporting requirements of NV Energy, as well as the *Uniform Standards for Federal Land Acquisitions* (Yellow Book). The intended use of this report is to assist in easement acquisition negotiations and the intended users include NV Energy and their assignees/ nominees. No other use or users are intended nor authorized.

This Letter of Transmittal must be used in conjunction with the following enclosed descriptive details, appraisal procedures and analysis and is, therefore, not considered a report standing on its own merit.

Thank you for giving me the opportunity to provide these appraisal services.

Sincerely,
Anderson Valuation Group, LLC



Glenn M. Anderson, MAI, SRA
Certified General Appraiser
Nevada License № A.0000555-CG
Expiration Date: January 31, 2014

GMA:dm

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Summary of Salient Facts

Property Location:

The subject property is located at 400 South Martin Luther King Boulevard, Las Vegas, Clark County, Nevada. The Clark County Assessor identifies the subject property as Parcel Number 139-33-202-009, and this is a location in zip code 89106 and Census Tract Number 203.

Site Size:

I have not been provided with a survey which provides an indication of the total property area. Clark County Records included an Assessor's Map which is a reflection of a recently filed map due to the new construction on the subject property. This map indicates that the property contains 13.76 acres. This equates to 599,386 square feet.

Existing Improvements:

Opened in 2011 is the new Metropolitan Police Department Headquarters. This is a campus of multi-story professional buildings with an associated parking garage. A significant amount of surface parking also exists around the eastern and southerly portions of the site. I have not been provided with plans on the property and have not directly inspected the building improvements. It is my opinion that the proposed easement acquisition will not directly or indirectly affect the building improvements or the operational characteristics of the facility. As such, I valued the easement as a function of the underlying land. Photographs of the existing improvements are provided later in this analysis.

Zoning:

The subject site resides in an area zoned C-1 (Limited Commercial District) by the City of Las Vegas Planning and Zoning Department. This zoning classification allows for various forms of commercial development and as built, the recently opened Metropolitan Police Headquarters is considered to be a legal and conforming

use under current zoning requirements. It should be noted that the Las Vegas Municipal Zoning Code was recently updated and the new version (Title 19) became effective in May 2011. Notably, the recent update of the zoning code now indicates that the required minimum front yard setback in the C-1 District is 10 feet, where historically, this setback has been a total of 20 feet. This material change in zoning affects the conclusion of just compensation for the subject property.

In addition, the subject property is located in a city redevelopment area. The subject's immediate area was added to this redevelopment area in 2006. The City of Las Vegas General Plan indicates the subject site is in an area designated for mixed use development.

Proposed Easement Acquisition Area:

The survey map which illustrates the proposed easement acquisition will be provided later within this analysis. Summated, the total easement area is proposed to be 16,861 square feet. The easement is to extend along a portion of the subject's easterly and southerly boundary lines, crossing the southeast corner of the site nearest to the intersection of Alta Drive and Martin Luther King Boulevard. This easement acquisition is to accommodate the relocation of an electrical transmission line. From information provided by NV Energy, the easement will accommodate overhead electrical transmission lines, as well as two poles planned to be placed on the property. More specific information with regard to the placement of these poles and the alignment of the easement will be provided later in the report.

It is noted that the subject property is zoned C-1 by the City of Las Vegas. The recent adoption of revised Municipal Codes indicates that the required setback along front and side yards in the C-1 District is 10 feet. As such, an estimated 4,473 square feet of the proposed 16,861 square foot easement will reside within the required setback according to current zoning code. The area within the setback, in my opinion, will have similar restrictions after the acquisition of the

easement as those which existed prior to the acquisition of the easement due to the location within the setback. Conversely, the areas of the easement which reside outside of the setback have no development restrictions in the "before" condition, and therefore, the acquisition will include a much larger portion of the bundle of rights.

As discussed, two poles are intended to be placed within the easement to support the aforementioned electrical transmission lines. The property owner will lose all rights in the pole positions, as the electric transmission line poles will encumber the entire portion of the site in which they reside. The location of the poles will occupy an estimated combined 100 square feet.

The easement is intended to extend over a portion of the property which has been improved with an asphalt paved parking area and perimeter landscape. Areas for ingress and egress also exist in the proposed easement area. The transmission line will not directly or indirectly affect the recently completed Metropolitan Police Headquarters, which was opened earlier in 2011. These buildings reside set back from the street right-of-ways, which is typical for a governmental facility such as this, allowing for a significant amount of surface parking around the perimeter. In addition to the building improvements is a parking structure which resides to the rear of the recently constructed office buildings. As the permanent easement and the construction of the transmission lines in my opinion do not directly or indirectly affect the building improvements, I valued only the underlying land. Furthermore, based on a careful analysis of the effects of transmission lines on typical commercial properties and considering the specific easement proposed for the subject property, it is my opinion that no forms of severance damages exist to the larger parcel as the easement will encumber areas that are used for parking and landscaping and the easement will not affect these uses. Therefore, the just compensation estimate is equal to the value of the part taken for the easement acquisition.

Again, the reader is referred to additional exhibits and a description of the easement proposed over the subject property which will be provided later in this analysis.

Description of Project:

The acquisition of the permanent easement area over the subject property is due to the impact as a result of the proposed improvements to the Interstate 15 corridor, generally between U.S. Highway 95 and Sahara Avenue. This project is known as Project Neon and the project features will include; the widening of Interstate 15 between U.S. Highway 95 and Sahara Avenue, addition of high occupancy vehicle lanes connecting U.S. Highway 95 and Interstate 15, upgrading access to Oakey Boulevard and Wyoming Street, improved local access to the Las Vegas redevelopment areas, a connection between Industrial Road and Martin Luther King Boulevard via overhead viaduct over Interstate 15, HOV access ramps at Wall Street, new access at Alta Drive, the reconstruction of the Charleston Boulevard and Interstate 15 interchange, and additional collector/distributor roads. As a result of this project, transmission lines are being relocated.

At present, the transmission lines are currently located along the west side of Interstate 15 between approximately Alta Drive and Charleston Boulevard. Under NV Energy's proposed plan, the transmission line will be relocated to a route that will affect properties along Desert Lane, Alta Drive and Martin Luther King Boulevard.

The total Project Neon Highway upgrade project length is approximately 4.83 miles and the current project cost has been budgeted between $1.5 and $1.9 billion. The project is intended to reduce traffic congestion and improve access in the area along Interstate 15 between U.S. Highway 95 and Sahara Avenue. It should be noted that the development of this project has not influenced my value conclusion in the "before" condition.

Highest and Best Use:

As improved, the subject property has recently been developed with the new Metropolitan Police Headquarters. This is considered to satisfy the highest and best use definition, as improved. As vacant, a similar development would be expected. It should be noted, however, that no speculative improvement would be feasible at this location at the present time due to lack of demand for virtually all segments in the real estate market. Conversely, the development of this governmental facility on a build-to-suit basis satisfies the highest and best use definition.

Property Owner:

HQ Metro, LLC

Effective Date of Report:

June 12, 2012

Effective Date of Valuation:

June 10, 2012

Last Date of Inspection:

June 10, 2012

Property Rights Appraised (In the "Before" Condition):

Fee Simple Interest

Hypothetical Conditions/Extraordinary Assumptions:

None

Recommended Just Compensation Value Opinion:

It is my opinion that the value of the proposed easement which equates to my opinion of the just compensation value, as of the effective date of the valuation, June 10, 2012, is:

One Hundred Sixty Thousand Dollars
($160,000.00)

The calculation below illustrates a summary of the value conclusion:

SUMMARY OF VALUE CONCLUSION

A.	Value of the whole, before the take (land only):	$9,590,000	
B.	Value of the part taken (permanent easement), as part of the whole:	$ 160,000	$160,000
C.	Value of the remainder, as part of the whole: (A - B)	$9,430,000	
D.	Value of the remainder, after the take:	$9,430,000	
E.	Damages (C-D):		$ .00
F.	Other: Temporary easements		$ .00
G.	Total Value of the Part Taken (B + E + F) (rounded):		$160,000

Purpose and Use of the Appraisal

The purpose of this appraisal report is to develop an opinion of the value of the easement proposed over the referenced parcel of land and part of the analysis in establishing just compensation to the property owner for the acquisition of this easement area. The function of this report is to assist in the easement acquisition negotiations. The intended user of this report includes the client, NV Energy, and their assignees. I do not intend nor authorize any other use or users of the analysis.

Definitions

Assignment:

- An agreement between an appraiser and a client to provide a valuation service;
- The valuation service that is provided as a consequence of such an agreement.

Client, Defined:
The party or parties who engage an appraiser (by employment or contract) in a specific assignment.

Comment:
The client identified by the appraiser in an appraisal, appraisal review, or appraisal consulting assignment (or in the assignment work file) is the party or parties with whom the appraiser has an appraiser-client relationship in the related assignment and may be an individual, group or entity.

Fee Simple Ownership, Defined:
The absolute ownership unencumbered by any other interest or estate subject only to the four powers of government.

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

Intended Use, Defined:
The use or uses of an appraiser's reported appraisal, appraisal review or appraisal consulting assignment opinions and conclusions, as identified by the appraiser based on communication with the client at the time of the assignment.

Intended User, Defined:
The client and any other party as identified by name or type, as users of the appraisal, appraisal review or appraisal consulting report by the appraiser on the basis of communication with the client at the time of the assignment.

Just Compensation:
In condemnation, the amount of loss for which a property owner is compensated when his or her property is taken; should put the owner in as good a position particularly as he or she would be if the property had not been taken; generally held to be market value, but courts have refused to rule that it is always equivalent to market value.[1]

Larger Parcel:
In condemnation, the tract or tracts of land that are under the beneficial control of a single individual or entity and have the same, or an integrated, highest and best use. Elements for consideration by the appraiser in making a determination in this regard are contiguity, or proximity, as it bears on the highest and best use of the property, unity of ownership, and unity of highest and best use.[2]

Market Value, Nevada Revised Statutes, 37.009(6) As Amended:
The following definition of (market) value is provided by Nevada State Law for Eminent Domain:

> "Value" means the highest price, on the date of valuation that would be agreed to by a seller, who is willing to sell on the open market and has reasonable time to find a purchaser, and a buyer, who is ready, willing and able to buy, if both the seller and the buyer had full knowledge of all the uses and purpose for which the property is reasonably adaptable and available. In determining the value, except as otherwise provided in this subsection, the property sought to be condemned must be valued at its highest and best use without considering any future dedication requirements imposed by the entity that is taking the property. If the property is condemned primarily for a profit-making purpose, the property sought to be condemned must be valued at the use to which the entity that is condemning the property intends to put the property, if such use results in a higher value for the property.

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[1] Source: Dictionary of Real Estate Appraisal 4th Ed. (Chicago Appraisal Institute, 2002), Page 154.

[2] Source: Dictionary of Real Estate Appraisal 4th Ed. (Chicago Appraisal Institute, 2002), page 160.

Real Estate, Defined:
An identified parcel or tract of land, including improvements, if any.

Real Property, Defined:
The interests, benefits and rights inherent in the ownership of real estate.

Easement
The right to perform a specific action on a particular land parcel, or portion of a parcel of land, without owning the underlying fee. A continuous easement across multiple tracts of land is often referred to as a right of way.[3]

Reasonable Marketing Time Opinion, Defined:
The reasonable marketing time is an opinion of the amount of time it might take to sell a property interest in real estate at the concluded market value level during the period immediately after the effective date of an appraisal.

Reasonable Exposure Time Opinion, Defined:
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 upon an analysis of past events assuming a competitive and open market.

Exposure time is always presumed to <u>precede</u> the effective date of the appraisal.

Scope of Work, Defined:
The type and extent of research and analyses in an assignment.

[3] *Real Estate Valuation in Litigation, 2nd ed.* (Chicago: Appraisal Institute, 1995), p. 351

Jurisdictional Exceptions

1. The market value definition required by the *Uniform Appraisal Standards for Federal Land Acquisitions* (UASFLA) conflict with Nevada State Law (NRS37.009 (6)). In that regard, this appraisal is based on the definition of market value mandated by Nevada State Law.

2. The *Uniform Standards of Professional Appraisal Practice* (USPAP) Standards Rule 1-2(c) states: "When developing an opinion of market value, the appraiser must also develop an opinion of reasonable exposure time linked to the value opinion." Contrary to this standard, the definition of market value mandated by Nevada State Law does not call for the estimate of value to be "linked" to a specific "exposure time" estimate, rather it is based on an agreement by a seller "who is willing to sell on the open market and has reasonable time to find a purchaser, and a buyer, who is ready, willing, and able to buy, if both the seller and buyer had full knowledge of all the uses and purposes for which the property is reasonably adaptable and available:. Therefore, the previously referenced Standards Rule of USPAP is not relevant to this appraisal assignment and has therefore been omitted (under the USPAP Jurisdictional Exception Rule). This further allows for compliance with UASFLA which states that "the appraiser's estimate of market value shall not be linked to a specific exposure time when conducting appraisals for federal land acquisition purposes under these standards".

3. The *Uniform Standards of Professional Appraisal Practice* (USPAP) Standards Rule 1-4(f) states: "When analyzing anticipated public or private improvements, located on or off the site, an appraiser must analyze the effect on value, if any, of such anticipated improvements to the extent they are reflected in market actions." In contrast, this conflicts with the appraisal report requirements of both Nevada Department of Transportation (NDOT) and Nevada Revised Statutes (NRS). Specifically, the requirements of NDOT state that "the appraiser shall disregard any decrease or increase in the fair market value of the real property caused by the project for which the property is to be acquired, or by the likelihood that the property would be acquired for the project, other than that due to physical deterioration within the reasonable control of the owner". NRS 37.112 (Valuation of Property Subject to Condemnation As Result of Public Work or Project) states "1. Except as otherwise provided in Subsection 2, if the property is subject to condemnation as a result of public work or public improvement, any decrease or increase in the fair market value of the property before the date of valuation which is caused by: (a) the public work or public improvement for which the property is acquired; or (b) the likelihood that the property would be acquired for such a purpose, must be disregarded when assessing the value of the property pursuant to NRS 37.110 and: 2. any decrease or increase in the fair market value of the property before the date of valuation resulting from physical deterioration within the reasonable control of the owner is not required to be disregarded pursuant to Subsection 1."

   Therefore and in this appraisal, we have disregarded any decrease or increase in value of the subject before the date of valuation caused by the proposed project. This is a jurisdictional exception requiring non-compliance of Standards Rule 1-4(f) of USPAP.

Owner of Record and Ten Year Sales History

The current owner of record is identified as HQ Metro, LLC. HQ Metro, LLC acquired the property from PA Metro, LLC and the document was recorded September 2, 2009. This was an interrelated transaction, and therefore, no funds were transferred as the grantee was a wholly owned subsidiary of the grantor. On the same day, PA Metro, LLC acquired the property from Project Alta, LLC. Again, no funds were transferred as it was an interrelated transaction as the grantor owned 100% of the grantee. Project Alta, LLC acquired the subject property as part of a large acquisition from Nevada Alta, LLC in January 2006 for a reported purchase price of $27,687,000.00. I am not aware of any other sales which have occurred on the property of the course of the past ten years from the valuation date. Generally, the subject property remained vacant up until the recent construction of the new Metropolitan Police Department Headquarters which was opened in 2011. Included within the Addenda are excerpts from the Title Report provided for my review. I am not aware of any pending sales, listings or offerings at the present time.

Property Use History:

As discussed, the subject property was recently improved with the new Metropolitan Police Headquarters. This multi-story campus was opened in mid-2011. Prior to the development of this new facility, the property was generally vacant. I am not aware of any other uses intended for this property other than the newly opened Metropolitan Police Department, nor am I aware of any past uses on the site, as the site was generally vacant prior to the current construction. As part of the larger campus, a parking structure resides west of the main buildings while open asphalt paved parking exists along the Martin Luther King and Alta Drive frontage portion of this property.

Method of Valuation and Scope of Work

The subject property consists of an approximate 13.76 acre parcel of land which has recently been improved with the Metropolitan Police Headquarters. Proposed is the acquisition of an easement to accommodate an NV Energy electrical transmission line which will be erected along the subject's southerly and easterly property boundaries. The purpose of this valuation is to develop an opinion of the just compensation for this acquisition.

As discussed, the subject site contains 13.76 acres. The new Metropolitan Police Headquarters includes a campus of various multi-story buildings which has been constructed in the central northwest portion of the site. Adjacent west of the new building is a parking structure. The southerly and easterly components of the site are open asphalt paved parking areas, landscaping and ingress/egress points. A proposed easement is intended to be acquired along portions of the southerly and easterly property boundary lines, crossing over the immediate southeast corner of the site. As such, the proposed easement will affect only the open asphalt paved parking areas, ingress and egress points, as well as landscaped areas. Two poles are proposed for the site to support the proposed electrical transmission lines. This proposed Grant Of Easement is retained in the Addenda for the reader's review. The Grant of Easement defines NV Energy's required rights within the easement area and general allowable uses by the property owner. Generally speaking, the property owner would be restricted from developing any improvements within the easement areas which could be used only, in the "after" condition, for open space such as parking areas, landscape, ingress and egress, etc. Currently, the proposed easement areas are used in a manner that is allowable per the Grant of Easement. The subject property is zoned C-1 by the City of Las Vegas, and as such, a 10 feet setback requirement exists along the street frontages. A portion of the proposed easement will reside within this setback which has use restrictions in the "before" condition highly similar to those restrictions which will be imposed by the acquisition of the easement.

To develop an opinion of the just compensation value, the first step is to develop an opinion of the market value of the site in the "before" condition. Based on the proposed location of the easement, recognizing the restrictions which will be placed on the site within the easement area and noting the current use of these areas, it is my opinion that the easement acquisition will not directly or indirectly affect the building improvement. As the component of the site which will be affected by the easement acquisition includes only the underlying land, I have valued the land component of the property which is the basis for estimating the just compensation value.

To arrive at the value of the value of the underlying site, I have utilized the sales comparison approach. Sales of sites with similar highest and best use characteristics which have recently sold throughout the metropolitan area have been considered. I have identified sales in the subject's immediate market area and expanded the search due to the limitations on the amount of data which is available for review. These sales have been adjusted to the subject for differences which exist which result in an indication of the market value of the underlying land. The unit value concluded for the underlying land is the basis for developing an opinion of the value of the part taken.

The value of the part taken includes an estimate of the value of the proposed easement area. As discussed, a portion of the proposed easement area resides within a required setback according to the City of Las Vegas Zoning Code, C-1. Within this 10 foot setback, in the "before" condition, the owner is restricted to using areas within the setback only for landscape, parking and ingress/egress. The use restrictions after the easement acquisition are similar, and therefore, only a small portion of the bundle of rights will be acquired in this setback area. The balance of the proposed easement resides outside of the required setback, and a more significant portion of the bundle of rights will be acquired as the property owner has full use of these portions of the property in the "before" condition.

After the acquisition of the easement, the property owner will be restricted to using these areas for parking, ingress and egress, landscape, and will not have the ability to erect permanent improvements. Finally, two poles are proposed to be erected on the property. The pole locations will be fully encumbered and the property owner will lose the ability to use the part of the site in which the pole is placed. Therefore, 100% of the bundle of rights are considered acquired at these pole placement locations. Using this formula, I have estimated the value of the part taken.

Deducting the value of the part taken from the value of the site in the "before" condition results in the value of the remainder before the take. To determine if any damages occur as a result of the acquisition of the easement, the value of the property in the "after" condition is also estimated. The proposed easement acquisition will not affect the use of the subject property in its current condition. The easement will reside along a portion of the southerly and easterly boundaries of the property in an area that is improved with landscape buffers as well as open asphalt paved parking areas. These are all allowable uses under the Grant of Easement. Therefore, the acquisition of the easement and the construction of transmission poles and lines will not affect the use of this portion of the site nor the use of the larger property in its current condition. As such, I have estimated that no severance damages exist., Furthermore, no special benefits are accrued as these can be used only to offset severance damages. Therefore, the value of the property in the "after" condition is the same as the value of the property in the "before" condition after consideration of the part taken, which again illustrates that no severance damages occur. Therefore, the value of the part taken represents value of the just compensation.

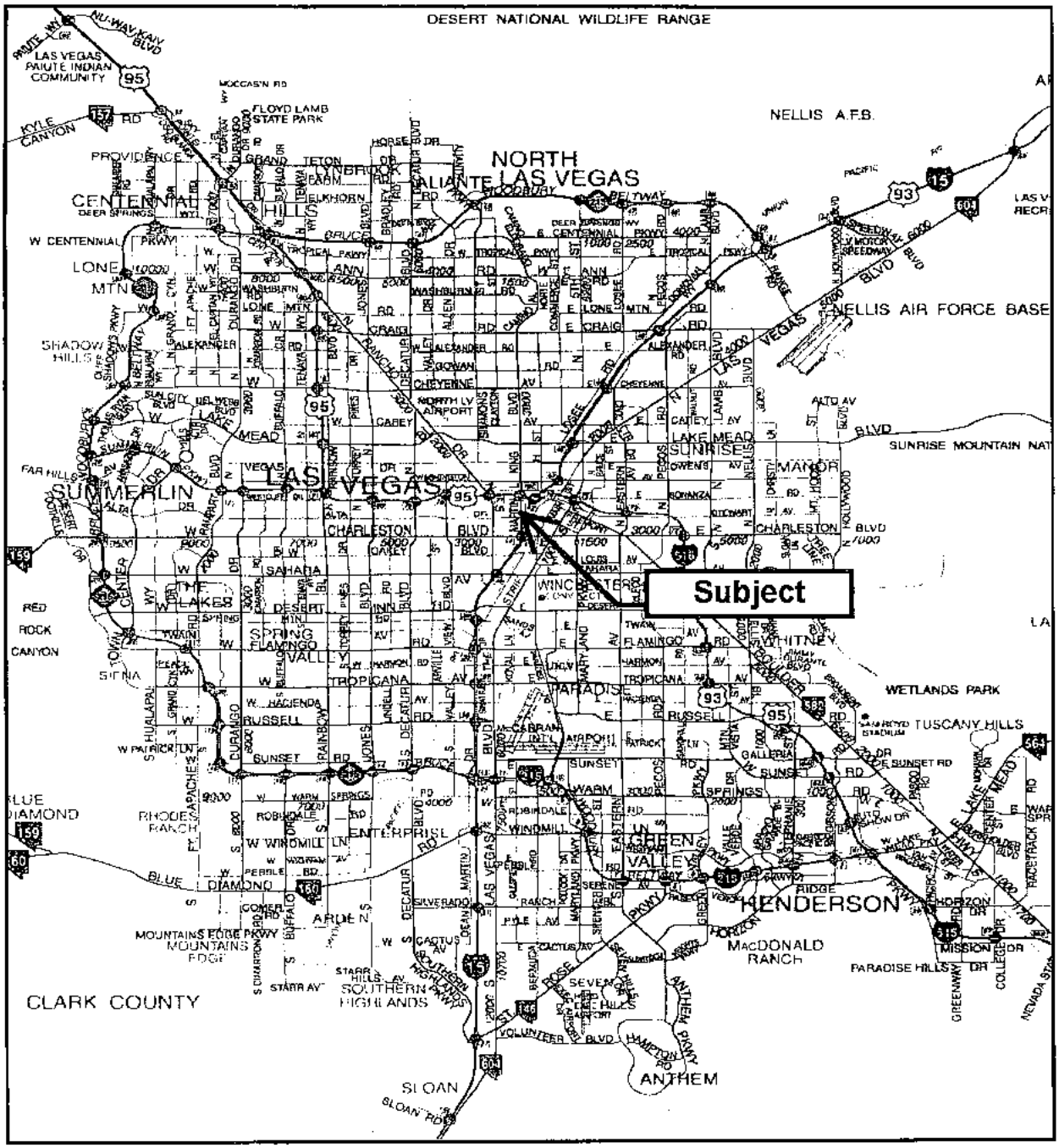
In the preparation of this assignment, the appraiser contacted, by certified letter, HQ Metro, LLC, who received a copy of the letter. This letter provided an invitation to accompany me upon inspection of the property and provide any information

about the property which might impact the appraisal process. I was not contacted by any representative for the purposes of the valuation.

This appraisal report has been prepared as a summary appraisal report intended to comply with the *Uniform Standards of Professional Appraisal Practice*. This appraisal report is also intended to comply with the *Code of Professional Ethics of the Appraisal Institute*, various appraisal reporting requirements of NV Energy and the *Uniform Standards for Federal Land Acquisitions* (Yellow Book). The intended users of this report include designated agents of NV Energy and their assignees/nominees. The intended use is to assist in the acquisition negotiations to acquire a permanent easement, as will be further described in the context of this analysis.

Information contained in this report was obtained through sources purchased by my office, review of publicly available information, as well as primary research. This information was confirmed with knowledgeable parties in the marketplace, a review of actual transaction deeds and other transaction instruments, as well as other sources in the confirmation process. The date of the valuation is the same as the last date of inspection, June 10, 2012.

Las Vegas Area and City Map



Las Vegas Area and City - General Information

Located in the extreme southern regions of Nevada, the Las Vegas valley area is situated in a broad desert valley in the central portion of Clark County. Comprised of approximately 600 square miles, the Las Vegas valley extends generally northwest to southwest and is bounded by a natural geography. This includes the Sheep Mountains and Desert National Wildlife Range to the north, Sunrise Mountains and Lake Mead to the East, McCullough Mountain Range to the south and Spring Mountains to the west. The Spring Mountains include the Red Rock Canyon National Recreation Area, the Toiyabe National Forest and Mount Charleston, which rises to an elevation of 11,918 feet and is the region's highest peak. The majority of urbanization in the 8,012 square miles of Clark County has occurred within the Las Vegas valley area.

During the last two decades, the Las Vegas valley has emerged as one of the fastest growing metropolitan areas in the nation experiencing a population growth from about 400,000 residents in 1980 to 1,966,330 in 2011, down from 2,036,358 in 2010. While the larger valley is generally referred to as Las Vegas, the area is actually comprised of four different municipalities. They are the cities of Las Vegas, Henderson, North Las Vegas, and Unincorporated portions of Clark County. Each of these entities provides similar levels of services, land use planning, ordinances and taxation. The majority of outlying land within Clark County is owned by the Bureau of Land Management (BLM), as well as large portions within the Las Vegas valley. However, the BLM has auctioned off parcels throughout the valley to private investors. Additional lands surrounding the Las Vegas valley are owned by the other government branches including the National Forest Service, National Park Service, and the Department of Defense.

History

Flowing underneath the Las Vegas valley is a system of artesian aquifers. Fed by rainwater and snow melt from the surrounding mountain ranges, this underground lake forced water to the valley surface creating natural springs and oases. The area was named Las Vegas by the first Spanish explorers, which translated means "the Meadows". Providing a basis for settlement, the springs provided water for early inhabitants dating back as far as 11,000 years. The first Europeans arrived into this portion of the southwest in 1776, blazing a trail which became known as the Old Spanish Trail. This trail connected Santa Fe, New Mexico with modern day Los Angeles via Las Vegas. After various mining, farming, and ranching efforts during the latter parts of the 1800's, Las Vegas was eventually stabilized by the construction of the first railroad line crossing southern Nevada in 1905. The artesian springs provided a critical water stop for the railroad. The original Las Vegas townsite boasted some 1500 residents, brickyards, newspapers, a bank and a tent hotel. In 1906, the first hotel/casino was built downtown and still remains today as the Golden Gate. In 1911, the City of Las Vegas was incorporated with an approximate population of 3,350 residents.

IN THE SUPREME COURT OF THE STATE OF NEVADA

CLARK COUNTY, A POLITICAL SUBDIVISION OF THE STATE OF NEVADA,
Appellant,
vs.
HQ METRO, LLC, AN ARIZONA LIMITED LIABILITY COMPANY; PROJECT ALTA, LLC, A NEVADA LIMITED LIABILITY COMPANY; PROJECT ALTA II, LLC, A NEVADA LIMITED LIABILITY COMPANY PROJECT ALTA III, LLC, A NEVADA LIMITED LIABILITY COMPANY; AND PROJECT ALTA LIQUIDATING TRUST U/A/D 12/31/09, BY AND THROUGH MARK L. FINE & ASSOCIATES, A NEVADA CORPORATION, INDIVIDUALLY AND AS TRUSTEE,
Respondents.

Supreme Court No. 71877
District Court Case No. A681632

Electronically Filed
Jun 29 2017 01:45 p.m.
Elizabeth A. Brown
Clerk of Supreme Court

APPELLANT'S JOINT APPENDIX

STEVEN B. WOLFSON
District Attorney
CIVIL DIVISION
State Bar No. 001565
By: **LESLIE A. NIELSEN**
Deputy District Attorney
State Bar No. 002764
By: **LAURA C. REHFELDT**
Deputy District Attorney
State Bar No. 005101
500 South Grand Central Pkwy.
P. O. Box 552215
Las Vegas, Nevada 89155-2215
Telephone: (702) 455-4761
Fax: (702) 382-5178
Attorneys for Appellant Clark County

LAW OFFICES OF BRIAN C. PADGETT
BRIAN C. PADGETT, ESQ.
State Bar No. 007474
AMY L. SUGDEN, ESQ.
State Bar No. 009983
611 South Sixth Street
Las Vegas, NV 89101
Telephone: (702) 304-0123
Fax: (702) 368-0123
Attorneys for Respondents

Docket 71877 Document 2017-21769

NEVADA POWER COMPANY V. HQ METRO, LLC, ET AL
Case No: A-13-681632-C
Dept No: 28
ALPHABETICAL LIST OF DOCUMENTS

Document	Filed	Volume	Bates No.
Answer of Las Vegas Metropolitan Police Department	7/9/2013	3	0664-0667
Central Telephone Company's Answer to Complaint	6/13/2013	3	0650-0655
Certificate of Cash Deposit	10/17/2013	3	0716-0719
City of Las Vegas' Answer to Complaint in Eminent Domain	7/8/2013	3	0656-0658
City of Las Vegas' Answer to First Amended Complaint in Eminent Domain	2/4/2016	7	1445-1447
Defendant Clark County's Answer to Complaint	7/8/2013	3	0659-0663
Defendant Clark County's Answer to First Amended Complaint in Eminent Domain	2/8/2016	7	1448-1452
Defendant Clark County's Notice of Appeal	11/29/2016	8	1719-1720
Defendant Clark County's Opposition to Defendant Landowners' Motion for Summary Judgment and Countermotion for Partial Summary Judgment and Application for Withdrawal of Funds Deposited for the Permanent Easement	1/13/2016	5 6	0855-1104 1105-1296
Defendant Clark County's Opposition to HQ Metro, LLC's Motion for Apportionment of Funds	10/4/2016	8	1698-1703
Defendant HQ Metro LLC's Motion for Apportionment of Funds Pursuant to NRS 37.115 and February 25, 2016 Court Order	9/20/2016	8	1604-1697

Defendant HQ Metro, LLC's Reply to Motion for Apportionment of Funds Pursuant to NRS 37.115 and February 25, 2016 Court Order	10/19/2016	8	1704-1709
Defendant Landowner’s Motion for Summary Judgment	12/30/2015	4	0720-0854
Defendant Landowners' Opposition to Clark County's Countermotion for Partial Summary Judgment & Application for Withdrawal of Funds Deposited for the Permanent Easement	2/1/2016	6	1339-1350
Defendants HQ Metro, LLC, Project Alta, LLC, Project Alta II, LLC, Project Alta III, LLC, Project Alta Liquidating Trust U/A/D 12/31/09 by and Thru Mark L. Fine & Associates, and Wells Fargo Bank, National Association, as Trustee's Answer to Plaintiff's Verified Complaint in Eminent Domain; Defendant HQ Metro, LLC's Counterclaims	7/9/2013	3	0668-0679
Defendants HQ Metro, LLC, Project Alta, LLC, Project Alta II, LLC, Project Alta III, LLC, Project Alta Liquidating Trust U/A/D 12/31/09 by and thru Mark L. Fine & Associates' Answer to Plaintiff's First Amended Verified Complaint in Eminent Domain; Defendant HQ Metro, LLC's Counterclaims	7/11/2016	7	1518-1524
Errata to Defendant Landowners Opposition to Clark County's Countermotion for Partial Summary Judgment and Application for Withdrawal for Funds Deposited for the Permanent Easement	2/4/2016	7	1407-1444
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Las Vegas Metropolitan Police Department's Answer to First Amended Complaint	2/8/2016	7	1453-1457
Notice of Entry of Order RE: Defendant HQ Metro LLC's Motion for Apportionment of Funds Pursuant to NRS 37.115 and February 25, 2016 Court Order	11/9/2016	8	1713-1718
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Order Granting Immediate Occupancy Pending Entry of Judgment	10/15/2013	3	0680-0681
Order RE: Defendant HQ Metro LLC's Motion for Apportionment of Funds Pursuant to NRS 37.115 and February 25, 2016 Court Order	11/9/2016	8	1710-1712
Plaintiff Nevada Power Company d/b/a NV Energy's Limited Opposition(s) to: (1) Defendant Las Vegas Metropolitan Police Department's Counter-Motion for Partial Summary Judgment and Application for Distribution of Funds Allocable to Temporary Construction Easement; and (2) Defendant Clark County's Counter-Motion for Partial Summary Judgment and Application for Withdrawal of Funds Deposited for the Permanent Easement	2/2/2016	7	1351-1406
Plaintiff's First Amended Verified Complaint in Eminent Domain	1/15/2016	6	1297-1338
Plaintiff's Motion for Immediate Occupancy	5/20/2013	1 2 3	0030-0250 0251-0500 0501-0625
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Reply Points and Authorities in Support of Clark County's Countermotion for Partial Summary Judgment and Application for Withdrawal of Funds Deposited for the Permanent Easement	2/11/2016	7	1458-1464
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Stipulation and Order for Immediate Occupancy	10/15/2013	3	0682-0715
Summons – Civil (Clark County)	6/6/2013	3	0644-0646
Summons – Civil (HQ Metro, LLC)	6/6/2013	3	0626-0628
Summons – Civil (Mark L. Fine and Associates)	6/6/2013	3	0638-0640
Summons – Civil (Project Alta II)	6/6/2013	3	0629-0631
Summons – Civil (Project Alta III)	6/6/2013	3	0632-0634
Summons – Civil (Project Alta Liquidating Trust U/A/D 12/31/09)	6/6/2013	3	0635-0637
Summons – Civil (Project Alta, LLC)	6/6/2013	3	0647-0649
Summons – Civil (Wells Fargo Bank, National Association)	6/6/2013	3	0641-0643
Transcript of Proceedings All Pending Motion February 16, 2016	3/21/2016	7	1470-1517

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Case No: A-13-681632-C
Dept No: 28
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Document		Filed	Volume	Bates No.
1.	Plaintiff's Verified Complaint in Eminent Domain	5/10/2013	1	0001-0029
2.	Plaintiff's Motion for Immediate Occupancy	5/20/2013	1 2 3	0030-0250 0251-0500 0501-0625
3.	Summons – Civil (HQ Metro, LLC)	6/6/2013	3	0626-0628
4.	Summons – Civil (Project Alta II)	6/6/2013	3	0629-0631
5.	Summons – Civil (Project Alta III)	6/6/2013	3	0632-0634
6.	Summons – Civil (Project Alta Liquidating Trust U/A/D 12/31/09)	6/6/2013	3	0635-0637
7.	Summons – Civil (Mark L. Fine and Associates)	6/6/2013	3	0638-0640
8.	Summons – Civil (Wells Fargo Bank, National Association)	6/6/2013	3	0641-0643
9.	Summons – Civil (Clark County)	6/6/2013	3	0644-0646
10.	Summons – Civil (Project Alta, LLC)	6/6/2013	3	0647-0649
11.	Central Telephone Company's Answer to Complaint	6/13/2013	3	0650-0655
12.	City of Las Vegas' Answer to Complaint in Eminent Domain	7/8/2013	3	0656-0658
13.	Defendant Clark County's Answer to Complaint	7/8/2013	3	0659-0663
14.	Answer of Las Vegas Metropolitan Police Department	7/9/2013	3	0664-0667

15.	Defendants HQ Metro, LLC, Project Alta, LLC, Project Alta II, LLC, Project Alta III, LLC, Project Alta Liquidating Trust U/A/D 12/31/09 by and Thru Mark L. Fine & Associates, and Wells Fargo Bank, National Association, as Trustee's Answer to Plaintiff's Verified Complaint in Eminent Domain; Defendant HQ Metro, LLC's Counterclaims	7/9/2013	3	0668-0679
16.	Order Granting Immediate Occupancy Pending Entry of Judgment	10/15/2013	3	0680-0681
17.	Stipulation and Order for Immediate Occupancy	10/15/2013	3	0682-0715
18.	Certificate of Cash Deposit	10/17/2013	3	0716-0719
19.	Defendant Landowner’s Motion for Summary Judgment	12/30/2015	4	0720-0854
20.	Defendant Clark County's Opposition to Defendant Landowners' Motion for Summary Judgment and Countermotion for Partial Summary Judgment and Application for Withdrawal of Funds Deposited for the Permanent Easement	1/13/2016	5 6	0855-1104 1105-1296
21.	Plaintiff’s First Amended Verified Complaint in Eminent Domain	1/15/2016	6	1297-1338
22.	Defendant Landowners' Opposition to Clark County's Countermotion for Partial Summary Judgment & Application for Withdrawal of Funds Deposited for the Permanent Easement	2/1/2016	6	1339-1350

23.	Plaintiff Nevada Power Company d/b/a NV Energy's Limited Opposition(s) to: (1) Defendant Las Vegas Metropolitan Police Department's Counter-Motion for Partial Summary Judgment and Application for Distribution of Funds Allocable to Temporary Construction Easement; and (2) Defendant Clark County's Counter-Motion for Partial Summary Judgment and Application for Withdrawal of Funds Deposited for the Permanent Easement	2/2/2016	7	1351-1406
24.	Errata to Defendant Landowners Opposition to Clark County's Countermotion for Partial Summary Judgment and Application for Withdrawal for Funds Deposited for the Permanent Easement	2/4/2016	7	1407-1444
25.	City of Las Vegas' Answer to First Amended Complaint in Eminent Domain	2/4/2016	7	1445-1447
26.	Defendant Clark County's Answer to First Amended Complaint in Eminent Domain	2/8/2016	7	1448-1452
27.	Las Vegas Metropolitan Police Department's Answer to First Amended Complaint	2/8/2016	7	1453-1457
28.	Reply Points and Authorities in Support of Clark County's Countermotion for Partial Summary Judgment and Application for Withdrawal of Funds Deposited for the Permanent Easement	2/11/2016	7	1458-1464
29.	Order 2.25.16	2/25/2016	7	1465-1469

30.	Transcript of Proceedings All Pending Motion February 16, 2016	3/21/2016	7	1470-1517
31.	Defendants HQ Metro, LLC, Project Alta, LLC, Project Alta II, LLC, Project Alta III, LLC, Project Alta Liquidating Trust U/A/D 12/31/09 by and thru Mark L. Fine & Associates' Answer to Plaintiff's First Amended Verified Complaint in Eminent Domain; Defendant HQ Metro, LLC's Counterclaims	7/11/2016	7	1518-1524
32.	Stipulated Judgment and Order	9/20/2016	7	1525-1569
33.	Judgment and Final Order of Condemnation	9/20/2016	8	1570-1603
34.	Defendant HQ Metro LLC's Motion for Apportionment of Funds Pursuant to NRS 37.115 and February 25, 2016 Court Order	9/20/2016	8	1604-1697
35.	Defendant Clark County's Opposition to HQ Metro, LLC's Motion for Apportionment of Funds	10/4/2016	8	1698-1703
36.	Defendant HQ Metro, LLC's Reply to Motion for Apportionment of Funds Pursuant to NRS 37.115 and February 25, 2016 Court Order	10/19/2016	8	1704-1709
37.	Order RE: Defendant HQ Metro LLC's Motion for Apportionment of Funds Pursuant to NRS 37.115 and February 25, 2016 Court Order	11/9/2016	8	1710-1712
38.	Notice of Entry of Order RE: Defendant HQ Metro LLC's Motion for Apportionment of Funds Pursuant to NRS 37.115 and February 25, 2016 Court Order	11/9/2016	8	1713-1718
39.	Defendant Clark County’s Notice of Appeal	11/29/2016	8	1719-1720