

IN THE SUPREME COURT OF THE STATE OF NEVADA

CITY OF LAS VEGAS, A POLITICAL  
SUBDIVISION OF THE STATE OF  
NEVADA,

Appellant,

vs.

180 LAND CO., LLC, A NEVADA LIMITED-  
LIABILITY COMPANY; AND FORE STARS,  
LTD., A NEVADA LIMITED-LIABILITY  
COMPANY,

Respondents.

180 LAND CO., LLC, A NEVADA LIMITED-  
LIABILITY COMPANY; AND FORE STARS,  
LTD., A NEVADA LIMITED-LIABILITY  
COMPANY,

Appellants/Cross-Respondents,

vs.

CITY OF LAS VEGAS, A POLITICAL  
SUBDIVISION OF THE STATE OF  
NEVADA,

Respondent/Cross-Appellant.

No. 84345

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**JOINT APPENDIX,  
VOLUME NO. 82**

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(d) The execution, delivery or performance of this Agreement by such Party will not breach or conflict with or result in a material breach of, or constitute a material default under, (i) any statute, law, ordinance, rule or regulation of any governmental authority, or any judgment, order, injunction, decree or ruling of any court or governmental authority to which such Party is subject or by which such Party is bound, or (ii) any agreement to which such Party is a party.

(e) All consents, approvals, authorizations, agreements, estoppel certificates and beneficiary statements of any third party required or reasonably requested by another Party in connection with the consummation of the transactions contemplated hereby have been delivered to the requesting Party.

(f) No representations or warranties by such Party, nor any statement or certificate furnished, or to be furnished, to any other Party pursuant hereto or in connection with the transactions contemplated hereby, contains or will contain any untrue statement of a material fact, or omits, or will omit, to state a material fact known to such Party, necessary to make the statements contained herein or therein not misleading.

3.02 Seller's Representations. As of the Effective Date, Seller (through PNC, its duly appointed Manager for the PNC) covenants, represents and warrants to Purchaser as follows:

(a) Seller is the lawful record and beneficial owner of 100% of the Shares. Seller owns the Shares free and clear of all liabilities, obligations, security interests, liens and other encumbrances ("Liens and Encumbrances"). As the Shares are uncertificated, at the Closing Buyer will receive good, valid and marketable title to the Shares, free and clear of all Liens and Encumbrances resulting in the Buyer becoming the sole shareholder of the Company. .

(b) There is (i) no outstanding consent, order, judgment, injunction, award or decree of any court, government or regulatory body or arbitration tribunal against or involving Fore Stars, (ii) no action, suit, dispute or governmental, administrative, arbitration or regulatory proceeding pending or, to Seller's actual knowledge, threatened against or involving Fore Stars or Seller in Seller's capacity as the sole owner of Fore Stars, and (iii) to Seller's actual knowledge, no investigation pending or threatened against or relating to either Fore Stars or any of its respective officers or directors as such or Seller in Seller's capacity as the sole owner of Fore Stars.

(c) Fore Stars has good and marketable title to all of its properties (except as noted on Exhibit "A"), assets and other rights, free and clear of all Liens and Encumbrances.

(d) Seller has furnished Purchaser with a compiled financial statement for Fore Stars for the periods ending December 31, 2013 and November 30, 2014. Except as noted therein and except for normal year-end adjustments, all such financial statements are complete and correct and present fairly the financial position of Fore Stars at such dates and the results of its operations and its cash flows.

(e) Since November 30, 2014, there has been no material adverse change in the financial condition, assets, liabilities (contingent or otherwise), result of operations, business or business prospects of Fore Stars.

(f) Since November 30, 2014, the Seller has caused Fore Stars to conduct its business only in the ordinary course.

(g) Fore Stars is not a party to, nor are any of its respective Assets bound by, any written or oral agreement, purchase order, commitment, understanding, lease, evidence of indebtedness, security agreement or other contract. Further, Fore Stars is not subject to any liabilities that have already accrued or potential liability that either Purchaser or Seller is aware of that have not yet accrued.

(h) To the best of Seller's Knowledge, Seller has not received any notice from any governmental unit that (i) the Real Property is not in compliance with any Environmental Law (ii) there are any administrative, regulatory or judicial proceedings pending or threatened with respect to the Real Property pursuant to, or alleging any violation of, or liability under, any Environmental Law. "Environmental Laws" means any environmental, health or safety law, rule, regulation, ordinance, order or decree, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act, as amended, the Resource Conservation and Recovery Act, as amended, any "Superfund" or "Super Lien" law or any other federal, state, county or local statute, law, ordinance, code, rule, regulation, order or decree regulating, relating to or imposing liability or standards of conduct concerning any petroleum, natural or synthetic gas products and/or hazardous, toxic or dangerous waste pollutant or contaminant, substance or material as may now or any time hereinafter be in effect.

(i) To the best of Seller's Knowledge, the execution and delivery of this Agreement will not (i) violate or conflict with the Seller's articles of organization or the limited liability company operating agreement of Seller, (ii) violate or conflict with any judgment, decree or order of any court applicable to or affecting Seller, (iii) breach the provisions of, or constitute a default under, any contract, agreement, instrument or obligation to which Seller is a party or the Real Property is the subject matter or is bound, or (iv) violate or conflict with any law, ordinance or governmental regulation or permit applicable to Seller.

(j) To the best of Seller's Knowledge, Seller has not commenced, nor has Seller been served with process or notice of any attachment, execution proceeding, assignment for the benefit of creditors, insolvency, bankruptcy, reorganization or other similar proceedings against Seller (the "Creditor's Proceeding"), nor is any Creditor's Proceeding contemplated by Seller. No Creditor's Proceeding is pending, or to Seller's knowledge, threatened against Seller.

(k) Fore Stars does not have any employees.

(l) To the best of Seller's Knowledge, Seller has not received any notice of violation from any federal, state or municipal entity that has not been cured or otherwise resolved to the satisfaction of such governmental entity.

As used herein the phrase "to Seller's Knowledge" or "to the best of Seller's Knowledge" shall mean the current, actual (as opposed to constructive) knowledge of William Bayne, the duly appointed Vice President of PNC without having made any investigation of facts or legal issues and without any duty to do so and without imputing to either person the knowledge of any employee, agent, representative or affiliate of Seller. All of Seller's representations and warranties shall survive Closing for a period six (6) months.

#### SECTION 4 TAX MATTERS

Each Party to this Agreement shall be fully responsible for any and all taxes (income or otherwise) that may result from this Agreement and the payment of the Purchase Price.

#### SECTION 5 ARBITRATION

Any dispute, controversy or claim arising under, out of, in connection with, or in relation to this Agreement, or the breach, termination, validity or enforceability of any provision of this Agreement, will be settled by final and binding arbitration conducted in accordance with, and before a three-member



arbitration panel (the "Arbitrator") whereby each Party selects on panel member to represent their interests and the two panel members jointly select a neutral arbitrator. The arbitration will be conducted according to the rules of the American Arbitration Association. Unless otherwise mutually agreed upon by the parties, the arbitration hearings shall be held in the City of Las Vegas, Nevada. The Parties hereby agree that the Arbitrators have full power and authority to hear and determine the controversy and make an award in writing in the form of a reasoned judicial opinion. The Parties hereby stipulate in advance that the award is binding and final. The Parties hereto also agree that judgment upon the arbitration award may be entered in any federal or state court having jurisdiction thereof. The prevailing party in any arbitration or other action pursuant to this Section 5 shall be entitled to recover its reasonable legal fees and out-of-pocket expenses.

#### SECTION 6 BROKERAGE FEES

Each Party represents that it has not entered into any agreement for the payment of any fees, compensation or expenses to any natural or legal person in connection with the transactions provided for herein, and shall hold and save the other Parties harmless from any such fees, compensation or expenses, including attorneys fees and costs, which may be suffered by reason of any such agreement or purported agreement.

#### SECTION 7 PURCHASER'S INDEMNIFICATION

Notwithstanding anything to the contrary contained herein, if Seller, PNC or any direct or indirect owner thereof is made a party to any litigation in which the Seller, PNC or any direct or indirect owner thereof is a party for any matters relating to Purchaser's development of the Real Property, then Purchaser as well as Executive Home Builders, Inc., a Nevada corporation shall indemnify, defend and hold Seller, PNC or any direct or indirect owner thereof harmless from all costs and expenses incurred by such party related to such litigation. This indemnity obligation shall survive the Closing for a period of six (6) years from the final and non-appealable date triggered from each time Purchaser obtains any required permits and approvals for the development, changes, modifications or improvements to all or portions of the Real Property and/or golf course. Upon expiration of such period, the provisions of this Section 7 shall expire and be of no further force and effect.

#### SECTION 8 NOTICES

8.01 Procedure. Any and all notices and demands by any Party to any other Party, required or desired to be given hereunder, shall be in writing and shall be validly given or made only if (a) deposited in the United States mail, certified or registered, postage prepaid, return receipt requested, or (b) made by Federal Express or other similar courier service keeping records of deliveries and attempted deliveries. Service by mail or courier shall be conclusively deemed made on the first business day delivery is attempted or upon receipt, whichever is sooner.

8.02 Notice Addresses. Any notice or demand shall be delivered to a Party as follows:

To Seller:

c/o Peccole-Nevada Corporation  
851 South Rampart Boulevard, Suite 105  
Las Vegas, Nevada 89145  
Attention: William Bayne

To Purchaser:

9755 West Charleston Boulevard  
Las Vegas, Nevada 89117  
Attention: Yohan Lowie, Manager

8.03 Change of Notice Address. The Parties may change their address for the purpose of receiving notices or demands as herein provided by a written notice given in the manner provided above.

#### SECTION 9 MISCELLANEOUS

9.01 Choice of Law. This Agreement shall be governed by, construed in accordance with, and enforced under the laws of the State of Nevada, without giving effect to the principles of conflict of laws thereof.

9.02 Attorneys' Fees. In the event any action is commenced by any Party against any other Party in connection herewith, including, without limitation, any bankruptcy proceeding, the prevailing Party shall be entitled to its costs and expenses, including without limitation reasonable attorneys' fees.

9.03 Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the Parties and their respective successors and assigns. Except as specifically provided herein, this Agreement is not intended to, and shall not, create any rights in any person or entity whatsoever except Purchaser and Seller.

9.04 Severability. If any term, provision, covenant or condition of this Agreement, or any application thereof, should be held by a court of competent jurisdiction to be invalid, void or unenforceable, then all terms, provisions, covenants or conditions of this Agreement, 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, provided that the invalidity, voidness or unenforceability of such term, provision, covenant or condition (after giving effect to the next sentence) does not materially impair the ability of the Parties to consummate the transactions contemplated hereby. In lieu of such invalid, void or unenforceable term, provision, covenant or condition there shall be added this Agreement a term, provision, covenant or condition that is valid, not void, and enforceable and is as similar to such invalid, void, or unenforceable term, provision, covenant or condition as may be possible.

9.05 Integration Clause; Modifications; Waivers. This Agreement (along with the documents referred to herein) constitutes the entire agreement among the Parties pertaining to the subject matter contained herein and supersedes all prior agreements, representations and understandings of the Parties. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by the Party to be bound. No waiver of any of the provisions of this Agreement shall be deemed a waiver of any other provision, whether or not similar, nor shall any waiver constitute a continuing waiver. No waiver shall be binding unless executed in writing by the Party making the waiver.

9.06 Captions. The captions appearing at the commencement of the sections hereof are descriptive only and for convenience in reference to this Agreement and in no way whatsoever define, limit or describe the scope or intent of this Agreement, nor in any way affect this Agreement.

9.07 Negotiation. This Agreement has been subject to negotiation by the Parties and shall not be construed either for or against any Party, but this Agreement shall be interpreted in accordance with the general intent of its language.

9.08 Construction. Personal pronouns shall be construed as though of the gender and number required by the context, and the singular shall include the plural and the plural the singular as may be required by the context.

9.09 Other Parties. Except as expressly provided otherwise, nothing in this Agreement is intended to confer any rights or remedies under this Agreement on any persons other than the Parties and their respective successors and permitted assigns, nor is anything in this Agreement intended to relieve or discharge the obligation or liability of any third persons to any Party to this Agreement, nor shall any provision give any third persons any right of subrogation or action against any Party to this Agreement.

9.10 Counterparts. This Agreement may be executed in any number of counterparts; each of which when executed and delivered shall be an original, but all such counterparts shall constitute one and the same Agreement. Any signature page of this Agreement may be detached from any counterpart without impairing the legal effect of any signatures thereon, and may be attached to another counterpart, identical in form thereto, but having attached to it one or more additional signature pages. The Parties contemplate that they may be executing counterparts of this Agreement transmitted by facsimile and agree and intend that a signature transmitted through a facsimile machine shall bind the party so signing with the same effect as though the signature were an original signature.

9.11 Attorney Representation. In the negotiation, preparation and execution of this Agreement, the parties hereto acknowledge that Seller has been represented by the law firm of Sklar Williams PLLC, Las Vegas, Nevada and that Purchaser has been represented by Todd D. Davis, Esq. The parties have read this Agreement in its entirety and fully understand the terms and provisions contained herein. The parties hereto execute this Agreement freely and voluntarily and accept the terms, conditions and provisions of this Agreement and state that the execution by each of them of this Agreement is free from any coercion whatsoever.


[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the Parties have executed this Agreement and intend the effective date to be as written above.

**SELLER:**


WILLIAM PETER PECCOLE AND  
WANDA RUTH PECCOLE FAMILY  
LIMITED PARTNERSHIP dated  
December 30, 1992, a Nevada  
limited partnership

By: Peccole-Nevada Corporation, a  
Nevada corporation, Manager

  
William Bayne, Vice President

**PURCHASER:**

RAMALTA LLC  
a Nevada limited liability company

  
Yohan Lowie, Manager

The undersigned hereby joins in the execution of this Agreement for the provisions set forth in Section 7 hereof.

Executive Home Builders, Inc.  
a Nevada corporation

  
Frank Pankratz, President

**EXHIBIT "A"**

**REAL PROPERTY LEGAL DESCRIPTION**

**Assessor's Parcel Number: 138-31-713-002**

Being a portion of Section 31 and the West Half (W ½) of Section 32, Township 20 South, Range 60 East, M.D.M., City of Las Vegas, Clark County, Nevada, more particularly described as follows:

Being Lot Five (5) as shown on that certain Amended Plat known as "Peccole West", on file in the Clark County Records Office, Clark County, Nevada in Book 83 of Plats, Page 57.

Also that certain parcel of land described as follows:

Being a portion of Lot Four (4) of Peccole West recorded in Book 77 of Plats, Page 23, lying within the West Half (W ½) of Section 32, Township 20 South, Range 60 East, M.D.M., City of Las Vegas, Clark County, Nevada, more particularly described as follows:

Beginning at the most westerly corner of said Lot Four (4); thence South 50°26'37" East a distance of 26.46 feet; thence North 29°03'33" West a distance of 28.42 feet; thence South 39°33'23" West a distance of 10.36 feet to the point of beginning.

Excepting therefrom that certain parcel of land described as follows:

Being a part of Lot Five (5) of Amended Plat of Peccole West, recorded in Book 83, Page 57 of Plats, lying within Section 31 and the West Half (W ½) of Section 32, Township 20 South, Range 60 East, M.D.M., City of Las Vegas, Clark County, Nevada, more particularly described as follows:

Beginning at the northeasterly corner of said Lot Five (5) that is common to the northeasterly corner of Lot Four (4) of Peccole West, recorded in Book 77, Page 23 of Plats; thence South 55°19'16" West a distance of 845.91 feet; thence South 65°09'52" West a distance of 354.20 feet; thence North 88°08'01" West a distance of 211.78 feet; thence North 68°42'48" West a distance of 233.33 feet; thence North 10°17'23" East a distance of 227.70 feet; thence North 19°42'37" West a distance of 220.00 feet; thence North 50°26'37" West a distance of 75.24 feet, the aforementioned lines were along said Lot Four (4); thence South 29°03'32" East a distance of 87.69 feet; thence South 43°23'20" West a distance of 126.26 feet; thence Southwesterly 12.52 feet along a curve concave Northwest having a central angle of 26°04'44" with a radius of 27.50 feet; thence South 69°28'04" West a distance of 166.21 feet; thence Southwesterly 8.73 feet along a curve concave Northwest having a central angle of 18°11'42" with a radius of 27.50 feet to a point of a reverse curve; thence Southeasterly 87.18 feet along a curve concave Southeast having a central angle of 95°08'30" with a radius of 52.50 feet; thence South 7°28'45" East a distance of 75.10 feet; thence Southeasterly 31.24 feet along a curve concave Northeast having a central angle of 34°05'44" with a radius of 52.50 feet; thence South 41°34'29" East a distance of 28.68 feet; thence South 59°09'33" East a distance of 67.35 feet; thence South 74°29'49" East a distance of 38.97 feet; thence South 74°45'44" East a distance of 208.90 feet; thence South 68°22'14" East a distance of 242.90 feet; thence South 89°22'39" East a distance of 275.72 feet; thence North 65°04'09" East a distance of 232.57 feet; thence North 55°14'40" East a distance of 914.33 feet to a point of a non-tangent curve having a radial bearing of North 12°09'46" East;

Exhibit A, Page 1  
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thence Northwesterly 79.44 feet along a curve concave Southwest having a central angle of 5°59'20" with a radius of 760.00 feet to the point of beginning.

Also that certain parcel of land described as follows:

Being a portion of the Amended Plat of Peccole West, recorded in Book 83 of Plats, Page 57, lying within the West Half (W ½) of Section 32, Township 20 South, Range 60 East, M.D.M., City of Las Vegas, Clark County, Nevada, more particularly described as follows:

Beginning at the most northerly corner of said Amended Plat of Peccole West; thence South 42°13'47" West (radial) a distance of 5.00 feet; thence Southerly 38.10 feet along a curve concave Southwest having a central angle of 87°19'35" with a radius of 25.00 feet; thence South 39°33'23" West a distance of 229.20 feet; thence South 50°26'37" East a distance of 80.00 feet; thence North 39°33'23" East a distance of 231.07 feet; thence Northeasterly 37.38 feet along a curve concave Southeast having a central angle of 85°40'27" with a radius of 25.00 feet; thence North 35°13'51" East (radial) a distance of 5.00 feet to a point of a non-tangent curve; thence Northwesterly 126.43 feet along a curve concave Northeast, having a central angle of 6°59'56" with a radius of 1035.00 feet to the point of beginning.

Also shown as Parcel 2 of that certain Record of Survey on file in File 151, Page 9 recorded September 15, 2005 in Book 20050915 as Instrument No. 02577 and as amended by those certain Certificates of Amended recorded June 9, 2006 in Book 20060609 as Instrument No. 000876 and July 17, 2006 in Book 20060717 as Instrument No. 00697, of Official Records.

Excepting therefrom that portion of Lot 5 of Amended Peccole West as shown by map thereof on file in Book 83, Page 57 of Plats, in the Clark county Recorder's Office, Clark County, Nevada, lying within the Southwest Quarter (SW ¼) of Section 32, Township 20 South, Range 60 East, M.D.M., City of Las Vegas, Clark County, Nevada, and described as follows:

Beginning at the Northeast corner of Parcel 1B as shown by map thereof on file in File 139 of Surveys, Page 17, in the Clark County Recorder's Office, Clark County, Nevada, same being a point on the westerly right-of-way line of Rampart Boulevard; thence departing said westerly right-of-way line South 65°08'21" West, 197.13 feet; thence North 46°08'45" East, 17.75 feet; thence North 57°06'40" East, 66.86 feet to the beginning of a curve concave southeasterly having a radius of 1815.00 feet, a radial bearing to said beginning bears North 53°21'06" West; thence Northeasterly along said curve, through a central angle of 03°03'21", an arc length of 96.80 feet; thence North 39°51'15" East, 199.00 feet; thence South 50°08'45" East, 65.00 feet to the westerly right-of-way line of said Rampart Boulevard; thence along said westerly right-of-way line, South 39°51'15" West, 199.00 feet to the point of beginning.

Excepting therefrom that portion as conveyed to the City of Las Vegas in that certain Grant Deed recorded December 20, 2005 in Book 20051220 as Instrument No. 01910, of Official Records.

**Assessor's Parcel Number: 138-31-610-002**

A portion of Lot Twenty-one (21) of Peccole West Lot 10, as shown by map thereof on file in Book 83 of Plats, Page 61, in the Office of the County Recorder of Clark County, Nevada, and further being identified as Assessors Parcel No. 138-31-610-002.

**Assessor's Parcel Number: 138-31-212-002**

Exhibit A, Page 2  
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A portion of Lot Twenty-one (21) of Peccole West Lot 10, as shown by map thereof on file in Book 83 of Plats, Page 61, in the Office of the County Recorder of Clark County, Nevada, and further being identified as Assessors Parcel No. 138-31-212-002.

Assessor's Parcel Number: 138-31-712-004

Lot G (Common Area) of Peccole West - Parcel 20, as shown by map thereof on file in Book 87 of Plats, Page 54, in the Office of the County Recorder of Clark County, Nevada.

THE FOLLOWING TO BE INCLUDED AS PART OF THE REAL PROPERTY, BUT NOT AS OF THE CLOSING DATE, IN ACCORDANCE WITH THAT CERTAIN LOT LINE ADJUSTMENT AGREEMENT DATED NOVEMBER 14, 2014 BETWEEN FORE STARS AND QUEENSRIDGE TOWERS LLC, A NEVADA LIMITED LIABILITY COMPANY

That portion of Assessor's Parcel Number: 138-32-210-005 described as [:

BEING A PORTION OF THE WEST HALF (W/2) OF SECTION 32, TOWNSHIP 20 SOUTH, RANGE 60 EAST M.D.M., CITY OF LAS VEGAS, CLARK COUNTY, NEVADA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST SOUTHERLY CORNER OF FINAL MAP OF "ONE QUEENSRIDGE PLACE, PHASE 1", RECORDED IN BOOK 137, PAGE 88 OF PLATS, CLARK COUNTY, OFFICIAL RECORDS; THENCE SOUTH 65°04'09" WEST A DISTANCE OF 37.06 FEET; THENCE NORTH 89°22'39" WEST A DISTANCE OF 275.72 FEET; THENCE NORTH 68°22'14" WEST A DISTANCE OF 218.50 FEET TO THE POINT OF BEGINNING; THENCE NORTH 00°23'29" WEST A DISTANCE OF 268.84 FEET; THENCE NORTH 05°34'48" WEST A DISTANCE OF 95.02 FEET; THENCE NORTH 24°04'10" WEST A DISTANCE OF 95.59 FEET; THENCE SOUTH 43°23'20" WEST A DISTANCE OF 126.26 FEET; THENCE SOUTHWESTERLY 12.52 FEET ALONG A CURVE CONCAVE NORTHWEST HAVING A CENTRAL ANGLE OF 26°04'44" WITH A RADIUS OF 27.50 FEET; THENCE SOUTH 69°28'04" WEST A DISTANCE OF 166.21 FEET; THENCE SOUTHWESTERLY 8.73 FEET ALONG A CURVE CONCAVE NORTHWEST HAVING A CENTRAL ANGLE OF 18°11'42" WITH A RADIUS OF 27.50 FEET TO A POINT OF A REVERSE CURVE; THENCE SOUTHEASTERLY 87.18 FEET ALONG A CURVE CONCAVE SOUTHEAST HAVING A CENTRAL ANGLE OF 95°08'30" WITH A RADIUS OF 52.50 FEET; THENCE SOUTH 07°28'45" EAST A DISTANCE OF 75.10 FEET; THENCE SOUTHEASTERLY 31.34 FEET ALONG A CURVE CONCAVE NORTHEAST HAVING A CENTRAL ANGLE OF 34°05'44" WITH A RADIUS OF 52.50 FEET; THENCE SOUTH 41°34'29" EAST A DISTANCE OF 28.68 FEET; THENCE SOUTH 59°09'33" EAST A DISTANCE OF 67.35 FEET; THENCE SOUTH 74°29'49" EAST A DISTANCE OF 38.97 FEET; THENCE SOUTH 74°45'44" EAST A DISTANCE OF 208.90 FEET; THENCE SOUTH 68°22'14" EAST A DISTANCE OF 24.41 FEET TO THE POINT OF BEGINNING.

Exhibit A, Page 3  
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# EXHIBIT "B"

## EQUIPMENT LIST

Manufacturers Name:	Model	Quantity	Own/leased	Serial Number	Description	Notes
Dakota	440	1	Owned	44001306	Large Material Handler	
Toro		1	Owned	260000114	Rake-o-vac	Sweeper
Classen	sc18	1	Owned	3051	Sod Cutter	Includes Trailer
Buffalo		1	Owned	12832	Turbine Blower	Wireless Remote
Buffalo		1	Owned	113777	Turbine Blower	
Kubota	m4030	1	Owned	24308	Large Tractor	
Kubota	L2900	1	Owned	2900d58699	Small Tractor	
John Deere	310d	1	Owned	818488	Backhoe/loader	
TyCrop	qp500	1	Owned	630	Beldrop top dresser	
AD Williams		1	Owned		300gal tow behind spray	
Jacobson		1	Owned		PTO drive blower	
Lely	1250	1	Owned		3pt. Hitch spreader	
Lely	w1250	1	Owned		Tow behind spreader	
Ryan Aerifier			Owned		Tow Behind	
Turfco	triwave60	1	Owned	k00861	PTO drive slitseeder	
Turfco	mtrmatic	1	Owned		walking top dresser	
GreensGroomer	drgbroom	1	Owned		towable drag broom	
Landpride	boxblade	1	Owned		tractor box blade	
Broyhill		1	Owned		in workman or trailer	100 GAL spot spray
Pratt Rake		1	Owned		3pt. Hitch dethatcher	
Jacobson	t535d	1	Owned	66150	turfcat rotary mower	extra desk
First Products	af80	1	Owned		acra vator	
Smithco	X-press	1	Owned	t725	greens roller	
Toro	3300d	1	Owned	50332	workman	poor condition
Toro	3300d	1	Owned	60471	workman	poor condition
Ditch Witch		1	Owned	1330	trencher	
Clubcar		1	Owned	544656	Mechanics Cart	
EZ GO	S1350	1	Owned	2255615	utility vehicle	Good condition
EZ GO	S1350	1	Owned	2255617	utility vehicle	Good condition
EZ GO	S1350	1	Owned	1325630	utility vehicle	avg. condition
EZ GO	S1350	1	Owned	a62000	utility vehicle	avg. condition
EZ GO	S1350	1	Owned	1168216	utility vehicle	avg. condition
EZ GO	S1350	1	Owned	a62015	utility vehicle	avg. condition
EZ GO	S1350	1	Owned	13225631	utility vehicle	avg. condition
EZ GO	S1350	1	Owned	a62020	utility vehicle	avg. condition
EZ GO	S1350	1	Owned	a62017	utility vehicle	avg. condition
Toro	5040	1	Owned	270000704	Sand Pro	boxblade,pushblade
Kubota	M4900	1	Owned	55172	4wd Tractor	

Exhibit B, Page 1  
LO00004077

LO 00004077 (Confidential )

0214

14251



**Kitchen (back of house)**

American Range (char-broiler) 4 burner type  
Electric Salamander  
Pitco Frialator (G11BC004851) 2 basket type  
American Range 4 burner/griddle combo  
Built in 6 drawer line refrigerator  
Mobile refrigeration unit (5277474)  
Amana Commercial Microwave  
Star Toaster (TQ135100800528)  
Mobile 5 burner hot line  
True Freezer (4562096)  
Randell Refrigerator (500000004829)  
Moffat Convection Oven (713199)  
Alto-Shaam (4321-135-686) – Slow Roaster  
Alto-Shaam (5049-78-290) – Slow Roaster  
Manitowoc Ice Machine  
Built in walk in refrigerator (1513-P1)  
Globe Meat Slicer (353824)  
Randell Freezer (500000004819)  
8 storage racks  
Liquor Storage Cabinet (locked)  
**Cooler Storage Outside (Beverage Cart)**  
4 Large Storage Coolers (Glass Front)  
Serial #'s: 4957419; 1-3705092; 1-2505390; 6533204

**Food and Beverage (Front of House)**

Bar Coolers:  
Beverage Air Glass Cooler (9206937)  
True Beer Cooler (12111352)  
True Small Keg Cooler (1-3705092)  
Beverage Air Large Keg Cooler (4411615)  
Large Bar Cooler (22-96843)  
Bain Marie Front Load Cooler (22-46842)  
IMI Cornelius Soda Dispenser Pepsi (63R0526KD057)  
Furniture:  
Wood Square Table (4' by 4') – 10  
Wood Round Table (48") – 7  
Wood Square Table High Top (36") – 2  
Wood Chairs High Top – 4  
Wood Chairs Standard – 78  
Televisions:  
3 Panasonic 50" (Pro-Shop included)  
1 Vizio 50"

Exhibit B, Page 2  
LO00004078

LO 00004078 (Confidential )

0215

14252

**Furniture Throughout Building (Front of House and Offices)**

Cloth Chair Large  
Dark Blue Leather Loveseat  
Dark Blue Leather Sofa  
2 Brown Leather Chair w/ Ottoman  
Brown Leather Loveseat  
Brown Leather Sofa  
4 Wooden End Table  
7 Wooden Chair (Assorted)  
Red Leather Couch  
2 Large Wood/Cloth Chair  
Wood Coffee Table  
Wood/Glass Coffee Table  
4 Wood Desk (48")  
3 L-Shape Wood Desk  
2 Large File Cabinet  
2 Tall Document Size File Cabinet

Exhibit B, Page 3

LO00004079

LO 00004079 (Confidential )

0216

14253

# Exhibit 10

### MEMBERSHIP INTEREST PURCHASE AGREEMENT

THIS MEMBERSHIP INTEREST PURCHASE AGREEMENT (this "Agreement") to be effective December 1<sup>st</sup>, 2014 (the "Effective Date") is made by and between THE WILLIAM PETER PECCOLE AND WANDA RUTH PECCOLE FAMILY LIMITED PARTNERSHIP dated December 20, 1992, a Nevada limited partnership ("Seller") and RAMALTA LLC, a Nevada limited liability company ("Buyer") (the foregoing parties are collectively the "Parties" and each one a "Party").

#### RECITALS

WHEREAS, Seller owns, beneficially and of record, all of the outstanding membership interests (the "Shares") of WRL LLC, a Nevada limited liability company (the "Corporation");

WHEREAS, the Corporation sole assets consists of certain water rights as described on Exhibit "A", attached hereto and incorporated by reference herein (the "Water Rights"); and

NOW, THEREFORE, in consideration of the foregoing and due consideration to be paid by Buyer to Seller pursuant to this Agreement, the Parties hereby agree:

#### SECTION 1 SHARE ACQUISITION

At the Closing (defined later), Seller shall deliver to Buyer: (a) good standing certificate from the Nevada Secretary of State and copy of the filed Articles of Organization for WRL; (b) executed resignations of the existing Manager of the Corporation, Peccole-Nevada Corporation, a Nevada corporation ("PNC"); (c) amendment to the annual list to be filed with the Nevada Secretary of State to replace PNC as the Manager of WRL with a designee of the Buyer; and (d) the items as set forth in Section 2.

#### SECTION 2 CONSIDERATION, PAYMENT AND CLOSING

2.01 Purchase Price. The total purchase price (the "Purchase Price") for the Shares shall be SEVEN MILLION FIVE HUNDRED THOUSAND DOLLARS AND NO/100 CENTS (\$7,500,000).

2.02 Payment of Purchase Price. At the Closing, Buyer shall pay to Seller the entire amount of the Purchase Price.

2.03 Payments. All payments by one Party hereunder shall be paid to the other Party in cash or immediately available funds (e.g., cash, cashier's check, money order, or wire transfer to an account designated by the receiving Party in writing).

2.04 Closing. The closing (the "Closing") will be held on March 2, 2015 (the "Closing Date"). At the Closing, Seller will deliver to Buyer in form reasonably satisfactory to Buyer the items set forth in Sections 1 plus a Bill of Sale covering the Assets and such other documents and instruments as are reasonably necessary and/or appropriate to implement and complete the sale and transfer of the Corporation to the Buyer and the other transactions as required by this Agreement.

1

EXHIBIT	50
WITNESS	Bayne
DATE:	7/16/21
J.VORCE CORP. 913	

PNC000373

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SECTION 3  
REPRESENTATIONS AND WARRANTIES; COVENANTS

3.01 Mutual Representations. As of the date hereof, each Party hereby represents and warrants to the other Party as follows:

(a) This Agreement has been duly executed and delivered by such Party. This Agreement and the other agreements and instruments contemplated hereby constitute legal, valid and binding obligations of such Party, enforceable in accordance with their respective terms, except as such enforceability may be limited by bankruptcy, insolvency, moratorium or other similar laws affecting or relating to enforcement of creditor's rights generally, and except as subject to general principles of equity.

(b) The execution, delivery or performance of this Agreement by such Party will not breach or conflict with or result in a material breach of, or constitute a material default under, (i) any statute, law, ordinance, rule or regulation of any governmental authority, or any judgment, order, injunction, decree or ruling of any court or governmental authority to which such Party is subject or by which such Party is bound, or (ii) any agreement to which such Party is a party.

(c) All consents, approvals, authorizations, agreements, estoppel certificates and beneficiary statements of any third party required or reasonably requested by another Party in connection with the consummation of the transactions contemplated hereby have been delivered to the requesting Party or will be delivered to the requesting Party before the Closing.

(d) No representations or warranties by such Party, nor any statement or certificate furnished, or to be furnished, to any other Party pursuant hereto or in connection with the transactions contemplated hereby, contains or will contain any untrue statement of a material fact, or omits, or will omit, to state a material fact known to such Party, necessary to make the statements contained herein or therein not misleading.

3.02 Seller' Representations. As of the Closing Date, Seller covenants, represents and warrants to Buyer as follows:

(a) The Corporation is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Nevada. The Corporation has the full power and authority to own, lease and operate its properties and assets and to carry on its business as now being conducted. Seller has delivered to Buyer true, correct and complete copies of the articles of organization, the operating agreement of the Corporation as currently in effect.

(b) The Corporation does not own or control any stock, partnership interest, membership interest or other ownership interest in any entity.

(c) Seller is the lawful record and beneficial owner of 100% of the Shares. Seller owns the Shares free and clear of all liabilities, obligations, security interests, liens and other encumbrances ("Liens and Encumbrances"). As the Shares are uncertificated, at the Closing Buyer will receive good, valid and marketable title to the Shares, free and clear of all Liens and Encumbrances resulting in the Buyer becoming the sole shareholder of the Company.

(d) The Shares issued to the Seller are not certificated. There are no outstanding options, warrants or other rights of any kind to acquire any additional ownership interests in the Corporation or securities convertible into or exchangeable for, or which otherwise confer on the holder

thereof any right to acquire, any such additional ownership interests, nor is the Corporation committed to issue any such option, warrant, right or security.

(e) There is (i) no outstanding consent, order, judgment, injunction, award or decree of any court, government or regulatory body or arbitration tribunal against or involving the Corporation or Seller in Seller's capacity as a member of the Corporation, (ii) no action, suit, dispute or governmental, administrative, arbitration or regulatory proceeding pending or, to Seller's actual knowledge, threatened against or involving the Corporation or Seller in Seller's capacity as a member of the Corporation, and (iii) to Seller's actual knowledge, no investigation pending or threatened against or relating to the Corporation or any of its respective officers, managers or directors as such or Seller in Seller's capacity as a member of the Corporation.

(f) The Corporation has good and marketable title to all of its properties, assets including the Water Rights, free and clear of all Liens and Encumbrances.

(g) Seller has furnished Buyer with a compiled financial statement for the period ended November 30, 2014. Except as noted therein and except for normal year-end adjustments, all such financial statements are complete and correct and present fairly the financial position of the Seller and the Corporation at such date and the results of operations and cash flows.

(h) Seller has made available for inspection by Buyer all the books of account relating to the business of the Corporation to the extent such books of account exist or are in Seller's possession

(i) The Corporation is not currently engaged in any business other than the Business and has not engaged in any other business since Seller caused the formation of the Corporation.

(j) The Corporation is not a party to, and neither the Corporation nor any of its assets are bound by, any written or oral agreement, purchase order, commitment, understanding, lease(s), evidence of indebtedness, deed of trust, indenture, security agreement or other contract.

(k) Neither Seller nor the Corporation has received any written notice from any governmental authority of the existence of any violation relative to the assets, business or activities of the Corporation.

(l) Neither Seller nor the Corporation has received any written notice of any uncured violation by the Corporation that is binding upon any portion of the assets of the Corporation.

(m) The Corporation does not have direct employees.

(n) To the best of Seller's Knowledge, Seller has not received any notice of violation from any federal, state or municipal entity that has not been cured or otherwise resolved to the satisfaction of such governmental entity with respect to the Water Rights.

As used herein the phrase "to Seller's Knowledge" or "to the best of Seller's Knowledge" shall mean the current, actual (as opposed to constructive) knowledge of William Bayne, the duly appointed Vice President of PNC without having made any investigation of facts or legal issues and without any duty to do so and without imputing to either person the knowledge of any employee, agent, representative or affiliate of Seller. All of Seller's representations and warranties shall survive Closing for a period six (6) months.

SECTION 4  
TAX MATTERS

Each Party to this Agreement shall be fully responsible for any and all taxes (income or otherwise) that may result from this Agreement and the payment of the Purchase Price.

SECTION 5  
FURTHER ASSURANCES

It is the intent of this Agreement that Seller shall, at the Closing hereof, convey to Buyer all rights and interests presently held by Seller in the Corporation. Subject to the terms and conditions herein provided, each of the Parties hereto shall cooperate and use their respective commercially reasonable efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable under applicable laws and regulations to consummate and make effective the transactions contemplated by this Agreement.

Seller shall, and shall cause the Corporation to, through the Closing, continue to operate the business in the ordinary course as it has been operated and to maintain all licenses and pay all outstanding obligations as such become due and properly accrue and provide a reimbursement to Buyer in connection with any obligations that arise prior to Closing that are not paid by Seller or the Corporation prior to Closing.

SECTION 6  
BROKERAGE FEES

Each Party represents that it has not entered into any agreement for the payment of any fees, compensation or expenses to any natural or legal person in connection with the transactions provided for herein, and shall hold and save the other Parties harmless from any such fees, compensation or expenses, including attorneys fees and costs, which may be suffered by reason of any such agreement or purported agreement.

SECTION 7  
NOTICES

7.01 Procedure. Any and all notices and demands by any Party to any other Party, required or desired to be given hereunder, shall be in writing and shall be validly given or made only if (a) deposited in the United States mail, certified or registered, postage prepaid, return receipt requested or (b) made by Federal Express or other similar courier service keeping records of deliveries and attempted deliveries. Service by mail or courier shall be conclusively deemed made on the first business day delivery is attempted or upon receipt, whichever is sooner, and service by facsimile transmission shall be deemed made upon receipt.

7.02 Notice Addresses. Any notice or demand shall be addressed as follows:

If to Seller:	Address:	c/o Peccole-Nevada Corporation 851 South Rampart Boulevard, Suite 105 Las Vegas, Nevada 89145
	Attention:	William Bayne
If to Buyer:	Address:	9755 West Charleston Boulevard Las Vegas, Nevada 89117
	Attention:	Yohan Lowie

7.03 Change of Notice Address. The Parties may change their address for the purpose of receiving notices or demands as herein provided by a written notice given in the manner provided above.

## SECTION 8 MISCELLANEOUS

8.01 Arbitration. Any dispute, controversy or claim arising under, out of, in connection with, or in relation to this Agreement, or the breach, termination, validity or enforceability of any provision of this Agreement, will be settled by final and binding arbitration conducted in accordance with, and before a three-member arbitration panel (the "Arbitrators") whereby each Party selects one panel member to represent their interests and the two panel members jointly select a neutral arbitrator. The arbitration will be conducted according to the rules of the American Arbitration Association. Unless otherwise mutually agreed upon by the parties, the arbitration hearings shall be held in the City of Las Vegas, Nevada. The Parties hereby agree that the Arbitrators have full power and authority to hear and determine the controversy and make an award in writing in the form of a reasoned judicial opinion. The Parties hereby stipulate in advance that the award is binding and final. The Parties hereto also agree that judgment upon the arbitration award may be entered in any federal or state court having jurisdiction thereof. The prevailing party in any arbitration or other action pursuant to this Section 8.01 shall be entitled to recover its reasonable legal fees and out-of-pocket expenses.

8.02 Choice of Law. This Agreement shall be governed by, construed in accordance with, and enforced under the laws of the State of Nevada, without giving effect to the principles of conflict of laws thereof.

8.03 Attorneys' Fees. In the event any action is commenced by any Party against any other Party in connection herewith, including, without limitation, any bankruptcy proceeding, the prevailing Party shall be entitled to its costs and expenses, including without limitation reasonable attorneys' fees.

8.04 Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the Parties and their respective successors and assigns. Except as specifically provided herein, this Agreement is not intended to, and shall not, create any rights in any person or entity whatsoever except Buyer and Seller.

8.05 Severability. If any term, provision, covenant or condition of this Agreement, or any application thereof, should be held by a court of competent jurisdiction to be invalid, void or unenforceable, then all terms, provisions, covenants or conditions of this Agreement, 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, provided that the invalidity, voidness or unenforceability of such term, provision, covenant or condition (after giving effect to the next sentence) does not materially impair the ability of the Parties to consummate the transactions contemplated hereby. In lieu of such invalid, void or unenforceable term, provision, covenant or condition there shall be added this Agreement a term, provision, covenant or condition that is valid, not void, and enforceable and is as similar to such invalid, void, or unenforceable term, provision, covenant or condition as may be possible.

8.06 Integration Clause; Modifications; Waivers. This Agreement (along with the documents referred to herein) constitutes the entire agreement among the Parties pertaining to the subject matter contained herein and supersedes all prior agreements, representations and understandings of the Parties. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by the Party to be bound. No waiver of any of the provisions of this Agreement shall be deemed a waiver



of any other provision, whether or not similar, nor shall any waiver constitute a continuing waiver. No waiver shall be binding unless executed in writing by the Party making the waiver.

8.07 Captions. The captions appearing at the commencement of the sections hereof are descriptive only and for convenience in reference to this Agreement and in no way whatsoever define, limit or describe the scope or intent of this Agreement, nor in any way affect this Agreement.

8.08 Negotiation. This Agreement has been subject to negotiation by the Parties and shall not be construed either for or against any Party, but this Agreement shall be interpreted in accordance with the general intent of its language.

8.09 Construction. Personal pronouns shall be construed as though of the gender and number required by the context, and the singular shall include the plural and the plural the singular as may be required by the context.

8.10 Other Parties. Nothing in this Agreement, whether express or implied, is intended to confer any rights or remedies under this Agreement on any persons other than the Parties and their respective successors and permitted assigns, nor is anything in this Agreement intended to relieve or discharge the obligation or liability of any third persons to any Party to this Agreement, nor shall any provision give any third persons any right of subrogation or action against any Party to this Agreement.

8.11 Counterparts. This Agreement may be executed in any number of counterparts, each of which when executed and delivered shall be an original, but all such counterparts shall constitute one and the same Agreement. Any signature page of this Agreement may be detached from any counterpart without impairing the legal effect of any signatures thereon, and may be attached to another counterpart, identical in form thereto, but having attached to it one or more additional signature pages. The Parties contemplate that they may be executing counterparts of this Agreement transmitted by facsimile or electronically and agree and intend that a signature transmitted through a facsimile machine or electronically shall bind the party so signing with the same effect as though the signature were an original signature.

8.12 Attorney Representation. In the negotiation, preparation and execution of this Agreement, the parties hereto acknowledge that Seller has been represented by the law firm of Sklar Williams PLLC, Las Vegas, Nevada and that Buyer has been represented by Todd D. Davis, Esq. The parties have read this Agreement in its entirety and fully understand the terms and provisions contained herein. The parties hereto execute this Agreement freely and voluntarily and accept the terms, conditions and provisions of this Agreement and state that the execution by each of them of this Agreement is free from any coercion whatsoever.

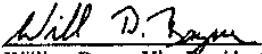
8.13 Buyer's Indemnification. Notwithstanding anything to the contrary contained herein, if Seller, PNC or any direct or indirect owner thereof is made a party to any litigation in which the Seller, PNC or any direct or indirect owner thereof is a party for any matters relating to Buyer's development of the real property that is presently operated as the Badlands Golf Course ("Real Property"), then Buyer as well as Executive Home Builders, Inc., a Nevada corporation shall indemnify, defend and hold Seller, PNC or any direct or indirect owner thereof harmless from all costs and expenses incurred by such party related to such litigation. This indemnity obligation shall survive the Closing for a period of six (6) years from the final and non-appealable date triggered from each time Buyer obtains any required permits and approvals for the development, changes, modifications or improvements to all or portions of the Real Property and/or golf course. Upon expiration of such period, the provisions of this Section 8.13 shall expire and be of no further force and effect.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date written above.

**SELLER:**

WILLIAM PETER PECCOLE AND  
WANDA RUTH PECCOLE FAMILY  
LIMITED PARTNERSHIP dated  
December 30, 1992, a Nevada  
limited partnership

By: Peccole-Nevada Corporation, a  
Nevada corporation, Manager

  
William Bayne, Vice President

**BUYER:**

RAMALTA LLC  
a Nevada limited liability company

  
Yohan Louis, Manager

The undersigned hereby joins in the execution of this Agreement for the provisions set forth in  
Section 8.13 hereof.

Executive Home Builders, Inc.  
a Nevada corporation

  
Frank Pankratz, President

**EXHIBIT "A"**

**WRL LLC WATER RIGHT PERMIT NUMBERS**

<u>Permit/Certificate</u>	<u>Diversion Rate (cfs)</u>	<u>Duty (AFA/AFS)</u>	<u>Acres/Units</u>
60739/15019	0.26	117.74	116.83
60740/15020	0.16	30.00	116.83
60741/15021	0.25	176.40	116.83
60742/15022	0.28	74.86	116.83

PNC000380

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# Exhibit 11

**APPRAISAL OF REAL PROPERTY**

**A 34.07 Acre Vacant Site**

Located at the southeast corner (SEC) of  
Alta Drive & Hualapai Way  
Las Vegas, Clark County, Nevada 89102

**PREPARED FOR:**

180 Land Co., LLC  
c/o Mr. James J. Leavitt, Esq.  
Ms. Autumn Waters, Esq.  
The Law Offices of Kermit Waters  
704 South 9th Street,  
Las Vegas, Nevada 89101

**EFFECTIVE DATE OF THE APPRAISAL:**

Retrospective - September 14, 2017

**REPORT FORMAT:**

Appraisal Report

**PREPARED BY:**

Tio S. DiFederico, MAI  
The DiFederico Group  
7641 W. Post Road  
Las Vegas, NV 89113

**THE DiFEDERICO GROUP**

File Number: 19-035

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THE DiFEDERICO GROUP · INTERNATIONAL APPRAISAL & CONSULTING  
7641 W. POST ROAD, LAS VEGAS, NV 89113 · (702) 734-3030 · FAX (702) 240-4674

**TDG Rpt 000001**  
**0225**

**14264**

April 23, 2021

180 Land Co., LLC  
c/o Mr. James J. Leavitt, Esq.  
Ms. Autumn L. Waters, Esq.  
The Law Offices of Kermit Waters  
704 South 9<sup>th</sup> Street  
Las Vegas, NV 89101

SUBJECT: The subject of the attached analysis involves a vacant 34.07-acre site located at the southeast corner (SEC) of Alta Drive and Hualapai Way, Las Vegas, Clark County, NV 89145. Assessor Parcel Number 138-31-201-005.

Dear Mr. Leavitt and Ms. Waters:

The DiFederico Group is pleased to submit the attached appraisal report of the above referenced property. The purpose of the appraisal was to develop an opinion of the just compensation due to the landowner for the City of Las Vegas' taking of the subject property. The effective date of value is September 14, 2017. The client and intended user of the report is the 180 Land Co., LLC, c/o James J. Leavitt, Esq., and Autumn L. Waters, Esq., of the Law Offices of Kermit Waters. The intended use of this appraisal report is for litigation purposes.

The appraisal report 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 assignment results, I used the appraisal report option of Standards Rule 2-2(a) of USPAP. The attached appraisal 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 attached analysis involves a 34.07-acre parcel of land located at the southeast corner (SEC) of Alta Drive and Hualapai Way, in Las Vegas, Clark County, Nevada. As of the effective date of value, the site's Alta and Hualapai frontages were improved with concrete curbs, gutters, sidewalks, and landscaping. The site was reported to have had general access to public roadways along Hualapai Way to the west and Alta Drive to the north. Public sewer easements had been provided to connect the subject property to the City of Las Vegas sanitary sewer system and the drainage study and soils reports indicated that the property was suitable for development.

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**TDG Rpt 000002**  
**0226**

**14265**

The subject property's zoning was recently addressed in a hearing before District Court Judge Timothy C. Williams. In the Findings of Fact and Conclusions of Law Regarding Plaintiff Landowners Motion to Determine "Property Interest," Judge Williams stated, "the Court bases its property interest decision on eminent domain law. Nevada eminent domain law provides that zoning must be relied upon to determine a landowners' property interest in an eminent domain case. The Court concludes that the 35 Acre Property has been hard zoned R-PD7 since at least 1990. The Court further concludes that the Las Vegas Municipal Code Section LVMC 19.10.050 lists single family and multi-family residential as the legally permissible uses on R-PD7 zoned properties. Therefore, the Landowners' Motion to Determine Property Interest is Granted in its entirety and it is hereby Ordered that:

- 1) the 35 Acre Property is hard zoned R-PD7 at all relevant times herein; and
- 2) the permitted uses by right of the 35 Acre Property are single-family and multi-family residential."

Although the site had been zoned R-PD7 since the early 1990's, the property had historically been used as a portion of the Badlands Golf Course. The landowner had leased the property to Elite Golf, a local operator managing the Badlands and five (5) other local golf courses.

According to that operator, revenue in 2015 was down 11% from 2014. The 2016 revenue was down another 25% from 2015, and the 2016 net operating income (NOI) was down over 85% from that reported in 2015. The landowner tried to re-lease the property to that operator at a lower rate. The operator refused saying they would still lose money. The landowner then offered it to the operator for a year for free. The operator said that they would still lose money and passed. It is my understanding that two (2) other golf course operators were approached to take over, but both refused. The landowner then offered the golf course operations to the Queensridge Homeowner's Association (HOA) for one (1) year for \$1.00. The HOA did not respond. At that point, December 1, 2016, the golf course was closed.

According to a 2017 National Golf Foundation (NGF) report, from 1986 to 2005, golf course supply increased by 44%, which far outpaced growth in golf participation. The trend being experienced in 2016 was referred to as "correction." This was because at that time golf course closures occurring throughout the U.S. indicated there was an oversupply that required market correction. And local market data showed that the Badlands wasn't an outlier struggling in a thriving golf course market. Based on what was happening in the national and local golf course markets, Las Vegas was also experiencing this market "correction" and the Badlands golf course was part of that "correction."

After looking at the historical operations of the golf course, which were trending downward rapidly, I concluded that operating the golf course was not a financially feasible use of this property as of September 14, 2017. Based on my research, I concluded that the highest and best use of this property was a residential development. This use would be similar to the surrounding uses in the Queensridge and Summerlin communities.

On September 21, 2017, the Clark County Assessor sent the landowner a letter that stated since the subject property had ceased being used as a golf course on December 1, 2016, the land no longer met the definition of open space and was “disqualified for open-space assessment.” The Assessor converted the property to a residential designation for tax purposes and then the deferred taxes were owed as provided in NRS 361A.280. The following explains how they apply deferred taxes.

**NRS 361A.280 Payment of deferred tax when property converted to higher use.** If the county assessor is notified or otherwise becomes aware that a parcel or any portion of a parcel of real property which has received agricultural or open-space use assessment has been converted to a higher use, the county assessor shall add to the tax extended against that portion of the property on the next property tax statement the deferred tax, which is the difference between the taxes that would have been paid or payable on the basis of the agricultural or open-space use valuation and the taxes which would have been paid or payable on the basis of the taxable value calculated pursuant to NRS 361A.277 for each year in which agricultural or open-space use assessment was in effect for the property during the fiscal year in which the property ceased to be used exclusively for agricultural use or approved open-space use and the preceding 6 fiscal years. The county assessor shall assess the property pursuant to NRS 361.227 for the next fiscal year following the date of conversion to a higher use.

While the taxes were being increased, the owner was attempting to develop the property with a residential use. The site was zoned and taxed by the government as residential land, but the City of Las Vegas prevented the legal use of the property as it would not allow the landowner to develop the property with a residential use. Instead, the City of Las Vegas has required that the property remain vacant.

With the City preventing the legally permitted use of property, and requiring the property to remain vacant, I concluded that the property had no value in the “after condition.” That is because there is no market that I can find interested in purchasing property taxed as if it can be used for residential development but restricted to remain vacant.

In this case, the landowner purchased this residentially zoned site and submitted an application to the City of Las Vegas for approval to develop the property with a residential development. The City of Las Vegas denied the landowner’s application.

NRS 37.112 provides that any decrease or increase in the fair market value of a property before the date of valuation which is caused by the public work or public improvement for which the property is acquired; or the likelihood that the property would be acquired for such a purpose, has to be disregarded when estimating the value of the property. Therefore, when valuing this property in the before condition, I must value the property as of September 14, 2017, the effective date of value, disregarding the City’s actions to prevent the legal use of the property. This will be referred to as the “before condition” throughout the attached report. I will then value the property as of September 14, 2017, considering the City’s actions to prevent the legal use of the property. This will be referred to as the “after condition” throughout the report.



For this assignment I first analyzed the property as if it were available to be developed with a residential use in compliance with its R-PD7 zoning on September 14, 2017. After concluding the “before value”, I analyzed the remainder. Due to the effect of the government’s actions, I concluded there was no market to sell this property with the substantial tax burden but no potential use or income to offset the tax expense. Based on the government’s actions, I concluded that the “after value” would be zero.

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 retrospective just compensation due to the landowner for the government’s actions, as of September 14, 2017, was as follows:

Estimated Just Compensation Due to Landowner	
1. Value before taking	\$34,135,000
2. Less value after the taking	- \$ -
3. Damages to the remainder	= \$34,135,000
4. Less special benefits to remainder	- \$ -
5. Just compensation due to property owner	= \$34,135,000

The previous values are based on the following extraordinary assumption and its use might have affected the assignment results:

1. The value estimated in this appraisal is based on the extraordinary assumption that the condition of the site noted during my August 12, 2020 property inspection was similar to its condition on September 14, 2017, the effective date of value for this assignment.

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

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## SUMMARY OF SALIENT FACTS AND CONCLUSIONS

<b>Property Type:</b>	Vacant Land
<b>Location:</b>	SEC Alta Drive & Hualapai Way, Las Vegas, Clark County, NV 89145
<b>Assessor Parcel Numbers (APN):</b>	138-31-201-005
<b>Owner of Record:</b>	180 Land Co, LLC
<b>Date of value opinion - Retrospective:</b>	September 14, 2017
<b>Date of inspection:</b>	August 12, 2020
<b>Date of report:</b>	April 23, 2021
<b>Property rights appraised:</b>	Fee Simple estate
<b>Land Area:</b>	34.07 acres / 1,484,089 square feet
<b>Zoning Designation</b>	Residential Planned Development District (R-PD7), under the jurisdiction of the City of Las Vegas.
<b>Flood Panel / Designation / Date</b>	Panel 2145 and 2150 of 4090 / Zone X / 11/16/11 and 09/27/02, respectively.
<b>Client/Intended user/Intended use:</b>	The client and intended user is the 180 Land Co., LLC, c/o Mr. James J. Leavitt, Esq., and Autumn Waters, Esq., of the Law Offices of Kermit Waters. The intended use is for litigation purposes.
<b>Highest and Best use in the Before Situation:</b>	Residential Development.

Based on the analyses and conclusions in this report and subject to the definitions, assumptions, and limiting conditions expressed herein, it is my opinion that the just compensation due the property owner due to the government actions, as of September 14, 2017, was:

Estimated Just Compensation Due to Landowner	
1. Value before taking	\$ 34,135,000
2. Less value after the taking	- \$ -
3. Damages to the remainder	= \$ 34,135,000
4. Less special benefits to remainder	- \$ -
5. Just compensation	= \$ 34,135,000

The above value is based on the following extraordinary assumption and its use might have affected the assignment results:

1. The value estimated in this appraisal is based on the extraordinary assumption that the condition of the site noted during my August 12, 2020 property inspection was similar to its condition on September 14, 2017, the effective date of value for this assignment.

## GENERAL INFORMATION

### IDENTIFICATION OF SUBJECT

The subject of this report is a 34.07-acre site located at the southeast corner of Alta Drive and Hualapai Way, Las Vegas, Nevada. The property can also be identified as Clark County Assessor Parcel Number (APN) 138-31-201-005. A brief legal description of the property is as follows:

A PORTION OF THE SOUTH HALF (S ½) OF THE NORTHWEST  
QUARTER (NW ¼) AND THE NORTH HALF (N ½) OF THE SOUTHWEST  
QUARTER (SW ¼) OF SECTION 31, TOWNSHIP 20 SOUTH, RANGE 60  
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 last three years must be analyzed.

The subject property was transferred with another 216.85 acres from Fore Stars, LTD., to 180 Land Co. LLC, an affiliated entity, on November 16, 2015. The subject property had been held by Fore Stars, LTD., since April 14, 2005 when it was transferred from the Peccole 1982 Trust (45%) and William Peter and Wanda Ruth Peccole Family L.P. (55%), a business entity of which grantor is the 100% owner. The property had been transferred to the Peccole 1982 Trust and William Peter and Wanda Ruth Peccole Family L.P.; three (3) days prior from the Larry Miller Trust.

In researching the sales history, I interviewed Yohan Lowie, CEO & Founder of EHB Companies. Mr. Lowie's relationship with the Peccole family began in 1996 when he and his partners purchased their first custom home lot in the Queensridge community. They traded that lot but ended up building the new owner's home on that lot. They purchased three (3) additional lots, built homes on them, and sold them. This was followed by the purchase of two additional lots. After these developments, Mr. Lowie's company entered into partnerships with the Peccole family on properties outside of Queensridge, including the office building that EHB Companies currently occupies, land, Tivoli Village and a site at Sahara Avenue and Hualapai Way. By early 2000, Mr. Lowie and his partners had entered into a 25 custom home lot purchase that they would take down in five (5) lot increments every three (3) to five (5) months. Mr. Lowie stated that they ended up purchasing and developing 40 of the 106 custom home lots in the Queensridge community.

It was in early 2001, while Mr. Lowie's company was building a home that he noted dirt being moved behind it on what was known as the Badlands golf course. He stated that was when he learned that the Peccole family was looking to develop homes on what had been the Badlands golf course. Mr. Lowie stated that the Peccole family halted this development due to a waterline easement that ran under that portion of the site.

By 2004 Mr. Lowie had negotiated with the Peccole family to buy the +/- 14.5 acre site to construct four (4) towers at Queensridge, two (2) of which have been built. The Peccole family retained a 30% interest in the Queensridge Towers development. However, to build these Towers, two (2) holes on the Badlands golf course had to be rearranged. This included converting a Par 5 hole that abutted the Tower site to a Par 4 and converting a Par 4 close to the Queensridge Charleston Boulevard entrance to a Par 5. The following aerials from

Google Earth reflect the before and after situation of the land and golf course where the two (2) towers were constructed.



*Photo taken March 30, 2004.*



*Photo taken February 28, 2008.*

In 2005, the golf course was being leased by American Golf. Mr. Lowie stated that after the above hole conversion was completed, at a cost of approximately \$800,000 to Mr. Lowie's company, American Golf informed the Peccole family that they had broken their lease by changing the course and using a portion of it for development. American Golf demanded the Peccole family buy out the lease for \$30 million. At the same time there was a cash call for the partners in the Queensridge Towers, of which the Peccole family had a 30% interest.

To resolve the issues, Mr. Lowie worked a deal with his then partners to borrow money to cover the Peccole family obligation to American Golf and buy them out of their joint ventures. Mr. Lowie agreed to pay the Peccole family a total of \$90 million for the interests in these ventures, plus give them four (4) units in the Queensridge Towers that he valued at \$10 million. This included the \$30 million for them to buy out the golf course lease. Therefore, the total price agreed upon in 2006 was \$100MM.

It was during this period of 2006, that Troon Golf, LLC., approached the Peccole family about leasing and operating the Badlands golf course. The Peccole family approached Mr. Lowie with the suggestion that he let them lease the golf course to Troon Golf since he was busy with the Towers and Tivoli Village at that time. Mr. Lowie agreed. The Troon Golf lease was approximately three (3) years. Par 4 leased and operated the course thereafter. In March of 2015, Mr. Lowie and his partners, through their entities, purchased Fore Stars, the entity that owned the 250 acres of land that the Badlands Gold Course was operated on. Elite Golf then took over operations until it closed in December of 2016.

According to Mr. Lowie, the property had never been listed for sale and the 2015 transfer of the golf course for \$15 million was just the final payment of the \$100MM buyout and had nothing to do with the property's value. In addition, this was agreed to over ten (10) years prior to the effective date of value in this analysis.

After considering all of the previous information about the subject property's transfer, the fact that market conditions had seen dramatic changes during the ten (10) years prior to the effective date of value, and the values I estimated in this report, it is my opinion that the final payment of \$15 million had no relationship to the subject site's September 14, 2017 market value.

To the best of my knowledge, while the property transferred in November 2015 to a related entity, there had been no market based sale of the subject property within the three (3) years prior to the effective date of value, September 14, 2017, and as of the effective date of this appraisal assignment, the property was not in escrow, subject to an option to buy, nor was it listed for sale.

#### **PURPOSE, PROPERTY RIGHTS AND EFFECTIVE DATE**

The purpose of this appraisal is to develop an opinion of the just compensation due to the property owner due to the government actions that resulted in taking of the landowner's property rights. The effective date of value is September 14, 2017.

#### **CLIENT, INTENDED USER AND INTENDED USE**

The client and intended user of the report is 180 Land Co., LLC, c/o Mr. James J. Leavitt, Esq., and Autumn Waters, Esq., of the Law Offices of Kermit Waters. The intended use of this appraisal report is for litigation purposes.

#### **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

#### **DEFINITION OF CONDEMNATION**

The act or process of enforcing the right of eminent domain. Source: Appraisal Institute, *(The Dictionary of Real Estate Appraisal, 6<sup>th</sup> Edition, 2015)*.

**DEFINITION OF EMINENT DOMAIN**

The right of government to take private property for public use upon the payment of just compensation. The Fifth Amendment of the U.S. Constitution, also known as the *takings clause*, guarantees payment of just compensation upon appropriation of private property. Source: Appraisal Institute, (*The Dictionary of Real Estate Appraisal, 6<sup>th</sup> Edition, 2015*).

**DEFINITION OF EXTRAORDINARY ASSUMPTION**

An assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions. Source: USPAP, (*2016-2017 ed*).

**DEFINITION OF HYPOTHETICAL CONDITION**

A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis. Source: USPAP, (*2020-2021 ed*).

**DEFINITION OF INVERSE CONDEMNATION**

An action brought by a property owner for compensation from a governmental entity that has taken the owner's property without bringing formal condemnation proceedings; also termed *constructive condemnation, reverse condemnation*. (*Black's Law Dictionary, tenth edition*).

**DEFINITION OF JUST COMPENSATION**

In condemnation, the amount of loss for which a property owner is compensated when his or her property is taken. Just compensation should put the owner in as good a position pecuniarily as he or she would have been if the property had not been taken. Source: Appraisal Institute, (*The Dictionary of Real Estate Appraisal, 6<sup>th</sup> Edition, 2015*).

The Nevada Constitution has a similar definition:

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.

**DEFINITION OF MARKET VALUE**

Market value is defined as:

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 purposes for which the property is reasonably adaptable and available. In determining 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. (Added to NRS by 1959, 596; A 1989, 548; 1993, 525; 1995, 501; 2007, 331)

The Nevada Constitution has a similar definition:

In all eminent domain actions where fair market value is applied, it shall be defined as the highest price the property would bring on the open market.

### DEFINITION OF PROPERTY RIGHTS APPRAISED

Fee simple estate is defined as an: “Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.” Source: Appraisal Institute, (*The Dictionary of Real Estate Appraisal*, 6<sup>th</sup> Edition, 2015).

### DEFINITION OF RETROSPECTIVE VALUE OPINION

Retrospective value opinion is defined as an: “A value opinion effective as of a specified historical date. The term *retrospective* does not define a type of value. Instead, it identifies a value opinion as being effective at some specific prior date.” Source: Appraisal Institute, (*The Dictionary of Real Estate Appraisal*, 6<sup>th</sup> Edition, 2015).

### SCOPE OF WORK

This analysis involves a 34.07-acre parcel of land located at the southeast corner (SEC) of Alta Drive and Hualapai Way, in Las Vegas, Clark County, Nevada. As of the effective date of value, the site’s Alta and Hualapai frontages were improved with concrete curbs, gutters, sidewalks, and landscaping.

According to the City of Las Vegas’ Planning Department, the site has been zoned Residential Planned Development District (R-PD7) since at least 1990. This was recently confirmed after a hearing on September 17, 2020. After that hearing, District Court Judge Timothy C. Williams ordered that:

- 3) the 35 Acre Property is hard zoned R-PD7 at all relevant times herein; and
- 4) the permitted uses by right of the 35 Acre Property are single-family and multi-family residential.

The single-family residential dwelling density that is allowed in the R-PD District is reflected by the numerical designation for that district. According to Title 19, R-PD7 allows up to 7.49 dwelling units per gross acre. The development standards for a R-PD project, including minimum front, side and rear yard setbacks, grade changes, maximum building heights, and other design and development criteria, are to be as established by the approved Site Development Plan Review (SDR) for the development.

This appraisal assignment involves estimating the just compensation due to the property owner for the government actions requiring the property to remain in a vacant state and not allow the landowner to develop a residentially zoned property with a residential development. To perform this assignment, I took the following steps to gather, confirm, and analyze relevant data.

- I inspected the subject property and surrounding area on August 12, 2020. The photographs included in this report were taken by Tio S. DiFederico, MAI, during that inspection.
- I collected factual information about the property and the surrounding market and confirmed that information with various sources as of the effective date of value. This included numerous articles in the local newspapers regarding the Las Vegas golf



courses, correspondence between the landowner, Par 4 and then Elite Golf, The National Golf Foundation's "Golf Facilities in the U.S., 2017 Edition," a report on the Badlands Golf Course prepared by Global Golf Advisors (GGA), site development costs (included in my workfile), the City of Las Vegas Unified Development Code, Title 19, and numerous other publications identified within this report.

- I then performed a highest and best use analysis of the subject site as of September 14, 2017, the effective date of value. Based on the highest and best conclusion, I estimated the market value of the fee simple estate in the subject site as if the permitted right to develop the property with single-family residences would have been allowed. (i.e., I excluded the project).
- Appraisers usually consider the use of three approaches to value when developing a market value opinion for real property. These are the cost approach, sales comparison approach and income capitalization approach. For this assignment, I used the Sales Comparison Approach and the Discounted Cash Flow Analysis in Subdivision Development Analysis in the Income Capitalization Approach. These methodologies are considered to offer the best indications of the property's market value.
- Since the Cost Approach is not considered applicable when appraising vacant land, this approach was not used in this analysis.
- The next part of the report involves analyzing and estimating the value of the property in the before and after condition. In this case, the landowner had a residentially zoned site and the legal right to develop it with a residential use. However, when the landowner attempted to get government approval for a residential development, the City of Las Vegas denied the landowner any economic use of the property and instead required the property stay in a vacant state. Therefore, I first analyzed the value of this property as if it were available to be developed with a residential use in compliance with its R-PD7 zoning on September 14, 2017. After concluding that value (the "before value"), I analyzed the value of the property in the after condition, subject to the government actions (the "after value"). I then considered what, if any, damages accrue to the remainder due to the effect of these government actions as of September 14, 2017, the effective date of value for this assignment.

#### REPORT FORMAT

The report has been prepared under the Appraisal Report option of Standards Rule 2-2(a) of USPAP. As such, it contains discussions of the data, reasoning, and analyses that are used in the appraisal process. 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.

## MARKET AREA ANALYSIS

### Nevada Labor Force Summary

(Estimates in Thousands)					
LABOR FORCE SUMMARY					
	Sep-17	Sep-16	CHANGE	% CHANGE	Aug-17
<b>NEVADA STATEWIDE Seasonally Adjusted</b>					
LABOR FORCE	1451.4	1430.8	20.6	1.4%	1445.6
EMPLOYMENT	1379.7	1353.6	26.1	1.9%	1375.0
UNEMPLOYMENT	71.7	77.2	-5.5	-7.1%	70.6
UNEMPLOYMENT RATE	4.9%	5.4%	-----	-----	4.9%
<b>NEVADA STATEWIDE Non Seasonally Adjusted</b>					
LABOR FORCE	1457.8	1432.3	25.4	1.8%	1449.8
EMPLOYMENT	1385.5	1355.1	30.4	2.2%	1377.5
UNEMPLOYMENT	72.3	77.3	-5.0	-6.5%	72.3
UNEMPLOYMENT RATE	5.0%	5.4%	-----	-----	5.0%
<b>Las Vegas-Paradise MSA Includes Clark County</b>					
LABOR FORCE	1073.6	1050.8	22.8	2.2%	1068.7
EMPLOYMENT	1017.6	992.1	25.5	2.6%	1012.8
UNEMPLOYMENT	56.0	58.7	-2.7	-4.6%	55.9
UNEMPLOYMENT RATE	5.2%	5.6%	-----	-----	5.2%
<b>Reno-Sparks MSA Includes Washoe and Storey Counties</b>					
LABOR FORCE	237.9	234.5	3.4	1.4%	234.8
EMPLOYMENT	228.4	223.8	4.6	2.0%	225.3
UNEMPLOYMENT	9.5	10.7	-1.2	-11.4%	9.5
UNEMPLOYMENT RATE	4.0%	4.6%	-----	-----	4.1%
<b>Carson City MSA</b>					
LABOR FORCE	24.8	24.7	0.1	0.3%	24.8
EMPLOYMENT	23.6	23.3	0.3	1.2%	23.6
UNEMPLOYMENT	1.2	1.4	-0.2	-14.2%	1.2
UNEMPLOYMENT RATE	4.8%	5.6%	-----	-----	4.7%

UNEMPLOYMENT RATES BASED ON UNROUNDED DATA

Employment 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

While overall the number of new jobs increased in September 2017, Nevada's largest population centers saw mixed job growth. The Las Vegas Metropolitan Statistical Area (MSA) lost 500 jobs after only adding 3,900 jobs when 4,400 were expected to be gained, due to seasonal movement. Reno saw a seasonally adjusted increase of 2,000 jobs, the result of a jump of 3,000 jobs when only 1,000 were expected. In the state capital, Carson City, jobs held steady years over year with the seasonal expectations.

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 (DETR), as of September 2017, the statewide unemployment rate was 4.9%, down 0.5% from the same month of 2016. "The metro area economic indicators continue to follow statewide positive trends," Bill Anderson, chief economist for Nevada's Department of Employment, Training and Rehabilitation, said. "As reported last week, the statewide unemployment rate stands at 4.9%. Employers continue to add jobs. Despite a slight uptick in new jobs statewide, Nevada's largest population centers saw mixed job growth in September."

## Non-Seasonally Adjusted Establishment Based Industrial Employment Las Vegas-Paradise MSA

Includes Clark County  
(Estimates in Thousands)

	Sep-17	Sep-16	CHANGE	% CHANGE	Aug-17
<b>Total All Industries</b>	<b>983.5</b>	<b>960.1</b>	<b>23.4</b>	<b>2.4%</b>	<b>979.6</b>
<b><u>Goods Producing</u></b>	<b>89.6</b>	<b>78.8</b>	<b>10.8</b>	<b>13.7%</b>	<b>89.7</b>
Natural Resources & Mining	0.4	0.3	0.1	33.3%	0.4
Construction	66.3	56.2	10.1	18.0%	66.4
Construction of Buildings	9.6	8.5	1.1	12.9%	9.4
Specialty Trade Contractors	51.0	42.0	9.0	21.4%	51.4
Building Foundation & Exterior Contractors	13.1	10.7	2.4	22.4%	13.7
Building Finishing Contractors	13.9	11.5	2.4	20.9%	13.7
Manufacturing	22.9	22.3	0.6	2.7%	22.9
Durable Goods	13.0	12.7	0.3	2.4%	13.0
Other Miscellaneous Manufacturing	4.1	4.1	0.0	0.0%	4.1
Non-durable Goods	9.9	9.6	0.3	3.1%	9.9
<b><u>Service Providing</u></b>	<b>893.9</b>	<b>881.3</b>	<b>12.6</b>	<b>1.4%</b>	<b>889.9</b>
<b><u>Private Service Providing</u></b>	<b>790.2</b>	<b>780.2</b>	<b>10.0</b>	<b>1.3%</b>	<b>791.9</b>
Trade, Transportation & Utilities	167.1	170.7	-3.6	-2.1%	168.2
Wholesale	21.2	21.8	-0.6	-2.8%	21.1
Retail	106.6	106.9	-0.3	-0.3%	107.3
Food & Beverage Stores	17.9	17.4	0.5	2.9%	17.8
Health and Personal Care Stores	7.8	7.7	0.1	1.3%	7.9
Trans, Warehousing & Utilities	39.3	42.0	-2.7	-6.4%	39.8
Utilities	2.6	2.6	0.0	0.0%	2.6
Transportation & Warehousing	36.7	39.4	-2.7	-6.9%	37.2
Air	6.5	6.4	0.1	1.6%	6.5
Transit and Ground Passenger	12.8	13.4	-0.6	-4.5%	13.0
Taxi and Limousine Service	9.7	9.8	-0.1	-1.0%	9.7
Information	10.7	10.8	-0.1	-0.9%	10.8
Telecommunications	2.8	2.9	-0.1	-3.4%	2.8
Financial Activities	49.9	48.4	1.5	3.1%	50.5
Finance and Insurance	27.2	26.8	0.4	1.5%	27.8
Credit Intermediation & Related	15.8	14.9	0.9	6.0%	15.7
Real Estate and Rental and Leasing	22.7	21.6	1.1	5.1%	22.7
Professional & Business Services	141.5	136.4	5.1	3.7%	141.7
Professional, Scientific and Technical	39.5	39.4	0.1	0.3%	40.2
Management of Companies	20.5	19.8	0.7	3.5%	20.5
Administrative & Support and Waste Mgt.	81.5	77.2	4.3	5.6%	81.0
Administrative and Support Services	79.4	74.6	4.8	6.4%	79.0
Employment Services	15.3	14.2	1.1	7.7%	15.3
Other Support Services	12.1	11.8	0.3	2.5%	11.1
Education and Health Services	96.7	92.8	3.9	4.2%	96.4
Health Care and Social Assistance	86.0	82.9	3.1	3.7%	86.7
Ambulatory Health Care Services	39.9	37.6	2.3	6.1%	40.1
Hospitals	20.9	20.4	0.5	2.5%	20.9
Leisure and Hospitality	291.6	289.3	2.3	0.8%	291.4
Arts, Entertainment and Recreation	21.6	21.0	0.6	2.9%	21.8
Accommodation and Food Service	270.0	268.3	1.7	0.6%	269.6
Accommodation	168.7	167.0	1.7	1.0%	168.5
Casino Hotels and Gaming	159.9	158.4	1.5	0.9%	159.5
Casino Hotels	154.8	153.5	1.3	0.8%	154.4
Gaming Industries	5.1	4.9	0.2	4.1%	5.1
Food Services and Drinking Places	101.3	101.3	0.0	0.0%	101.1
Full-Service Restaurants	49.9	50.3	-0.4	-0.8%	49.7
Limited-Service Restaurants	36.6	37.7	-1.1	-2.9%	36.6
Other Services	32.7	31.8	0.9	2.8%	32.9
Government	103.7	101.1	2.6	2.6%	98.0
Federal	13.0	12.9	0.1	0.8%	13.0
State	18.3	19.1	-0.8	-4.2%	16.8
Local	72.4	69.1	3.3	4.8%	68.2

Non-Seasonally Adjusted Data.

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.

**Key Points:**

- In Las Vegas, the unemployment rate stayed the same from August, at 5.2%. But it is down 40 basis points from the same time last year.
- Reno's unemployment rate is at 4.0%, down 10 basis points from August and down 60 basis points from last year.
- The unemployment rate in Carson City is up 10 basis points over the month, to 4.8%, but is down 80 basis points from September 2016.

**Job Growth since September 2016**

- Statewide: 32,300 jobs were added over the year (2.5% growth rate)
- Reno: added 5,500 jobs (2.5% growth rate)
- Las Vegas: added 21,600 jobs over the year (2.3% growth rate)
- Carson City: unemployment unchanged year-over-year

Over the year, job growth increased in the State as a whole and in all major population centers this month. Statewide, 32,300 more jobs have been added since September of 2016, a growth rate of 2.5%. Reno had the highest year-over-year growth rate at 2.5%. The Reno area saw payrolls gain 5,500 jobs, with 2,000 goods-producing and 2,300 service-providing jobs. Las Vegas realized the largest nominal growth of 21,600 jobs, an increase of 2.3%. Of the Las Vegas area's total nominal gain, service providing industries saw the addition of 12,600 jobs and goods-producing industries increased by 10,800 jobs. Carson City was flat year-over-year, with both service-providers and goods-producers adding 100 jobs in the area before adjustments were made for seasonality.

The latest information from Current Employment Statistics (CES) monthly estimates show as the recession unfolded, Statewide employment fell 14.3%, from a pre-recession peak of 1,297,200 to a low of 1,111,500 jobs in September 2010. Seven years later, the Silver State has surpassed the pre-recession peak by 3.9%, or 50,800 more jobs. Las Vegas lost 134,400 jobs during the recession, a decline of 14.4%. Since bottoming out, the region has added 183,900 jobs, an increase of 23.1%. Employment currently stands 49,500 higher than the previous peak.

Tourism has historically been one of Nevada's major economic drivers, and continues to account for a larger share of employment than any other sector in the State. Monthly visitor volumes for the State's two largest metro areas are important indicators for the health of the many industries supported by tourism.

Another indicator of the area's economic health is provided by UNLV's Center for Business & Economic Research (CBER) Southern Nevada Coincident and Leading Indexes. 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.

The CBER Nevada coincident and leading indexes use the Department of Commerce index construction method. The CBER Nevada coincident index measures the ups and downs of the Nevada economy, while the CBER Nevada leading index provides an indication for the future direction of the coincident index.

The coincident index provides the benchmark series that defines the business cycle or reference cycle in Nevada. The leading index then tracks the economy relative to that reference cycle. The coincident index peaked in February 2007 and then fell dramatically

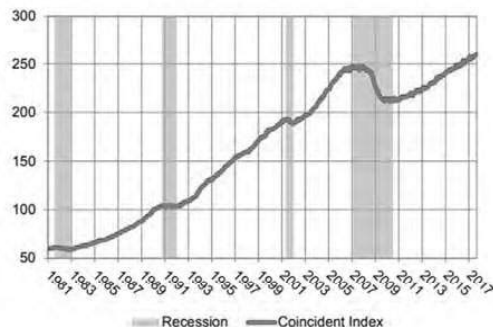
through June 2010. Prior to the Great Recession, identified by the benchmark Nevada coincident index, the Nevada leading index peaked in November 2005, 14 months before the Nevada coincident index peaked. Then the Nevada leading index bottomed out in May 2009, 13 months before the Nevada coincident index troughed. All series are seasonally adjusted (SA).

- CBER's Southern Nevada Coincident Index increased 0.4% in August 2017 relative to the prior month and a significant 3.7% increase year-over-year.
- CBER's Southern Nevada Leading Index decreased 1.3% in August 2017 relative to the prior month and was up 1.0% compared to last year.
- CBER's Clark County Construction Index increased 0.1% in August 2017 relative to the prior month; and is up a healthy 4.3% over last year.
- CBER's Southern Nevada Tourism Index dropped 0.1% in August 2017 relative to the prior month; but is up 1.5% over last year.



## Southern Nevada Coincident Index

The CBER Southern Nevada coincident index advanced in August on a monthly and yearly basis.



Series	Date	Latest Period	Month-Over-Month	Year-Over-Year
Taxable Sales (SA)	Aug-17	3,484,358,509	0.7%	3.6%
Gaming Revenue (SA)	Aug-17	855,812,043	2.4%	16.4%
Nonfarm Employment (SA)	Aug-17	983,439	0.1%	3.2%
<b>Overall Index Change</b>	<b>Aug-17</b>	<b>259.8</b>	<b>0.4%</b>	<b>3.7%</b>

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Source: The Center for Business and Economic Research – UNLV

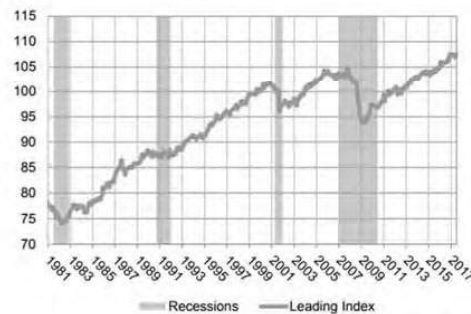
The CBER Southern Nevada coincident index rose 0.4% in August 2017 from the previous month. Gaming revenue (2.4%), taxable sales (0.7%) and nonfarm employment (0.1%) all rose compared to July 2017. On a yearly basis, all three components also rose this month. Year-over-year, Clark County taxable sales were up by 3.6% and gaming revenue, strongly supported by higher gaming activity due to the Mayweather-McGregor boxing match, was up 16.4%. Nonfarm employment was up 3.2% since last year. Overall, the index was up 3.7% year-over-year.



## Southern Nevada Leading Index

The CBER Southern Nevada leading index continued its yearly upward trend.

Date	Index	Month-Over-Month	Year-Over-Year
Aug-16	103.9	1.3%	6.8%
Sep-16	101.7	-2.1%	3.3%
Oct-16	102.3	0.6%	2.7%
Nov-16	105.3	2.9%	7.1%
Dec-16	105.5	0.1%	5.0%
Jan-17	103.3	-2.0%	4.6%
Feb-17	102.4	-0.9%	-0.2%
Mar-17	104.5	2.1%	2.5%
Apr-17	103.6	-0.9%	2.5%
May-17	105.0	1.3%	2.6%
Jun-17	104.7	-0.3%	2.2%
Jul-17	106.2	1.5%	3.5%
Aug-17	104.9	-1.3%	1.0%



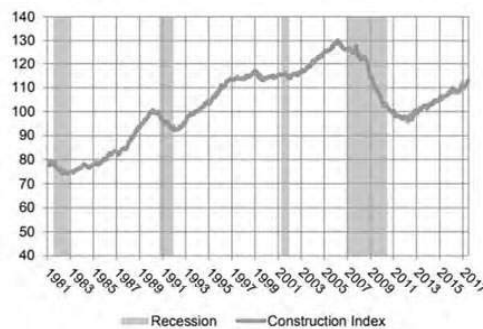
Source: The Center for Business and Economic Research – UNLV

The CBER Southern Nevada leading index posted a slight monthly increase in August of 0.2%, mainly due to mixed results. On the positive side, there was a 35.0% increase in housing permits in Clark County. In addition, the S&P 500 index was up 2.1% and the 10-year Treasury bond yield (inverted) inched up 0.2%. In contrast, initial claims for unemployment insurance (inverted) and passenger volume at McCarran International Airport declined 0.8% and 0.1%, respectively. Also, construction permits for commercial building posted the largest monthly decline, down 27.6%. The overall index, however, posted a 1.7% increase compared to August of last year. This gain resulted from a robust annual increase of 92.7% in housing permits, which was partially offset by a 16.6% fall in commercial construction permits. On the national level, the S&P 500 index advanced 15.5% in August compared to August 2016, which highlighted favorable growth of the U.S. economy.



## Southern Nevada Construction Index

The CBER Southern Nevada construction index rose strongly in August compared to last year.



Series	Date	Latest Period	Month-Over-Month	Year-Over-Year
Construction Employment (SA)	Aug-17	65,611	1.0%	19.1%
Housing Permits (SA)	Aug-17	1,303	35.0%	92.7%
Commercial Permits (SA)	Aug-17	31	-27.6%	-16.6%
Overall Index Change	Aug-17	113.2	0.1%	4.3%

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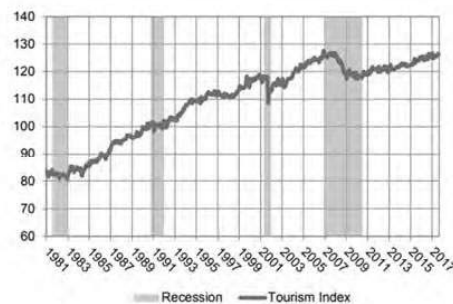
Source: The Center for Business and Economic Research – UNLV

The CBER Southern Nevada construction index peaked in August at its highest value since the end of the housing crisis. The index increased by 0.1% and 4.3% in August compared to the previous month and year, respectively. On a monthly basis, the index was supported by higher housing permits and construction employment, up by 35.0% and 1.0%, respectively. Construction permits for commercial buildings, however, dropped 27.6% in August compared to July. Although commercial building permits fell significantly on a monthly basis, the overall index registered a monthly gain. Housing permits and construction employment fueled a push upwards year-over-year in August. Residential permits were up 92.7% and close to 10,500 new workers in the construction industry were added (seasonally adjusted data). As a result, the overall index was up strongly by 4.3% from a year ago.



## Southern Nevada Tourism Index

The CBER Southern Nevada tourism index increased in August due to higher gaming activity.



Series	Date	Latest Period	Month-Over-Month	Year-Over-Year
McCarran Passengers (SA)	Aug-17	4,071,634	-0.1%	3.6%
Gaming Revenue (SA)	Aug-17	855,812,043	2.4%	16.4%
LV Hotel/Motel Occupancy Rate (SA)	Aug-17	0.890	-1.5%	-0.7%
Overall Index Change	Aug-17	126.3	-0.1%	1.5%

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Source: The Center for Business and Economic Research – UNLV

The CBER Southern Nevada tourism index fell slightly by 0.1% in August compared to the previous month. This loss was mainly due to a decrease of 1.5% in the Las Vegas hotel/motel occupancy rate. Passenger volume at McCarran fell by 0.1%, relative to the a month ago. Although gaming revenue increased by 2.4%, it did not completely offset losses in the other two components. On a yearly basis, however, the index grew 1.5% in August. Two of the three components (McCarran passengers and gaming revenue) increased 3.6% and 16.4%, respectively, compared to August 2016. The increase in gaming revenue was the direct result of the Mayweather-McGregor fight in Las Vegas. Hotel/motel occupancy rate declined 0.7% year-over-year.

### HOUSING

Through the first ten (10) months of 2017, statistics from GLVAR and its Multiple Listing Service showed that homes sold so far in 2017 continue to run about 10% ahead of the pace from 2016, when 41,720 total properties were sold in Southern Nevada. At the current sales pace, 2017 sales would surpass the total number of properties sold in 2013, 2014 and 2015 and might approach the total from 2012 — when GLVAR tracked 45,698 sales.

The GLVAR reported a total of 3,633 sales in October 2017, which is up from 3,225 total sales in October of 2016. Compared to the previous year, October sales were up 13.3% for homes and up 16.1% for condos and townhomes. Strong demand and a very tight housing supply are driving this surge. Over the past few months, the inventory of local homes available for sale has dropped to less than a two-month supply when a six-month supply is ideal.

At the same time, homes and condos continue to sell faster each month. In October, GLVAR reported that 81.9% of existing local homes and 89.0% of existing local condos and townhomes sold within 60 days. That was faster than a year ago when 75.2% of



existing local homes and 76.2% of existing local condos and townhomes sold within 60 days. GLVAR reported that the median price of existing single-family homes sold during October was up 13.4% from a year ago.

### THE STRIP MARKET AREA

The Strip is a major tourist attraction, and houses some of the most famous hotel casinos in the world. There has been continuous building and renovation along the Strip. For years, Nevada was the only state in which casino gambling was legally allowed. Then, in 1976, New Jersey approved legislation to allow gaming in Atlantic City. From 1989 to 1998, nine additional states authorized casino gambling. And, by the beginning of 2004 various levels of gambling was legal in 48 of our states, with Hawaii and Utah being the exceptions.

While it is recognized that a recession began in the US around March 2001, the Las Vegas market was mostly unaffected until September 11, 2001. However, the impact of closing McCarran International Airport in September was a blow since over 45% of tourists arrived by air. The highest recorded gaming revenue through the first three quarters of any given year up to then was in 2001 at \$5.838 billion, when the US was in a recession. The 4<sup>th</sup> quarter 2001 gaming revenue dropped by over 7.3% from that reported in 2000. Even with that drop, Nevada casinos won 2.2% more from gamblers in fiscal year 2001 than 2000.

Las Vegas' gaming revenue recovered and reached another all-time high for the 2003 calendar year, which it then surpassed in 2004, 2005, 2006 and 2007. The 2004 win marked the first time the total cracked the \$10 billion barrier. Nevada casinos closed fiscal 2007 with a record \$12.74 billion win. However, expenses were also up, which resulted in a decline in the reported EBITDA (Earnings Before Interest Taxes Depreciation & Amortization). The result was a net decline of 4.0% when comparing 2007 to 2006.

This indicated that the Las Vegas Gaming market was not immune to the national problems that the economy was experiencing. The plan to combat this was to build more resorts. And history had shown that the Las Vegas economy rebounded from economic slumps when the Strip went through a building boom. But there were major concerns in 2008. This included problems at resorts under construction as well those that were still planned.

### GAMING & TOURISM

Nevada's gaming revenues for non-restricted licensees peaked in 2007 but dropped in 2008 and then hit bottom in 2009. Revenues then increased each year through 2013. In 2014, seven months reported a decline in revenues and five an increase, with the year-end revenue down 1.13%. In 2015, gaming revenues were up six of the 12 months, with the year-over-year revenues being up 0.57% for the State of Nevada. Gaming revenue in 2016 reflected an increase of 3.49% increase over 2015.

For January 2017, statistics released by the state Gaming Control Board reflected a statewide gaming win of \$1.04 billion, up 12% over January 2016, a Clark County win total up 14.3% to \$926.2 million, and downtown up 32.1% to \$55.5 million. It was the 35<sup>th</sup> time the state has recorded more than \$1 billion in win, a level first achieved in March 2005. The highest win ever came in October 2007 when the state recorded \$1.165 billion.

Analysts cautioned that the January percentage increases were high because of the timing of reporting, but the three-month running average shows significant growth in casino win. For November, December and January, state and Clark County win was up 2.5% from the comparable period in 2015-16, the Strip climbed 2.9% and downtown Las Vegas was up

7%. “This was obviously a strong month for Clark County but not any kind of record,” Michael Lawton, senior research analyst for the Gaming Control Board’s Tax and License Division, said of January’s numbers. Lawton indicated January’s county win total was just outside of the top 10 highest recorded for the county.

The February 2017 gaming win for the State, \$945,597,573, was down 4.48% compared to February 2016. Clark County reported \$825,864,681, a 4.35% decrease compared to last year and the Strip reported \$541,900,719, which was down 4.98% from last year. Based on February’s gambling win, the state collected \$51,986,240 in percentage fees during March 2017. This represented a 2.87% increase compared to the prior year’s February, when percentage fee collections were \$50,536,977.

In March 2017, the State gaming win was \$991,023,123, which was up 7.45% compared to March 2016. Clark County reported \$857,351,888, a 7.60% increase compared to last year and the Strip reported \$526,092,942, which is up 8.07% from last year. For the fiscal year-to-date, July 1, 2016 through March 31, 2017, the State is up 3.23%, Clark County is up 3.34%, and the Strip is up 3.68%. The state’s March statistics show more increases than decreases, with only three (3) of the sixteen (16) areas reporting throughout the state reporting decreases.

In the most recent report, June 2017, the win was up just 0.3% in Clark County. Statewide, the win was up 0.9% to \$895.4 million for the month over last year while the Las Vegas Strip’s win increased over June 2016 by 1.6% to \$497 million. The heated-up downtown Las Vegas market that had been reporting double-digit percentage increases in win over the past year increased 8.7% to \$46 million. The three-month win average, which is considered a more reliable gauge of performance, showed the state win up 1.9% for April, May and June. The three-month averages also showed Clark County up 1.8%, the Strip up 0.5% and downtown up 13.2%.

The Control Board also announced 12-month totals showing the state’s casino win was up 2.9% to \$11.4 billion. Clark County win was up 3% to \$9.9 billion for the year, the Strip went up 2.9% to \$6.5 billion and downtown Las Vegas ended 10.7% higher than the previous year with \$608.7 million in winnings.

Of the state’s 15 studied markets, only two had win declines for the fiscal year compared with the previous year. North Shore Lake Tahoe was off 2.5% to \$25.3 million while the Boulder Strip declined 0.5% to \$793.9 million. The Boulder Strip downturn was attributed to an 8.4% decline in table-game win that was somewhat offset by a 0.7% increase in slot-machine win. Table win was off in nine of the 15 markets statewide during the 2016-17 fiscal year, but slot win was up in every market except North Shore Lake Tahoe. The following data was compiled by the DiFederico Group from the Nevada Gaming Control Board’s monthly releases through July of 2017.

## NEVADA, CLARK COUNTY &amp; LAS VEGAS STRIP GAMING REVENUES 2011 THROUGH JUNE 2017 (RELEASED JULY 27, 2017)

Nevada Gaming Revenue										
Month	2017	% Change	2016	% Change	2015	% Change	2014	% Change	2013	% Change
January	\$ 1,036,265,398	12.02%	\$ 925,066,268	-2.90%	\$ 952,665,050	7.74%	\$ 884,191,833	-2.76%	\$ 909,267,893	-12.43%
February	\$ 945,597,573	-4.48%	\$ 989,909,589	8.06%	\$ 916,087,062	-1.08%	\$ 926,086,897	-13.71%	\$ 1,073,261,160	15.14%
March	\$ 991,023,123	7.45%	\$ 922,329,184	-3.03%	\$ 951,187,038	-5.40%	\$ 982,175,417	7.60%	\$ 912,784,688	6.81%
April	\$ 886,528,810	1.19%	\$ 876,135,199	-2.43%	\$ 897,974,105	5.40%	\$ 851,977,865	-0.27%	\$ 854,287,264	-0.16%
May	\$ 991,004,782	3.51%	\$ 957,937,998	-4.54%	\$ 1,003,479,007	3.32%	\$ 971,220,551	8.22%	\$ 897,438,790	1.40%
June	\$ 895,427,384	0.90%	\$ 887,464,756	6.81%	\$ 830,908,905	-8.37%	\$ 906,851,200	14.35%	\$ 793,688,748	-4.74%
July			\$ 1,015,014,676	9.96%	\$ 923,053,888	-0.95%	\$ 931,875,046	0.66%	\$ 925,763,611	-7.96%
August			\$ 840,696,184	-5.23%	\$ 908,240,162	-1.39%	\$ 921,016,033	-3.58%	\$ 955,231,126	11.77%
September			\$ 948,961,678	3.55%	\$ 916,466,663	1.54%	\$ 902,607,141	-5.87%	\$ 958,894,854	7.42%
October			\$ 986,203,125	11.12%	\$ 887,510,784	-2.86%	\$ 913,642,221	-4.26%	\$ 954,119,750	-2.58%
November			\$ 930,424,600	-1.47%	\$ 943,346,453	7.77%	\$ 876,244,082	0.03%	\$ 870,773,511	11.90%
December			\$ 956,095,364	-2.73%	\$ 985,971,649	3.41%	\$ 950,994,006	-8.07%	\$ 1,034,017,068	9.61%
Year to Date	\$ 5,746,447,070	3.37%	\$ 11,256,238,621	3.37%	\$ 11,114,822,766	-1.13%	\$ 11,018,483,012	-1.13%	\$ 11,144,266,458	2.60%

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

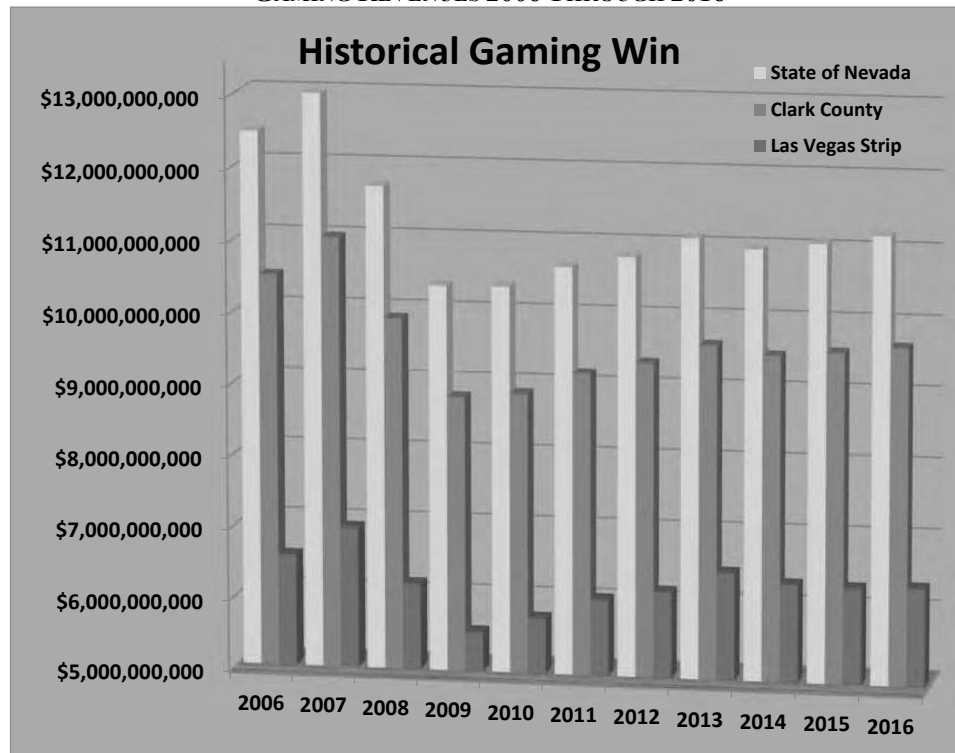
Clark County Gaming Revenue										
Month	2016	% Change	2016	% Change	2015	% Change	2014	% Change	2013	% Change
January	\$ 926,169,328	14.30%	\$ 810,285,924	-3.33%	\$ 838,161,351	7.84%	\$ 777,198,392	-3.15%	\$ 802,803,904	-13.28%
February	\$ 825,864,681	-4.35%	\$ 863,403,371	8.35%	\$ 796,882,585	-1.71%	\$ 810,733,520	-15.34%	\$ 956,464,461	17.77%
March	\$ 877,351,888	7.60%	\$ 796,765,997	-3.58%	\$ 826,535,937	-3.96%	\$ 860,456,893	9.49%	\$ 785,912,248	7.15%
April	\$ 763,200,286	1.37%	\$ 752,884,541	-4.25%	\$ 742,701,785	0.87%	\$ 746,701,785	-0.99%	\$ 736,412,721	-0.99%
May	\$ 860,706,072	3.48%	\$ 831,721,218	-4.40%	\$ 841,600,419	3.38%	\$ 872,619,489	8.89%	\$ 766,054,024	-10.24%
June	\$ 764,317,815	0.35%	\$ 761,673,524	7.33%	\$ 709,629,802	-10.21%	\$ 790,355,849	17.93%	\$ 707,328,411	-7.87%
July			\$ 867,204,278	10.22%	\$ 786,792,140	-1.70%	\$ 800,383,799	2.20%	\$ 866,984,158	21.17%
August			\$ 724,286,387	-6.76%	\$ 776,797,233	0.27%	\$ 774,708,317	-5.15%	\$ 817,553,285	12.44%
September			\$ 808,829,309	3.63%	\$ 780,486,667	1.30%	\$ 770,437,448	-6.85%	\$ 826,052,173	8.74%
October			\$ 856,941,011	13.37%	\$ 755,886,405	-4.01%	\$ 787,457,297	-6.23%	\$ 839,739,768	-2.34%
November			\$ 811,140,859	-2.05%	\$ 828,692,842	8.39%	\$ 763,976,569	0.95%	\$ 756,931,128	12.70%
December			\$ 827,707,084	-4.34%	\$ 865,259,976	3.77%	\$ 833,854,494	-9.69%	\$ 825,668,815	11.22%
Year to Date	\$ 4,997,610,070	3.76%	\$ 9,712,843,503	3.76%	\$ 9,620,670,557	-1.25%	\$ 9,553,864,782	-1.25%	\$ 9,399,846,046	1.92%

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

Las Vegas Strip Gaming Revenue										
Month	2016	% Change	2016	% Change	2015	% Change	2014	% Change	2013	% Change
January	\$ 608,927,565	14.40%	\$ 532,275,993	-7.72%	\$ 576,811,306	15.40%	\$ 499,833,194	-1.41%	\$ 507,001,515	-18.69%
February	\$ 541,900,719	-4.98%	\$ 570,302,264	7.32%	\$ 531,381,708	-4.37%	\$ 555,674,971	-20.17%	\$ 696,102,184	3.11%
March	\$ 526,092,942	8.07%	\$ 486,819,711	-3.96%	\$ 506,867,800	-9.61%	\$ 560,770,697	10.91%	\$ 505,601,948	12.69%
April	\$ 475,755,212	-3.25%	\$ 491,369,187	-1.50%	\$ 498,866,485	7.77%	\$ 462,916,539	3.19%	\$ 448,589,857	-2.34%
May	\$ 546,791,525	2.97%	\$ 531,003,569	-11.68%	\$ 601,198,083	1.39%	\$ 592,963,057	17.32%	\$ 505,444,951	6.39%
June	\$ 496,989,362	1.65%	\$ 488,928,905	9.75%	\$ 445,510,980	-16.31%	\$ 532,362,928	22.45%	\$ 434,747,965	-10.13%
July			\$ 613,018,688	16.77%	\$ 524,969,570	-2.09%	\$ 536,158,717	4.83%	\$ 511,448,358	-14.40%
August			\$ 449,560,957	-14.76%	\$ 527,382,779	-4.66%	\$ 553,185,699	-6.08%	\$ 589,021,971	19.98%
September			\$ 542,540,638	7.46%	\$ 504,864,095	2.02%	\$ 494,850,592	-12.13%	\$ 563,134,277	13.55%
October			\$ 562,747,074	14.00%	\$ 493,626,774	-5.12%	\$ 520,287,756	-5.63%	\$ 551,321,768	-5.07%
November			\$ 516,992,327	-3.48%	\$ 535,615,075	5.38%	\$ 508,256,276	-4.00%	\$ 529,427,120	22.59%
December			\$ 590,707,123	-1.67%	\$ 600,750,293	8.20%	\$ 553,236,453	-16.44%	\$ 664,216,285	12.90%
Year to Date	\$ 3,106,077,325	3.08%	\$ 6,376,267,456	3.08%	\$ 6,347,845,448	-0.45%	\$ 6,372,496,679	-2.05%	\$ 6,506,688,199	4.81%

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

## GAMING REVENUES 2006 THROUGH 2016



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


The Las Vegas Convention and Visitors Authority (LVCVA) has been reporting increases in other tourism related categories. In 2013, visitation down slightly by 0.1% to 39.7 million people. Room inventory was less in 2013 than it was the previous year in 10 out of 12 months. So, even though Las Vegas maintained an 84.3% occupancy rate for the year, the fewer available room nights led to a visitation decline. Even so, 2013 was the second best year for visitor volume in the city's history. One of the reasons it fell behind 2012 was because that leap year had an additional day. Had the 2013 calendar had the extra day, Las Vegas would have set a record for the year based on average daily visitation. This trend carried over to 2014 as Las Vegas set a record with more than 41.1 million tourists, surpassing 40 million for the first time in the city's history; the previous record was 2012's 39.7 million.

And 2015 broke records in terms of visitor volume, surpassing 42.3 million visitors. The LVCVA predicted that 2016 would surpass the 2015 record with 42.5 million visitors. And they were right, as there were 42.9 million visitors, which was up 1.5% over 2015.

As of September 2017, citywide occupancy was 90.2% for the year, which is up 0.1% from that of 2016. Hotel occupancy was slightly higher at 91.9%, up 0.2% from a year ago. The Strip's Average Daily Room Rate (ADR) in September was up 1.4% to \$150.41, and \$140.90 for the year, up 4.0%. Of the 25 statistical categories in the authority's report, 19 showed an upswing for the nine months of 2017. The following data was compiled by the DiFederico Group from the LVCVA's releases for visitor statistics for year-end 2011 through 2016.

Visitor Statistics												
Year	2011	Δ%	2012	Δ%	2013	Δ%	2014	Δ%	2015	Δ%	2016	Δ%
Visitor Volume	38,928,708	4.3%	39,727,022	2.1%	39,668,221	-0.1%	41,126,512	3.5%	42,312,216	6.7%	42,936,109	4.4%
Room Inventory	150,161	0.8%	150,481	0.2%	150,593	0.1%	150,544	0.0%	149,213	-0.9%	149,339	-0.8%
Citywide Occupancy	83.8%	4.2%	84.4%	0.7%	84.3%	-0.1%	86.8%	2.8%	87.7%	4.0%	89.1%	2.6%
Average Daily Room Rate	\$ 105.11	10.7%	\$ 108.08	2.8%	\$ 110.72	2.4%	\$ 116.73	8.0%	\$ 119.94	8.3%	\$ 125.96	7.9%
Convention Attendance	4,865,272	8.8%	4,944,014	1.6%	5,107,416	3.3%	5,169,054	4.6%	5,891,151	15.3%	6,310,616	22.1%
Total Air Passengers	41,479,814	4.3%	41,667,596	0.5%	41,857,059	0.5%	42,869,517	2.9%	45,389,074	8.4%	47,435,640	10.7%
Avg. Daily Auto Traffic	99,844	15.1%	100,774	0.9%	102,244	1.5%	102,823	2.0%	109,204	6.8%	115,229	12.1%

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

		LVCVA EXECUTIVE SUMMARY					
		of Las Vegas, Laughlin and Mesquite, NV Tourism Indicators					
		September			September YTD		
LAS VEGAS		2016	2017	Change	2016	2017	Change
	Visitor Volume	3,657,797	3,566,685	-2.5%	32,469,130	32,108,552	-1.1%
	Room Inventory (as of Sep 30)	149,273	148,532	-0.5%	149,273	148,532	-0.5%
	Citywide Occupancy	92.9%	91.1%	-1.8	90.1%	90.2%	0.1
	Hotel Occupancy	94.2%	92.7%	-1.5	91.7%	91.9%	0.2
	Motel Occupancy	80.1%	75.2%	-4.9	74.2%	73.6%	-0.6
	Weekend Occupancy	96.5%	96.0%	-0.5	95.4%	95.5%	0.2
	Midweek Occupancy	91.1%	88.3%	-2.8	87.8%	87.8%	0.1
	Strip Occupancy	93.9%	92.3%	-1.6	91.5%	91.6%	0.1
	Downtown Occupancy	86.1%	85.2%	-0.9	83.2%	83.9%	0.6
	Average Daily Room Rate (ADR)	\$137.11	\$139.57	1.8%	\$125.69	\$130.56	3.9%
	Strip ADR	\$148.29	\$150.41	1.4%	\$135.53	\$140.90	4.0%
	Downtown ADR	\$72.58	\$80.58	11.0%	\$65.38	\$69.69	6.6%
	Revenue Per Available Room (RevPAR)	\$127.38	\$127.15	-0.2%	\$113.25	\$117.61	3.9%
	Strip RevPAR	\$139.24	\$138.83	-0.3%	\$124.04	\$128.94	3.9%
	Downtown RevPAR	\$62.49	\$68.65	9.9%	\$54.40	\$58.36	7.3%
	Total Room Nights Occupied	4,137,860	4,013,338	-3.0%	36,699,459	36,331,468	-1.0%
	Convention Attendance	614,924	463,565	-24.6%	5,035,625	5,139,247	2.1%
	Conventions & Meetings Held	1,866	1,938	3.9%	15,975	15,166	-5.1%
	Total En/Deplaned Air Passengers	4,053,362	4,071,128	0.4%	35,585,107	36,418,754	2.3%
	Avg. Daily Auto Traffic: All Major Highways	114,244	114,687 e	0.4%	115,928	117,582 e	1.4%
	Avg. Daily Auto Traffic: I-15 at NV/CA Border	43,788	43,774	0.0%	45,681	45,272	-0.9%
	Gaming Revenue: Clark County	\$808,861,000 r	\$831,713,000	2.8%	\$7,218,091,000 r	\$7,519,482,000	4.2%
	Gaming Revenue: Las Vegas Strip	\$542,541,000	\$567,890,000	4.7%	\$4,705,817,000 r	\$4,875,112,000	3.6%
	Gaming Revenue: Downtown	\$49,247,000	\$49,255,000	0.0%	\$413,519,000 r	\$466,638,000	12.8%
	Gaming Revenue: Boulder Strip	\$56,477,000	\$52,993,000	-6.2%	\$600,536,000 r	\$614,383,000	2.3%

Source: Las Vegas Convention and Visitors Authority

## 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 7<sup>th</sup> 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 capacity 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. McCarran welcomed 42.8 million arriving and departing passengers in 2014, making that year McCarran's busiest since 2008 when the airport served slightly more than 44 million passengers. The 2014 total marked a 2.4% increase from 2013. McCarran reported 45.4 million arriving and departing passengers in 2015. Passenger traffic was up 5.8%, extending the recent trend of year-over-year increases for the fifth consecutive year. It was also the busiest year at the airport since the economic downturn. In 2016, the number of passengers served was 47.4 million, the second busiest year in the airport's 68-year history and the sixth consecutive year of the upward trend.

McCarran International Airport saw another busy month in September 2017. In its most recent report, the number of passengers was up from September 2016 by 0.4%. September also marked the seventh consecutive month that the nation's eighth-busiest airport logged more than four million passengers. And the year-to-date total was up, with 2017 seeing 2.3% more passengers than the same time period of 2016. County aviation director Rosemary Vassiliadis said that year that she believed McCarran was on track to break its annual record of 47.8 million passengers, set in 2007. The following reflects the most current data of arriving and departing passengers.

#### ARRIVING & DEPARTING PASSENGERS MONTHLY TOTAL

SEPTEMBER 2017	SEPTEMBER 2016	PERCENT CHANGE
4,071,128	4,053,362	0.4%

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

2017 YTD	2016 YTD	PERCENT CHANGE
36,418,754	35,585,107	2.3%

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

Looking forward, McCarran officials continue to evaluate the airport's infrastructure and operations for ways to improve efficiencies and increase capacity in anticipation of the air traffic growth expected as new hotel rooms come online over the next several years. Additionally, airport leadership has been working with partner agencies such as U.S. Customs and Border Protection and the Transportation Security Administration to improve the customer experience by reducing wait times at the port of entry and security checkpoints.

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 Great Recession, 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.

## SUMMARY AND CONCLUSIONS

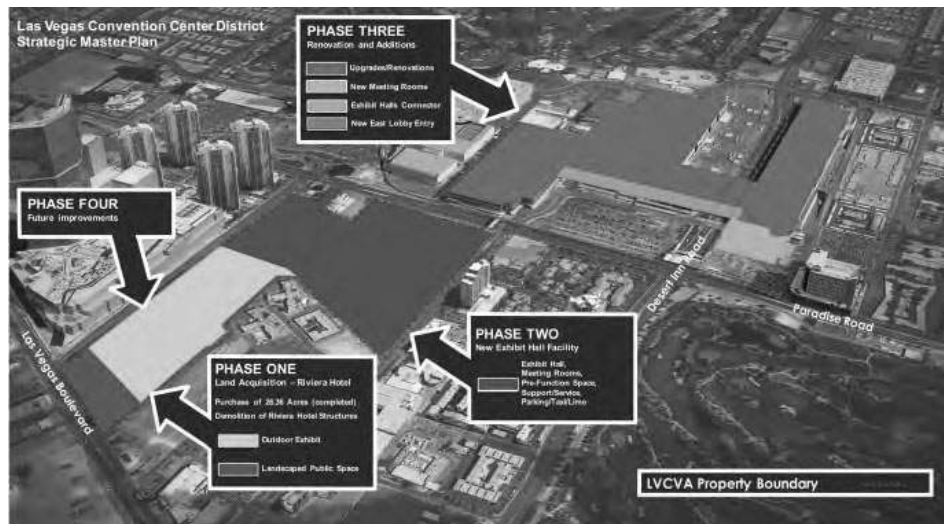
The four forces (social, economic, political, and environmental) that influence market values have been discussed. The various governing bodies have sponsored growth with their pro-development attitudes. The administrations also promote funding and infrastructure necessary for growth.

The area is also benefiting from strong national growth. U.S. gross domestic product expanded and increased economic diversification helped the comeback. However, the Southern Nevada economic recovery is still strongly tied to the tourism sector and since the national economy is doing well, Las Vegas' core sector also benefits. Leisure and hospitality will stay the city's most important jobs sector for the foreseeable future, but Brookings' best are now 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 in the coming years. But tourism and gaming will remain the driving force behind the region's economic growth.

There have been several announcements involving major projects planned or under construction. These include:

- The Fontainebleau, Las Vegas' towering monument to the recession, was sold on August 29, 2017 for \$600 million. Billionaire Carl Icahn, who purchased the property on February 18, 2010 for \$150 million, announced that he sold the partially built, mothballed hotel tower on the north Strip to real estate investment firms Witkoff and New Valley. In a news release, New York-based Witkoff, led by founder Steven Witkoff, called the never-finished project "significantly undervalued" and said the new ownership paid a "substantial discount" to the cost of building it from scratch. The release said that they had "identified numerous ways to unlock the significant underlying value of the property," only referring to the property by its address and calling it "formerly known as the Fontainebleau." Miami-based New Valley is a subsidiary of the Vector Group. John Knott, global head of gaming for brokerage CBRE Group, and a former listing broker for the Fontainebleau, said it would cost \$900 million to \$1.6 billion to complete, depending on the vision for the property. The hotel had been slated to open in 2009. But the project went bankrupt in 2009, and Icahn acquired it in 2010.
- MGM Resorts International and AEG's 20,000-seat arena on the Las Vegas Strip between New York-New York and Monte Carlo resorts opened April 2016. The \$375 million, privately financed arena is poised to host Las Vegas' first major league franchise. On June 22, 2016, Gary Bettman, commissioner of the NHL, announced that Las Vegas would be home to the NHL's 31<sup>st</sup> team. The NHL's executive committee recommended expanding the league to Las Vegas, with all owners approving the move. The Golden Knights begin playing in the 2017-2018 season. Following this announcement, Bill Foley, the owner of the Las Vegas expansion team, broke ground on a \$24 million, 120,000 square foot practice facility in Downtown Summerlin. This facility, which was recently named the City National Arena, was completed in August of 2017, with the team's inaugural training camp starting in September of 2017.
- The Las Vegas Convention and Visitors Authority 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. As part of that development, they acquired the 60-year-old Riviera for \$182.5 million on May 4, 2015. This is to be a phased development to accommodate current customer needs and capture future tradeshow opportunities. Phase One consists of the acquisition of the 26-acre Riviera Hotel property, demolition of the existing Riviera structures and construction of outdoor exhibit space. The acquisition and demolition are complete. Phase Two will include the development of a new exhibit hall and its ancillary spaces on the existing LVCC Gold Lot and the Riviera Hotel property. Phase Three will be the renovation and alteration of the existing Convention Center.



- The Malaysia-based Genting Group announced a multi-billion dollar Asian-themed resort complex, Resorts World Las Vegas. 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. The company held a groundbreaking ceremony on May 5, 2015 with an anticipated 2019 opening. On October 23, 2017, Genting announced its appointment of W.A. Richardson Builders as the construction manager. The estimated completion time on the project is late 2020. In a press release, Edward Farrell, president of Resorts World Las Vegas, said that more than \$400 million in contracts had been awarded to vendors.
- The University of Nevada, Las Vegas has completed overhauling the Thomas & Mack Center, the on-campus facility that hosts events from the UNLV Rebels basketball to the National Finals Rodeo. The university spent \$72.5 million on mechanical upgrades, a new electrical system, 8,000 new seats and major upgrades to the concourse with rebranded signs and new equipment for concession stands. This included a 36,000 square foot addition with an observation deck overlooking the Strip.
- Another project that's been in the works for several years is ex-NBA player Jackie Robinson's arena on the site of the former Wet 'n Wild water park, just south of the SLS Las Vegas. Excavation began around March of 2017, but nothing vertical has been built on the 27-acre site. The development is to include a 22,000-seat arena with a retractable roof, a hotel, a conference center and other offerings. The arena project, which was being called the All Net Arena and Resort, was announced at the end of 2013. Its estimated cost was \$1.3 billion. On Oct. 18, 2017, Mr. Robinson gained approval from the Clark County Commission on expanded plans for the site that equate to \$2.7 billion, more than double the original. Some of the expanded plans include a 63-story, 2,000-room hotel, a 240,000-square-foot conference center and other amenities. On the day of the county meeting, Oct. 18, 2017, the Las Vegas Review-Journal quoted Mr. Robinson as saying that the financing is "signed, done, sealed, delivered." He also stated that he expects the project to be completed by spring 2020.

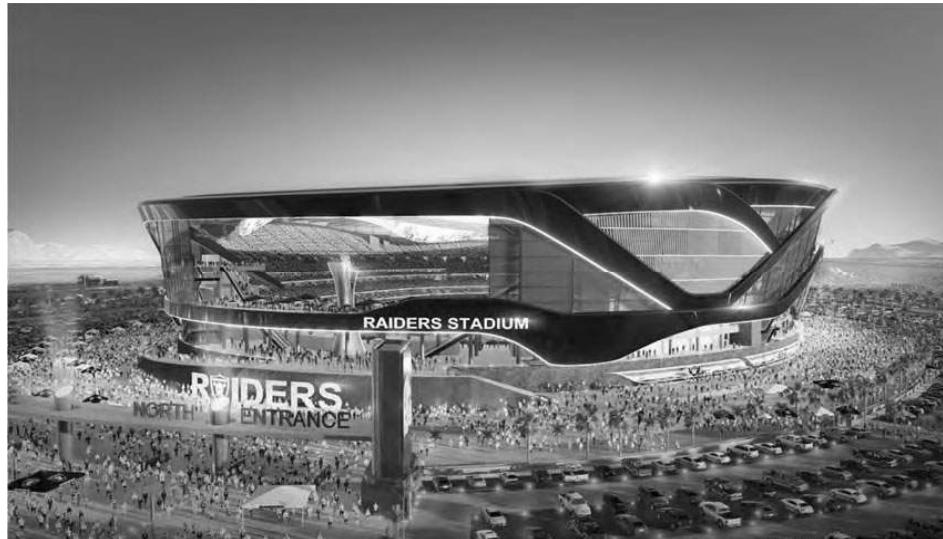


- On October 24, 2017, Caesars Entertainment announced plans to build a new convention center behind the Flamingo and Harrah's. "The convention center is going to be 300,000 square feet," said Caesars Entertainment President and Chief Executive Officer Mark Frissora. They stated that the center would cost \$300 million-\$350 million and should be built in two years, depending on permitting and coordination with Caesars' new board of directors.
- The Strip property that had previously been known as the Frontier Hotel Casino, which was demolished to make room for a new development to be called Alon, was listed for sale in 2017 at \$400 million. In August 2014, Australian casino mogul James Packer acquired the Frontier site. Packer teamed with former Wynn Resorts Ltd. executive Andrew Pascal and investment giant Oaktree Capital Management to acquire 18.39 acres in fee of the 34.6-acre vacant property, just north of Fashion Show mall. The remaining 16.17 acres of this site is owned by the Elardi family and leased to the Packer group. This is a long-term ground lease that expires on July 31, 2097. Plans filed with the county showed a two-tower, 1,100-room project that was expected to employ 4,500 workers. However, in late 2016 Packer pulled out and put the site up for sale in 2017 at \$400 million. It has been reported that Steve Wynn is buying the site for \$336 million.
- The MGM company is in the middle of a \$450 million make-over of the 3,000-room Monte Carlo. It will create a new luxury brand for MGM Resorts International and bring the NoMad Hotel concept to the Strip. The property will be transformed into two resorts within one property: the NoMad and Park MGM. The Park MGM will be 2,700 of those rooms and part of MGM's holdings while the NoMad will be an independently operated hotel, with a dedicated drop-off lobby and swimming pools, gaming, drinking and dining.
- Other gaming companies are also upgrading facilities. The two-tower, high-rise casino and hotel, The Cosmopolitan of Las Vegas is undergoing \$100 million in renovations. That translates into more than \$34,500 per room. The Cosmopolitan launched the upgrade of the Boulevard Tower in June 2017 and aims to complete it before the year end. It will start on the Chelsey Tower next year and finish by December 2018. In addition to new furniture and fixtures, the hotel will add 64-inch TVs as well as iPads to every room.
- And local's gaming giant Station Casinos plans a \$337 million investment in the Palace Station and Palms. The Palace Station investment totals \$76 million, and includes restaurants, casino bar, race and sports book and poker room. The new investment is in addition to a completed \$115 million renovation and expansion that includes a new low-rise exterior façade, two restaurants, porte-cochere, casino valet, bingo room and parking. In the Palms, Stations is investing \$146 million into two restaurants, movie theaters, meeting and convention space, rooftop ultra-lounge, high-limit area, hotel registration and VIP check-in.
- In March 2016, Caesars Entertainment announced they would upgrade more than 4,800 hotel rooms. That came after the November 2015 announcement that they would renovate rooms at five of their properties. Last year, Planet Hollywood started transforming 150 rooms, followed by 1,294 rooms and suites this year. After renovating the suites at Paris Las Vegas, they plan on renovating 1,320 rooms. All of the rooms in the 948-room Augustus Tower at Caesars Palace will be renovated and 672 rooms at Harrah's will also be refurbished. Caesars Entertainment announced in August 2017 a \$90 million upgrade to its Flamingo Hotel Casino; Caesars also plans to upgrade Bally's. These upgrades include modern room designs,

enhanced in-room electronics, new furnishings and bedding. Upon completion, Caesars will have renovated more than 10,000 hotel rooms in the last three years.

- In May 2016, Madison Square Garden executives announced a partnership with the Las Vegas Sands Corp. to build a music venue, taking aim at competitors including MGM Resorts. The companies said the venue will be a 17,500-seat arena just east of the Las Vegas Strip, behind the Sands-owned Venetian and Palazzo hotel casinos. The facility, as yet unnamed, will compete with the 20,000-capacity T-Mobile Arena and the 16,800-seat MGM Grand Garden Arena. The new venue is a partnership among Madison Square Garden Co., Sands Corp., Azoff MSG Entertainment, concert promoter Live Nation and Oak View Group, an entertainment advisory firm. The room will be designed for music, rather than the multipurpose model used in most sports arenas. Pre-application project documents were submitted to Clark County on October 20, 2017, showing a 585,000 square foot music venue. The next step is for the developers to submit a formal application, which may occur in December, thus beginning the entitlement process.
- Nearly two decades in the making, Project Neon is the largest public works project in Nevada history. Project Neon will widen 3.7 miles of Interstate 15 between Sahara Avenue and the “Spaghetti Bowl” interchange in downtown Las Vegas. It is currently the busiest stretch of highway in Nevada with 300,000 vehicles daily, or one-tenth of the state population, seeing 25,000 lane changes an hour. Traffic through this corridor is expected to double by 2035. The \$1 billion project is nearly 40% complete and divided into three phases. An HOV flyover bridge is being added and will create 22 consecutive miles of carpool lanes from I-15 to US 95. The project is in the middle of the second phase, with the third phase beginning in spring 2018. Completion is scheduled for 2019.
- During an October 26, 2017 conference call to investors, Steve Wynn announced that construction on Paradise Park, the lagoon development with a new hotel planned for behind the Wynn and Encore, will begin January 3, 2018. The Wynn Golf Club will close December 22, 2017 to make way for the project. “We’re in the very final stages of getting building permits, and hard construction should start by March and April,” he said. The carnival-themed new development will have a 103-foot diameter carousel rotating over the man-made lagoon, electric bumper cars that light up when bumped and a nighttime parade with 10-12 floats that guests can pay to join. The development will also have a new 47-story, 1,500-room hotel with its own convention space, casino and restaurants. It will sit roughly between the Encore and the Wynn Las Vegas. In addition, he said, there will be regular fireworks, zip lines and other attractions on the boardwalk that surrounds the lagoon.
- The biggest announcement involves the Oakland Raiders move to Las Vegas. On October 17, 2016 Nevada Governor Brian Sandoval signed a bill into law that cleared the way for a Las Vegas stadium that will be home to both UNLV and the NFL’s Oakland Raiders. The signed bill provides \$750 million in tax money towards a 65,000-seat domed stadium, with an estimated total cost of \$1.7 to \$1.9 billion. The last two obstacles for the Raider’s owner was to get 24 of the NFL’s 31 other owners to agree to the move and then approve their stadium lease. The first vote was held in Phoenix, Arizona on March 27, 2017 with 30 of the 31 owners approving the move. The second, for the lease, was approved at the owner’s May of 2017 meeting. A 62-acre site on Russell, west of the I-15 basically behind the Mandalay Bay Hotel Casino was purchased in May 2017 for this stadium. Groundbreaking for the new stadium was held November 13, 2017, with Nevada Governor Brian Sandoval, Oakland Raiders owner

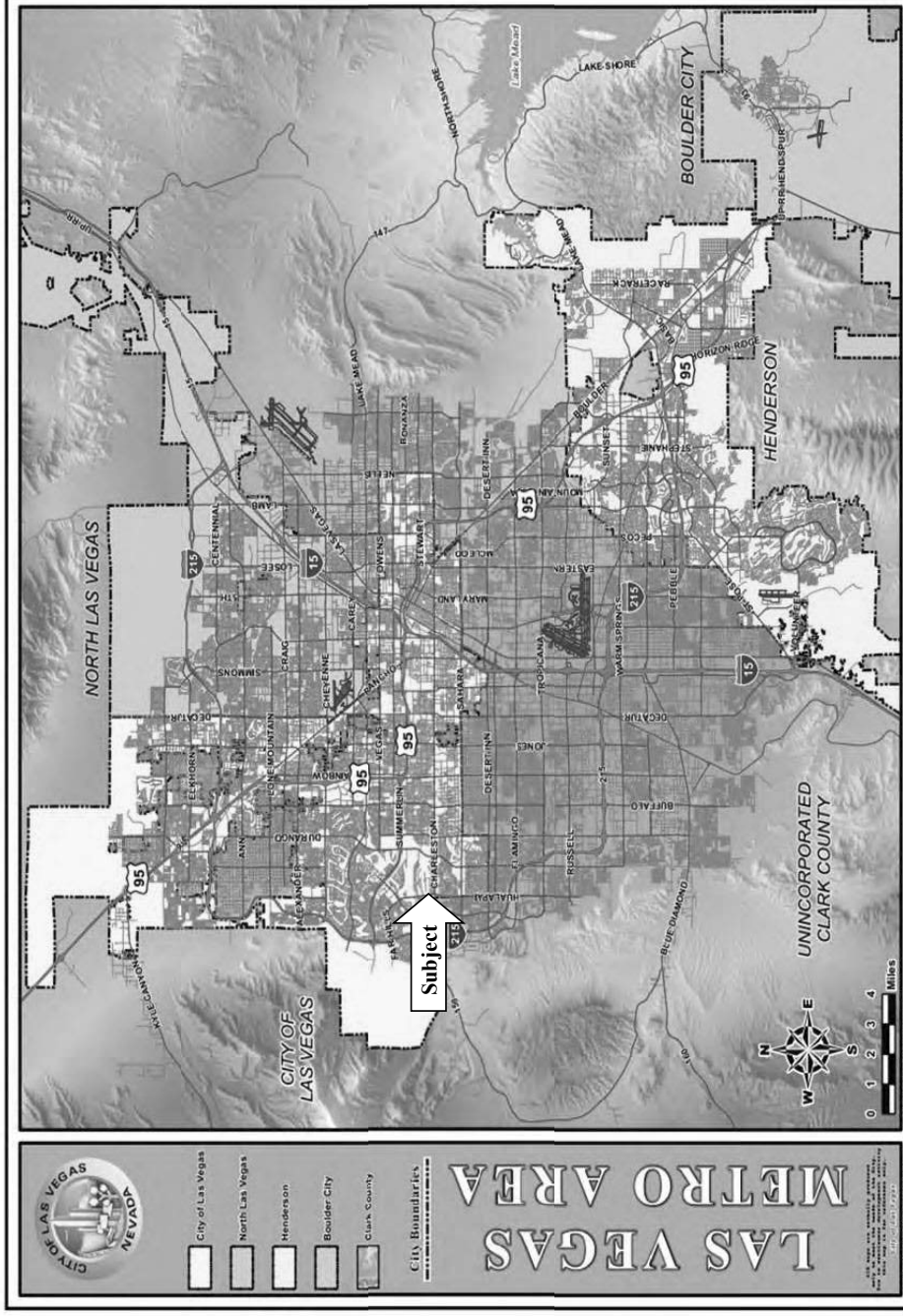
Mark Davis and NFL Commissioner Roger Goodell turning the first earth at the ceremony. The stadium is expected to be ready for the 2020 NFL season. This project is expected to generate approximately 19,000 construction jobs for the next three years.



In summary, the Las Vegas MSA economy has been showing steady signs of recovery. The state is seeing increased population growth, increased tourism spending and increased jobs in growing industries. And, Southern Nevada is on the cusp of reaching peak employment levels with 50,000 fewer construction jobs. The population of Las Vegas grew by 2.21% in 2015, leading the U.S. Census Bureau to rank Las Vegas as the fifth-fastest growing of 382 metropolitan areas in the country. Population growth creates new demand and signals a healthy economy. Forecasters were projecting 1.5% to 2.0% population growth in 2016, which it exceeded. Average household income is also up.

A record number of tourists visited Southern Nevada in 2016, and at the current pace, 2017 will break that record. Some 42.9 million people visited Southern Nevada in 2016, spending \$35.5 billion, 16.3% more than in 2015. Per person, Las Vegas visitors spent an average of \$827, up from \$721 in 2015. And convention attendees made up 14.7% of all visitors to Southern Nevada last year, up 7.1% from 2015. Based on the past and current indicators, we anticipated continued improvement in Southern Nevada's economy through 2017, which was still one of the premier tourist destinations in the world that had added the NHL and NFL.

AREA MAP



LEGEND OF PHOTOGRAPHS – (PHOTOS TAKEN DURING AUGUST 12, 2020 SITE INSPECTION)



SUBJECT PHOTOGRAPHS



*View 1*  
*(Photo taken on August 12, 2020)*



*View 2*  
*(Photo taken on August 12, 2020)*

SUBJECT PHOTOGRAPHS, CONTINUED



*View 3*  
*(Photo taken on August 12, 2020)*



*View 4*  
*(Photo taken on August 12, 2020)*

SUBJECT PHOTOGRAPHS, CONTINUED



*View 5*  
*(Photo taken on August 12, 2020)*



*View 6*  
*(Photo taken on August 12, 2020)*



SUBJECT PHOTOGRAPHS, CONTINUED



*View 7*  
*(Photo taken on August 12, 2020)*



*View 8*  
*(Photo taken on August 12, 2020)*

SUBJECT PHOTOGRAPHS, CONTINUED



*View 9*  
*(Photo taken on August 12, 2020)*



*View 10*  
*(Photo taken on August 12, 2020)*

SUBJECT PHOTOGRAPHS, CONTINUED



*View 11*  
*(Photo taken on August 12, 2020)*

## PROPERTY ANALYSIS – IN THE BEFORE CONDITION

### PHYSICAL DESCRIPTION AND ANALYSIS OF THE SITE

#### LOCATION

The subject of this analysis is located at the southeast corner of Alta Drive and Hualapai Way, Las Vegas, Clark County, Nevada. The site also has frontage along Verlaine Court, Regents Park Road, and Orient Express Court.

#### SIZE

The subject site consists of one (1) assessor parcel number (APN), 138-31-201-005. The following is a summary of that parcel's size.

Land Area		
APN	Acres	Sq. Ft.
138-31-201-005	34.07	1,484,089
<b>Total</b>	<b>34.07</b>	<b>1,484,089</b>

#### CONFIGURATION

The subject site was irregular. The reader is referred to the following Parcel Map and aerial photograph for a visual illustration of the subject site's shape.

#### TOPOGRAPHY

The subject site's topography is undulating and slopes from its high point at its western boundary, to the east as it follows the natural terrain in the area. The property was historically part of a golf course with home sites bordering the course. My inspection indicated that the subject property was left in its original ungraded state for use as a portion of the golf course.

#### GROUND STABILITY

The subject site has single family residences to its north and south, with a row of houses and a road running down the middle of its eastern section. I was also provided a soils report prepared by Construction Testing Services, LLC (CTS). CTS concluded that the subject site was suited for development provided they follow the recommendations in their soils report. Gia D. Nguyen, P. E., Senior VP for GCW Engineers\Surveyors, reviewed the CTS report and also concluded that the subject site was suitable for development. Based on the CTS report and GCW review, and considering the surrounding development, I used the general assumption that the subject's soil bearing capacity was sufficient to support development of this site to its highest and best use.

#### DRAINAGE/FLOOD PLAIN

No drainage problems were apparent during the property inspection. I reviewed Flood Insurance Rate Map. According to Community Panels #2145 and #2150 of 4090, this site is located within an area designated as a Zone X. Flood insurance is not typically required within Zone X. I have included a copy of flood insurance maps #2145 and #2150 in the Addendum.

I was also provided information about drainage prepared by GCW. Their report stated that due to the existing FEMA designated Special Flood Hazard Area present downstream, the subject must match existing drainage patterns or provide mitigation. The report states that they assume the downstream impacts are insignificant; however, a technical drainage study will be required to demonstrate the insignificance with downstream analysis.

#### HAZARDOUS CONDITIONS

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

#### UTILITIES

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

Utility	Provider
Sewer:	City of Las Vegas
Water:	Las Vegas Valley Water District
Solid Waste:	Republic Services of Southern Nevada
Electricity:	NV Energy
Telephone:	Century Link
Gas:	Southwest Gas Corporation

#### STREET FRONTAGE & ACCESS,

The site has frontage along the south side of Alta Drive and Verlaine Court, the eastern side of Hualapai Way, the western side of Regents Park Road, and the northern side of Orient Express Court. According to the City of Las Vegas Interrogatory Response No. 8 the Subject Property has general legal access to public roadway along Hualapai Way and Alta Drive. More specific data regarding the subject's street frontage and access is in the following table.

Street	Alta Drive	Hualapai Way
Frontage Feet	+/- 250 Linear Feet	+/- 995 Linear Feet
Surface	Asphalt paving	Asphalt paving
On-Site Improvements	Concrete curb, gutter, sidewalk & Landscape buffer	Concrete curb, gutter, sidewalk & Landscape buffer
Direction of Traffic	East / West	North / South
Ingress/Egress	Yes	Yes
Visibility	Good	Good
Street	Verlaine Court	Regents Park Road
Frontage Feet	+/- 1,150 Linear Feet	+/- 825 Linear Feet*
Surface	Asphalt paving	Asphalt paving
On-Site Improvements	Concrete curb, gutter & Landscape Buffer	Concrete curb, gutter, sidewalk & Landscape buffer
Direction of Traffic	East / West	North / South
Ingress/Egress	No Access	No Access
Visibility	Good	Good
*Interrupted mid-way by Verlaine Court and a residence.		
Street	Orient Express Court	
Frontage Feet	+/- 1,600 Linear Feet	
Surface	Asphalt paving	
On-Site Improvements	Concrete curb, gutter & Landscape Buffer	
Direction of Traffic	East / West	
Ingress/Egress	No Access	
Visibility	Good	

**LEGAL INFORMATION (ZONING)**

The subject property's zoning was recently addressed in a hearing before District Court Judge Timothy C. Williams. In the Findings of Fact and Conclusions of Law Regarding Plaintiff Landowners Motion to Determine "Property Interest," Judge Williams stated;

"the Court bases its property interest decision on eminent domain law. Nevada eminent domain law provides that zoning must be relied upon to determine a landowners' property interest in an eminent domain case. The Court concludes that the 35 Acre Property has been hard zoned R-PD7 since at least 1990. The Court further concludes that the Las Vegas Municipal Code Section LVMC 19.10.050 lists single family and multi-family residential as the legally permissible uses on R-PD7 zoned properties. Therefore, the Landowners' Motion to Determine Property Interest is Granted in its entirety and it is hereby Ordered that:

- 1) the 35 Acre Property is hard zoned R-PD7 at all relevant times herein; and
- 2) the permitted uses by right of the 35 Acre Property are single-family and multi-family residential."

The purpose and development standards for the City's Residential Planned Development District are summarized below.

Designation:	Residential Planned Development District (R-PD7)
Purpose:	The R-PD District has been to provide for flexibility and innovation in residential development, with emphasis on enhanced residential amenities, efficient utilization of open space, the separation of pedestrian and vehicular traffic, and homogeneity of land use patterns. Historically, the R-PD District has represented an exercise of the City Council's general zoning power as set forth in NRS Chapter 278. The density allowed in the R-PD District has been reflected by a numerical designation for that district. (Example: R-PD4 allows up to four units per gross acre.) However, the types of development permitted within the R-PD District can be more consistently achieved using the standard residential districts, which provide a more predictable form of development while remaining sufficiently flexible to accommodate innovative residential development. Therefore, new development under the R-PD District is not favored and will not be available under this Code.
<b>Development Standards</b>	The development standards for a project, including minimum yard setbacks, grade changes, building and fence heights and fence design, parking standards, standards for any guest houses/casitas and other design and development criteria, shall be as established by the approved Site Development Plan Review for the development. With regard to any issue of development standards that may arise in connection with a Residential Planned Development District and that is not addressed or provided for specifically in Section 19.10.050 or in the approved Site Development Plan Review for that District, the Director may apply by analogy the general definitions, principles, standards and procedures set forth in Title 19, taking into consideration the intent of the approved Site Development Plan Review.
Zoning Jurisdiction:	City of Las Vegas

The following aerial reflects the zoning in the immediate area of the subject property.



#### **SURROUNDING USES**

The subject site is largely bordered by custom and semi-custom homes within the guard gated Queensridge development. Queensridge is bound by Alta Drive to the north, Charleston Boulevard to the south, Rampart Boulevard to the east and Hualapai Way to the west. Custom homes in the Summerlin master planned community are located at the northwest and southwest corners of Alta and Hualapai, while the northeast corner is developed with an office building, Merryhill Preschool and the Mountain Course of Angel Park Golf Course. It is my understanding that the site immediately east of the Merryhill Preschool is being rezoned from Civic District (C-V) to Limited Commercial (C-1), and is proposed to be developed with a 70,000 square foot medial facility.

The intersection of Alta Drive and Rampart Boulevard includes the Suncoast Hotel Casino at the northwest corner, Tivoli Village at the northeast corner and Boca Park's Fashion Village just south of the southeast corner. The 7.66-acre vacant site at the southeast corner of Alta Drive and Rampart was sold in 2019 to a medical user for \$18,980,000 or \$56.88 per square foot (\$2,477,693/Acre). Summerlin Parkway is located just north of this intersection. The reader is referred to the following aerial photograph for a visual of the surrounding uses.

#### **OTHER LEGAL AND REGULATORY CONSTRAINTS**

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##### **Easements, Encumbrances, and Restrictions**

Based on my review of the title report and public records, I am not aware of any easements, encumbrances, or restrictions that would have adversely affect the highest and best use of the subject site. Therefore, this valuation is based on the general assumption that there were no adverse easements, encumbrances or restrictions and that the subject site had a clear and marketable title.

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##### **Encroachments**

My inspection of the site revealed no apparent encroachments. It is assumed that the site was free and clear of encroachments.

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##### **Other Land Use Regulations; Development Moratoriums**

I am not aware of any land use regulations other than zoning that would affect this property, nor am I aware of any moratoriums on development in this area in the before condition.

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**CONCLUSION OF LAND ANALYSIS IN THE BEFORE CONDITION**

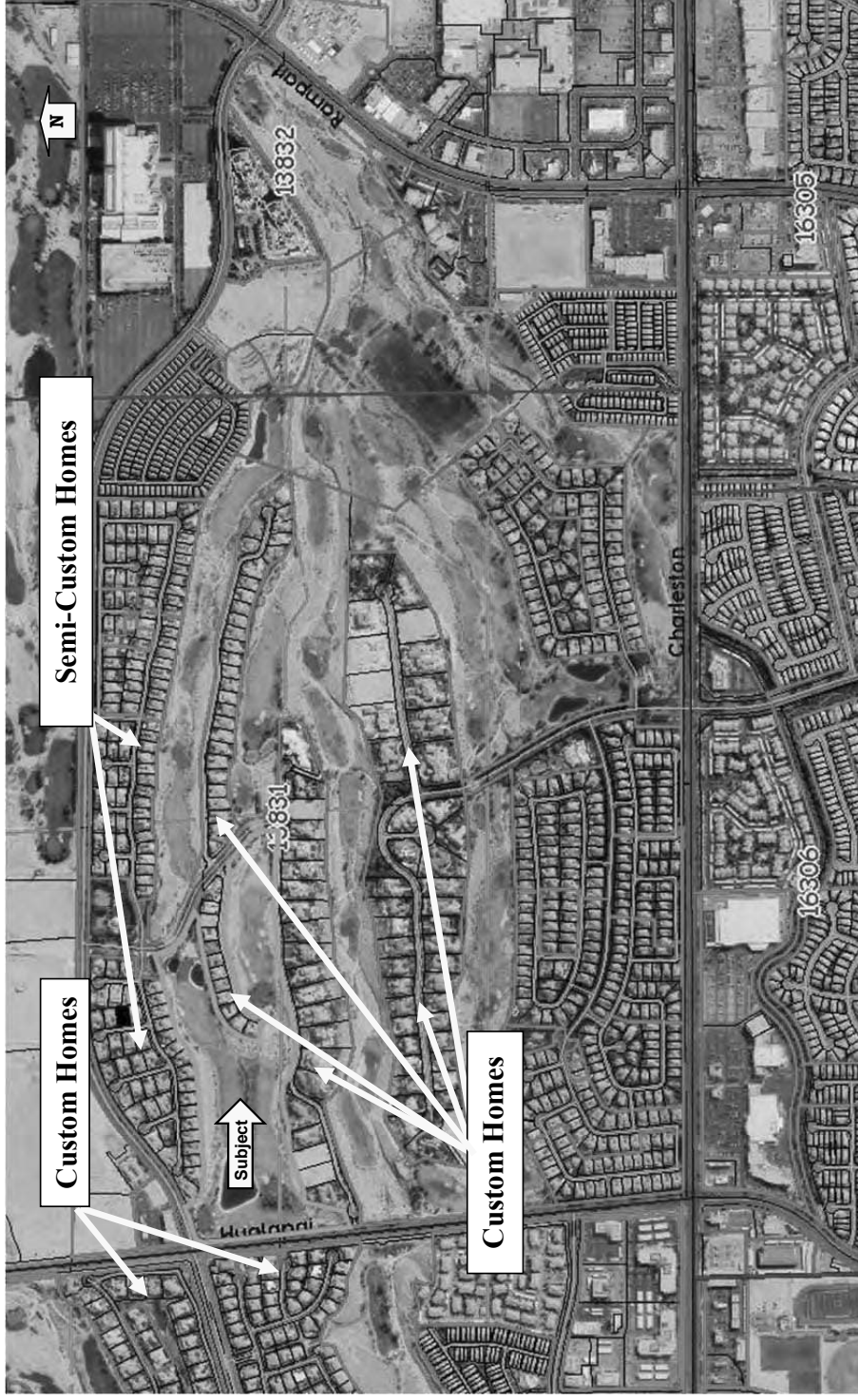
The subject of this analysis is a vacant parcel of land located at the southeast corner of Alta Drive and Hualapai Way. This site is bordered by custom homes in the guard gated Queensridge development.

In the before situation, this site was zoned for residential development with a maximum of 7.49 dwelling units per gross acre. In the before condition, the site had access to Hualapai Way and Alta Drive, and public utilities were located in Hualapai and Alta. And while the topography was undulating, it would be a positive attribute for large custom home sites, as it would provide the future residences additional privacy from abutting properties.

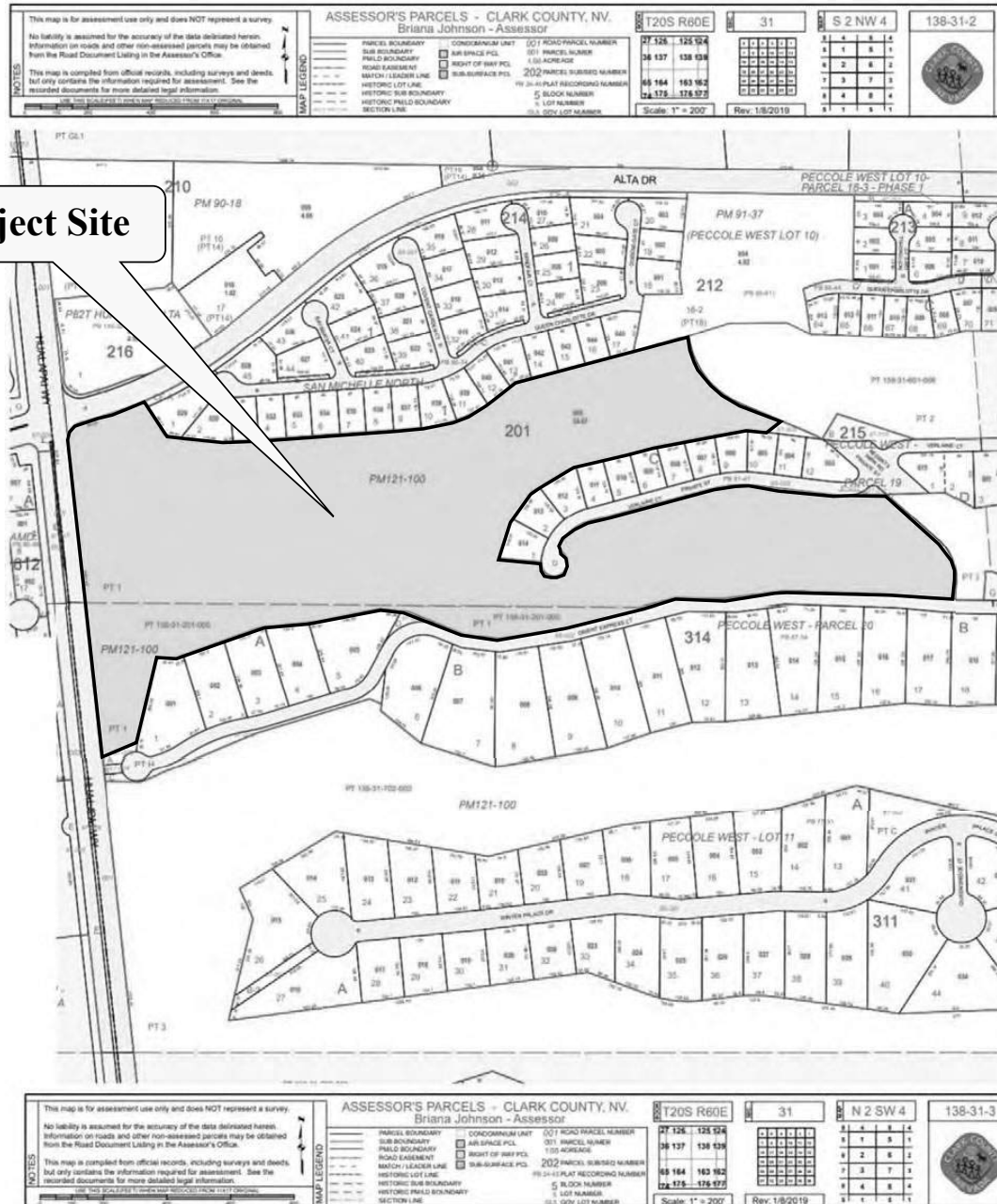
Overall, the site's R-PD7 zoning and physical characteristics were suitable for residential development that was prevalent in this area and bordered the subject site. On the following pages, I have included copies of an aerial photograph of the site, the Assessor's Parcel Maps and copies of site plans under three (3) scenarios; 61-lots, 16-lots, and 7 lots.



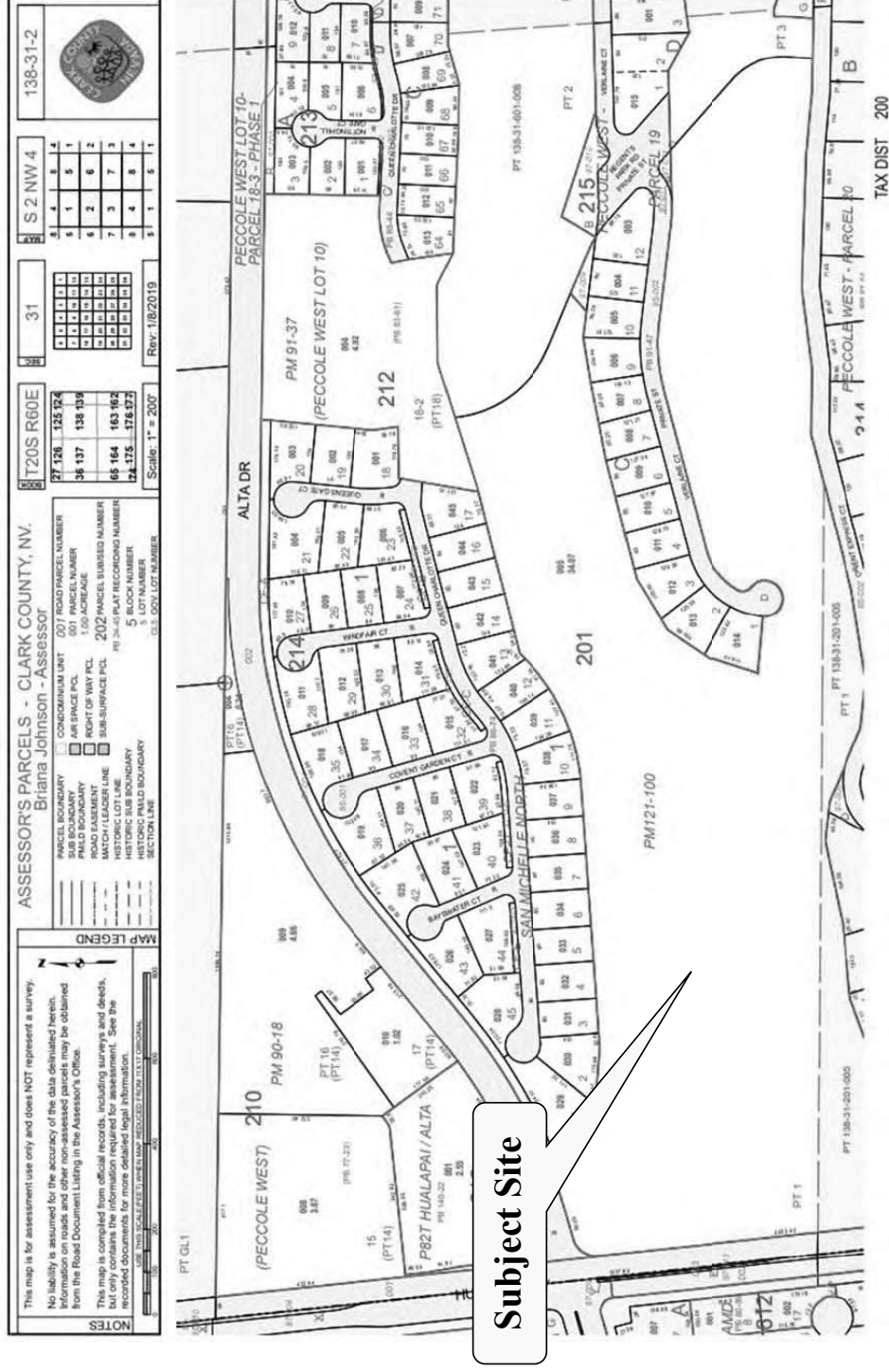
CLARK COUNTY ASSESSOR'S AERIAL PHOTOGRAPH (PHOTO REPORTED TO HAVE BEEN TAKEN SPRING OF 2017)



## Subject Site



**ASSESSOR'S PARCEL MAP 138-31-2**



**ASSESSOR'S PARCELS - CLARK COUNTY, NV.**  
**Brianna Johnson**

138-31-3

**T20S R60E**

N 2 SW 4

**31**

Rev: 1/8/2019

**27 126 125 124**

8 4 8 4

**36 137 138 139**

5 1 5 1

**65 164 163 162**

6 2 6 2

**74 175 176 177**

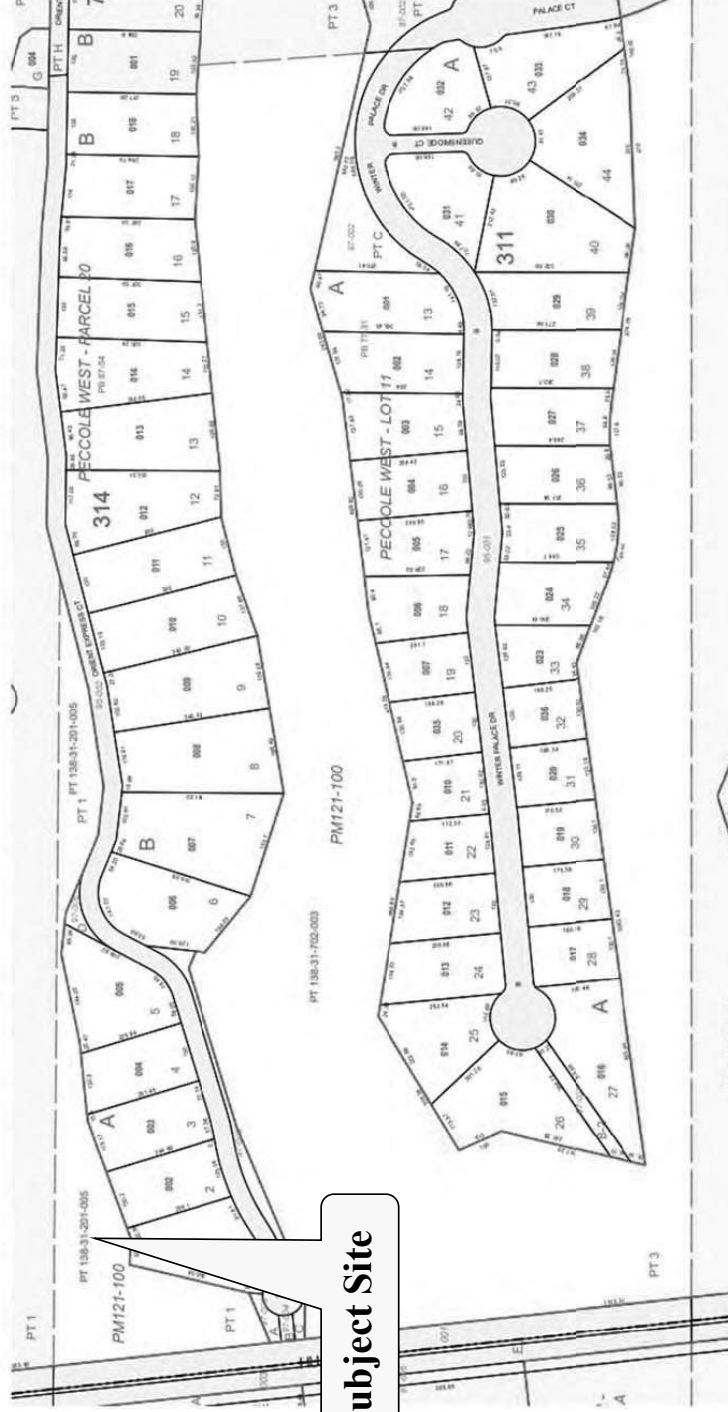
7 3 7 3

**8 4 8 4**

8 4 8 4

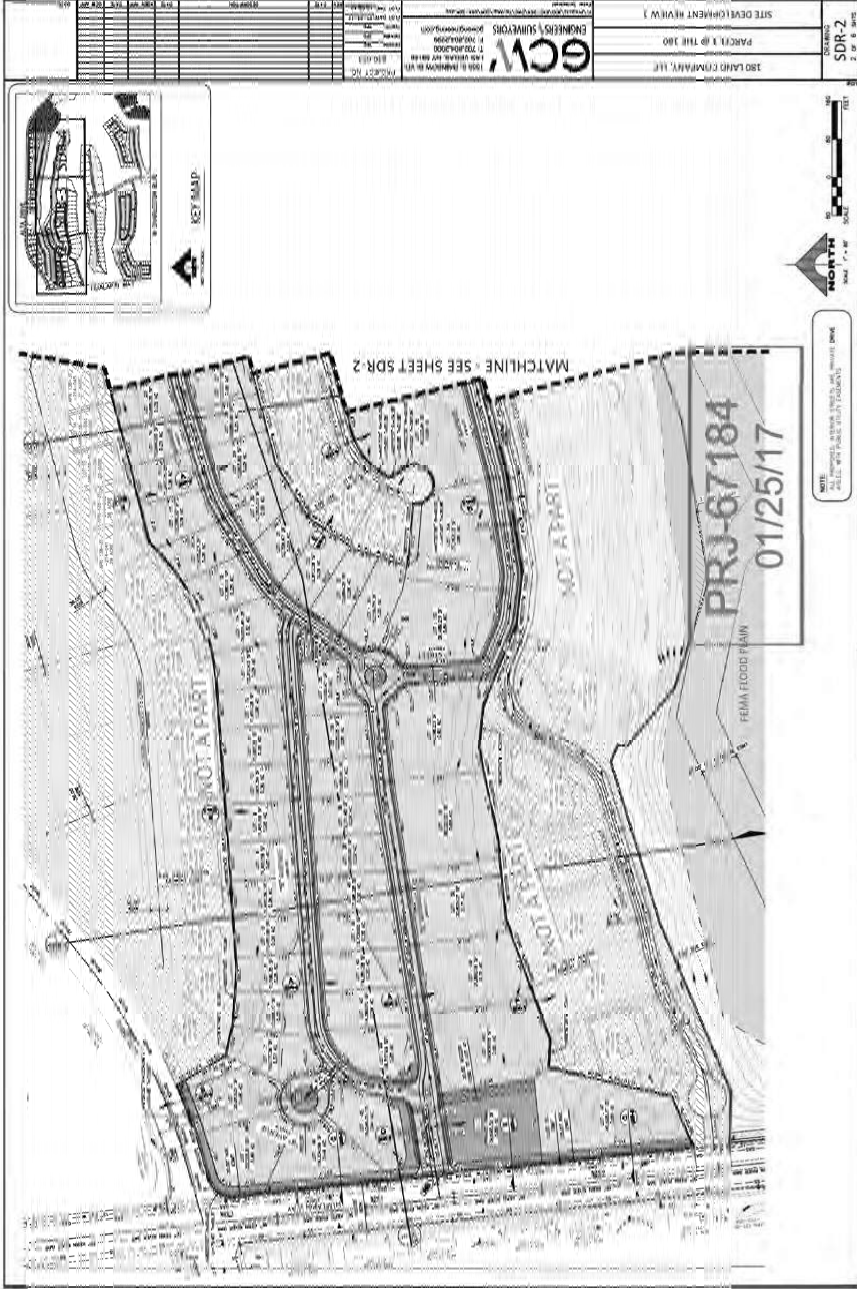
**Scale: 1" = 200'**

Rev: 1/8/2019



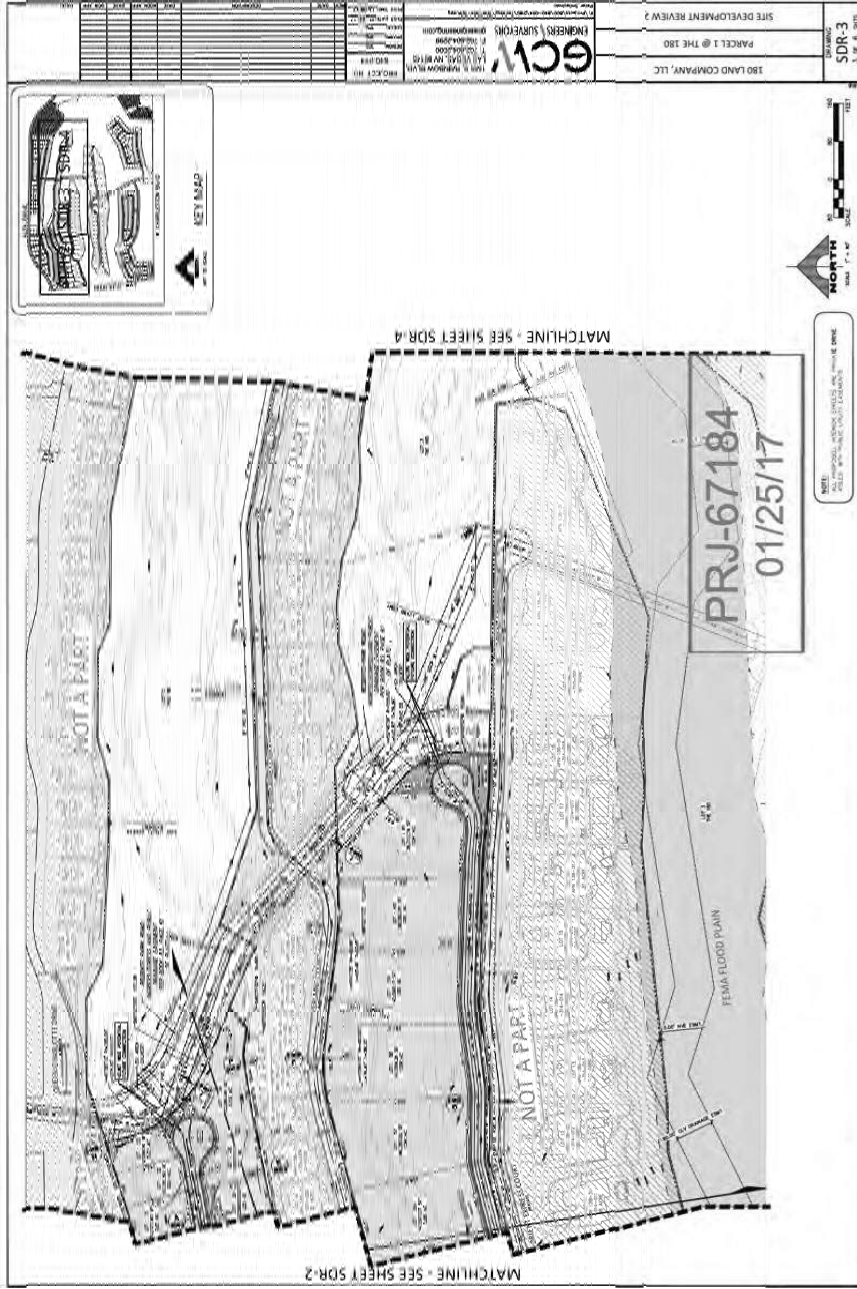
## Subject Site

SITE PLAN FOR 61 CUSTOM HOME LOTS (PREPARED BY GCW 10/24/2017)



GPA-68385, WVR-68480, SDR-68481 and TMP-68482 - REVISED

SITE PLAN FOR 61 CUSTOM HOME LOTS CONTINUED (PREPARED BY GCW 10/24/2017)



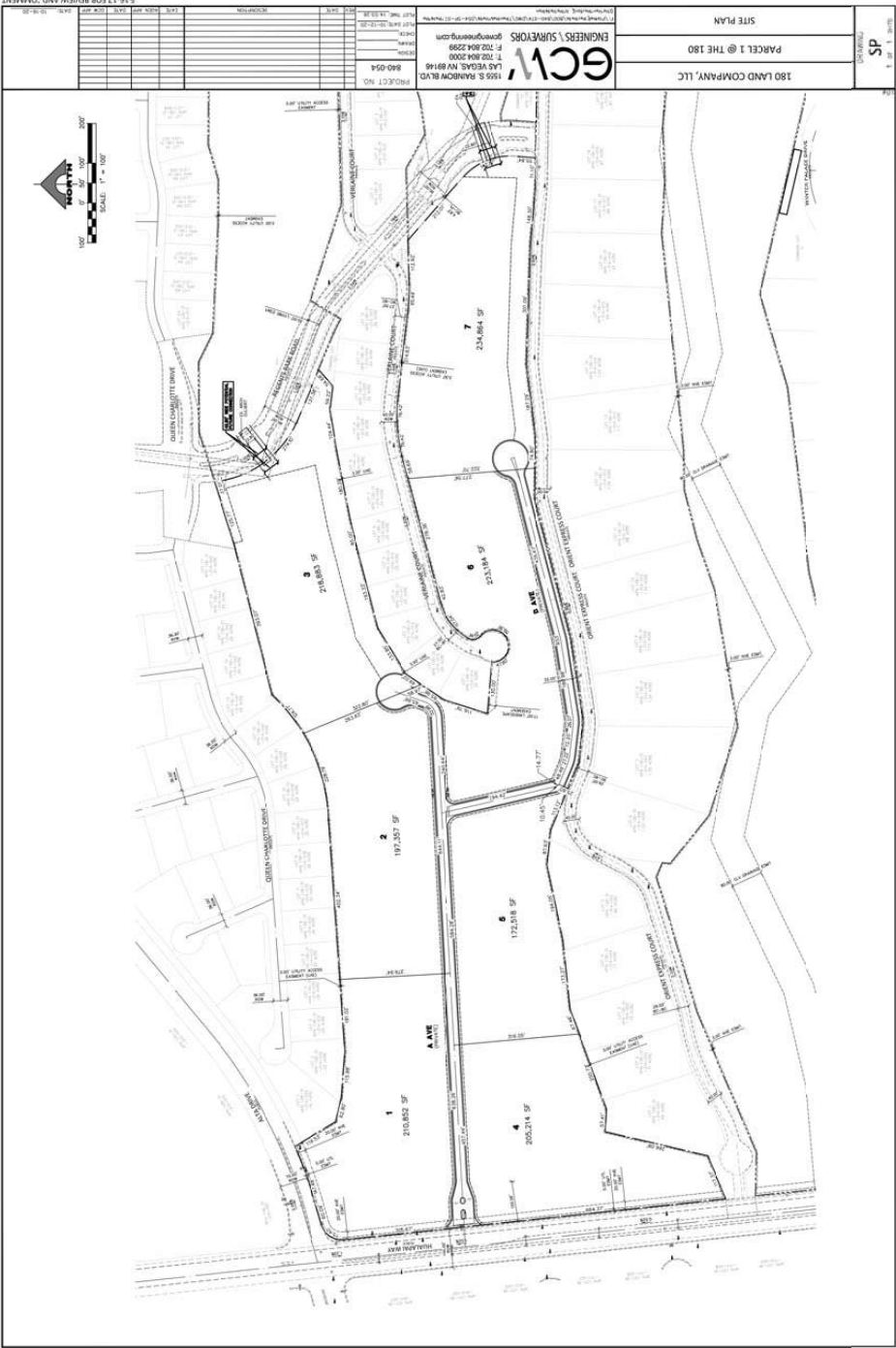
GPA-68385, WVR-68480, SDR-68481 and TMP-68482 - REVISED



SITE PLAN FOR 16 CUSTOM HOME LOTS (PREPARED BY GCW 10/13/2020)



SITE PLAN FOR 7 CUSTOM HOME LOTS (PREPARED BY GCW 10/12/2020)





**REAL ESTATE TAX ANALYSIS**

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.

The subject property was previously operated as a portion of a 27-hole golf course known as the Badlands. The course stopped operating on December 1, 2016. On September 21, 2017, the Clark County Assessor sent the landowner a letter that stated the since the property ceased being used as a golf course on December 1, 2016, the land no longer met the definition of open space and was "disqualified for open-space assessment." The Assessor recognized the property as a higher use and the deferred taxes were owed as provided in NRS 361A.280.

I contacted the Clark County Treasurer's Office regarding the property's tax liability as of September 14, 2017. The following reflects the subject's real estate taxes for the 2018 fiscal year, which runs July 1, 2017 through June 30, 2018.

<b>AD VALOREM TAX INFORMATION</b>			
<b>Assessor's 2018 Fiscal Year Assessed Property Values</b>			
<b>APN</b>	<b>Land Value</b>	<b>Improvements</b>	<b>Total</b>
138-31-201-005	\$17,886,751	\$ -	\$17,886,751
Subtotal			\$17,886,751
Assessed Value @			35%
Taxable Value			\$ 6,260,363
Tax Rate/\$100 AV			3.2782
Taxes as Assessed			\$ 205,227
Less Cap Reduction			\$ -
2018 Fiscal Year Taxes			\$ 205,227
<i>Source: Clark County Treasurer's Office</i>			

The assessed value was based on the Assessor's estimated market value of \$17,886,751, which is equal to a value of \$525,000 per acre or \$12.05 per square foot for the subject property. Based on the concluded market value of the subject, the assessed value is low. However, this is typical as the assessor's office has historically been on the conservative side of value. Therefore, in the before condition the subject's assessed value and real estate taxes should not have negatively affected its value.

## HIGHEST AND BEST USE ANALYSIS – IN THE BEFORE CONDITION

The purpose of the highest and best use analysis is to determine the optimal use of the subject property. The purpose of the "as vacant" analysis is to determine if the property should be developed, and if so, what use the property should be developed with.

Highest and best use is often looked upon as a sifting out process. Many uses can be eliminated from reasonably probable consideration by investigating legal permissibility, physical possibility, financial feasibility, and maximum profitability of a site. Typically one is left with one or several reasonably probable uses for a site before determination of which use may be maximally productive.

### PROCESS

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

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

### HIGHEST AND BEST USE AS IF VACANT IN THE BEFORE CONDITION

The following analysis presents my analysis of the legally permissible, physically possible, financially feasible, and maximally productive use of the subject property as if vacant.

### LEGALLY PERMISSIBLE

In the before condition, the subject site consisted of an irregular-shaped 34.07-acre site located at the southeast corner of Hualapai Way and Alta Drive. The site is bordered by custom and semi-custom homes which are in the guard gated Queensridge development. The northwest and southwest corners of Alta and Hualapai are improved with similar custom homes in the Summerlin master planned community.

The property's zoning was addressed in a hearing before District Court Judge Timothy C. Williams. The Court concluded that the subject property had been hard zoned R-PD7 since at least 1990 and the Las Vegas Municipal Code Section LVMC 19.10.050 lists single family and multi-family residential as the legally permissible uses on R-PD7 zoned properties. The Court Ordered that:

- 1) the 35 Acre Property is hard zoned R-PD7 at all relevant times herein; and
- 2) the permitted uses by right of the 35 Acre Property are single-family and multi-family residential."

This is consistent with my investigation as well.

The density allowed in the R-PD District is reflected by a numerical designation for that district. (Example: R-PD7 allows up to 7.49 dwelling units per gross acre.) However, the types of development permitted within the R-PD District can be more consistently achieved using the standard residential districts, which provide a more predictable form of development while remaining sufficiently flexible to accommodate innovative residential development. New development under the R-PD District is not favored and will not be available under this Code. The R-PD7 zoning standards would be analogous to the LVMC 19.06.100 for the R-2 District, which allows 6-to-12 dwelling units per gross.

Given that the subject was zoned residential and bordered by custom homes within the Queensridge community, and that the northwest and southwest corners of Hualapai and Alta were improved with custom homes, both industrial and commercial uses have been ruled out from further consideration. I am also aware that the subject property was historically used as part of a golf course. However, a golf course is not a permitted use in the R-2 zoning district.

After considering the site's R-PD7 zoning designation, the allowable uses, and recognizing the principle of conformity, only public park or playground use, and residential use should be given further consideration in determining this site's highest and best use in the before condition. However, since the site was historically used as part of a golf course, I will also analyze a golf course use of the subject property.

### **Physically Possible**

What uses were physically possible in the site's before condition? In the previous section of this report, I discussed the physical characteristics of the subject site. Physically, the site consisted of a 34.07 acre or 1,484,089 square foot irregularly-shaped site that enjoyed approximately 995-feet of frontage along Hualapai Way, the site's western boundary, and 248 feet of frontage along Alta Drive, the site's northern boundary.

The property's Hualapai and Alta frontages were fully improved with concrete curbs, gutters, and sidewalks, as well as landscape buffers. The site's topography is undulating and slopes from its high point at its western boundary, Hualapai Way, to the east as it follows the natural terrain in the area. My inspection indicated that the property had been left in its original ungraded state for use as a portion of the golf course. As for ground stability, the subject site has single family residences to its north and south, with a row of homes and a road running down the middle of its eastern section. I was also provided a soils report prepared by Construction Testing Services, LLC (CTS). CTS concluded that the subject site was suited for development provided they follow the recommendations in their soils report. Gia D. Nguyen, P. E., Senior VP for GCW Engineers/Surveyors, reviewed the CTS report and also concluded that the subject site was suitable for development.

As for drainage, no problems were apparent during the property inspection. According to the Flood Insurance Rate Map, Community Panels #2145 and #2150 of 4090, this site is located within an area designated as a Zone X. Flood insurance is not typically required within Zone X. Copies of flood insurance maps #2145 and #2150 are located within the Addendum. I was also provided information about drainage prepared by GCW. Their report stated that due to the existing FEMA designated Special Flood Hazard Area present downstream, the subject must match existing drainage patterns or

provide mitigation. The report states that they assume the downstream impacts are insignificant; however, a technical drainage study will be required to demonstrate the insignificance with downstream analysis. There were no environmental hazards known on the site that I am aware of and all necessary utilities were available.

The location of the property, which is bordered by multi-million dollar homes, provides support for a residential development. However, community recreational uses and public parks were also legally permissible and physically possible uses of this site in September 2017. Therefore, while the legally permissible and physically possible attributes of the site suggest the most likely use of the property would be a residential development, community recreational uses or public park use, and golf course uses will still be considered.

### **Financially Feasible**

As for feasible uses, I looked at the residential market, and community recreational or public park uses that have emerged as legally permissible and physically possible uses of this site. I also considered the financial feasibility of a golf course use as the property had historically been used as a portion of a golf course.

I first looked at the residential market. In reviewing historical data, I found that the high-end or luxury housing market in Las Vegas 2017 reported its strongest year since the Great Recession approximately ten (10) years prior and was showing no signs of slowing down. Whether it was the new-home market or the resale market, sales were strong for homes priced at \$1 million and above. Home Builders Research reported that even homes priced around \$750,000 were having strong sales.

Applied Analysis reported 376 home sales priced at \$1 million and above in the existing single-family home market in 2017. That was 39% higher than the 270 home sales in 2016. Sales had been as low as 152 in 2012. Applied Analysis reported that in the new single-family home market, there were 129 closings in 2017, which was a 34% increase over the 96 sales in 2016. That market appeared to have recovered from the three (3) closings of \$1 million and above in 2013. Home Builders Research, in tracking closings of luxury condos and homes, reported 470 existing home sales in 2017 of \$1 million and above, a gain of 44% from 326 in 2016. There were such 875 closings of \$750,000 and above, a gain of 55% from 566 in 2016. In the new-home market, Home Builders Research reported 141 sales of \$1 million or more, a gain of 45% from 97 in 2016. There were 374 sales of \$750,000 and above, a gain of 37% from 274 in 2016.

In the custom home market, there were 198 custom home permits issued in Clark County in 2017, that was an increase of over 21% percent over the 163 issued in 2016.

These sentiments were stated in the following article in the Las Vegas Business Press, August 21, 2017.

## LAS VEGAS LUXURY MARKET ON THE RISE

By Buck Wargo Real Estate Millions  
August 21, 2017



The luxury home market in Las Vegas is on track to have its best year since the onset of the Great Recession.

Whether it's new home sales or sales of existing homes, there's a market for properties of \$1 million and above as well for those priced between \$750,000 and \$1 million.

During the first six months of 2017, there was a total of 184 existing homes that sold for more than \$1 million, according to SalesTraq, the residential research firm of Applied Analysis. During the same six-month period in 2016, there was a total of 139 homes sold, meaning an increase of 45 units or a 32.4 percent increase in the number of high-end home sales. Assuming the current pace holds, the market could have more than 360 high-end home sales for the year — by far the highest since the economic downturn, according to SalesTraq.

Luxury home resales have fallen between a range of 243 and 281 since a post-recession low of 152 in 2011 and 2012. There were 270 such sales in 2016, SalesTraq reported.

When factoring in existing home sales of \$750,000 and above, Home Builders Research said the 363 sales between January and June are 82 percent higher than the 199 closings through the same period in 2016.

The luxury new-home market has seen its share of increased sales as well. Home Builders Research reported 130 sales of \$750,000 and above through the first six months of 2017, 33 percent higher than the 98 sales through the same period in 2016. For homes priced \$1 million and above, the firm said there were 51 sales during the first six months of this year, a gain of 46 percent over the 35 sales through June 2016, the firm's president, Dennis Smith.

None of those figures include custom-built luxury homes, which can't be readily tracked, according to Smith. There were 113 custom-home permits issued through June, up from 105 for the first six months of 2016, he said.

SalesTraq figures show the 51 new-home closings of \$1 million or more during the first six months of 2017 are the most since the housing downturn.

There were 10 such luxury homes built in 2010, and that number fell to three in 2013. It grew to 33 in 2014, 50 in 2015 and 96 in 2016, according to SalesTraq. The totals, however, are still below the 141 sales of new homes of \$1 million for all of 2007.

The increased activity at the high-end of the market is a function of an improving economy as well as broader increases in overall home values, said Applied Analysis Principal Brian Gordon. In addition, for existing homes, the appreciating home market has resulted in more homes reaching the \$1 million threshold, he said.

“We have more residents than ever, job counts at an all-time high and incomes continuing to rise,” Gordon said. “The overall fundamentals of the economy are in a better position than they were previously. All of that has resulted in continued demand in the housing market, including the higher-end spectrum.”

Southern Nevadans are selling their existing homes and moving up and the influx of Californians to the state looking for second homes is creating opportunities for builders as well, according to Realtors and analysts. Some out-of-staters are moving to start a business or relocate their business here.

Smith added that the gains in the stock market have boosted confidence and sales are up because baby boomers are retiring and moving to Las Vegas.

“I think we’re seeing a good cross-section of buyers in the higher-end of the market,” Gordon said. “We have some folks who are moving up and at the same time, people migrating in from other parts of the country, including California. On a relative basis, Southern Nevada remains affordable for many of those transplants acquiring homes.”

Smith said the demand for the higher-priced homes is a boon for builders who can make more money for them rather than lower-priced ones. They’re also located on higher-priced lots with better views on hillsides or abutting Red Rock.

“You have the move-up buyer who already owns a house here and is looking to buy something new because technology has increased in recent years,” Smith said. “You might see people downsize and still buy a more expensive house.”

Most of the luxury home construction is taking place in Summerlin, Southern Highlands and Henderson gated communities such as MacDonald Highlands, Smith said. William Lyon Homes has been one of the builders benefiting from that demand in its Sterling Ridge and Silver Ridge subdivisions in The Ridges in Summerlin. Sterling Ridge sells homes for just under \$1 million and Silver Ridge homes sell for between \$1.3 and 1.5 million. More than one-third of the 82-lot Silver Ridge has been sold out and about 30 of 199 lots remain at Sterling Ridge.

“There has been an uptick in the luxury market with a lot of local move-up buyers and people coming from (out of state),” said William Lyon Homes sales agent Julia Giordani. “They are moving from other luxury communities in Las Vegas to get a modern contemporary style (as opposed to Mediterranean and Tuscan).”

The next big development in Las Vegas will be at The Summit Club in Summerlin where the majority of 146 lots have been sold with an average price exceeding \$3 million. When custom homes are built on the new exclusive golf course development for the uber-wealthy, some homes will cost more than \$10 million to build.

The project is a joint-venture between the Howard Hughes Corp. and Discovery Land Co. Membership in the club costs \$150,000 and its dues are \$27,000 a year.

Damien Bauman, area residential mortgage production manager with Nevada State Bank, said he’s “seeing a lot more activity in the luxury housing market as a testament to how healthy it is.” The “sweet spot” for new home construction is projects between \$2.5 million to \$3 million and borrowers can qualify for a little as 10 percent down for interest rates of 3.5 to 4 percent.

Many of those are business owners and executives who have a favorable outlook on the economy. Their businesses are improving, and they have more liquidity to upgrade their homes, Bauman said.

“It seems like a lot of people were sitting on the sidelines because the time wasn’t right to build, but they’re changing their mind and jumping in the market,” Bauman said. “There’s a buzz in new construction. They see the possibility with labor shortages and commodity prices going up. They want to jump in to build now and beat the prices increase coming down in the future.”

Forrest Barbee, a corporate broker with Berkshire Hathaway HomeServices Nevada Properties, said he was worried about the luxury market in early 2017 but it has taken off since then. He said the resale market is benefiting from problems with construction that doubled the time to build a home in some cases.

“Construction workers are in short supply and the length of time to buy land and build a new home may be pushing some people back into the resale market a little bit,” Barbee said.

Barbee credits the Golden Knights NHL franchise starting play this fall and planned relocation of the Oakland Raiders in 2020 as contributing to the luxury housing market gains.

“It gives us diversification from the other industries, but sports reinforces the existing industries,” Barbee said. “It reinforces gaming. It reinforces conventions. It reinforces hotel rooms. I think the luxury housing market may have benefited more than anybody from the sports side with people moving here.”

Kenneth Lowman, broker and owner of Luxury Homes of Las Vegas, said he’s seeing “some of the sales numbers they haven’t seen since the glory days of 2007.” He said he counted 39 closed sales of \$1 million or more on the Multiple Listing Service in July after there were 48 sales in May and 38 in June. Buyers are even gravitating to newer homes built in the last two to three years and willing to pay a premium for a more modern-style home that’s more energy-efficient.

“Those are months we have not seen for 10 years, and they are almost double what we used to four to five years ago,” Lowman said of recent sales. “Vegas is back in so far as gaming is doing well, visitor volume is back, people are retiring here, and we have these two professional sports teams coming here. The stock market has done well, and we have a lot of wealthy people here that if the stock market does well the more likely they are to put some of their money in real estate. I think it’s going to continue for another one to three years. The economy is healthy. Interest rates are down, and these houses are very affordable to people moving here.”

The Summit Club in Summerlin entered the market 2016. This is one of the more recent developments to enter the market selling finished custom home sites. Of the 130 custom home lots in this development, 60 sold between its opening in May of 2016 and the effective date of value in this analysis. The unit prices ranged from a low of \$31.82 per square foot (psf) for a 4.689 acre lot (\$6,500,000 total or \$1,386,223 per acre) in August of 2016, to a high of \$158.32 psf for a 0.580 acre lot (\$4,000,000 total or \$6,896,552 per acre) in June of 2016. The average price paid for these custom home lots was \$67.10 psf.

In the Ridges during the same period (May 2016 through September 2017), there were 16 custom home lot sales. The unit prices ranged from a low of \$29.63 psf for a 0.756 acre lot (\$975,000 total or \$1,290,536 per acre) in October of 2016, to a high of \$85.49 psf for a 0.290 acre lot (\$1,080,000 total or \$3,724,138 per acre) in January of 2017. The average price paid for these 16 custom home lots was \$52.72 psf.

The owner of the subject property has three (3) configurations for the subject property; 1) Sixty-one (61) home lots ranging from 0.22 acres to 1.08 acres; 2) Sixteen (16) home lots ranging from 1.58 acres to 2.90 acres, and; 3) Seven (7) home lots ranging from 3.96 acres to 5.39 acres. In a following section of this report, I used the Sales Comparison

Approach to estimate the value of the subject property. Based on my analysis, I concluded a unit value of \$23.00 psf or a total value of \$34,135,000.

As a check to the reasonableness of the value concluded by the Sales Comparison Approach, I completed the Subdivision Development Method, which is an application of the Income Capitalization Approach. The reason that it is categorized as an income approach to value is that it is based on converting the projected cash flow from lot sales, less expenses and profit into an indication of value. The subdivision method is used by developers to determine the price they can afford to pay for a property assuming certain costs, gross sales, and return considerations.

In a following section of this report, I completed a DCF for each of the three (3) lot mix configurations. Based on that analysis, I concluded that the “retrospective” market value of the Fee Simple Estate in the subject property in the before condition, for each lot configuration, as follows:

Subdivision Approach			
		Total Value	Per SF
61-Lots	\$	32,820,000	\$22.11
16-Lots	\$	35,700,000	\$24.06
7-Lots	\$	34,400,000	\$23.18

My analysis indicates that a residential development was feasible on the effective date of value.

Next, I considered the property’s potential as part of a golf course. For this, I first looked at the overall health of the golf course industry on a national and local basis. I then considered the subject’s historical operations and what would be necessary to start back up the Badlands Golf Course. First, I looked at The National Golf Foundation’s “Golf Facilities in the U.S., 2017 Edition.” The NGF was founded in 1936 to provide golf-business research and consulting services.

According to the National Golf Foundation (NGF) report, from 1986 to 2005, golf course supply increased by 44%, which far outpaced growth in golf participation. The trend being experienced throughout 2016 was referred to as “correction.” This was because at that time golf course closures occurring throughout the U.S. indicated we had an oversupply that required market correction.

The NGF 2017 Facilities Study reported, “The golf course industry continues to go through a period of natural correction, as expected, following a 20-year period of the most dramatic growth in the game’s history. By the end of 2016, there were 15,014 golf courses in the United States. This included a net reduction of 171 courses that year. The NGF reported that from 2006 to 2017, the golf course industry experienced a cumulative decline of 1,045 golf courses, with an average net loss of 87 per year ( $1,045 \div 12 = 87.08$ ). As of March 2017, which is when the report was released, the NGF report stated that the golf course market was still oversupplied, and more course closings were expected. Closings were “projected to fall in the 150 to 175 range as the natural contraction continues gradually, extending incrementally into its second decade following a two-decade run of golf course growth.”



I found this to be a common theme when researching the health of the golf course market in 2017. It was addressed in a Bloomberg Magazine article titled “Dead Golf Courses Are the New NIMBY Battlefield” and again in their March 24, 2021 article titled “Old Golf Courses are being Turned into E-Commerce Warehouses.” The first article began with “Golf is dying, many experts say. According to one study by the golf industry group Pellucid Corp., the number of regular golfers fell from 30 to 20.9 million between 2002 and 2016. Ratings are down, equipment sales are lagging, and the number of rounds played annually has fallen.”

Their March 2021 article begins with “The surge in online shopping has developers looking for acreage, and the links-to-logistics conversion is proving to be a winning move.” The March 2021 article included aerials showing these conversions occurring.

I also found this discussed in National Recreation and Park Association (NRPA) monthly magazine. Under the heading “Why Has Golf Declined?” they discussed the decline in play being experienced throughout the U.S. This article referenced a 1987 report by McKinsey & Company consulting firm that had projected substantial increases in the number of golfers and called for “A Course a Day” to be built to accommodate it. This plan was embraced by many in the development community and reinforced the momentum to build new courses. This article stated that McKinsey & Company was still optimistic in their 1999 update to that 1987 report, but their forecast was wrong.

The NRPA report stated that since 2003, there has been a consistent decline in the number of golf players each year. They reported there were 6.8 million fewer golfers in 2018 compared to 2003, which is a loss of over 20%. This led to “a net reduction of 1,243 18-Hole courses between 2005 and 2018.” The NRPA stated that this decline was “a function of the high cost of playing, difficulty of courses, and the game’s incompatibility with contemporary lifestyles.”

I also looked at a report on the Badlands Golf Course that was prepared by Global Golf Advisors (GGA). GGA stated that they reviewed 2017 annual financial reports for the municipalities of Las Vegas, North Las Vegas and Henderson for the profitability reported by their public golf courses.

GGA stated; “While municipal courses often do not serve as an ‘apples-to-apples’ comparison due to the potential for labor unions, it is worth noting that none of the municipal courses observed were profitable during the year of reference.”

These municipalities reported the net operating income for the Durango Hills (City of Las Vegas), Wildhorse (City of Henderson), and Aliante (City of North Las Vegas) public golf courses. Therefore, I looked at their 2017 Financial Reports:

1. The City of Las Vegas 2017 Financial Report –  
(<https://files.lasvegasnevada.gov/finance/CLV-CAFR-FY2017.pdf>);
2. The City of Henderson 2017 Financial Report -  
(<https://www.cityofhenderson.com/home/showpublisheddocument?id=1650>); and
3. The City of North Las Vegas Financial Report -  
([http://www.cityofnorthlasvegas.com/docs/Finance/CAFR/CAFR\\_FY2017.pdf](http://www.cityofnorthlasvegas.com/docs/Finance/CAFR/CAFR_FY2017.pdf))

According to these 2017 Financial Reports, Durango Hills, Wildhorse and Aliante were losing money. The GGA report also stated that Spanish Trail Country Club, a private club, was losing money.

In addition to looking at the historical operations at the Badlands Golf Course, I looked at the reported operations at other courses in the Las Vegas area that would compete with the subject. Between 2016 and 2017, there were numerous articles about golf courses having problems and potential conversions. It was reported that Dragon Ridge, Black Mountain, Siena, Silverstone, Rhodes Ranch and South Shore were all losing money.

The data shows the Badlands wasn't an outlier that was struggling in a thriving golf course market. Based on what was happening in the local golf course market, Las Vegas was also experiencing this market "correction" and the Badlands golf course was part of that "correction."

Next, I analyzed what if any effect the national and local "correction" was having on the subject property. For that, I looked at the historical operations of the Badlands. According to the supplied information, the Badlands had nearly 35,000 rounds played in 2016. The NGF estimated Course Rounds (in-market supply) in 2016 at 35,300 per facility for the 30-minute drive radius from the Badlands. This suggests that the course generated comparable demand.

In looking at the number of visitors to Las Vegas, I found that visitation numbers it hit an all-time high in 2016. However, the Badlands Golf Course experienced its lowest level of financial performance in 2016, which indicates that an increase in visitors did not benefit the Badlands Golf Course and growth in tourism would not lead to sustainable financial performance for this course.

Elite Golf Management was operating the course. The use of a management company was discussed in the NGF 2017 Facilities Study. The report stated: *"Driven in part by escalating competition and rising costs, independently-owned courses are increasingly hiring professional management companies to run operations. This trend is part of an ongoing effort to improve customer service levels, enhance course conditions, and add technology and amenities while implementing best practice initiatives."*

This option was also being used in the Las Vegas golf market. The GGA report identified a number of management companies operating in the Las Vegas market in 2017. These were as follows:

- Pacific Links was managing TPC Summerlin, Painted Desert Golf Club, Desert Pines Golf Club, Dragon Ridge Country Club;
- ClubCorp is managing Bear's Best Las Vegas, Canyon Gate Country Club;
- OB Sports is managing Angel Park Golf Club, The Legacy Golf Club (prior to Elite Management taking over), Durango Hills Golf Club; and
- Troon is managing Aliante Golf Club.

The operators leading up to the time of closing the Badlands Golf Course, Elite Golf Management, were also experienced operators in the local market. Elite was managing the following golf courses:

- Primm Valley Golf Course (Two (2) 18-hole golf courses)
- Spanish Trail Country Club (27 holes)

- Legacy Golf Club, Henderson (18 holes)
- Wildhorse Golf Club, Henderson (18 holes)
- Mountain Falls Golf Club, Pahrump (18 holes)

Prior to Elite Golf Management, the Badlands Golf Course was managed by Par 4 Golf Management. Par 4 Golf Management was founded in 2008. Par 4 Golf Management was a partnership between Paul Jaramillo and Keith Flatt. Mr. Jaramillo was the President & Co-founder of Par 3 Landscape & Maintenance. Par 3 Landscape & Maintenance was successful landscape company in the Las Vegas market. Mr. Flatt's experience covered most aspects of the golf industry, including being a professional player, caddy, credentialed instructor, head golf professional and course owner.

Par 4 managed five (5) local courses including the Badlands Golf Course prior to their transition to Elite Golf Management. Prior to Par 4 Golf Management, Badlands was managed by Troon, which was considered to be one of the largest golf management companies in the U.S. and an industry leader.

To analyze the facilities historic operations, I was provided the income and expenses for 2014, 2015 and 2016 up to the facilities December 1, 2016 closing. The supplied historical income and expense statements reflected that revenue declined 11% in 2015. In comparing the 2015 revenues to 2016, an adjustment is required for the eleven (11) months used in 2016 statement versus twelve (12) months used in 2015. Therefore, I annualized the property's 2016 revenues to reflect a similar twelve (12) month period. While the actual 2016 revenues through November reflected a decrease of 31.2% from 2015, annualizing 2016 revenues indicates that the decline in revenues would be 24.9%.

During this period (2014 to 2016), cost of sales percentage was slowly increasing. This expense was 14.1% of revenues in 2014, increased 80 basis points to 14.9% in 2015 and then increased another 100 basis points to 15.9% in 2016. This resulted in the effective gross income (EGI) being \$3,038,330 in 2014, \$2,679,318 in 2015 (down 11.8%), and \$1,819,789 through the first eleven months of 2016 (down another 32.1%). Annualized, the 2016 EGI would be \$1,985,224, which was still down 25.9% from 2015.

Next, I looked at the property's expenses. According to the supplied information, expenses went from 82.7% of EGI in 2014 to 75.4% of EGI in 2015. However, the expenses then increased to 95.0% of the EGI in 2016. And 2016 reflects the expenses without the annual cost of overseeding the facility. The operator estimated that this saved \$60k in hard costs plus the course gained additional revenue from not being closed for overseeding in 2016. It is my understanding that these decisions were made out of necessity to save cash but are not good for the long-term sustainability of the course.

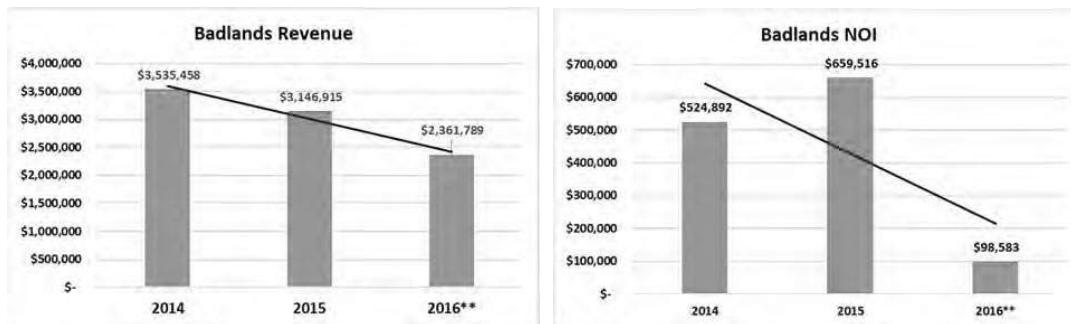
The historical net operating income (NOI) for the subject property is calculated by deducting the operating expenses from the EGI. The reported NOI was \$524,892 in 2014, \$659,516 in 2015 and \$90,368 for the first eleven months of 2016. Annualized, the 2016 NOI is \$98,583. Therefore, the NOI increased 25.6% in 2015 and decreased 86.3% for the first eleven (11) months of 2016. Annualized, the 2016 NOI was down 85.1% from 2015. The following is a summary of the previous data.

RECONSTRUCTED INCOME & EXPENSE STATEMENTS							
YEAR	2014	2015	% Chg.	2016*	% Chg.	2016**	% Chg.
Revenue	\$ 3,535,458	\$ 3,146,915	-11.0%	\$ 2,164,973	-31.2%	\$ 2,361,789	-24.9%
Less Cost of Sales	\$ (497,128)	\$ (467,597)	-5.9%	\$ (345,184)	-26.2%	\$ (376,564)	-19.5%
Gross Profit	\$ 3,038,330	\$ 2,679,318	-11.8%	\$ 1,819,789	-32.1%	\$ 1,985,224	-25.9%
Less Operating Expenses	\$ (2,513,438)	\$ (2,019,802)	-19.6%	\$ (1,729,421)	-14.4%	\$ (1,886,641)	-6.6%
Net Operating Income (NOI)	\$ 524,892	\$ 659,516	25.6%	\$ 90,368	-86.3%	\$ 98,583	-85.1%

\*Based on the Eleven (11) Months the property was operating.

\*\*Annualized 2016 Data Assuming the average over the Eleven Month Period is Maintained in December of 2016.

For the reader's perspective, I broke out the trends in revenues and NOI in the following charts.



While there was an 81.2% decline in NOI over the prior three (3) years it was operating, the true picture of this property's viability is incomplete without including the deferred maintenance that had been ignored. It is not like the owner could have just decided on September 14, 2017, "let's open the course for play today." For the reader's perspective of the course's overall condition in the later part of 2017, I included the following photograph of the course. This photo was reportedly taken in November of 2017 (Source: Google Earth).



It is obvious that the property was not ready for play in the later part of 2017 as the turf was dead and the ponds were empty and exposed. Therefore, I looked at the cost to cure the property's deferred maintenance to see if it was economically feasible to return to operations on the effective date of value.

According to GGA's report, estimates to cure the deferred maintenance provided by Elite Management, were as follows:

- Clubhouse Renovation/Update - \$1M (to update) to \$8M (full renovation to stay competitive)
- Cart Path Replacement - \$1.7M
- Irrigation System Replacement - \$800k
- Maintenance Equipment - \$800k
- Golf Carts - \$600k
- Pond Liner Replacement - \$350k
- Sod, Seed and Bring Back Turf - \$1.5M

The previous items are a summary of the major capital expenditures required but does not include any unforeseen issues such as problems with the pumps, wells or any other existing infrastructure. For example, if the irrigation system needs to be replaced, the cost adds another \$2+M to the cost to reopen. The previous costs, without the irrigation system, total a minimum of \$6.75M with a refresh for the club house, and a maximum of \$13.75M if the club house is to be completed redone.

The GGA report also referenced additional estimates that indicated the restoration costs for the golf course could be between \$3.65M and \$4.7M as of the effective date of value. In the following table I applied the cost to cure the deferred maintenance to the previous three years of income and expenses to ascertain how the balance sheet would look if the property had been maintained at a minimum level.

Year	NOI
2014	\$ 524,892
2015	\$ 659,516
2016**	\$ 98,583
Total Three (3) Years NOI	\$ 1,282,991
Deferred Maintenance - Minimum	\$ (3,650,000)
<b>Net Income/Loss Over Three (3) Years</b>	<b>\$ (2,367,009)</b>
<b>Net Income/Loss per Year</b>	<b>\$ (789,003)</b>
Total Three (3) Years NOI	\$ 1,282,991
Deferred Maintenance - Maximum	\$ (13,750,000)
<b>Net Income/Loss Over Three (3) Years</b>	<b>\$ (12,467,009)</b>
<b>Net Income/Loss per Year</b>	<b>\$ (4,155,670)</b>

**The above figures are based on the following extraordinary assumption and its use might have affected the assignment results:**

1. The above calculations are based on the extraordinary assumption that the provided costs to cure the deferred maintenance were accurate as of September 14, 2017, the effective date of value for this assignment.

While the previous Reconstructed Income & Expenses Statement reflected a positive NOI for 2014, 2015 and 2016, the NOI did not reflect the true cost of operations as the operator had not addressed the deferred maintenance. The NOI would have been significantly less (and actually reflects a substantial net loss) if the deferred maintenance costs at the time of operation had been addressed.

The GGA report stated that their Director, Tommy Sasser, validated the previous cost estimates provided by Elite Management. They stated that Mr. Sasser has expertise in golf course renovation and construction management with over three decades of experience directing land development activities and has been involved in the design

and/or construction of over 75 golf courses around the globe. The GGA report states that Mr. Sasser solicited a second expert opinion on the restoration costs from Heritage Links (a division of Lexicon Inc.), a Houston based restoration company with knowledge of the golf course. The total estimate provided by Heritage Links projects a cost of more than \$3.74M as of September 2017, not including contingencies.

Even in years prior, operators of the facility expressed the opinion that the operation was no longer profitable. On September 18, 2015, Paul Jaramillo (CEO of Par 4 Golf Management, Inc.) expressed the following sentiment in a ‘Notice of Cancellation’ memo to the owners: *“We have operated the course for a number of years with little or no profit in hopes that the golf industry would recover, and we would be able to recapture our investment. Given the ever increasing water costs, operating costs and a golf market that cannot support increased green fees, we have determined that we are no longer willing [to] assume the risk.”*

On December 1st, 2016, Keith Flatt (CEO of Elite Golf Management), expressed the following opinion in another memo to ownership: *“Unfortunately, it no longer makes sense for Elite Golf to remain at the facility under our lease agreement. The golf world continues to struggle, and Badlands revenues have continued to decrease over the years. This year we will finish 40% less in revenue than 2015 and 2015 was already 20% down from 2014. At that rate, we cannot continue to sustain the property where it makes financial sense for us to stay. Even with your generosity of the possibility of staying with no rent, we do not see how we can continue forward without losing a substantial sum of money over the next year. The possibility of staying rent free was enticing and we apologize if our email to customers about staying may have caused any issues for you, but after full consideration of our current financial status at Badlands, we came to the conclusion that we just could not afford to stay any longer.”*

In addition to the previously discussed data, the fact that the two prior golf course management companies could not operate the Badlands at a profit sufficient to justify remaining on the Subject Property in the preceding years, even with free rent while ignoring the deferred maintenance, demonstrates operating the Badlands was not financially feasible as of December 2016 when it was closed or September 2017, the effective date of value. Therefore, golf course use is ruled out from further consideration as to being the highest and best use of the subject property.

I also researched the market for sales of public parks. For a public park use, the value of the subject would need to exceed \$23.00 per square foot or \$1,000,000 per acre. I used CoStar to search but did not find any park sales I could compare to the subject. And when considering this park would be subject to annual property taxes of over \$200,000, the possibility of this type of use being more productive than a residential use is not a reasonably probable conclusion. Therefore, golf course and public park uses have been eliminated from consideration as being the highest and best use of this site.

Given the previous information, it is my opinion that the legally permissible, physically possible, and financially feasible use of this site, as of the effective date of value, was a residential use. This type of development would be similar to the surrounding uses in the Queensridge and Summerlin communities and would confirm to the site’s R-PD7 zoning designation.

**Maximally Productive**

Based on the reasonably probable development scenarios and the potential values that could be created, I have concluded that a developing the site with a residential use that conformed with the surrounding residential developments was the maximally productive use of the subject property, as of September 14, 2017.

**CONCLUSION**

Based on my research, I concluded that a residential use best met the four tests of highest and best use of the effective date of value, September 14, 2017.

**MOST PROBABLE BUYER**

Based on the characteristics of the property, the likely buyer is a local or regional developer.

## 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.

The Cost Approach is not considered applicable when appraising land like the subject of this analysis. In this area the Sales Comparison Approach is typically used to estimate the value of vacant land. Therefore, I will first research recent sales of superpads. After applying market supported adjustments, I will conclude a supportable before condition value indication for the property as of the effective date of value.

As a check for reasonableness, I will use what is referred to in the Income Approach as the Discounted Cash Flow Analysis in Subdivision Development Analysis. This involves a discounted cash flow analysis with the value being estimated by researching the market for what the property could sell for on a per custom home lot basis, the indicated absorption rate, the costs related to finishing the custom home lots and the cost of sales (marketing) and entrepreneurial profit. The indicated income from selling the lots, less expenses, will then be discounted to its present value for an indication of value to one buyer as of the effective date of value.

The reconciliation that follows the "before condition" value discusses the relative strengths and weaknesses of each approach and concludes the property's before condition value as of the September 14, 2017 the effective date of value. This will be followed by my analysis of the value of the remainder in the "after condition." I will then conclude the just compensation due to the property owners as of September 14, 2017.



**SALES COMPARISON APPROACH – BEFORE CONDITION**

The Sales Comparison Approach is based upon the principle that the value of a property tends to be set by the price at which comparable properties had been sold or the price for which comparable properties could have been acquired. This approach requires analysis of vacant land sales comparable to the subject property. I acquired accurate information regarding price, terms, property description, and use for the comparable sales. This was part of my primary research in the preparation of this report.

For this analysis, I included five (5) vacant land sales that closed escrow between February 2015 and September 2017. The first four (4) are considered to be “superpads” that were sold to home developers for detached single-family residential developments. The Dictionary of Real Estate defines a superpad as “a parcel of land, usually in a planned development, that is undeveloped and planned for subdivision into smaller lots. All off-site infrastructure is in place and connected to the boundary of the parcel. A superpad is typically purchased by a home builder that will install the streets and necessary utility infrastructure to make the lots suitable for home development and sale to individual buyers.” The fifth sale was the sale of 63 finished home lots to a home builder that has since completed the vertical construction and sold those homes.

In analyzing these sales, I selected the price per square foot of land as the operative unit of comparison as of the effective date of value. This is the unit of comparison most commonly quoted by brokers, sellers, and purchasers when discussing these sales transactions and is considered the most relevant for the subject. In the following section of this report, I will compare the attributes of these sales to the subject site in the before condition.

The following Comparable Land Sales table displays the data pertinent to this analysis. A map identifying the location of each sale in respect to the location of the subject property is on the following page. Abstracts with additional information and aerial photographs of each sale taken near its date of sale follow the map.

<b>COMPARABLE LAND SALES</b>						
LOCATION/ # APN	SALE DATE	SALE PRICE	LAND SF/AC	PRICE/ SF	ZONING	
<b>1 Sky Vista Drive &amp; Desert Moon Road</b> 137-33-810-001 (Portion of)	09/15/17	\$ 17,745,080	1,426,154 32.74	\$ 12.44	P-C	
<b>2 Russell Road &amp; Bonitsa Vista Street</b> Five (5) Contiguous Parcels	08/07/17	\$ 12,794,150	938,282 21.54	\$ 13.64	R-2	
<b>3 Sky Vista Drive &amp; Charleston Boulevard</b> 164-03-111-006 (Portion of)	03/14/17	\$ 24,084,350	1,623,046 37.26	\$ 14.84	P-C	
<b>4 Olympia Ridge Drive &amp; Oakland Hills Drive</b> 191-07-501-011	07/07/16	\$ 17,000,000	1,263,240 29.00	\$ 13.46	R-2	
<b>5 Granite Ridge Drive &amp; Grey Feather Drive</b> 63 Separate APN's	02/26/15	\$ 13,650,000	653,400 15.00	\$ 20.89	R-2	
<b>Subject Property</b> 138-31-201-005	N/A	N/A	1,484,089 34.07	N/A	R-PD7	

## COMPARABLE LAND SALES MAP



**COMPARABLE LAND SALE 1**

<b>Location</b>	Sky Vista Drive & Desert Moon Road	<b>Close Date</b>	9/15/2017
<b>APN(s)</b>	137-33-810-001 (Portion of)	<b>Sale Price</b>	\$ 17,745,080
<b>Grantor</b>	Howard Hughes Properties, Inc.	<b>Cash Equqlancy</b>	\$ 17,745,080
<b>Grantee</b>	Lennar Homes	<b>Acres</b>	32.74
<b>Confirmed</b>	Broker/Co-Star/County Records/Deed	<b>Price/AC</b>	\$ 542,000
<b>Zoning</b>	P-C, City of Las Vegas	<b>Square Feet</b>	1,426,154
<b>Doc. No.</b>	20170915:00793	<b>Price/SF</b>	\$ 12.44



Photo date: 11/2017

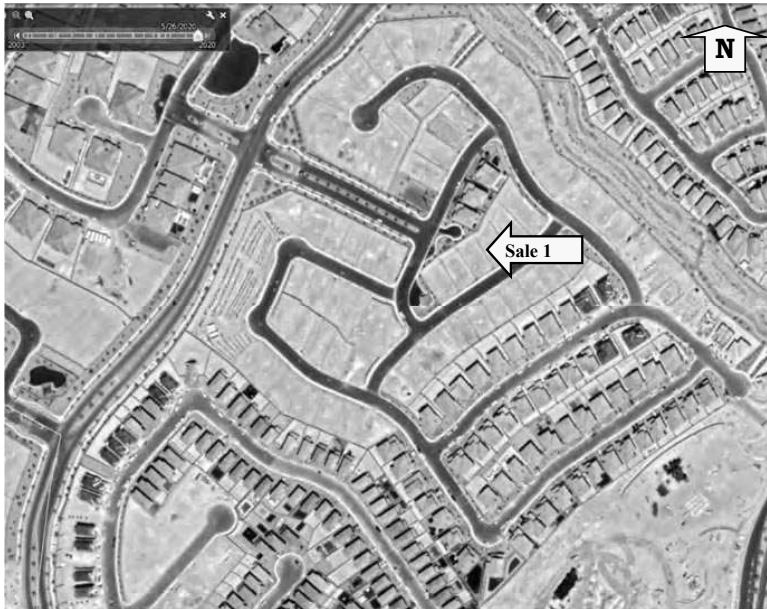


Photo date: 05/2020

**COMPARABLE LAND SALE 2**

<b>Location</b>	Russell Road & Bonitsa Vista Street	<b>Close Date</b>	8/7/2017
<b>APN(s)</b>	Five (5) Contiguous Parcels	<b>Sale Price</b>	\$ 12,794,150
<b>Grantor</b>	Clark County	<b>Cash Equqlancy</b>	\$ 12,794,150
<b>Grantee</b>	KB Home LV Amizade, LLC	<b>Acres</b>	21.54
<b>Confirmed</b>	Seller/Co-Star/County Records/Deed	<b>Price/AC</b>	\$ 593,972
<b>Zoning</b>	R-2, Clark County	<b>Square Feet</b>	938,282
<b>Doc. No.</b>	20170807:02243	<b>Price/SF</b>	\$ 13.64

Assessor Parcel Numbers: 163-32-501-010, 163-32-501-011, 163-32-501-017, 163-32-501-018, 163-32-501-020



Photo date: 11/2017



Photo date: 5/2020

**COMPARABLE LAND SALE 3**

<b>Location</b>	Sky Vista Drive & Charleston Boulevard	<b>Close Date</b>	3/14/2017
<b>APN(s)</b>	164-03-111-006 (Portion of)	<b>Sale Price</b>	\$ 24,084,350
<b>Grantor</b>	Howard Hughes Properties, Inc.	<b>Cash Equqlancy</b>	\$ 24,084,350
<b>Grantee</b>	KB Home LV Caledonia, LLC	<b>Acres</b>	37.26
<b>Confirmed</b>	Buyer/Co-Star/County Records/Deed	<b>Price/AC</b>	\$ 646,386
<b>Zoning</b>	P-C, City of Las Vegas	<b>Square Feet</b>	1,623,046
<b>Doc. No.</b>	20170314:00291	<b>Price/SF</b>	\$ 14.84



Photo date: 11/2016



Photo date: 5/2020

## COMPARABLE LAND SALE 4

<b>Location</b>	Olympia Ridge Drive & Oakland Hills Drive	<b>Close Date</b>	7/7/2016
<b>APN(s)</b>	191-07-501-011	<b>Sale Price</b>	\$ 17,000,000
<b>Grantor</b>	Southern Highlands Investment Partners, LLC	<b>Cash Equqlancy</b>	\$ 17,000,000
<b>Grantee</b>	Greystone Nevada, LLC	<b>Acres</b>	29.00
<b>Confirmed</b>	Broker/Co-Star/County Records/Deed	<b>Price/AC</b>	\$ 586,207
<b>Zoning</b>	R-2, Clark County	<b>Square Feet</b>	1,263,240
<b>Doc. No.</b>	20160707:01060	<b>Price/SF</b>	\$ 13.46



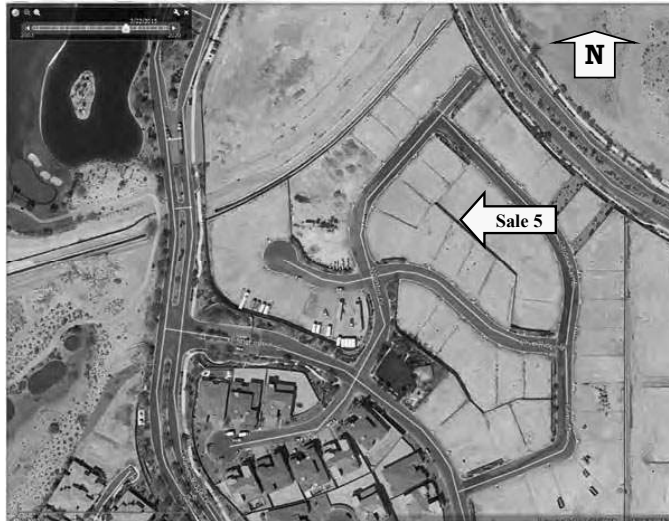
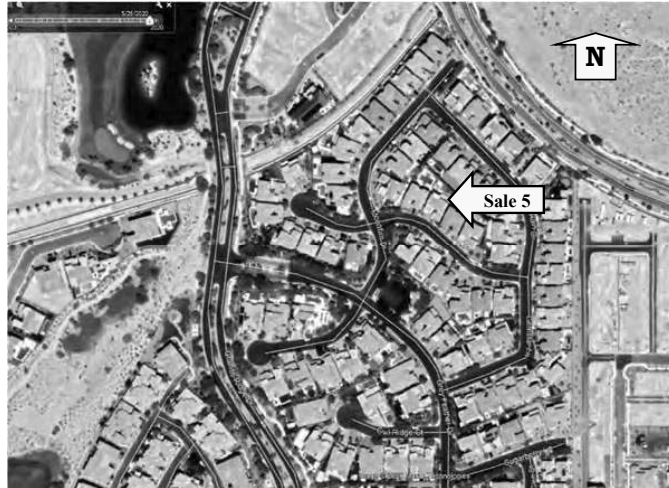
Photo date: 3/2016



Photo date: 5/2020

**COMPARABLE LAND SALE 5**

<b>Location</b>	Granite Ridge Drive & Grey Feather Drive	<b>Close Date</b>	2/26/2015
<b>APN(s)</b>	63 Separate APN's	<b>Sale Price</b>	\$ 13,650,000
<b>Grantor</b>	Howard Hughes Properties, Inc.	<b>Cash Equqlancy</b>	\$ 13,650,000
<b>Grantee</b>	William Lyon Homes	<b>Acres</b>	15.00
<b>Confirmed</b>	Broker/Co-Star/County Records/Deed	<b>Price/AC</b>	\$ 910,000
<b>Zoning</b>	R-2, Clark County	<b>Square Feet</b>	653,400
<b>Doc. No.</b>	20150226:03174	<b>Price/SF</b>	\$ 20.89

*Photo date: 3/2015**Photo date: 5/2020*

**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 differences, I will use qualitative adjustments for those attributes 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.

Adjustments will be based on my rating of each comparable sale in relation to the subject. If the comparable is rated superior to the subject, the unit price of that sale is adjusted downward to reflect the subject's relative inferiority; if the comparable is rated inferior, its unit price is adjusted upward.

**ADJUSTMENTS**

Potential adjustments include the following categories, which typically affect sale prices. If a comparable sale significantly differs from the subject, an adjustment compensates for that difference.

**REAL PROPERTY RIGHTS CONVEYED**

This adjustment is generally applied to reflect the transfer of property rights different from those being appraised. A ground lease is an example of a restriction affecting vacant land. However, since all of the comparable sales analyzed in this report were conveyed in fee simple, no adjustment will be necessary for property rights conveyed in these sales.

**FINANCING TERMS**

This adjustment is generally applied to a property that transfers with atypical financing, such as having assumed an existing mortgage at a favorable interest rate. Conversely, a property may be encumbered with an above-market mortgage, which has no prepayment clause or a very costly prepayment clause. All of the comparable sales were stated to be cash equivalent transactions.

**CONDITIONS OF SALE**

This category reflects extraordinary motivations of the buyer or the seller to complete the sale. Examples can include a purchase for assemblage involving anticipated incremental value, or a quick sale for cash. Sale 2 in this analysis involved a County auction. Therefore, I compared the unit price paid for this site as compared to that commanded by similar sites during this period. My research suggests that there was no discount or premium paid. None of the other sales in this analysis were indicated to be affected by conditions of sale either. Therefore, no adjustments are required for conditions of sale.



**TIME - MARKET CONDITIONS**

Real estate values normally change over time. The rate of this change fluctuates due to investors' perceptions of prevailing market conditions. This adjustment category reflects market differences occurring between the effective date of the appraisal and the sales date of a comparable when values have appreciated or declined. To analyze the market conditions, I looked at a number of sales in the market area over the last several years and the prices per square foot that were being commanded. For this analysis, I researched residential land sales between the first quarter of 2015 and the third quarter of 2017.

I learned that the average price per square foot was \$9.00 in the first quarter of 2015. This increased to \$11.00 per square foot by the first quarter of 2016, \$12.00 by the first quarter of 2017 and \$13.00 by the third quarter of 2017. This reflects that market conditions steadily increased during the 2015-to-2017 time period. The effective date of value for this analysis is September 14, 2017. Sale 1 closed within one (1) day of that date and Sale 2 about one (1) month prior. Therefore, I have not applied a market conditions adjustment to those two (2) sales. As for Sales 3, 4 and 5, these sales closed between February of 2015 and March of 2017. Based on the increased market conditions between then and September 14, 2017, upward adjustments are warranted for Sales 3, 4 and 5.

**LOCATION**

Location has a great impact on property values. In researching these sales, I noted that Sales 1 and 3 are located very near each other within the larger Summerlin master planned community, which abuts the subject property. In analyzing these sales, I noted that they both were purchased for mid-range residential subdivisions with small lot sizes and prices ranging from around \$400,000 to over \$675,000. This is inferior to the larger custom homes on large lots surrounding the subject site.

Sale 2 is not located in a master planned community. This site abuts a concrete flood channel, which forms its western boundary and lower-priced homes and apartments. This site has small lots in the 3,500 to 4,500 square foot range and homes sell for around \$350,000. This location is substantially inferior to that of the subject property.

Sale 4 is located in the Southern Highlands master planned community, approximately ten (10) miles south of Tropicana Avenue. This community offers track home subdivisions, and larger lots with custom homes in the \$1 million to \$10 million range. However, Southern Highlands does not offer the services and amenities similar to Tivoli Village and Downtown Summerlin near the subject site. Therefore, an upward adjustment for this site's inferior location is warranted.

Sale 5 is located in Summerlin adjacent to the Ridges and Summit communities. This area also offers large lots and sell homes in the \$1 million to \$10 million range. This site also enjoys the same access to services and amenities that the subject enjoys. This site is considered to have a similar location to that of the subject with no location adjustment required.

**PHYSICAL CHARACTERISTICS**

This adjustment category generally reflects differences between a comparable and the subject in such areas as size, topography and level of off-site improvements installed at the time of sale.

As for size, the subject contains 34.07 acres, and is bracketed by the sizes of the comparable sales. In analyzing these sales, which range from 15.00 acres to 37.26 acres, I did not find that a size adjustment would be warranted. Sales 1 through 4 range from 22.53 acres to 37.74 acres commanded unit prices ranging from \$12.44 to \$14.84 per square foot, with the high end of the range being commanded by the largest site. Therefore, I have not applied any adjustments for size differences.

Topography differences deal with differences in the surface of the site. Based on the supplied information, the cost to level and grade the subject site, including demolishing the cart paths and ponds, is \$1,167,715. This reflects a cost of \$0.79 per square foot ( $\$1,167,715 \div 34.07 \div 43,560 = \$0.79$ ). In this analysis, Sales 3 and 4 were graded prior to the sale and Sale 5 was the sale of 63 finished lots with streets installed and utilities stubbed to each lot. The remaining sales with were basically raw land like the subject with offsite improvements completed. Therefore, Sales 3 and 4 each require a downward adjustment for being graded and Sale 5 requires a more substantial downward adjustment for being finished lots.

The subject and all but Sale 2 had a similar level of off-site improvements along their respective perimeters. Therefore, no adjustments for off-sites are warranted for those sales. Sale 2 lacked any offsite improvements along Russell Road at the time of sale. Therefore, I applied an upward adjustment to Sale 2 for lack this attribute at the time of sale.

In researching these sales, I also found that the buyers of Sales 1, 3 and 5 had to pay Special Improvements District (SID) costs while the homes on these respective sites were constructed. The SID for Sales 1 and 5 were then passed onto the eventual home buyers on a prorated basis. The buyer of sale 3 paid the entire SID when they closed on the land and did not pass that onto the homeowners. This was an additional cost to the buyer of these sites. Therefore, I applied an upward adjustment for this additional cost to the land buyer for Sales 1, 3 and 5.

I also considered that home developers buying residential land in Summerlin are required to pay the seller an additional fee after selling the completed homes. This is a percentage that is separately negotiated by each home builder before they purchase the land from Howard Hughes Properties, Inc. This is an additional expense for home builders in Summerlin that would not be a cost for a developer of the subject property. Therefore, I applied an upward adjustment for this additional cost to Sales 1, 3 and 5.

#### **ZONING / POTENTIAL USE**

This adjustment category generally reflects differences between a comparable and the subject's zoning designation and potential use. The subject has R-PD7 zoning, which is most similar to the R-2 zoning designations reflected by Sales 2, 4 and 5.

As for Sales 1 and 3, they had the P-C zoning, which is the predominate zoning in Summerlin. Sale 1 was developed at a density of 4.3 dwelling units per acre and Sale 3 is being developed at a density of 6.4 dwelling units per acre. I was unable to find any support for an adjustment between the R-PD7, R-2 and P-C zonings. Therefore, no adjustments for zoning have been applied.

## COMPARABLE SALES DISCUSSION

The following is a discussion of each sale and its comparison to the subject property as of September 14, 2017.

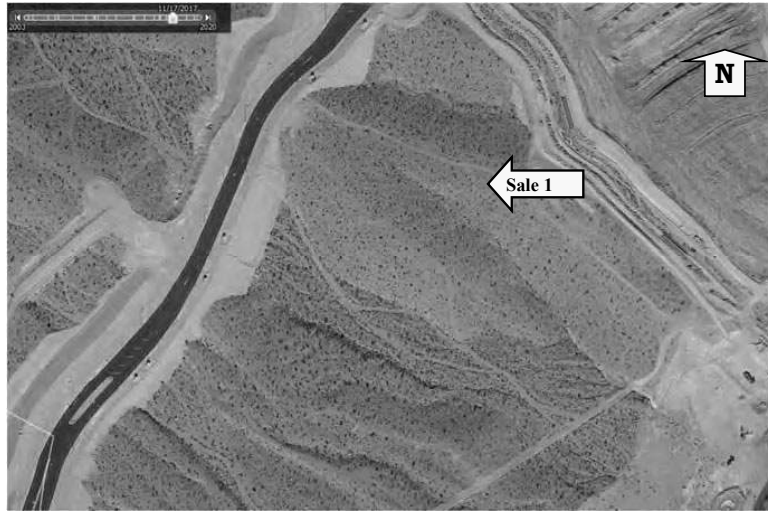


Photo date: 11/2017

**Sale 1** consisted of a portion of one (1) parcel (APN 137-33-810-001) located west of the intersection of Sky Vista Drive and Desert Moon Drive in Summerlin. This site, which contained 32.74 acres or 1,426,154 square feet, sold on September 15, 2017 for \$17,745,080 or \$12.44 per square foot. This property, which was later subdivided into 141 detached single-family home lots, included offsites along its boundaries. The zoning was P-C (Planned Community) at the time of sale and the build-out density was 4.3 dwellings per acre.

In comparing Sale 1 to the subject, I first considered that it closed within one (1) day of the effective date of value in this analysis. Therefore, no adjustment for any change in market conditions is warranted. Next, I considered the location differences. Sale 1 was purchased for a mid-range residential subdivision with typical lots being 6,000 square feet and home prices ranging from the low \$500,000's to almost \$700,000. This is inferior to subject's location, which is surrounded by much larger custom homes that have commanded up to \$10,000,000. Therefore, I applied an upward adjustment for the location difference. As for size and topography, these attributes were similar to those of the subject. However, I also learned that the buyer had to pay for the SID expenses during construction of the homes on this site. While this cost was eventually passed on to the home buyers when the homes are sold, this additional cost to the land buyer requires another upward adjustment. The last adjustment was also upward for the additional cost that developers pay Howard Hughes Properties, Inc., for sales in the Summerlin community. In this comparison, the only adjustments are upward for the location difference, SID carry cost and additional price paid to the seller after the homes are sold. This indicates that the unit price of \$12.44 per square foot commanded by this site in September of 2017 would have been substantially below what the subject could have commanded on the effective date of value.



Photo date: 11/2017

**Sale 2** consisted of five (5) contiguous parcels (APN's 163-32-501-010, 011, 017, 018 and 020) located on the south side of Russell Road, between Durango Drive and I-215. This site, which contained 21.54 acres or 938,282 square feet, sold on August 7, 2017 for \$12,794,150 or \$13.64 per square foot. This property, which was later subdivided into 72 detached single-family home lots, did not include offsites along its Russell Road boundary. The zoning was R-2 (Medium Density Residential [8 Units per Acre]) sale and the build-out density was 7.6 dwellings per acre.

In comparing Sale 2 to the subject, I first considered that it closed within about a month of the effective date of value in this analysis. Therefore, no adjustment for any change in market conditions is warranted. Next, I considered the location differences. Sale 2 was purchased for a lower-end residential subdivision with typical lots being 3,500 square feet and home prices around \$350,000. Its location, between I-215 Beltway, Russell Road and a flood wash is substantially inferior to the subject's location. Therefore, I applied a substantial upward adjustment for the location difference. The topography was raw land, which was similar to that of the subject and no adjustment is required. However, another upward adjustment is required for this site's lack of offsites along Russell Road at the time of sale. Again, all of the adjustments are upward. This indicates that the unit price of \$13.64 per square foot commanded by this site in August of 2017 would be substantially below what the subject could have commanded on the effective date of value.



Photo date: 11/2016

**Sale 3** consisted of a parcel located at the northwest corner of Charleston Boulevard and Sky Vista Drive in Summerlin. This site, which contained 37.26 acres or 1,623,046 square feet, sold on March 14, 2017 for \$24,084,350 or \$14.84 per square foot. This property, which was later subdivided into 237 detached single-family home lots, included offsites along its boundaries. The zoning was P-C (Planned Community) at the time of sale and the build-out density was 6.4 dwellings per acre.

In comparing Sale 3 to the subject, I first considered that it closed about six (6) months prior to the effective date of value in this analysis. Therefore, a slight upward adjustment for increased market conditions is warranted. Next, I considered the location differences. Sale 3 was purchased for a mid-range residential subdivision with typical lots being 5,000 square feet and home prices ranging from the upper \$300,000's to \$500,000. This is inferior to subject's location. Therefore, I applied an upward adjustment for the location difference. And while the size is similar, this site had been graded, which requires a downward adjustment when compared to the subject's raw state. The last two (2) adjustment were also upward for the SID cost and the additional cost that developers paid the seller, Howard Hughes Properties, Inc., after the homes were sold. In this comparison, the predominance of the adjustments is upward. This indicates that the unit price of \$14.84 per square foot commanded by this site in March of 2017 would be below what the subject could have commanded on the effective date of value.



Photo date: 3/2016

**Sale 4** consisted of a parcel located at the intersection of Olympia Ridge Drive and Oakland Hills Drive in Southern Highlands. This site, which contained 29.00 acres or 1,263,240 square feet, sold on July 7, 2016 for \$17,000,000 or \$13.46 per square foot. This property, which was later subdivided into 41 detached single-family home lots, included offsites along its boundaries. The zoning was R-2 at the time of sale and the build-out density was 1.4 dwellings per acre. According to the broker, there was no LID or SID.

In comparing Sale 4 to the subject, I first considered that it closed over a year prior to the effective date of value in this analysis. Therefore, an upward adjustment for increased market conditions since this site sold is warranted. Next, I considered the location differences. Sale 4 was purchased for a high-end residential subdivision with typical lots being at least one-half acre and home prices ranging from about \$1,900,000 to over \$2,200,000. However, the outlying Southern Highlands community does not offer the services and amenities available to the subject site. Therefore, an upward adjustment for this site's inferior location is also warranted. And while the size is similar, this site had been graded, which requires a downward adjustment when compared to the subject's raw state. Again, the predominance of the adjustments is upward, which indicates that the unit price of \$13.46 per square foot commanded by this site in July of 2016 would also be below what the subject could have commanded on the effective date of value.



Photo date: 3/2015

**Sale 5** consisted of 63 finished home lots at the intersection of Granite Ridge Drive and Grey Feather Drive in Summerlin. This site, which contained 15.00 acres or 653,400 square feet, sold on February 26, 2015 for \$13,650,000 or \$20.89 per square foot. This property, which abuts the Ridges and is just northwest of the developing Summit community in Summerlin, included offsites along its boundaries and full streets installed. The property's zoning was R-2 at the time of sale and the build-out density was 4.2 dwellings per acre.

In comparing Sale 5 to the subject, I first considered that it closed in early 2015, over two (2) years prior to the effective date of value in this analysis. Therefore, an upward adjustment for increased market conditions is warranted. Next, I considered the location differences. Sale 5 was purchased for a high-end residential subdivision with typical lots being at least 7,500 square feet and home prices ranging from about \$1,000,000 to over \$1,500,000. This location abuts larger lots with higher priced homes, which is similar overall to that of the subject. Therefore, no adjustment for location is warranted. I then considered that these lots were finished with streets installed and utilities stubbed to each lot. This warrants a substantial downward adjustment as compared to the subject. I also learned that the buyer had to pay for the SID expenses during construction of the homes on this site, which requires another upward adjustment. The last adjustment was also upward for the additional cost that developers have to pay Howard Hughes Properties, Inc., for sales in the Summerlin community after the homes are sold. In this comparison, the predominance of the adjustments are slightly upward. This indicates that the unit price of \$20.89 per square foot commanded by this site in February of 2015 would have been slightly below what the subject could have commanded on the effective date of value.

**LAND VALUE CONCLUSION**

I analyzed five (5) land sales that closed escrow between February 2015 and September of 2017. The first four (4) are considered to be superpads that were sold to home developers for detached single-family residential developments. The fifth sale involved a site that had been subdivided into 63 parcels. These finished home lots were then sold to a home builder that has since completed the vertical construction and sold the homes.

The four (4) superpad sales commanded unit prices ranging from \$12.15 to \$14.84 per square foot (psf). After comparing each of these sales to the subject, I have concluded that the subject's unit value, as of September 14, 2017, would have been above that commanded by these four (4) superpad sales. I then compared Sale 5 to the subject. This site also required predominately upward adjustments.

In this analysis, the estimated market value is to be based on the highest price that the property could have commanded on September 14, 2017. After considering all of the previous information, I have estimated the unit value of the subject at \$23.00 per square foot by the Sales Comparison Approach. This value is 10% above the unit price for Sale 5, which was an early 2015 sale with a similar location, finished lots, and had the additional requirement that the buyer carry the SID during construction and pay the required premium to Howard Hughes Properties, Inc., after selling the completed homes. Based on my research and the previous comparison analysis, I have estimated the market value of the subject property in the before condition by the Sales Comparison Approach, as of September 14, 2017, as follows:

<b>Sales Comparison Approach</b>	
Estimated Value per SF	\$ 23.00
Subject's Square Feet Before the Take	1,484,089
Indicated Value	\$ 34,134,052
Rounded to	\$ 34,135,000

**The above value is based on the following extraordinary assumption and its use might have affected the assignment results:**

1. The value estimated in this appraisal is based on the extraordinary assumption that the condition of the site noted during my August 12, 2020 property inspection was similar to its condition on September 14, 2017, the effective date of value for this assignment.



## INCOME APPROACH – SUBDIVISION METHOD

As a check to the reasonableness of the value concluded by the Sales Comparison Approach, I completed a discounted cash flow analysis. I completed this analysis for the subject property based on three (3) scenarios; 1) Sixty-one (61) home lots ranging from 0.22 acres to 1.08 acres; 2) Sixteen (16) home lots ranging from 1.58 acres to 2.90 acres, and; 3) Seven (7) home lots ranging from 3.96 acres to 5.39 acres.

The sixty-one (61) lot scenario, which had already been approved by City Staff, was heard by the Planning Commission at their February 14, 2017 Planning Commission Meeting. The following summarizes the results of that meeting where the Planning Commission discussed a Waiver (WVR-68480) to allow 32-foot streets with a sidewalk on one side where 47-foot private streets with sidewalks on both sides are required within a gated residential development, the Site Development Plan Review (SDR-68481) for a proposed 61-lot single family residential development subject to conditions, and the Tentative Map (TMP-68482) for a proposed 61-lot single family residential subdivision. Peter Lowenstein, Planning Section Manager, presented the Staff report at that meeting. Mr. Lowenstein stated:

“Mr. Chairman, the proposed 61-lot residential development would have a net density of 1.79 dwelling units per acre. The proposed Lo general plan designation, which allows up to 5.40 units per acre, allows for less intense development than the surrounding established residential areas, which allow up to 8.49 units per acre. The densities and average lot size of the proposed development are compatible to the adjacent residential lots. Staff therefore recommends approval of the General Plan Amendment to low density residential.

The Applicant is requesting interior streets that do not meet Title 19 standards. However, the proposed private interior streets will provide roadways, sidewalks, and landscaping in a configuration similar and compatible with that of the surrounding development. The 30-foot wide streets will allow for emergency access and limited on street parking, while the adjacent sidewalk and landscaping will provide safe pedestrian movement and enhance aesthetics within the subdivision. Staff therefore recommends approval of the requested waiver. The development standards proposed by the Applicant fall into two categories, those containing 20,000 square feet or less, and those containing greater than 20,000 square feet. Standards for a lot 20,000 square feet or less are generally consistent with the RD zoning properties, and lots greater than 20,000 square feet are generally consistent with RE zoned properties.

If applied, these standards would allow for development that is compatible with that of the surrounding gated neighborhoods. In addition, the proposed plan includes usable open space areas that exceed the requirements of Title 19. Staff therefore recommends approval of the Site Development Plan Review and Tentative Map.”

Motions were then made by Glenn Trowbridge to approve a WVR-68480, SDR-68481, and TMP-68482. All three (3) of those motions passed.

For the purpose of the following discounted cash flow analysis under Scenario 2 and Scenario 3, I used the following hypothetical condition, and its use might have affected the assignment results:

1. The estimated values indicated by the Income Approach for the sixteen (16) lot and seven (7) lot scenarios are based on the hypothetical condition that similar Waiver, SDR and TMP approvals were given to these development plans.

The discussion that follows presents an analysis of the As Is, Bulk Discounted Value of the subject. It is based on the Subdivision Development Method, which is an application of the Income Capitalization Approach. The reason that it is categorized as an income approach to value is that it is based on converting a projected cash flow into an indication of value.

The subdivision method is used by developers to determine the price they can afford to pay for a property assuming certain costs, gross sales, and return considerations. The steps required to complete this analysis are as follows:

- Estimate the retail values (probable selling prices) for the lots to be sold within the project – finished lots;
- Apply appropriate growth rates, if applicable, to concluded values, construction costs and operating expenses;
- Project a reasonable rate of absorption for unit sales, typically based upon an analysis of similar projects or overall market supply and demand;
- Estimate the direct and indirect construction costs for the lots;
- Estimate the appropriate holding and selling costs for the project (site development costs, marketing/commissions, closing costs, real estate taxes on unsold lots during the holding period, and miscellaneous expenses on sold and unsold lots);
- Estimate the appropriate profit rate and discount rate for the type of project under consideration;
- Discount the net cash flows to arrive at a value indication.

The DCF model allows for an analysis of the subject's financial performance throughout the projection period, modeling the anticipated revenues and expenses for the project based on assumptions derived from the market. The first step in the process is to estimate the aggregate retail lot values.

#### RETAIL CUSTOM HOME LOT VALUE ANALYSIS

I researched the market for recent bulk custom home lot sales; however, no comparable bulk custom home lot sales were found. This is not unusual as custom home lots are typically not sold in bulk. Therefore, I researched the market for individual custom home lot sales that could provide an indication of the retail lot value of the subject lots "as if finished."

The subject site is located in an area predominately improved with high-end custom homes. Homes in the developments at the northwest and southwest corners of Hualapai and Alta have sold for more than \$4 million. Within the Queensridge development, there are 106 custom home lots. Of those 106, all were sold and all but nine (9) have since been improved with multi-million dollar homes. Since 2000, I found that 72 of these homes have sold for an average price of \$3.5 million. Over the last five (5) years, the average price paid increased to \$4.0 million. It is my understanding that the owner of the subject property built 40 of those 106 custom homes, along with both of the Queensridge Towers.

To estimate the subject's average "finished" lot value, I researched custom home lot sales in Queensridge, the Ridges, and the Summit. Queensridge began development in 1997 and is almost built-out. I found two lot sales between 2013 and the effective date of value. One (1) sale in 2013 and one (1) sale 2016. The 2013 sale was for \$25.91 per square foot and the 2016 sale was at \$30.02 per square foot. This reflects an increase of 15.9% over 31 months or just over 6.15% per year. I also noted a lot sale in 2018 that resold just over a year later. The resale reflected annualized increase of about 8.4% per year.

In the Ridges, I noted fourteen (14) lot sales in 2016. The unit prices ranged from a low of \$29.63 per square foot, to a high of \$81.62 per square foot. In 2017, there were another fourteen (14) lot sales. The unit prices for these lot sales ranged from a low of \$30.63 per

square foot (+ 3.4%), to a high of \$85.49 per square foot (+ 4.7%). The average unit price in 2016 was \$43.43 per square foot, which increased to \$49.28 per square foot in 2017 (+ 13.5%). One (1) of the 2016 lot sales was resold in 2017. The unit price in November of 2016 was \$29.97 per square foot. This lot resold in October of 2017 for \$35.07 per square foot. This reflects an annualized increase of 17.7%.

I also researched lot sales in the Summit. The Summit closed on 50 sales lot sales in the eight months it operated in 2016. The unit prices ranged from a low of \$31.82 per square foot, to a high of \$158.32 per square foot. In 2017, there were fifteen (15) lot sales. The unit prices for these lot sales ranged from a low of \$40.17 per square foot (+ 26.2%), to a high of \$161.27 per square foot (+ 1.9%). The average unit price in 2016 was \$66.59 per square foot, which increased to \$71.84 per square foot in 2017 (+ 7.9%). One (1) of the 2016 lot sales was resold in 2017. The unit price in September of 2016 was \$53.61 per square foot. This lot resold in June of 2019 for \$90.16 per square foot. This reflects an annualized increase of about 24.8%. The seller stated that he just received an offer one day; the lot had not been listed for sale.

The highest per square foot lot sale in 2017 in the Summit, which was the sale of a 1.21 acre lot for \$8,500,000 or \$161.27 per square foot, was resold in 2020 for \$10,500,000 or \$199.21 per square foot. This reflected an annualized increase of about 9.2%.

To summarize, the most recent custom lot sale in Queensridge, which was about a year and a half before the effective date of value in this analysis commanded over \$30 per square foot, while sales in the Ridges and Summit were averaging \$49.28 per square foot and \$71.84 per square foot, respectively, in 2017.

After considering this information, I have estimated the average lot value of the 61 proposed subject lots at \$40.00 per square foot. Similar to the comparable developments, I am estimating a slightly lower unit value for the larger sixteen (16) and seven (7) lot configurations. Based on the sales occurring during 2017, I am estimating the average lot value at \$35.00 per square foot for the 16 lot configuration, and \$32.00 per square foot for the larger lots in the seven (7) lot configuration.

As for market conditions, or price increases, I found that between 2016 and 2017 unit prices for custom home lots were increasing. The highest increases were being experienced in the Summit development. I noted four sale resales in the Summit that reflected annualized increases ranging from 5.4% to 24.9%. There were also six (6) lots that the developer bought back for what they were sold for and then resold those lots for higher prices.

I also reviewed Sales Traq's historic percent change in home values. Sales Traq has been doing residential real estate research for more than two decades in this area. They research home pricing, sales, appreciation rates and development data. Sales Traq breaks down home price appreciation rates based on zip code.

The subject is located in zip code 89145. Beginning in 2012, which was following the Great Recession, the appreciation rates in this zip code increased each year. These increases ranged from 6.2% in 2015, to 45.9% in 2013. They reported the 2016, 2017, 2018 increases at 11.8%, 10.5% and 21.2%, respectively. From 2012 to 2018, the average increase was 16.9%. Removing the high (+45.9%) and low (6.2%), reflects an average of 13.4%, and looking only at the last three (3) years reflects an average of 14.5%. This area reflects that it experienced a strong and steady recovery following the Great Recession.

Based on the market conditions in the third quarter of 2017, and after considering the increases being experienced in the 2016, 2017 time period, I will apply annual increases of 8% to the estimated retail lot values.

#### **ABSORPTION**

For absorption rates I looked at historical sales from Queensridge, the Ridges and the Summit. Unfortunately, the developer of the custom homes lots within Queensridge sold-out many years ago. In researching lot sales at the Ridges, I found that there were 14 lot sales in 2016 and 14 lot sales in 2017. This reflects an average absorption rate of 3.5 lots per quarter. These lots ranged in size from 0.27 acres (11,761 SF) to 0.90 acres (49,204 SF). Of those 28 sales, 18 were less than 18,000 SF.

As for the Summit, there were 50 lot sales in 2016 and 15 lot sales in 2017. This development began selling lots in May of 2016. The sale of 50 lots represented 34% the total lots available. Over 20 months, this reflected an average absorption rate of 9.75 lots per quarter ( $65 \text{ lots} \div 20 \text{ Months} = 3.25/\text{Month} \times 3 \text{ Months} = 9.75/\text{Quarter}$ ). These lots ranged in size from 0.57 acres (24,768 SF) to 4.69 acres (204,253 SF).

Absorption rates for the competitive set reflected lot sales between 3.5 per month for a development that has been selling lots since the early 2000's, to almost 10 sales per month for at the Summit, that opened in 2016. Based on size and value differences of the subject lots under the different scenarios, I estimated different absorption rates for the subject's 61 lots versus the 16 lot scenario versus the 7 lot scenario.

I also must consider that the subject lots need to be graded, and streets and utilities need to be installed. I spoke to Jerry Englehart, Estimating Manager for Aggregate Industries SWR, Inc. Mr. Englehart provided the estimate for grading, demolition of cart paths and ponds. Mr. Englehart told me that he did this type of work for Howard Hughes Properties Summerlin Development, most recently in Summerlin's Village 30, which is near the far western Red Rock area. Mr. Englehart estimated that getting these lots to a finished state would take approximately 13-to-15 months, with the 13-month period related to the seven (7) lot scenario and the 15-month timeline related to the 61 lot scenario.

After considering the market activity for custom home lots in the 2016 and 2017 time frame, and the fact that the developer would have over a year to presell lots, for the 61-lot scenario I estimated 30 presales and then three (3) sales per quarter through the holding period. For Scenario 2 (16 lots), I estimated eight (8) presales and then two (2) sales per quarter through the holding period. As for Scenario 3 (7 lots), which would offer the largest lots, I estimated five (5) presales and then one (1) sale per quarter through the holding period.

#### **EXPENSES**

##### **DEVELOPMENT COSTS**

Development costs are the costs the landowner would have had to pay to bring the subject lots to a finished state. This would include all of the grading and site work, installing interior streets, stubbing utilities to each lot, installing landscaping and an entrance off Hualapai, and all other expenses that would have been incurred by the developer to bring these lots to a finished state.

To estimate these costs, the landowner contracted with GCW, previously known as GC Wallace, to prepare the grading plans and quantity take-offs, which were then provided to Aggregate Industries for a cost estimate for the development of the site based on the

previously discussed scenarios; 1) Sixty-one (61) home lots; 2) Sixteen (16) home lots, and; 3) Seven (7) homes lots. This cost breakdown includes the demolition, grading and interior streets. It also includes cost estimates for utilities, landscaping the entryway, bonds, and other fees that would be incurred.

This cost breakdown was prepared in 2020 but adjusted by Aggregate to reflect what the costs would have been in September of 2017. Aggregate did not include contingencies in the estimates. They stated that the contingencies were built into the cost estimates since there were no negotiations to reduce these bids. Typically, they would negotiate on a project such as this and stated that they could have gotten a reduction of around 10% on the bids, which would offset the typical contingencies. The following is the cost estimates provided by Aggregate.

**COST COMPARISON - 61, 16, 7 LOTS**  
**180 LAND COMPANY LLC**

DESCRIPTION OF SCOPE	61	Per Lot	16	Per Lot	7	Per Lot
DEMOLITION, GRADING, CONCRETE & ROADWAY, WET UTILITIES & FEES	\$ 5,016,573	\$ 82,239	\$ 4,057,660	\$ 253,604	\$ 3,984,732	\$ 569,247
TELEPHONE/CABLE, NVE CONDUIT & RELATED FACILITIES	\$ 364,505	\$ 5,975	\$ 248,575	\$ 15,536	\$ 175,348	\$ 25,050
NATURAL GAS	\$ 142,588	\$ 2,338	\$ 142,588	\$ 8,912	\$ 142,588	\$ 20,370
NVE ELECTRICAL	\$ 134,394	\$ 2,203	\$ 134,394	\$ 8,400	\$ 134,394	\$ 19,199
LANDSCAPING & ENTRYWAY	\$ 846,738	\$ 13,881	\$ 751,509	\$ 46,969	\$ 675,786	\$ 96,541
IMPROVEMENT PLANS (ENGINEERING/MAPPING	\$ 132,700	\$ 2,175	\$ 145,925	\$ 9,120	\$ 143,260	\$ 20,466
BOND ESTIMATE: PLAN CHECK & INSPECTION FEE	\$ 85,825	\$ 1,407	\$ 63,251	\$ 3,953	\$ 54,326	\$ 7,761
BOND FEE	\$ 25,528	\$ 418	\$ 18,570	\$ 1,161	\$ 15,785	\$ 2,255
FEES	\$ 1,155,578	\$ 18,944	\$ 455,148	\$ 28,447	\$ 260,314	\$ 37,188
TOTAL COST	\$ 7,904,429	\$ 129,581	\$ 6,017,620	\$ 376,101	\$ 5,586,533	\$ 798,076
TOTAL COST PER SQUARE FOOT	\$ 5.33		\$ 4.05		\$ 3.76	

\* Contingency: No separate contingency amount was added to the cost estimates as it is believed that it is built into the cost estimate amounts, which were not negotiated nor derived from a bidding process, which negotiation and bidding would have resulted in an approximate 10% reduction of the above provided cost estimates.

## OTHER EXPENSES

I estimated sales commission and marketing at 4% of the gross sales. I have found these expenses have historically ranged from 3% to 5%. With all that is involved in the process, it is common for the builder to pay the buyer's agent a percentage of the sales price. Therefore, I applied a 4% figure to the gross sales. Closing costs (per lot) were then included at \$2,500. This expense takes into account any normal escrow fees to be incurred at the time of closing. Real estate taxes for the lots are estimated by dividing the annual tax expense by the number of lots in each scenario. For example, with the real estate tax expense at \$205,227, the expenses for the 61 lot scenario would be \$841.09 per quarter ( $\$205,227 \div 61 \div 4 = \$841.09$ ). This expense is based on the real estate taxes provided by the Clark County Treasurer for the 2018 fiscal year. I also included a miscellaneous expense line item that would include all other additional costs that might be incurred during this period. A figure of \$2,500 per lot per has been used.

## PROFIT & DISCOUNT RATE

For information on expected profit and discount rates, I looked to the National Development Land Market section of the PwC Real Estate Investor Survey. The land analysis was not included in their third quarter 2017 report; however, it was included in their fourth quarter 2017 report. They reported that "discount rates (including developer's profit) for the national development land market range from 10.0% to 20.00% and average 15.40% this quarter – 60 basis points below the average six months ago. Thus, the average rate in second quarter of 2017 was 16.0% ( $15.40\% + 0.60\% = 16.00\%$ ).

In the PwC selected survey responses, there are two (2) residential developer responses. The first, which was stated to be currently active in the Nevada market, stated that the combination of profit and discount rate was in the 18.00% to 20.00% range. The second respondent stated that the combined profit and discount rate were in the 16.00% to 18.00% range. I estimated the profit at 10.00% and the discount rate at 10.00%, for a total of 20.00%, which is at the upper-end of the indicated range for the 16-lot and 7-lot scenarios. These scenarios have sell-out periods of 2.25 years and 1.50 years. For the 61-lot scenario, I added 100 basis points to the discount rate for the increased risk of a development with a longer sell-out period of four (4) years from the effective date of value to the final lot sale.

Using the previous data, I have prepared cash flows for each scenario. The tables on the following pages summarize the present value of the cash flows under each of the three (3) scenarios.

## SCENARIO 1 – 61 CUSTOM HOME LOTS

Total Number of Units	61
# of Presales	30
# Units Sold per Quarter	3
Average Unit Size (SF)	19,773
Initial Selling Price (\$F)	\$ 40.00
Price Increases per Quarter	2.00%
Development Costs per Unit	\$ 122,480
Sales & Marketing (%)	4.00%
Closing Costs/Unit Sold	\$ 2,500
Taxes per Quarter (\$/Unit)	\$ 841.09
Misc. Exp. (\$/Unit)	\$ 2,500.00
Misc. Exp. Unsold (\$/Unit)	\$ 2,500.00
Discount Rate (%)	11.00%
Profit Based on Retail (%)	10.00%

DISCOUNTED CASH FLOW MODEL										
Month	09/14/17	12/14/17	03/14/18	06/14/18	09/14/18	12/14/18	03/14/19	06/14/19	09/14/19	12/14/19
Total Units Sold	0	0	0	0	0	30	33	36	39	42
Units Sold/Quarter	0	0	0	0	0	30	3	3	3	3
Total Units Remaining	61	61	61	61	61	31	28	25	22	19
Price Per Unit	\$ 790,934	\$ 806,753	\$ 822,888	\$ 839,346	\$ 856,132	\$ 873,255	\$ 890,720	\$ 908,535	\$ 926,705	\$ 945,239
Total Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26,197,654	\$ 2,672,161	\$ 2,725,604	\$ 2,780,116	\$ 2,835,718
Expenses:										
Development Costs	\$ -	\$ 612,398	\$ 612,398	\$ 612,398	\$ 612,398	\$ 367,439	\$ 367,439	\$ 367,439	\$ 367,439	\$ 367,439
Sales & Marketing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,047,906	\$ 106,886	\$ 109,024	\$ 111,205	\$ 113,429
Closing Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 75,000	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500
Real Estate Taxes	\$ 51,307	\$ 51,307	\$ 51,307	\$ 51,307	\$ 51,307	\$ 26,074	\$ 23,551	\$ 21,027	\$ 18,504	\$ 15,981
Misc. Expenses Sold Units	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 75,000	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500
Misc. Expenses Unsold Units	\$ 152,500	\$ 152,500	\$ 152,500	\$ 152,500	\$ 152,500	\$ 77,500	\$ 70,000	\$ 62,500	\$ 55,000	\$ 47,500
Total Expenses	\$ 203,807	\$ 816,204	\$ 816,204	\$ 816,204	\$ 816,204	\$ 1,668,919	\$ 582,876	\$ 574,990	\$ 567,147	\$ 559,348
Net Income Before Profit	\$ (203,807)	\$ (816,204)	\$ (816,204)	\$ (816,204)	\$ (816,204)	\$ 24,528,736	\$ 2,089,285	\$ 2,150,614	\$ 2,212,969	\$ 2,276,370
Less Profit @ 10%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,452,874	\$ 208,929	\$ 215,061	\$ 221,297	\$ 227,637
Net Income After Profit	\$ (203,807)	\$ (816,204)	\$ (816,204)	\$ (816,204)	\$ (816,204)	\$ 22,075,862	\$ 1,880,357	\$ 1,935,552	\$ 1,991,672	\$ 2,048,733
Present Value Factor @ 11%	1.0000	0.9732	0.9472	0.9218	0.8972	0.8732	0.8498	0.8270	0.8049	0.7834
Total Present Value	\$ (203,807)	\$ (794,359)	\$ (773,099)	\$ (752,408)	\$ (732,271)	\$ 19,275,627	\$ 1,597,899	\$ 1,600,782	\$ 1,603,109	\$ 1,604,904
Month	03/14/20	06/14/20	09/14/20	12/14/20	03/14/21	06/14/21	09/14/21			
Total Units Sold	45	48	51	54	57	60	61			
Units Sold/Quarter	3	3	3	3	3	3	1			
Total Units Remaining	16	13	10	7	4	1	0			
Price Per Unit	\$ 964,144	\$ 983,427	\$ 1,003,096	\$ 1,023,158	\$ 1,043,621	\$ 1,064,493	\$ 1,085,783			
Total Sales	\$ 2,892,433	\$ 2,950,281	\$ 3,009,287	\$ 3,069,473	\$ 3,130,862	\$ 3,193,479	\$ 1,085,783			
Expenses:										
Development Costs	\$ 367,439	\$ 367,439	\$ 367,439	\$ 367,439	\$ 367,439	\$ 122,480	\$ -			
Sales & Marketing	\$ 115,697	\$ 118,011	\$ 120,371	\$ 122,779	\$ 125,234	\$ 127,739	\$ 43,431			
Closing Costs	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500	\$ 2,500			
Real Estate Taxes	\$ 13,458	\$ 10,934	\$ 8,411	\$ 5,888	\$ 3,364	\$ 841	\$ -			
Misc. Expenses Sold Units	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500	\$ 2,500			
Misc. Expenses Unsold Units	\$ 40,000	\$ 32,500	\$ 25,000	\$ 17,500	\$ 10,000	\$ 2,500	\$ -			
Total Expenses	\$ 551,593	\$ 543,884	\$ 536,221	\$ 528,605	\$ 521,037	\$ 268,560	\$ 48,431			
Net Income Before Profit	\$ 2,340,839	\$ 2,406,397	\$ 2,473,066	\$ 2,540,868	\$ 2,609,825	\$ 2,924,920	\$ 1,037,352			
Less Profit @ 10%	\$ 234,084	\$ 240,640	\$ 247,307	\$ 254,087	\$ 260,982	\$ 292,492	\$ 103,735			
Net Income After Profit	\$ 2,106,755	\$ 2,165,758	\$ 2,225,759	\$ 2,286,781	\$ 2,348,842	\$ 2,632,428	\$ 933,617			
Present Value Factor @ 11%	0.7624	0.7420	0.7221	0.7028	0.6840	0.6657	0.6479			
Total Present Value	\$ 1,606,186	\$ 1,606,977	\$ 1,607,297	\$ 1,607,166	\$ 1,606,602	\$ 1,752,383	\$ 604,866			
Total Present Value	\$ 32,817,854									
Rounded to:	\$ 32,820,000									

## SCENARIO 2 – 16 CUSTOM HOME LOTS

Total Number of Units	16
# of Presales	8
# Units Sold per Quarter	2
Average Unit Size (SF)	87,736
Initial Selling Price (\$F)	\$ 35.00
Price Increases per Quarter	2.00%
Development Costs per Unit	\$ 357,727
Sales & Marketing (%)	4.00%
Closing Costs/Unit Sold	\$ 2,500
Taxes per Quarter (\$/Unit)	\$ 3,206.67
Misc. Exp. (\$/Unit)	\$ 2,500.00
Misc. Exp. Unsold (\$/Unit)	\$ 2,500.00
Discount Rate (%)	10.00%
Profit Based on Retail (%)	10.00%

DISCOUNTED CASH FLOW MODEL											
Month	09/14/17	12/14/17	03/14/18	06/14/18	09/14/18	12/14/18	03/14/19	06/14/19	09/14/19	12/14/19	
Total Units Sold	0	0	0	0	0	8	10	12	14	16	
Units Sold/Quarter	0	0	0	0	0	8	2	2	2	2	
Total Units Remaining	16	16	16	16	16	8	6	4	2	0	
Price Per Unit	\$ 3,070,743	\$ 3,132,157	\$ 3,194,800	\$ 3,258,697	\$ 3,323,870	\$ 3,390,348	\$ 3,458,155	\$ 3,527,318	\$ 3,597,864	\$ 3,669,822	
Total Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,122,783	\$ 6,916,310	\$ 7,054,636	\$ 7,195,729	\$ 7,339,643	
Expenses:											
Development Costs	\$ -	\$ 715,453	\$ 715,453	\$ 715,453	\$ 715,453	\$ 715,453	\$ 715,453	\$ 715,453	\$ 715,453	\$ -	
Sales & Marketing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,084,911	\$ 276,652	\$ 282,185	\$ 287,829	\$ 293,586	
Closing Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	
Real Estate Taxes	\$ 51,307	\$ 51,307	\$ 51,307	\$ 51,307	\$ 51,307	\$ 25,653	\$ 19,240	\$ 12,827	\$ 6,413	\$ -	
Misc. Expenses Sold Units	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	
Misc. Expenses Unsold Units	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 20,000	\$ 15,000	\$ 10,000	\$ 5,000	\$ -	
Total Expenses	\$ 91,307	\$ 806,760	\$ 806,760	\$ 806,760	\$ 806,760	\$ 1,886,018	\$ 1,036,346	\$ 1,030,465	\$ 1,024,696	\$ 303,586	
Net Income Before Profit	\$ (91,307)	\$ (806,760)	\$ (806,760)	\$ (806,760)	\$ (806,760)	\$ 25,236,765	\$ 5,879,964	\$ 6,024,170	\$ 6,171,033	\$ 7,036,057	
Less Profit @ 10%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,523,676	\$ 587,996	\$ 602,417	\$ 617,103	\$ 703,606	
Net Income After Profit	\$ (91,307)	\$ (806,760)	\$ (806,760)	\$ (806,760)	\$ (806,760)	\$ 22,713,088	\$ 5,291,968	\$ 5,421,753	\$ 5,553,930	\$ 6,332,452	
Present Value Factor @ 10%	1.0000	0.9756	0.9518	0.9286	0.9060	0.8839	0.8623	0.8413	0.8207	0.8007	
Total Present Value	\$ (91,307)	\$ (787,083)	\$ (767,886)	\$ (749,157)	\$ (730,885)	\$ 20,075,061	\$ 4,563,247	\$ 4,561,133	\$ 4,558,369	\$ 5,070,574	
Total Present Value	\$ 35,702,065										
Rounded to:	\$ 35,700,000										

For the purpose of the above analysis, I used the following hypothetical condition, and its use might have affected the assignment results:

1. The above value for the 16-lot scenario is based on the hypothetical condition that a Waiver, SDR and TMP approvals, similar to those approved for the 61-lot scenario, was given to this development plan of sixteen (16) lots.



**SCENARIO 3 – 7 CUSTOM HOME LOTS**

Total Number of Units	7
# of Presales	5
# Units Sold per Quarter	1
Average Unit Size (SF)	208,982
Initial Selling Price (\$/Unit)	\$ 32.00
Price Increases per Quarter	2.00%
Development Costs per Unit	\$ 763,752
Sales & Marketing (%)	4.00%
Closing Costs/Unit Sold	\$ 2,500
Taxes per Quarter (\$/Unit)	\$ 7,330
Misc. Exp. (\$/Unit)	\$ 2,500
Misc. Exp. Unsold (\$/Unit)	\$ 2,500
Discount Rate (%)	10.00%
Profit Based on Retail (%)	10.00%

DISCOUNTED CASH FLOW MODEL								
Month	09/14/17	12/14/17	03/14/18	06/14/18	09/14/18	12/14/18	03/14/19	
Total Units Sold	0	0	0	0	5	6	7	
Units Sold/Quarter	0	0	0	0	5	1	1	
Total Units Remaining	7	7	7	7	2	1	0	
Price Per Unit	\$ 6,687,415	\$ 6,821,163	\$ 6,957,586	\$ 7,096,738	\$ 7,238,673	\$ 7,383,446	\$ 7,531,115	
<b>Total Sales</b>	\$ -	\$ -	\$ -	\$ -	\$ 36,193,365	\$ 7,383,446	\$ 7,531,115	
<b>Expenses:</b>								
Development Costs	\$ -	\$ 1,272,920	\$ 1,272,920	\$ 1,272,920	\$ 763,752	\$ 763,752	\$ -	
Sales & Marketing	\$ -	\$ -	\$ -	\$ -	\$ 1,447,735	\$ 295,338	\$ 301,245	
Closing Costs	\$ -	\$ -	\$ -	\$ -	\$ 12,500	\$ 2,500	\$ 2,500	
Real Estate Taxes	\$ 51,307	\$ 51,307	\$ 51,307	\$ 51,307	\$ 14,659	\$ 7,330	\$ -	
Misc. Expenses Sold Units	\$ -	\$ -	\$ -	\$ -	\$ 12,500	\$ 2,500	\$ 2,500	
Misc. Expenses Unsold Units	\$ 17,500	\$ 17,500	\$ 17,500	\$ 17,500	\$ 5,000	\$ 2,500	\$ -	
<b>Total Expenses</b>	\$ 68,807	\$ 1,341,727	\$ 1,341,727	\$ 1,341,727	\$ 2,256,145	\$ 1,073,919	\$ 306,245	
<b>Net Income Before Profit</b>	\$ (68,807)	\$ (1,341,727)	\$ (1,341,727)	\$ (1,341,727)	\$ 33,937,219	\$ 6,309,527	\$ 7,224,871	
Less Profit @ 10%	\$ -	\$ -	\$ -	\$ -	\$ 3,393,722	\$ 630,953	\$ 722,487	
<b>Net Income After Profit</b>	\$ (68,807)	\$ (1,341,727)	\$ (1,341,727)	\$ (1,341,727)	\$ 30,543,497	\$ 5,678,574	\$ 6,502,384	
Present Value Factor @ 10%	1.0000	0.9756	0.9518	0.9286	0.9060	0.8839	0.8623	
<b>Total Present Value</b>	\$ (68,807)	\$ (1,309,002)	\$ (1,277,075)	\$ (1,245,927)	\$ 27,670,901	\$ 5,019,032	\$ 5,606,985	
<b>Total Present Value</b>	\$ 34,396,108							
<b>Rounded to:</b>	\$ 34,400,000							

For the purpose of the above analysis, I used the following hypothetical condition, and its use might have affected the assignment results:

1. The above value for the 7-lot scenario is based on the hypothetical condition that a Waiver, SDR and TMP approvals, similar to those approved for the 61-lot scenario, was given to this development plan of seven (7) lots.

**CONCLUSION OF THE INCOME APPROACH – BEFORE CONDITION**

As a check to the reasonableness to the value concluded by the Sales Comparison Approach, I completed a discounted cash flow analysis for the subject property based on three (3) scenarios; 1) Sixty-one (61) homes lots ranging from 0.22 acres to 1.08 acres; 2) Sixteen (16) home lots ranging from 1.58 acres to 2.90 acres, and; 3) Seven (7) homes lots ranging from 3.96 acres to 5.39 acres. The following is a summary of the values indicated for each scenario.

<b>Subdivision Approach</b>			
	<b>Total Value</b>	<b>Per SF</b>	
61-Lots	\$ 32,820,000	\$22.11	
16-Lots	\$ 35,700,000	\$24.06	
7-Lots	\$ 34,400,000	\$23.18	

In this section of the analysis, the values for the three (3) scenarios indicate that a residential development that conforms to the surrounding uses is the highest and best use of the site. Therefore, based on the preceding analysis and subject to the definitions, assumptions, and limiting conditions expressed herein, it is my opinion that the “retrospective” market value of the Fee Simple Estate in the subject property in the before condition by the Income Approach, as of the effective date of value, September 14, 2017, was:

**THIRTY-FIVE MILLION SEVEN HUNDRED THOUSAND DOLLARS**  
**(\$35,700,000)**

**The above values are based on the following extraordinary assumption and hypothetical conditions, and their use might have affected the assignment results:**

1. The value estimated in this appraisal is based on the extraordinary assumption that the condition of the site noted during my August 12, 2020 property inspection was similar to its condition on September 14, 2017, the effective date of value for this assignment.
2. The values for the sixteen (16) lot and seven (7) lot scenarios are based on the hypothetical condition that a Waiver, SDR and TMP approval, similar to those approved for the sixty-one (61) lot scenario, were given to the development plans of sixteen (16) lots and seven (7) lots.

**VALUE CONCLUSION – BEFORE CONDITION**

The values indicated by my analyses are as follows:

<b>Reconciliation</b>		<b>Total Value</b>	<b>Per SF</b>
Sales Comparison Approach to Value		\$ 34,135,000	\$ 23.00
Subdivision Approach (DCF) to Value	61-Lot Scenario	\$ 32,820,000	\$ 22.11
	16-Lot Scenario	\$ 35,700,000	\$ 24.06
	7-Lot Scenario	\$ 34,400,000	\$ 23.18
<b>Concluded Value</b>		<b>\$ 34,135,000</b>	<b>\$ 23.00</b>

The subject of this report consists of one (1) parcel of land containing 34.07 acres or 1,484,089 square feet. The property is bordered by custom home lots and multi-million dollar homes in the master planned community of Queensridge. The site also abuts custom home lots and multi-million dollar homes in the masterplan community of Summerlin to the west and northwest. The property is and has been zoned for residential use for over 20 years.

In this analysis, I used the Sales Comparison Approach to estimate the value of this 34.07 acre site. The Sales Comparison Approach concluded a value of \$34,135,000, which is equal to \$23.00 square foot. As a check to reasonableness, I used the Income Approach and concluded that the highest and best use was to develop the site with residential home lots.

Therefore, based on the analyses and conclusions indicated by the Sales Comparison Approach in this report, and subject to the definitions, assumptions, and limiting conditions expressed herein, it is my opinion that the market value of the fee simple estate in this property in the before condition, as of September 14, 2017, was:

**THIRTY-FOUR MILLION ONE HUNDRED THIRTY-FIVE THOUSAND DOLLARS**  
**(\$34,135,000)**

**The above value is based on the following extraordinary assumption and its use might have affected the assignment results:**

1. The value estimated in this appraisal is based on the extraordinary assumption that the condition of the site noted during my August 12, 2020 property inspection was similar to its condition on September 14, 2017, the effective date of value for this assignment.

**In addition, the values for the 16-lot and 7-lot scenarios at the top of this page are based on the following hypothetical condition and its use might have affected the assignment results:**

1. The values for the sixteen (16) lot and seven (7) lot scenarios stated at the top of the page are based on the hypothetical condition that a Waiver, SDR and TMP approval, similar to those approved for the 61-lot scenario, were given to the development plans of sixteen (16) lots and seven (7) lots.

## DESCRIPTION OF THE GOVERNMENT ACTIONS

I have been provided with the Landowners' Motion to Determine Take and for Summary Judgment on the First, Third and Fourth Claims for Relief and have reviewed the relevant facts section of that motion and have also reviewed the supporting documents. Based on that motion and other information I have been provided, the City's actions toward the property are set forth in summary format as follows:

The landowner applied to the City of Las Vegas to develop the subject property with a residential use. The landowner looked at developing the property with 61-custom home lots, which would reflect a density of 1.79 dwelling units per acre. This would have been over 75% below the permitted density of 7.49 dwelling units per acre permitted under the R-PD7 zoning. The City Planning Staff reviewed the applications and recommended approval. The City Planning Director, Tom Perrigo, stated at the hearing on the landowner's applications that the proposed development met all City requirements and should be approved. The City Council denied the 35 Acre Property applications, stating as the basis for denial was their desire to see the entire 250 acre residential zoned land developed under one Master Development Agreement (MDA).

Following that denial, the landowner worked with the City on development of the 35 acre subject property along with all other parcels that made up the entire 250 acre residentially zoned land. The landowners complied with the City's demands and made numerous concessions. A partial list of the landowners' concessions, as part of this MDA, included:

- 1) donation of approximately 100 acres as landscape, park equestrian facility, and recreation areas;
- 2) building brand new driveways and security gates and gate houses for the existing security entry ways for the Queensridge development;
- 3) building two new parks, one with a vineyard; and,
- 4) reducing the number of units, increasing the minimum lot size, and reducing the number and height of the towers.

In total, the City required at least 16 new and revised versions of the MDA. When completed, the City's Planning Staff, who participated at in preparing the MDA, recommended approval. In fact, they stated the MDA "is in conformance with the requirements of the Nevada Revised Statutes 278" and "the goals, objectives, and policies of the Las Vegas 2020 Master Plan." The following occurred in June through August period of 2017.

On June 27, 2017, Lauren Storia, a Senior Permit Technician in Building and Safety for the City of Las Vegas sent what appears to be an internal email with the subject – Badlands. The email stated: "If anyone sees a permit for grading or clear and grub at the **Badlands** Golf Course, please see Kevin, Rod, or me. Do Not Permit without approval from one of these three."

In August 2017, the Landowners filed with the City a request for three access points to streets the entire 250 acre residential zoned land abuts – one (1) on Rampart Boulevard and two (2) on Hualapai Way. This was a routine request. It is my understanding that the Nevada Supreme Court has held that a landowner cannot be denied access to abutting roadways and that this is a recognized property right in Nevada. The City denied this access application citing as the basis for the denial, “any development on this site has the potential to have significant impact on the surrounding properties....”

Also, in August 2017, the Landowners filed with the City a request to install chain link fencing to enclose two water features/ponds that are located on the 250 acre residential zoned land. City Code states that this application is similar to a building permit review that is granted over the counter and not subject to City Council review. The City denied the application, citing as the basis for denial, “any development on this site has the potential to have significant impact on the surrounding properties....”

The City then required that these matters be presented to the City Council through a “Major Review” pursuant to LVMC 19.16.100(G)(1)(b). The Major Review Process contained in LVMC 19.16.100 is substantial. It requires a pre-application conference, plans submittal, circulation to interested City departments for comments/recommendation/ requirements, and publicly noticed Planning Commission and City Council hearings. The City required all of that to install a chain link fence to enclose and protect two water features/ponds on the landowners property.

On August 2, 2017, the MDA was presented to the City Council. The City denied the entire MDA. The City did not ask the landowner to make more concessions, like increasing the setbacks or reducing the units per acre, it just denied the MDA altogether.

The City then adopted two Bills that appeared to target the entire 250 acre residential zoned land to create additional barriers to this site’s development. The first was Bill No. 2018-5, which Councilwomen Fiore acknowledged “[t]his bill is for one development and one development only. The bill is only about Badlands Golf Course . . . I call it the Yohan Lowie Bill.”

The second Bill was Bill No. 2018-24. Bill 2018-24 defines the “requirements pertaining to the Development Review and Approval Process, Development Standards, and the Closure Maintenance Plan” for Repurposing Certain Golf Courses and Open Spaces.

This Bill required approval of master drainage, traffic, and sewer studies before any applications are submitted; ecological studies; 3D topographic development models; providing ongoing public access to the private land; and requiring the Landowner to hire security and monitoring details. Additionally, Bill 2018-24 included;

G. Closure Maintenance Plan, 2. Maintenance Plan Requirements . . . the maintenance plan must, at a minimum and with respect to the property; (d) Provide documentation regarding ongoing public access, access to utility easements, and plans to ensure that such access is maintained.

“5. Failure to comply with the provisions of this Subsection (G) or with the terms of an approved maintenance plan: a) Shall be grounds for denial of any development application under this Title that would be required for a repurposing project subject to this Section; b) Is unlawful and may be enforced by means of a misdemeanor prosecution; and c) In addition to and independent of any enforcement authority or remedy described in this Title, may be enforced as in the case of a violation of Title 6 by means of a civil proceeding pursuant to LVMC 6.02.400 and 6.02.460.”

This Bill would make it a misdemeanor subject to a \$1,000 a day fine or “imprisonment for a term of not more than six months” or any combination of the two for an owner of a discontinued golf course who fails to allow ongoing public access to their property.

When asked if this Bill would be retroactive at the September 4, 2018 Recommending Committee Meeting, Planning Director Robert Summerfield stated; “Now, I do want to be clear that there are provisions under the – closure the area that would allow for the City to require some level of maintenance on a closed facility, because the language does say something along the lines of once we've been made aware that – a location has closed or – may close.”

At the October 15, 2018 Recommending Committee Meeting, Stephanie Allen, an attorney representing the landowner stated that at the last meeting that it was asked how many properties would fall under this ordinance. Staff stated there 292 properties that would be subject to this ordinance. Ms. Allen informed the Committee that of those 292 properties, only two (2) properties out of the 292 parcels that the city provided would actually be subject to this Bill and one of those was in the process of trying to get it converted to the HOA's ownership. If that were converted to the HOA, it too, would be exempt under this ordinance. This left only one (1) property that this ordinance would actually apply to with all the exemptions that the City put into the ordinance. She told the Committee that this was a significant concern because “it's unconstitutional to pass laws that are targeted at one particular property owner, and there are serious ramifications for the City if it were to impose such a law.”

The landowner submitted an application for a Technical Drainage Study, which should have been routine, because the City and the Landowners already executed an On-Site Drainage Improvements Maintenance Agreement allowing the Landowners to remove and replace the flood control facilities on the property. In addition, the City's Bill 2018-5, referenced previously, requires a technical drainage study in order to grant entitlements. The City, however, was mandating an impossible scenario - that there can be no drainage study without entitlements while requiring a drainage study to get entitlements. How could that have been accomplished?

As part of the numerous development applications filed by the Landowners over the prior three (3) years to develop all or portions of the 250 acre residential zoned land, in October and November 2017, the necessary applications were filed to develop residential units on the 133 Acre Property consistent with the R-PD7 hard zoning. The City Planning Staff reviewed the applications and determined that the proposed residential development was consistent with the R-PD7 hard zoning, that it met requirements in the Nevada Revised Statutes, the City Planning Department, and the Unified Development Code (Title 19), and recommended approval.

City Council set the hearing for May 16, 2018 – the same day it was to consider Bill 2018-5. Bill 2018-5 was on the morning agenda and the 133 Acre Property applications were on the afternoon agenda. The City approved Bill 2018-5 in the morning session. In the afternoon session, Councilman Seroka stated that Bill 2018 - 5 applied to deny development on the 133 Acre Property and moved to strike all of the applications for the 133 acre property filed by the landowner. This apparently surprised the City Manager and other Council members as the following statements were made after Councilman Seroka's announcement.

Scott Adams (City Manager): "I would say we are not aware of the action. ... So we're not really in a position to respond technically on the merits of the motion, cause it, it's something that I was not aware of."

Councilwoman Fiore: "none of us had any briefing on what just occurred."

Councilman Anthony: 95 percent of what Councilman Seroka said was, I heard it for the first time. So I – don't know what it means. I don't understand it."

The City then voted to strike the applications.

According to documents obtained from the City pursuant to a Nevada Public Records Request, it was discovered that the City had allocated \$15 million to acquire the Landowners' property - "\$15 Million Purchase Badlands and operate." It is also of note that Councilman Seroka issued a statement during his campaign entitled "The Seroka Badlands Solution" which provides the intent to convert the landowners' private property into a "fitness park." In an interview with KNPR Seroka stated that he would "turn (the landowners' private property) over to the City." Councilman Coffin apparently agreed, his intent in an email as follows: "I think your third way is the only quick solution...Sell off the balance to be a golf course with water rights (key). Keep the bulk of Queensridge green." Councilmen Coffin and Seroka also exchanged emails wherein they stated they would not compromise one inch and that they "need an approach to accomplish the desired outcome."

Councilman Seroka testified at the Planning Commission (during his campaign) that it would be "over his dead body" before the Landowners could use their private property for which they have a right to develop. In reference to development on the landowners' property, Councilman Coffin stated, "I am voting against the whole thing," and called the landowners' representative a vulgar name, and expressed that he will continue voting against any development.

Councilman Seroka, at a public meeting on June 21, 2018, told all of the Landowners' neighbors that the Landowners' Property belonged to the neighbors and the neighbors had the right to use the Landowners' Property as recreation and open space.

"So when they built over there off of Hualapai and Sierra –Sahara –this land [250 Acres] is the open space. Every time that was built along Hualapai and Sahara, this [250 Acres] is the open space. Every community that was built around here, that [250 Acres] is the open space. The development across the street, across Rampart, that [250 Acres] is the open space....it is also documented as part recreation, open space...That is part recreation and open space..." *LO Appx., Ex. 136, 17:23-18:15, HOA meeting page*

“Now that we have the documentation clear, that is open space for this part of our community. It is the recreation space for this part of it. It is not me, it is what the law says. It is what the contracts say between the city and the community, and that is what you all are living on right now.” LO Appx., Ex. 136, 20:23-21:3, HOA meeting.

Donald Richards the Superintendent of the 250 Acre Residentially zoned land has stated that the neighbors are using the Landowners’ Property and that they have told him “it is our open space.”

It is important to again note: 1) the landowners’ own private property; 2) the 35 Acre Property was hard zoned R-PD7 and the permitted uses by right of the 35 Acre Property are single-family and multi-family residential; 3) the landowners’ property was not for sale; and 4) the Clark County Assessor had placed a residential value of almost \$89 million on the property. Based on my 20 + years as a member of the Clark County Board of Equalization, the assessed value is typically well below a property’s market value in this area. Which based on my analysis in this report, is true for the subject property.

Based on these facts, it appears that the City is treating this landowner differently than it has treated all other units in the area and all other landowners in the area for the purpose of denying the landowner’s property rights so the subject property will remain in a vacant condition to be used by the surrounding neighbors as recreation, open space and viewshed.

#### **EFFECT OF THE GOVERNMENT ACTIONS ON THE VALUE OF THE SITE – AFTER CONDITION**

In the before condition, I analyzed the property as if it were available to be developed with a residential use in compliance with its R-PD7 zoning as of September 14, 2017. In the before condition, the legally permissible, physically possible, financially feasible and maximally productive use, (the highest and best use in the before condition) was a residential development.

In the after condition, the City’s actions have taken the landowners property. The City’s actions removed the possibility of residential development; however, the landowner is still required to pay property taxes as if the property could be developed with a residential use. This immediately added an annual expense that was over \$205,000 and that amount would be expected to increase over time.

Due to the effect of the government’s actions, I concluded there is no market to sell this property with these development restrictions along with extraordinarily high annual expenses. You would be paying for a property with no economic benefit that has annual expenses in excess of \$205,000.

#### **VALUE OF THE REMAINDER - AFTER CONDITION**

In the previous section of this report, I researched comparable superpad and custom lot sales to arrive at a supportable opinion of the subject’s value in the before condition. Based on my research, I concluded that the value of the property in the after condition would be nominal at best and possibly negative. In researching “nominal” value, I found no definition that provided an actual dollar amount. Therefore, I researched what is the “nominal” value figure used by the Clark County Assessor as well as nominal values that are used by my peers.



The Assessor's office informed me that Nevada State Law used to have a minimal figure that the Assessor could put on properties with what was concluded to be a nominal value. The Assessor had been subject to a State law that set the minimum or nominal value at \$1.25 per acre. In this case, that would reflect the nominal value at \$42.59 (34.07 Acres x \$1.25/Acre = \$42.59). That law is no longer in effect and the Assessor can now put \$0.00 on a nominal use parcel.

I also learned from the Assessor's office that the Nevada State Board of Equalization had used \$100 for parcels with nominal value. As for my peers, I have seen appraisers use \$100 and \$100 per acre as a nominal value when looking at patent easements. However, even an "after value" of \$100 lacks any market support.

Based on my research, an informed buyer would not be interested in a property under these conditions; no economic benefits but annual an annual expense of over \$200,000 that would be expected to increase. Due to the government actions, it is my opinion that there would have been no interest for the subject property in the after condition.

## CONCLUSION

I previously estimated the value of the subject property in the before condition at \$34,135,000. Based on my analysis of the property in the after condition, the City's actions result in catastrophic damages to this property. This is based on the value of the property in the after condition being zero. The following is a summary of the calculation and the resulting damages due to the City's actions.

## SUMMARY OF JUST COMPENSATION DUE TO THE CITY' ACTIONS

<b>Just Compensation Due to Property Owner Due to City's Actions</b>	
Indicated Value in the Before Condition	\$ 34,135,000
Less: Indicated Value in the After Condition	\$ -
Damages Due to the Government Actions	\$ 34,135,000
Rounded to:	\$ 34,135,000

**SPECIAL BENEFITS**

When part of a landowner's property is condemned, the landowner is entitled to compensation for the part taken, in addition to any damage caused to the remaining property as a result of the taking. These damages are called severance damages. However, the appraiser must also analyze what benefits, if any, are due to the project.

It is my understanding that the government wants the subject property to remain vacant and possibly what they have referred to as a "fitness park." I searched the Unified Development Code Title 19 for a description of what a fitness park would include but I did not find that fitness park was a term used in that document.

In this situation, the government actions do not appear to have had a beneficial effect on the surrounding area, nor can I identify any Special Benefit specifically for the subject property. Therefore, I have concluded that there would be no Special Benefits accruing directly and solely to the advantage of this property in the after condition.

**CONCLUSION TO JUST COMPENSATION**

Based on the analyses and conclusions in this report and subject to the definitions, assumptions, and limiting conditions expressed herein, it is my opinion that the retrospective just compensation due to the landowner for the government's actions, as of September 14, 2017, was:

<b>Estimated Just Compensation Due to Landowner</b>		
1. Value before taking		\$ 34,135,000
2. Less value after the taking	- \$	-
3. Damages to the remainder	=	\$ 34,135,000
4. Less special benefits to remainder	- \$	-
5. Just compensation due to property owner	=	\$ 34,135,000

**The value is based on the following extraordinary assumption and its use might have affected the assignment results:**

1. The value estimated in this appraisal is based on the extraordinary assumption that the condition of the site noted during my August 12, 2020 property inspection was similar to its condition on September 14, 2017, the effective date of value for this assignment.

## 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 performed no services, as an appraiser or any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding the agreement to perform 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 an inspection of the property that is the subject of this report on August 12, 2020. The photographs in the body of this report were taken during that inspection.
- 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.

**The value is based on the following extraordinary assumption and its use might have affected the assignment results:**

1. The value estimated in this appraisal is based on the extraordinary assumption that the condition of the site noted during my August 12, 2020 property inspection was similar to its condition on September 14, 2017, the effective date of value for this assignment.

**The values of the 16-lot and 7-lot scenarios in this report are based on the following hypothetical condition, and its use might have affected the assignment results:**

2. The values for the 16-lot and 7-lot scenarios are based on the hypothetical condition that a Waiver, SDR and TMP approval, similar to those approved for the 61-lot scenario, were given to the development plans of 16-lots and 7-lots.



## JURISDICTIONAL EXCEPTION

This appraisal report has been made with the following jurisdictional exception:

The Uniform Standards of Professional Practice (USPAP) Standards Rule 1-2(c) Comment states:

When reasonable exposure time is a component of the definition for the value opinion being developed, the appraiser must also develop an opinion of reasonable exposure time linked to that value opinion.

The Uniform Standards of Professional Practice (USPAP) Standards Rule 2-2(b)(v) Comment states:

When an opinion of reasonable exposure time has been developed in compliance with Standards Rule 1-2(c), the opinion must be stated in the report.

It is imperative that the appraiser utilize the correct definition of market value. For appraisals prepared for eminent domain proceedings in Nevada, appraisers shall use the following definition of market value:

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 purposes for which the property is reasonably adaptable and available. In determining 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. (Added to NRS by 1959, 596; A 1989, 548; 1993, 525; 1995, 501; 2007, 331)

The Nevada Constitution has a similar definition:

In all eminent domain actions where fair market value is applied, it shall be defined as the highest price the property would bring on the open market.

Contrary to USPAP Standards Rule 1-2(c), this definition of market value does not call for the estimate of value to be *linked* to a specific *exposure time* estimate, but merely that the property be exposed on the open market for a *reasonable* length of time, given the character of the property and its market. Therefore, the appraiser's estimate of market value shall not be *linked* to a specific exposure time when conducting appraisals for eminent domain acquisition purposes in Nevada under these Standards.

In this report I have not linked the value estimate to a specific exposure time estimate. This is a jurisdictional exception requiring non-compliance of Standards Rule 1-2(c) and 2-2(b)(v).

**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 L. 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 vacant land, residential, apartment, office, retail, industrial and hotel casino properties. In 2009 I formed The DiFederico Group.

I am a Certified General Appraiser in the State of Nevada (Certificate Number 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 have served as the President and Vice President for the Las Vegas Chapter of the Appraisal Institute. In 2017 I was selected by the State of Nevada's Real Estate Division to be a member of their Appraisal Advisory Review Committee. My function on this committee is to review appraisal reports that are being considered by the State for disciplinary actions.

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, cell sites, billboard sites, water rights and special use properties. These include the +/- 400 Acre Groom Mine overlooking Area 51, the Las Vegas Motor Speedway, and the Henderson Executive Airport. I have appraised the Summerlin, Kyle Canyon and Tuscan Master-Planned Communities and the site of the proposed Ivanpah Airport.

I have also 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). I was also selected by Clark County to analyze the value of modifying the CMA restrictions.

My appraisal experience also includes appraisals of hotel casinos. These include: The Riviera Hotel Casino, The LVH – Las Vegas Hotel & Casino, Horseshoe, Lady Luck, Dukes, Golden Phoenix and Lucky Dragon in Nevada. I have also been hired to analyze the ground leases for the Texas Hotel Casino, Eastside Cannery, Buffalo Bills, Primm Valley and Whiskey Pete's in Nevada. Outside of Nevada, I have appraised the Isle of Capri in Louisiana, the Aztar Casino in Missouri, and the Twin River in Rhode Island, as well as proposed hotel casinos in Macau and Puerto Rico. And, while serving on the BOE, I have analyzed and valued well over a hundred hotel casinos in Clark County.

In October of 2002, I was a guest speaker at the Southern California Chapter of the Appraisal Institute's "Appraising Special Purpose Properties Seminar." My portion of the program addressed "Appraising Casino's." I was also a guest speaker at the December 2017 National Eminent Domain Conference in Las Vegas that was sponsored by CLE International. I was asked to discuss how to appraise casino's in the "Business Valuations: When and How" portion of the conference.

**PROFESSIONAL/COMMUNITY AFFILIATIONS:**

Professional Designation: MAI- Member of the Appraisal Institute (MAI No. 12567)  
 Licensed Appraiser: A.0000150-CG (Certificate Number in Nevada)  
 Member: Clark County Board of Equalization (BOE) (Since 1998)  
 Elected Member: President - Las Vegas Chapter - Appraisal Institute – 2012  
 Elected Member: Vice President - Las Vegas Chapter - Appraisal Institute – 2011  
 Elected Member: 2<sup>nd</sup> Vice President – Las Vegas Chapter – Appraisal Institute - 2010  
 Member: Appraisal Institute - Region VII Nominating Committee – 2013  
 Chair: LV Chapter of the Appraisal Institute Nominating Committee – 2013  
 Member: LV Chapter of the Appraisal Institute Nominating Committee - 1999  
 Member: Appraisal Institute Education Committee - 1991  
 Member: Bishop Gorman High School - Alumni Representative (1977)  
 Elected Member: Summerlin's Willow Creek HOA 2004-2006  
 Elected Member: Summerlin's Willow Creek Design & Review Committee – 2004  
 Board Member (Past Chair): Lance Burton Foundation for Crippled and Burned Children

**EDUCATION:**

Tio S. DiFederico received a Bachelor of Science in Business Administration from the University of Nevada, Las Vegas. The following is a partial list of the appraisal courses sponsored by the Appraisal Institute that he has completed:

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

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 34 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, MAI, 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 23, 2019      **Expire Date:** May 31, 2021

**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 Statutes, 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**

**SHARATH CHANDRA**  
*Administrator*



File#19-035

**TDG Rpt 000114**  
0338

14377

## TESTIMONY AND DEPOSITIONS

### TIO S. DIFEDERICO, MAI

**2020:**

September City of Las Vegas vs. Charleston Land, LLC, – District Court Case – A-19-801822-C – Deposition – September 29, 2020 – (Condemnation)

September Peter Eliades vs. Sterling Entertainment – United States District Court – District of Nevada- Case No, A-17-752951 – Trial – September 16, 2020 (Deficiency Judgment)

February United States of America v. 400 Acres of Land, More or Less Situate in Lincoln County, State of Nevada; and Jessie J. Cox, et al., – United States District Court – District of Nevada- Case No, 215-CV-01743-MMD-NJK – Trial – February 11 & 12, 2020 (Condemnation)

**2019:**

November First Presbyterian Church of Las Vegas Nevada d/b/a Grace Presbyterian v. The State of Nevada – United States District Court – District of Nevada- Case No, A-18-777836-C – Deposition – November 4, 2019 (Inverse Condemnation)

March United States of America v. County of Clark and Nevada Links, Inc., – United States District Court – District of Nevada- Case No, 217-cv-02303-MMD-PAL – Deposition – March 14, 2019 (Breach of Contract)

**2018:**

September United States of America v. 400 Acres of Land, More or Less Situate in Lincoln County, State of Nevada; and Jessie J. Cox, et al., – United States District Court – District of Nevada- Case No, 215-CV-01743-MMD-NJK – Deposition – September 12, 2018 (Condemnation)

May Lucky Dragon Hotel & Casino (Debtor), Lucky Dragon, L.P. (Debtor) – United States Bankruptcy Court - District of Nevada – Lead Case No. 18-10792-leb – May 30, 2018 – Trial (Deficiency Judgment)

May Lucky Dragon Hotel & Casino (Debtor), Lucky Dragon, L.P. (Debtor) – United States Bankruptcy Court - District of Nevada – Lead Case No. 18-10792-leb – May 25, 2018 – Deposition (Deficiency Judgment)

April FP Holdings et. al. v. Nevada Department of Transportation (NDOT) – District Court Case – A-12-666482-C – Deposition - April 26, 2018 – (Condemnation)

March Bishop Gorman Development Corporation vs. J.A. Tiberti Construction, Inc. – United States Bankruptcy Court – District of Nevada- Case No, BK-S-17-11942-abl – Trial – March 20, 2018 (Deficiency Judgment)

March United States of America v. 400 Acres of Land, More or Less Situate in Lincoln County, State of Nevada; and Jessie J. Cox, et al., – United States District Court – District of Nevada- Case No, 215-CV-01743-MMD-NJK – Deposition – March 9, 2018 (Condemnation)

**2017:**

September Bishop Gorman Development Corporation vs. J.A. Tiberti Construction, Inc. – United States Bankruptcy Court – District of Nevada- Case No, BK-S-17-11942-abl – Deposition – September 27, 2017 (Deficiency Judgment)

April State of Nevada vs. Darrell E. Jackson, Thomas M. Strawn, Jr., and Andrew S. Levy, et Al - District Court Case – A-14-707519-C – Deposition - April 11, 2017 – (Condemnation)

**2016:**

April State of Nevada vs. MLK Spur, LLC, et. Al - District Court Case – A-14-707519-C – Deposition - April 18, 2016 – (Condemnation)

April State of Nevada vs. John Sharples, et. Al - District Court Case – A-14-710382-C – Deposition - April 11, 2016 – (Condemnation)

April State of Nevada vs. MLK Spur, LLC, et. Al - District Court Case – A-14-707519-C – Deposition - April 1, 2016 – (Condemnation)

February Village Pub Maule, Inc. vs. LSPG Holdings, LLC, and BB&T - District Court Case – A-14-700706-C – Deposition - February 25, 2016 – (Civil Matter)

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**File#19-035**

**TDG Rpt 000115**  
**0339**

**14378**

**PUBLICATIONS**

I co-authored the Gaming Overview articles in the 2003 through 2009 editions of IRR - Viewpoint, published by Integra Realty Resources (IRR). Provided in this publication are the analyses and opinions derived from the available data of the members of IRR and other reputable services. As of the beginning of 2009, there were 58 Integra Offices located within the United States.

**HOURLY RATE**

Review, trial preparation and conferences (if applicable), are billed at \$500 per hour. Deposition and/or trial testimony (if applicable), is billed at \$750 per hour. Videotaped depositions are billed at \$1,000 per hour.



## **ADDENDUM B**

## **DEFINITIONS**

**ADDITIONAL DEFINITIONS**

Unless otherwise noted, the source of the following definitions is as follows: Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 6th ed. (Chicago: Appraisal Institute, 2015).

**Appraisal**

(noun) the act or process of developing an opinion of value; an opinion of value. adjective) of or pertaining to appraising and related functions such as appraisal practice or appraisal services. Comment: An appraisal must be numerically expressed a specific amount, as a range of numbers, or as a relationship (e.g., not more than, not less than) to a previous value opinion or numerical benchmark (e.g., assessed value, collateral value). (USPAP, 2020-2021 ed.)

**Client**

The party or parties (i.e., individual, group, or entity) who engage an appraiser by employment or contract in a specific assignment, whether directly or through an agent. (USPAP, 2020-2021 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**

In a lease document, the date upon which the lease goes into effect.

**Exposure Time**

An opinion, based on supporting market data, of the length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at the market value on the effective date of value of the appraisal. (USPAP, 2020-2021 ed.)

**Highest and Best Use**

1. The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.
2. [The] highest and most profitable use for which the property is adaptable and needed or likely to be needed in the reasonably near future. (Uniform Appraisal Standards for Federal Land Acquisitions)

**Intended Use**

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

**Intended User**

The client and any other party as identified, by name or type, as users of the appraisal or appraisal review report by the appraiser on the basis of communication with the client at the time of the assignment. (USPAP, 2020-2021 ed.)

**Land-to-Building Ratio.**

The proportion of land area to gross building area; one of the factors determining comparability of properties.

**Legal Description**

A description of land that identifies the real estate according to a system established or approved by law; an exact description that enables the real estate to be located and identified.

**Legally Nonconforming Use**

A use that was lawfully established and maintained, but no longer conforms to the use regulations of its current zoning; also known as a *grandfathered use*.

**Management Fee**

The amount charged by a management firm to manage property for an owner. In income and expense analysis, a management fee is typically treated as a variable operating expense, usually expressed as a percentage of effective gross income.

**Market Participants**

Individuals actively engaged in transactions. In real property markets, *primary market participants* are those who invest equity in real property or use real estate, e.g., buyers, sellers, owners, lenders, tenants. *Secondary market participants* include those who advise primary market participants, e.g., advisors, counselors, underwriters, appraisers.

**Net Net Net Lease (Triple Net Lease)**

An alternative term for a type of net lease. In some markets, a net net net lease is defined as a lease in which the tenant assumes all expenses (fixed and variable) of operating a property except that the landlord is responsible for structural maintenance, building reserves, and management; also called *NNN lease*, *triple net lease*, or *fully net lease*.

**Net Operating Income (NOI or Io)**

The actual or anticipated net income that remains after all operating expenses are deducted from effective gross income but before mortgage debt service and book depreciation are deducted. Note: This definition mirrors the convention used in corporate finance and business valuation for EBITDA (earnings before interest, taxes, depreciation, and amortization).

**Off-Site Improvements**

Improvements located off the property itself but necessary to facilitate its development, e.g., streets, sidewalks, curbing, traffic signals, water and sewer mains, parking and water retention ponds.

**On-Premise Sign**

A sign that advertises products or services that are sold, produced, manufactured, or furnished on the property where the sign is located. (Outdoor Advertising Association of America)

**On-Site Improvements**

Improvements on a site exclusive of buildings. Examples of on-site improvements include grading, landscaping, fences, gutters, paving, drainage and irrigation systems, walkways, and other physical enhancements to the land.

**Parking Ratio**

A ratio of parking area or parking spaces to an economic or physical unit of comparison. Minimum required parking ratios for parkway various land uses are often stated in zoning ordinances.

**Present Value (PV)**

The value of a future payment or series of future payments discounted to the current date or to time period zero.

**Qualitative Adjustment**

An indication that one property is superior, inferior, or the same as another property. Note that the common usage of the term is a misnomer in that an adjustment to the sale price of a comparable property is not made. Rather, the indication of a property's superiority or inferiority to another is used in relative comparison analysis, bracketing, and other forms of qualitative analysis.

**Qualitative Analysis**

The process of accounting for differences (such as between comparable properties and the subject property) that are not quantified; may be combined with quantitative techniques.

**Quantitative Adjustment**

A numerical (dollar or percentage) adjustment to the indicated value of a comparable property to account for the effect of a difference between two properties on value.

**Quantitative Techniques.**

Techniques used to derive quantitative adjustments to comparable sale prices in the sales comparison approach; also used in the development of adjustments in other valuation approaches and techniques. Quantitative techniques include data analysis techniques (paired data analysis, grouped data analysis, and secondary data analysis), statistical analysis, graphic analysis, trend analysis, cost analysis (cost-to-cure, depreciated cost), and capitalization of rent differences.

**Real Estate Owned (REO)**

In common usage, real property that has been acquired by a lending institution through foreclosure or deed in lieu of mortgage loans, i.e., what is more correctly called *other real estate owned (OREO)*. In best usage, the terms *owned real estate (ORE)* and *real estate owned (REO)* describe bank premises used for banking operations, and the term *other real estate owned (OREO)* describes foreclosed real property held for liquidation.

**Reimbursable Expenses.**

Real estate operating expenses that are subject to recovery from tenants; may include common area maintenance (CAM) charges, real property taxes, and property and casualty insurance.

**Rentable Area**

For office or retail buildings, the tenant's pro rata portion of the entire office floor, excluding elements of the building that penetrate through the floor to the areas below. The rentable area of a floor is computed by measuring to the inside finished surface of the dominant portion of the permanent building walls, excluding any major vertical penetrations of the floor. Alternatively, the amount of space on which the rent is based; calculated according to local practice.

**Rent-Up Period**

A period of time during which a rental property is in the process of initial leasing; may begin before or after construction and lasts until stabilized occupancy is achieved.

**Scope of Work**

The type and extent of research and analyses in an appraisal or appraisal review assignment. (USPAP, 2020- 2021 ed.)

**Setback**

Zoning regulations that designate the distance that improvements must be set back from the front, rear, and sides of the property lines.

**Subject Property**

The property that is appraised in an assignment.

## **ADDENDUM C**

### **PROPERTY INFORMATION**

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File#19-035

**TDG Rpt 000122**  
0346

**14385**



The MAPS and DATA are provided without warranty of any kind, expressed or implied.  
Date Created: 08/04/2020

#### Property Information

Parcel: 13831201005  
Owner Name(s): 180 LAND COLL C  
Site Address:  
Jurisdiction: Las Vegas - null  
Zoning Classification: Residential Planned Development District (R-PD7)

#### Planned Landuse:

#### Misc Information

Subdivision Name: PARCEL MAP FILE 121 PAGE 100  
Lot Block: Lot 1 Block:  
Sale Date: Not Available  
Sale Price: Not Available

Recorded Doc Number: 20151116 00000238

Flight Date: Mar.16.2019

#### Elected Officials

Commission: C - Larry Brown (D)  
US Senate: Dean Heller, Catherine Cortez-Masto  
State Senate: 8 - Marilyn Dondero Loop (D)  
School District: E - Lola Brooks  
Board of Education: 3 - Felicia Ortiz

#### Construction Year:

T.R.S.: 20-60-31  
Census tract: 3226  
Estimated Lot Size: 34.07

City Ward: 2 - Victoria Seaman(3 Year Unexpired)  
US Congress: 3 - Susie Lee (D)  
State Assembly: 2 - John Hambrick (R)  
University Regent: 7 - Mark Doubrava  
Minor Civil Division: Las Vegas

File#19-035

**TDG Rpt 000123**  
0347

**14386**

GENERAL INFORMATION	
PARCEL NO.	138-31-201-005
OWNER AND MAILING ADDRESS	180 LAND CO L L C C/O V DEHART 1215 S FORT APACHE RD # 120 LAS VEGAS NV 89117
LOCATION ADDRESS CITY/UNINCORPORATED TOWN	LAS VEGAS
ASSESSOR DESCRIPTION	PARCEL MAP FILE 121 PAGE 100 LOT 1
RECORDED DOCUMENT NO.	* 20151116:00238
RECORDED DATE	Nov 16 2015
VESTING	NS

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

ASSESSMENT INFORMATION AND VALUE EXCLUDED FROM PARTIAL ABATEMENT	
TAX DISTRICT	200
APPRAISAL YEAR	2019
FISCAL YEAR	2020-21
SUPPLEMENTAL IMPROVEMENT VALUE	0
INCREMENTAL LAND	0
INCREMENTAL IMPROVEMENTS	0

REAL PROPERTY ASSESSED VALUE		
FISCAL YEAR	2019-20	2020-21
LAND	6260363	6260363
IMPROVEMENTS	0	0
PERSONAL PROPERTY	0	0
EXEMPT	0	0
GROSS ASSESSED (SUBTOTAL)	6260363	6260363
TAXABLE LAND+IMP (SUBTOTAL)	17886751	17886751
COMMON ELEMENT ALLOCATION ASSD	0	0
TOTAL ASSESSED VALUE	6260363	6260363
TOTAL TAXABLE VALUE	17886751	17886751

ESTIMATED LOT SIZE AND APPRAISAL INFORMATION	
ESTIMATED SIZE	34.07 Acres
ORIGINAL CONST. YEAR	0
LAST SALE PRICE MONTH/YEAR SALE TYPE	0
LAND USE	12.000 - Vacant - Single Family Residential
DWELLING UNITS	0

File#19-035

**TDG Rpt 000124**  
0348

14387



**Briana Johnson, Assessor****PARCEL OWNERSHIP HISTORY**[Assessor Map](#) [Aerial View](#) [Comment Codes](#) [Current Ownership](#) [New Search](#)

ASSESSOR DESCRIPTION
PARCEL MAP FILE 121 PAGE 100 LOT 1

CURRENT PARCEL NO.	CURRENT OWNER	%	RECORDED DOCUMENT NO.	RECORDED DATE	VESTING	TAX DIST	EST SIZE	COMMENTS
138-31-201-005	180 LAND CO L L C		20151116100238	11/16/2015	NS	200	34.07 AC	

PARCEL NO.	PRIOR OWNER(S)	%	RECORDED DOCUMENT NO.	RECORDED DATE	VESTING	TAX DIST	EST SIZE	COMMENTS
------------	----------------	---	--------------------------	------------------	---------	-------------	-------------	----------

Click the following link to view the parcel genealogy

[Parcel Tree](#)

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.

File#19-035

**TDG Rpt 000125**  
0349

**14388**

Property Account Inquiry - Summary Screen										
New Search		Recorder		Treasurer		Assessor		Clark County Home		
Parcel ID	138-31-201-005		Tax Year	2021		District	200		Rate	3.2782
Situs Address:	UNASSIGNED SITUS LAS VEGAS									
Legal Description:	ASSESSOR DESCRIPTION: PARCEL MAP FILE 121 PAGE 100 LOT 1									
Status:	Property Characteristics		Property Values		Property Documents					
Active	Tax Cap Increase Pct. 6.7		Land 6260363		2015111600238 11/16/2015					
Taxable	Tax Cap Limit Amount 218977.44		Total Assessed Value 6260363							
	Tax Cap Reduction 0.00		Net Assessed Value 6260363							
	Land Use 0-00 Vacant - Single Family Re		Exemption Value New Construction 0							
	Cap Type OTHER		New Construction - Supp Value 0							
	Acreage 34.0700									
	Exemption Amount 0.00									
Role	Name	Address					Since	To		
Owner	180 LAND CO L C	C/O V DEHART 1215 S FORT APACHE RD #120 , LAS VEGAS, NV 89117 UNITED STATES					6/14/2019	Current		
<b>Summary</b>										
Item		Amount								
Taxes as Assessed		\$205,227.22								
Less Cap Reduction		\$0.00								
Net Taxes		\$205,227.22								
<b>PAST AND CURRENT CHARGES DUE TODAY</b>										
Tax Year	Charge Category					Amount Due Today				
THERE IS NO PAST OR CURRENT AMOUNT DUE as of 8/4/2020						\$0.00				
<b>NEXT INSTALLMENT AMOUNTS</b>										
Tax Year	Charge Category					Installment Amount Due				
2021	Property Tax Principal					\$51,306.79				
2021	Las Vegas Artesian Basin					\$2.42				
NEXT INSTALLMENT DUE AMOUNT due on 8/17/2020						\$51,309.21				
<b>TOTAL AMOUNTS DUE FOR ENTIRE TAX YEAR</b>										
Tax Year	Charge Category					Remaining Balance Due				
2021	Property Tax Principal					\$205,227.22				
2021	Las Vegas Artesian Basin					\$2.42				
TAX YEAR TOTAL AMOUNTS DUE as of 8/4/2020						\$205,229.64				
<b>PAYMENT HISTORY</b>										
Last Payment Amount		\$51,306.81								
Last Payment Date		3/16/2020								
Fiscal Tax Year Payments		\$0.00								
Prior Calendar Year Payments		\$205,228.96								
Current Calendar Year Payments		\$102,613.62								

File#19-035

**TDG Rpt 000126**  
0350

14389



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

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

Parcel 13831201005

Owner 180 LAND CO L L C

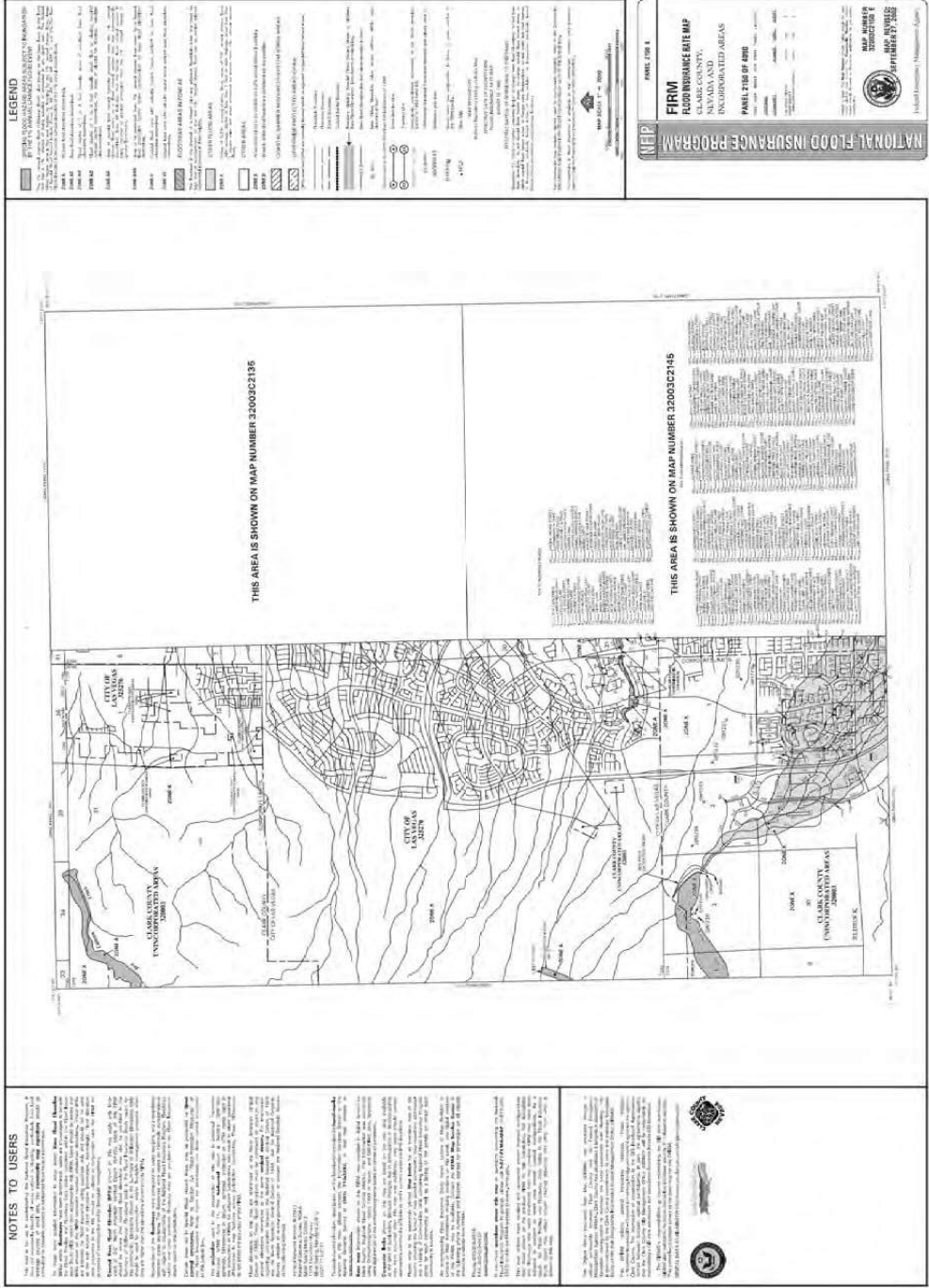
Address

Entity Las Vegas

Contact 702-229-6541

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





## **ADDENDUM D**

### **GOLF COURSE LEASE CANCELLATION LETTERS**



Your Partner in Golf

#### TERMINATION OF LEASE

May 23, 2016

Fore Stars, Ltd  
c/o Todd Davis  
1215 South Fort Apache Road, Suite 120  
Las Vegas, Nevada 89117

Dear Todd,

We received your letter dated May 16, 2016 in which you referenced and attached the Second Amendment to the Golf Course Ground Lease ("Lease") dated April 28, 2015. Based on the language in the Lease, Fore Stars, Ltd. indicated the final date of the lease should be July 31, 2016 rather than closing date of May 31, 2016 that we previously indicated our Notice of Dissolution dated April 26, 2016.

The discrepancy in the final date of the lease is based on the Notice of Cancellation we provided in September 2015 (attached), in which we indicated we wanted to terminate the lease on December 21, 2015. After we sent the cancellation, we met with representatives from EHB and agreed that we would continue operating the course until May 31, 2016. We recognize that we did not formalize that agreement with a subsequent writing and that the written Notice of Dissolution we provided on April 26 was technically not within the 90 day cancellation period required by the contract for a May 31 closing.

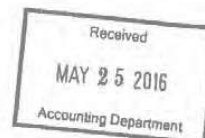
As you aware, by not closing on May 31 we will incur a significant financial loss due to the high cost of operation and low revenue during the summer months. However, based on the facts outlined above, we will agree to operate the course until July 31 as you have requested. In exchange, we request that Fore Stars, Ltd reduce the rent by half for the months of June and July.

Thank you in advance for your consideration. Please don't hesitate to contact me directly if you'd like to discuss this matter further.

Sincerely,

A handwritten signature in black ink, appearing to read "Kam Brian".

Kam Brian, Esq.  
General Counsel  
Par 4 Golf Management, Inc.





## NOTICE OF CANCELLATION

September 18, 2015

Fore Stars, Ltd  
c/o Mr. Yohan Lowie  
9755 W. Charleston Blvd.  
Las Vegas, NV 89117

Dear Mr. Lowie,

As you are aware, our lease with Fore Stars, Ltd. to operate the Badlands Golf Club allows us to provide 90 days written notice of termination. We have operated the course for a number of years with little or no profit in hopes that the golf industry would recover and we would be able to recapture our investment. Given the ever increasing water costs, operating costs and a golf market that cannot support increased green fees, we have determined that we are no longer willing assume the risk.

We hereby provide our 90 day notice of cancellation effective December 21, 2015. It has been a pleasure working for you. Please contact me should you wish to discuss any details with respect to the end of our lease.

Sincerely,

A handwritten signature in black ink, appearing to read "Paul Jaramillo".

Paul Jaramillo  
CEO  
Par 4 Golf Management, Inc.

cc: Peccole Nevada Corporation, 851 S. Rampart, Las Vegas, NV 89145



## **ADDENDUM E**

## **CITY LETTERS**

**To:** alejandro.garcia@LasVegasNevada.GOV; Crystal.H.Makridis@LasVegasNevada.GOV; Nashira.Ling@LasVegasNevada.GOV; rafiq.ali@LasVegasNevada.GOV; Sandy.Gravseth@LasVegasNevada.GOV;  
**From:** Lauren E. Storia  
**Sent:** Tue 6/27/2017 8:47:09 PM  
**Subject:** Badlands

If anyone sees a permit for grading or clear and grub at the **Badlands** Golf Course, please see Kevin, Rod, or me. Do Not Permit without approval from one of these three.



**Lauren Storia** | Senior Permit Technician  
Building & Safety  
333 N. Rancho Drive, Las Vegas, NV 89106  
702-229-5460

lasvegasnevada.gov



[City of Las Vegas Building & Safety](#)

Your opinion is important! Click [here](#) to take a short survey.

This e-mail transmission, and any documents, files, or previous e-mail messages attached to it may contain confidential information that is legally privileged. If you are not the intended recipient, or a person responsible for delivering it to the intended recipient, you are hereby notified that any disclosure, copying, distribution or use of any of the information contained in or attached to this transmission is prohibited. If you have received this transmission in error, please immediately notify us by reply e-mail, by forwarding this to sender and destroy the original transmission and its attachments without reading or saving them in any manner. Thank you.

CLV006185

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File#19-035

**TDG Rpt 000134**  
**0358**

**14397**



City Manager  
Carolyn G. Goodman  
Mayor  
Lois Tarkanian  
Mayor Pro Tem  
Ricki Y. Barlow  
Stavros S. Anthony  
Bob Coffin  
Steven G. Seroka  
Michele Fiore

City Engineer  
Scott D. Adams  
City Manager

VIA CERTIFIED MAIL

August 24, 2017

Seventy Acres, LLC  
Attn: Ms. Vickie Dehart  
120 S. Fort Apache Rd., Suite 120  
Las Vegas, NV 89117

Re: L17-00198

Dear Ms. Dehart:

Through the various public hearings and subsequent debates concerning development on the subject site I have determined, pursuant to Las Vegas Municipal Code (LVMC) 19.16.100(C)(1)(b), that any development on this site has the potential to have significant impact on the surrounding properties and as such may require a Major Review.

After reviewing the permit submitted (L17-00198) for perimeter wall modifications and controlled access gates on the subject site, I have determined that the proximity to adjacent properties has the potential to have significant impact on the surrounding properties. As such, the Minor Development Review (Building Permit Level Review) is denied and an application for a Major Review will be required pursuant to LVMC 19.16.100(G)(1)(b).

Please coordinate with the Department of Planning for the submittal of a Major Site Review.

Thank you.

Robert Summerfield, AICP  
Acting Director  
Department of Planning

RS:me

COPY

DEPARTMENT OF PLANNING

333 N. Rancho Drive | 3rd Floor | Las Vegas, NV 89106 | 702.229.6301 | FAX 702.474.0352 | TTY 7 1 1

LO 00002365

File#19-035

**TDG Rpt 000135**  
**0359**

14398



Las Vegas  
City Council  
Carolyn G. Goodman  
Mayor  
Lois Tarkanian  
Mayor Pro Tem  
Ricki Y. Barlow  
Stavros S. Anthony  
Bob Colfin  
Steven G. Seroka  
Michele Fiore

City Manager  
Scott D. Adams  
City Manager

VIA CERTIFIED MAIL

August 24, 2017

American Fence Company, Inc.  
Attn: Ms. Laurie Peters  
4230 Losee Rd.  
North Las Vegas, NV 89030

Re: C17-01047

Dear Ms. Peters:

Through the various public hearings and subsequent debates concerning development on the subject site, I have determined, pursuant to Las Vegas Municipal Code (LVMC) 19.16.100(C)(1)(b), that any development on this site has the potential to have significant impact on the surrounding properties and as such may require a Major Review.

After reviewing the permit submitted (C17-01047) for chain link fencing to enclose two water features/ponds on the subject site, I have determined that the proximity to adjacent properties has the potential to have significant impact on the surrounding properties. As such, the Minor Development Review (Building Permit Level Review) is denied and an application for a Major Review will be required pursuant to LVMC 19.16.100(G)(1)(b).

Please coordinate with the Department of Planning for the submittal of a Major Site Review.

Thank you.

A handwritten signature in cursive script, reading "Robert Summerfield".

Robert Summerfield, AICP  
Acting Director  
Department of Planning

RS:ma

cc: 180 Land Co., LLC  
Attn: Vickie Dehart  
1215 S. Fort Apache Rd, Suite 120  
Las Vegas, NV 89117

DEPARTMENT OF PLANNING

1333 N. Rancho Drive | 3rd Floor | Las Vegas, NV 89106 | 702.229.6301 | FAX 702.474.0352 | TTY 711

LO 00002353

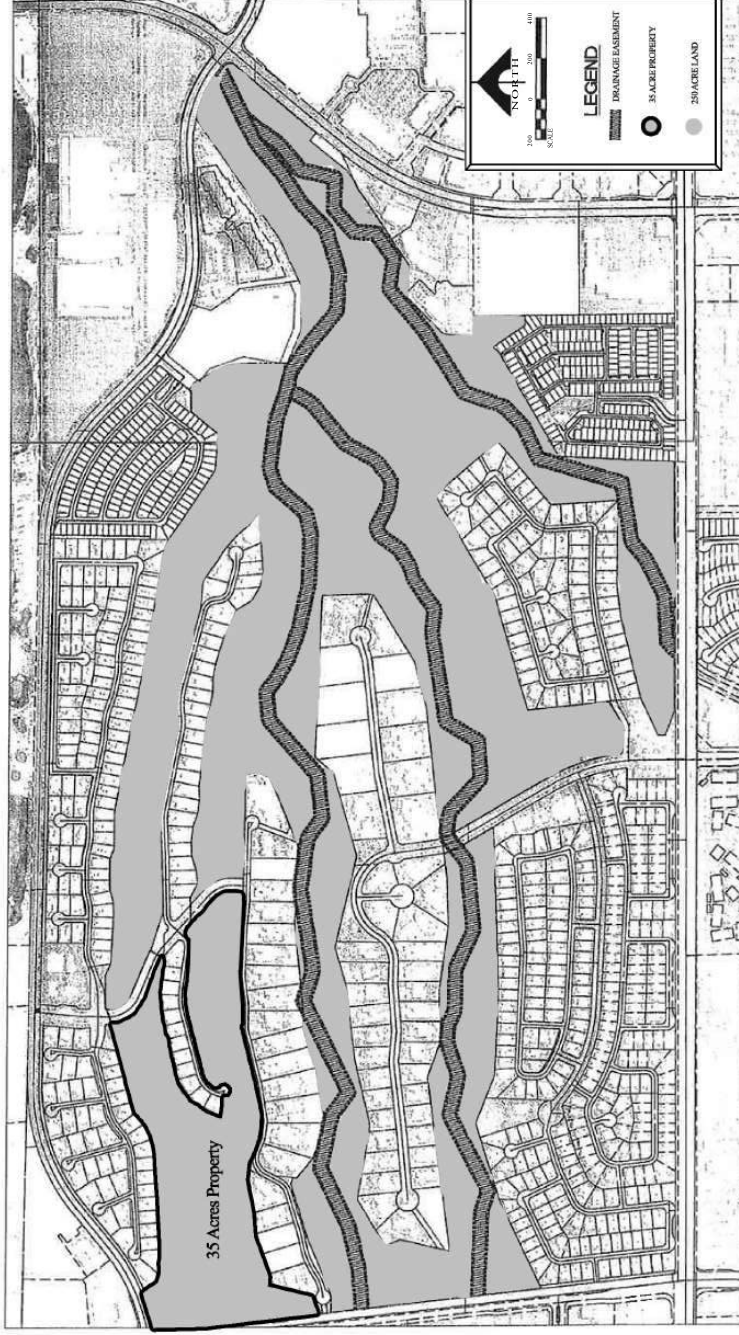
File#19-035

**TDG Rpt 000136**  
**0360**

14399

# Exhibit 12

EXHIBIT "B"



0361

14401

# Exhibit 13

**LAW OFFICES OF KERMITT L. WATERS**

Kermitt L. Waters, Esq., Bar No. 2571  
kermitt@kermittwaters.com  
James J. Leavitt, Esq., Bar No. 6032  
jim@kermittwaters.com  
Michael A. Schneider, Esq., Bar No. 8887  
michael@kermittwaters.com  
Autumn L. Waters, Esq., Bar No. 8917  
autumn@kermittwaters.com  
704 South Ninth Street  
Las Vegas, Nevada 89101  
Telephone: (702) 733-8877  
Facsimile: (702) 731-1964  
*Attorneys for Plaintiff Landowner*

**DISTRICT COURT**

**CLARK COUNTY, NEVADA**

180 LAND CO., LLC, a Nevada limited liability company, FORE STARS Ltd., DOE INDIVIDUALS I through X, ROE CORPORATIONS I through X, and ROE LIMITED LIABILITY COMPANIES I through X,

Plaintiffs,

vs.

CITY OF LAS VEGAS, political subdivision of the State of Nevada, ROE government entities I through X, ROE CORPORATIONS I through X, ROE INDIVIDUALS I through X, ROE LIMITED LIABILITY COMPANIES I through X, ROE quasi-governmental entities I through X,

Defendants.

CASE NO.: A-17-758528-J  
DEPT. NO.: XVI

**PLAINTIFF LANDOWNERS'**  
**TWENTY-SECOND SUPPLEMENT**  
**TO INITIAL WITNESS LIST AND**  
**DISCLOSURES PURSUANT TO NRCP**  
**16.1**

***Initial Expert Disclosure***

TO: THE CITY OF LAS VEGAS, Defendant; and

TO: COUNSEL OF RECORD FOR THE CITY OF LAS VEGAS.

Plaintiff 180 LAND COMPANY, LLC (hereinafter "Landowners"), by and through their counsel of record, the Law Offices of Kermitt L. Waters, hereby submits their **twenty-second supplement** to initial list of witnesses and documents pursuant to NRCP 16.1, as follows:



I.

**LIST OF WITNESSES**

**A. NRCP Rule 16.1(a)(1)(A) disclosure: The name and, if known, the address and telephone number of each individual likely to have information discoverable under Rule 26(b), including for impeachment or rebuttal, identifying the subjects of the information:**

1. Person Most Knowledgeable at the City of Las Vegas  
c/o Las Vegas City Attorney's Office  
495 S. Main Street, 6<sup>th</sup> Floor  
Las Vegas, Nevada 89101

Person Most Knowledgeable at the City of Las Vegas regarding the City's guidelines, instructions, process and/or procedures for adopting a land use designation on the City of Las Vegas General Plan Land Use Element and/or Master Plan, including the guidelines, instructions, process and/or procedures applicable for each and every year from 1986 to present.

2. Person Most Knowledgeable at the City of Las Vegas  
c/o Las Vegas City Attorney's Office  
495 S. Main Street, 6<sup>th</sup> Floor  
Las Vegas, Nevada 89101

Person Most Knowledgeable at the City of Las Vegas regarding the City of Las Vegas guidelines, instructions, process and/or procedures implemented to place a designation of PR-OS or any similar open space designation on all or any part of the Landowners' Property and/or the 250 Acre Residential Zoned Land on the City of Las Vegas General Plan Land Use Element.

3. Person Most Knowledgeable at the City of Las Vegas  
c/o Las Vegas City Attorney's Office  
495 S. Main Street, 6<sup>th</sup> Floor  
Las Vegas, Nevada 89101

Person Most Knowledgeable at the City of Las Vegas regarding the Master Development Agreement referenced in the Landowners' Complaint.

4. Person Most Knowledgeable at the City of Las Vegas  
c/o Las Vegas City Attorney's Office  
495 S. Main Street, 6<sup>th</sup> Floor  
Las Vegas, Nevada 89101

Person Most Knowledgeable at the City of Las Vegas regarding the major modification process.

5. Steve Seroka  
c/o Las Vegas City Attorney's Office  
495 S. Main Street, 6<sup>th</sup> Floor  
Las Vegas, Nevada 89101

1 Mr. Seroka may have information regarding the facts and circumstances surrounding the  
2 allegations alleged in the Landowners' Complaint which occurred while Mr. Seroka was running  
3 for the City Council and while Mr. Seroka was on the City Council.

4 6. Person Most Knowledgeable  
180 LAND COMPANY, LLC  
5 c/o Law Offices of Kermitt L. Waters  
704 South Ninth Street  
6 Las Vegas Nevada 89101

7 Person Most Knowledgeable at 180 Land Company, LLC regarding the facts and  
8 circumstances surrounding the allegations alleged in the Landowners' Complaint as it relates to  
9 Phase 1 of discovery, liability.

10 7. Person Most Knowledgeable  
FORE STARS, Ltd  
11 c/o Law Offices of Kermitt L. Waters  
704 South Ninth Street  
12 Las Vegas Nevada 89101

13 Person Most Knowledgeable at FORE STARS, LTD regarding the facts and circumstances  
14 surrounding the allegations alleged in the Landowners' Complaint as it relates to Phase 1 of  
15 discovery, liability.

16 8. Person Most Knowledgeable  
SEVENTY ACRES, LLC  
17 c/o Law Offices of Kermitt L. Waters  
704 South Ninth Street  
18 Las Vegas Nevada 89101

19 Person Most Knowledgeable at Seventy Acres, LLC regarding the facts and circumstances  
20 surrounding the allegations alleged in the Landowners' Complaint as it relates to Phase 1 of  
21 discovery, liability.

22 9. Donald Richards  
Superintendent of 250 Acres (former Badlands golf course)  
23 c/o Law Offices of Kermitt L. Waters  
704 South Ninth Street  
24 Las Vegas, Nevada 89101

Mr. Richards is the superintendent of the 250 Acres of Residential Zoned Land and has  
been since approximately November 2015. He therefore is familiar with the property and may  
have information related thereto. My Richards has also provided an affidavit in this matter dated  
March 23, 2021, he may testify regarding the same, as well as the photographs taken by the infrared  
trail cameras he installed on the Property.

1 **First Supplement to Donald Richards**

2 Don Richards, superintendent/manager of 250 Acres (former Badlands golf course)  
3 Mr. Richards will testify as a representative of and on behalf of the Landowners and, based upon  
4 his extensive expertise (see Curriculum Vitae, attached) in regard to any and all issues arising out  
5 of and related to his work on the 35 Acre Property, including soils conditions and use of those soils  
6 for development, and the physical possibility element of highest and best use. Mr. Richards will  
7 also testify regarding the use of the 35 Acre Property by the public, including the surrounding  
8 property owners and the photos he has obtained of these individuals using the property.

6 Mr. Richards is the Property Superintendent/Manager assigned to the 35 Acre Property. He has  
7 had this position from early 2014 to present. His responsibilities include, but are not limited to,  
8 managing the FEMA maintenance and preservation of FEMA flood zone areas, compliance with  
9 CLV Fire department to mitigate fire hazards, maintaining the property for safety compliance,  
10 interacting with the health department, coordinating any access required for any City personnel,  
11 and interfacing with Metro Police regarding trespassers and vagrant's activity on property.

10 **Physical Possibility**

11 Mr. Richards will testify, based on his extensive experience in the development of residential and  
12 commercial properties in the City of Las Vegas and surrounding area, that, at all relevant times  
13 (including the date of value), it was physically possible to develop the 35 Acre Property with single  
14 family and/or multi-family residential uses.

13 Mr. Richards will describe the physical attributes and shape of the 35 Acre Property, including the  
14 topography, as set forth in the documents he reviewed, set forth below, and based upon his  
15 knowledge and understanding of the 35 Acre Property. He will describe the surrounding  
16 developments, including the homes built to the east, west, south, and north of the 35 Acre Property  
17 and that this demonstrates that the soils and topography will allow development of residential units  
18 on the 35 Acre Property and how the soils can be used in development of the property.

16 Mr. Richards will describe the access to the 35 Acre Property and how that access could be  
17 developed from Hualapai Way and Alta Drive for residential development. He will testify that the  
18 35 Acre Property has 995 feet of frontage on Hualapai Way and 248 feet of frontage on Alta Drive.  
19 He will testify that the offsites, including curb, gutter, sidewalk, and landscaping are currently  
20 installed on Hualapai Way and Alta Drive.

19 Mr. Richards will additionally testify that the 35 Acre Property is in FEMA Flood Zone X, there  
20 were little to no drainage flows entering the 35 Acre Property, the development of the 35 Acre  
21 Property with single family and multi-family residential uses will add little to no additional  
22 drainage to or from the 35 Acre Property and, therefore, any impacts to the downstream drainage  
23 are insignificant. He will testify that the natural drainage flow is generally from the western  
24 portion of the property to the eastern portion of the property. Mr. Richards will testify that during  
his entire time as Property Superintendent for the 35 Acre Property he has never once seen flooding  
on the 35 Acre Property.

This testimony will be based on his knowledge and understanding of the 35 Acre Property and,  
specifically, the data and documents described below, which more specifically identifies each of  
these issues.

1   **The facts and data that Mr. Richards relied upon include, but is not limited to:**

2   Photos of individuals using the property, previously produced.  
3   FEMA flood maps.

4   Numerous aerial photos of the 35 Acre Property and surrounding area.  
5   His 40 + years of experience as a landscape and site development specialist and Commercial  
6   Property Superintendent, including without limitation several large-scale developments in the Las  
7   Vegas area, including Tivoli Village, One Queensridge Place, and Sahara Center.  
8   The Exhibits Mr. Richards will rely upon are referenced above and he will be asked to identify the  
9   35 Acre Property and the surrounding area based on aerial photos that will be presented as exhibits  
10   at trial.

11   *Curriculum Vitae – see attached.*

12     
13   **10.   Frank Pankratz**  
14   **President, EHB Companies LLC**  
15   **c/o Law Offices of Kermitt L. Waters**  
16   **704 South Ninth Street**  
17   **Las Vegas, Nevada 89101**

18   Mr. Pankratz will testify as a representative of and on behalf of the Landowners and, based upon  
19   his extensive expertise (see Curriculum Vitae, attached) in regards to any and all issues arising out  
20   of and related to the physical possibility and financial feasibility elements as they relate to the 35  
21   Acre Property at issue in this matter.

22   **Physical Possibility**

23   Mr. Pankratz will testify, based on his extensive experience in the development of residential  
24   properties in the City of Las Vegas and surrounding area, that, at all relevant times (including the  
25   date of value), it was physically possible to develop the 35 Acre Property with single family and/or  
26   multi-family residential uses.

27   Mr. Pankratz will testify regarding the developability of the 35 Acre Property and all issues related  
28   to this development.

29   Mr. Pankratz will testify that the 35 Acre Property is 34.07 acres or 1,484,084 square feet.

30   Mr. Pankratz will describe the physical attributes and shape of the 35 Acre Property, including the  
31   topography, as set forth in the documents he reviewed, set forth below, and based upon his  
32   knowledge and understanding of the 35 Acre Property. He will describe the surrounding  
33   developments, including the homes built to the east, west, south, and north of the 35 Acre Property  
34   and that this demonstrates that the soils and topography will allow development of residential units  
35   on the 35 Acre Property. He will support this testimony further with the documents, including the  
36   soils report, referenced below. He will conclude that the development of residential units is  
37   physically possible.

38   Mr. Pankratz will describe the access to the 35 Acre Property and how that access could be  
39   developed from Hualapai Way and Alta Drive for residential development. He will testify that 35  
40   Acre Property has 995 feet of frontage on Hualapai Way and 248 feet of frontage on Alta Drive.

1 He will testify that the offsites, including curb, gutter, sidewalk, and landscaping are currently  
2 installed on Hualapai Way and Alta Drive.

3 Mr. Pankratz will additionally testify that the 35 Acre Property is in FEMA Flood Zone X, there  
4 were little to no drainage flows entering the 35 Acre Property, the development of the 35 Acre  
5 Property with single family and multi-family residential uses will add little to no additional  
6 drainage to or from the 35 Acre Property and, therefore, any impacts to the downstream drainage  
7 are insignificant. He will testify that the natural drainage flow is generally from the western  
8 portion of the property to the eastern portion of the property.

9 Mr. Pankratz will testify in regards to the location of the utilities for development and that the  
10 location of these utilities is sufficient for residential development.

11 Mr. Pankratz will testify in regards to the grading work for the development of the 35 Acre  
12 Property and that the grading could be accomplished for the development of residential units on  
13 the property, based on his experience developing these types of properties and the data and  
14 documents referenced below.

15 Mr. Pankratz will describe a potential 7, 16, or 61 lot residential use of the 35 Acre Property, how  
16 each could be configured, and how construction of homes on each of these lots could occur to  
17 support the physical possibility of such a residential use of the 35 Acre Property.

18 This testimony will be based on his knowledge and understanding of the 35 Acre Property and,  
19 specifically, the data and documents described below, which more specifically identifies each of  
20 these issues.

#### 21 **Financial Feasibility**

22 Mr. Pankratz will testify, based on his extensive experience in the development of residential  
23 properties in the City of Las Vegas and surrounding area, that, at all relevant times, it was  
24 financially feasible to develop the 35 Acre Property with single family and/or multi-family  
residential uses. Mr. Pankratz will describe the surrounding area and development he was  
personally involved with in the surrounding area, including the following:

One Queensridge Place

Sahara Center

Tivoli Village

Sun City Summerlin

Mr. Pankratz will testify regarding the residential real estate market as of the date of valuation and  
that this residential market was ideal for residential development. He will testify that the Las  
Vegas residential real estate market as of the relevant date of value would have supported the  
construction and sale of residential units on the 35 Acre Property.

Mr. Pankratz will testify that the location of the 35 Acre Property is a premium location for  
residential development at all relevant times. He will describe the surrounding residential  
developments, including the homes built in the Queensridge Community and the Summerlin  
Community and explain that these are some of the most sought-after residential developments in  
the City of Las Vegas. He will explain that the 35 Acre Property is one of few parcels in this area  
that is available for residential development.

Mr. Pankratz will describe a potential 7, 16, or 61 lot residential use of the 35 Acre Property, how each could be configured, and how construction of homes on each of these lots could occur to support the financial feasibility of such a residential use of the 35 Acre Property.

**The facts and data that Mr. Pankratz relied upon include, but is not limited to:**

All of the cost estimates data for the 7, 16, and 61 lot configurations, including the Index and Summary, the preliminary site plan, the memos and opinions of the developability, the soils report, the existing infrastructure, the GCW – Engineering, Design, the Aggregate industries cost estimates for – Grading, Wet Utilities, Concrete & Roadways, Retaining Walls, the GCW – Engineering and Bond Estimate, NVE – Electrical, SWG – Natural Gas, Don Richards – Landscaping, Fakler consulting fees and estimates. Tand – Telephone & Cable fees and estimates.

These documents are produced concurrently herein and are numbered FP WF 000001 – through FP WF 000456.

FEMA flood map.

Numerous aerial photos of the 35 Acre Property and surrounding area.

His 40+ years of experience in the land development and homebuilding industry, including without limitation several large-scale residential developments in the Las Vegas area including:

- Alliant – 2,000 acres in North Las Vegas, NV – Del Webb with American Nevada Corporation
- General Manager of Del Webb's:
  - Anthem, Las Vegas, NV – 5,000 acres/13,700 homes.
  - Sun City Summerlin, Las Vegas, NV 1,500 acres/7,800 homes
  - Sun City MacDonald Ranch, Henderson, NV – 600 acres/2800 homes
- Oversight manager:

The Exhibits Mr. Pankratz will rely upon are referenced above and he will be asked to identify the 35 Acre Property and the surrounding area based on aerial photos that will be presented as exhibits at trial.

*Curriculum Vitae – see attached.*

**11. Yohan Lowie  
CEO EHB Companies LLC  
c/o Law Offices of Kermitt L. Waters  
704 South Ninth Street  
Las Vegas, Nevada 89101**

Mr. Lowie will testify as a representative of and on behalf of the Landowners and, based upon his extensive expertise (see Curriculum Vitae, attached), in regard to any and all issues arising out of and related to the physical possibility, financial feasibility, legal possibility, and maximally productive elements of highest and best use as they relate to the 35 Acre Property at issue in this matter. Mr. Lowie will also testify to the due diligence conducted prior to acquiring the 35 Acre Property. Mr. Lowie will also testify to the value of the 35 Acre Property prior to any City interference with the use of the property. Mr. Lowie will also testify to the value of the 35 Acre

1 Property after any and all City interference with the use of the property, which will include  
2 testimony of all City actions taken to prevent the use of the 35 Acre Property. This testimony will  
3 be as of the relevant date of valuation and will be offered as part of the just compensation the  
4 Landowners are entitled to as a result of the taking in this matter. Mr. Lowie will also testify to  
5 all of the damages that have been incurred as a result of the City's actions in this matter. Mr.  
6 Lowie will also testify in regard to any and all matters raised in **PLAINTIFF LANDOWNERS'**  
7 **MOTION TO DETERMINE TAKE AND FOR SUMMARY JUDGMENT ON THE FIRST,**  
8 **THIRD AND FOURTH CLAIMS FOR RELIEF**, including any and all exhibits attached  
9 thereto.

#### 10 **Expertise**

11 Mr. Lowie will testify based on his extensive experience in the development of residential and  
12 commercial properties in the City of Las Vegas and surrounding area including, but not limited to,  
13 the following:

14 One Queensridge Place  
15 Tivoli Village  
16 Sahara Center  
17 106 custom homes in Queensridge  
18 200+ homes in Las Vegas  
19 Nevada Appellate and Supreme Court Building

20 See documents produced herewith, including bates numbered YL WF 000003 – 000004, 000446-  
21 000462.

#### 22 **Due Diligence**

23 Mr. Lowie will testify to the facts and circumstances of the approximate 20-year history of  
24 development with the Peccole family including the legal developability of the 250 acres (which  
includes the 35 Acre Property), its relation to the Queensridge Community, the City's opinion of  
developability since 2006 and the facts and circumstances giving rise to the right to acquire the  
250 acres.

Mr. Lowie will further testify to the facts and circumstances surrounding exercising the  
right to purchase the 250-acre property and additional due diligence conducted in or  
around 2014 including the zoning and confirmation thereof by the City of Las Vegas  
prior to the purchase of Fore Stars, Ltd.

This due diligence testimony will also be based, in part, on the following:

Plaintiff Landowners' Motion to Determine Take and for Summary Judgment on the First, Third,  
and Fourth Claims for Relief.

Declarations of Yohan Lowie, dated November 23, 2020, and January 27, 2021, previously  
produced.

Deposition of Yohan Lowie, Binion v. Fore Stars, dated August 4, 2017, produced herewith, bates  
numbers LO 00037822 – LO 00037876. Specifically, see pages 33-85, wherein Mr. Lowie  
testifies, in part, to the due diligence.

**Highest and Best Use**  
**Physical Possibility**

Mr. Lowie will testify that the 35 Acre Property is 34.07 acres or 1,484,084 square feet.

Mr. Lowie will testify, based on his extensive experience in development of properties in the City of Las Vegas and surrounding area, that, at all relevant times (including the date of value), it was physically possible to develop the 35 Acre Property with single family and/or multi-family residential uses and a Skilled Nursing/Assisted Living/Carefree Living Facilities.

Mr. Lowie will testify regarding the developability of the 35 Acre Property and all issues related to this development.

Mr. Lowie will describe the physical attributes and shape of the 35 Acre Property, including the topography, as set forth in the documents he reviewed, set forth below, and based upon his knowledge and understanding of the 35 Acre Property. He will describe the surrounding developments, including the homes and other developments built to the east, west, south, and north of the 35 Acre Property and that this demonstrates that the soils and topography will allow development of residential units and a Skilled Nursing/Assisted Living/Carefree Living Facilities on the 35 Acre Property. He will support this testimony further with the documents, including the soils report, referenced below. He will conclude that the development of residential units is physically possible.

Mr. Lowie will describe the access to the 35 Acre Property and how that access could be developed from Hualapai Way and Alta Drive for residential development and a Skilled Nursing/Assisted Living/Carefree Living Facilities on the 35 Acre Property. He will testify that 35 Acre Property has 995 feet of frontage on Hualapai Way and 248 feet of frontage on Alta Drive. He will testify that the offsites, including curb, gutter, sidewalk, and landscaping are currently installed on Hualapai Way and Alta Drive.

Mr. Lowie will additionally testify that the 35 Acre Property is not in an active FEMA Flood Zone, there were little to no drainage flows entering the 35 Acre Property, the development of the 35 Acre Property with single family and multi-family residential uses will add little to no additional drainage to or from the 35 Acre Property and, therefore, any impacts to the downstream drainage are insignificant. He will testify that the natural drainage flow is generally from the western portion of the property to the eastern portion of the property. Mr. Lowie will further testify to all of the drainage work that was done on the nearby Tivoli Village as this work has provided him the knowledge and understanding of all relevant drainage issues in the area, including on the 35 Acre Property.

Mr. Lowie may also testify in regard to the location of the utilities for development and that the location of these utilities is sufficient for residential development.

Mr. Lowie will testify in regard to the topography of the 35 Acre Property and how this topography benefits development. He will further testify in regard to the grading work for the development of the 35 Acre Property and that the grading could be accomplished for the development of residential units and a Skilled Nursing/Assisted Living/Carefree Living Facilities on the property, based on his experience developing these types of properties and the data and documents referenced below.



1 Mr. Lowie will describe a potential 7, 16, or 61 lot residential use of the 35 Acre Property, how  
2 each could be configured, and how construction of homes on each of these lots could occur to  
3 support the physical possibility of such a residential use of the 35 Acre Property.

4 This testimony will be based on his knowledge and understanding of the 35 Acre Property and,  
5 specifically, the data and documents produced herewith and bated stamped FP WF 000001 – FP  
6 WF 000456, which also identifies each of these issues.

#### 7 **Legal Permissibility**

8 Mr. Lowie will testify in regard to the legal permissible uses of the 35 Acre Property. He will  
9 testify that the 35 Acre Property has at all times been designated for residential development, which  
10 also allows a Skilled Nursing/Assisted Living/Carefree Living Facilities. He will testify that,  
11 based on his experience in developing properties, zoning has been used to determine the legal  
12 permissible uses of the property. The permitted uses by right are based on the existing zoning,  
13 unless a higher zoning designation could be achieved. He will testify that, at all relevant times,  
14 the 35 Acre Property has been zoned R-PD7. He will testify that any relevant City land use plans  
15 also designated the 35 Acre Property for residential and professional uses.

#### 16 **Financial Feasibility**

17 Mr. Lowie will testify, based on his extensive experience in the development of properties in the  
18 City of Las Vegas and surrounding area, that, at all relevant times, it was financially feasible to  
19 develop the 35 Acre Property with single family and/or multi-family residential uses or a Skilled  
20 Nursing/Assisted Living/Carefree Living Facilities. Mr. Lowie will describe the surrounding area  
21 and development he was personally involved with in the surrounding area, as described herein and  
22 in his C.V.

23 Mr. Lowie will testify regarding the residential and Skilled Nursing/Assisted Living/Carefree  
24 Living Facilities real estate market as of the date of valuation and that this market was ideal for  
this type of development. He will testify that the Las Vegas market as of the relevant date of value  
would have supported the construction and sale of residential units on the 35 Acre Property and  
Skilled Nursing/Assisted Living/Carefree Living Facilities.

Mr. Lowie will testify that the location of the 35 Acre Property is a premium location for residential  
development at all relevant times. He will describe the surrounding residential developments,  
including the homes built in the Queensridge Community and the Summerlin Community and  
explain that these are some of the most sought-after residential developments in the City of Las  
Vegas. He will explain that the 35 Acre Property is one of few parcels in this area that is available  
for residential development.

Mr. Lowie will describe a potential 7, 16, or 61 lot residential use of the 35 Acre Property, how  
each could be configured, and how construction of homes on each of these lots could occur to  
support the financial feasibility of such a residential use of the 35 Acre Property.

23

24 ///

1 **Maximally Productive**

2 Mr. Lowie will testify in regard to the uses of the 35 Acre Property that are maximally productive  
3 based on his valuation analysis set forth below.

4 **Value**

5 **Before Condition Value – Mr. Lowie’s Opinion of Value for the 35 Acre Property as of  
September 14, 2017, with the R-PD7 zoning and without improper City interference.**

6 Mr. Lowie will testify to the value of the 35 Acre Property under two valuation approaches – the  
7 comparable sales approach and the subdivision approach.

8 **Comparable sales approach**

9 Mr. Lowie’s opinion of value under the comparable sales approach will be based on the sale of  
10 other similarly situated large parcels of property adjusted for differences.

11 Mr. Lowie’s opinion of value under the comparable sales approach is \$59-60 million in an as is  
12 condition, as of the date of value, but expecting entitlements.

13 The basis for Mr. Lowie’s opinion of value is the following:

14 Utilizing the information on land sold to Calida for apartments, attached.  
15 Care facility, assisted living, and nursing home data. This includes the development  
16 currently occurring - The Villas. See attached document, bate numbers YL WF 000777 –  
17 YL WF 000818.

18 \*Calida Sale (17 acres), attached.

19 \*RA sale to Intermountain (8.5 acres), attached.

20 \*Peccole sale of land near the intersection of Hualapai Way and Alta Drive,  
21 attached.

22 \*Calida Sale (RA acres), attached.

23 **Subdivision approach**

24 Mr. Lowie will testify that the subdivision approach is how properties, like the 35 Acre Property,  
are valued in the real world.

Valuation of the 35 Acre Property under a **61 Lots Scenario**

Total Value of each lot:	
Large lots approx. 1 acre plus	
15 lots	
Medium lots approx. .5 acre	
5 lots	
Small lots approx. .3 acres	
41 lots	
Total:	\$66,650,000
Minus Costs	\$7,904,429
Net value of entire property:	\$58,750,571

///

1 Valuation of the 35 Acre Property under a **16 Lots Scenario**  
2 Large lots approx.. - 4 acres  
3 Total: \$65,000,000  
4 Costs: \$6,017,620  
5 Net value of entire property: \$58,982,380

6 Valuation of the 35 Acre Property under a **7 Lots Scenario**: \$1,500,000 per acre  
7 Total: \$51,105,000 (34.07 x \$1,500,000 per acre)  
8 Costs: \$5,586,533  
9 Net Value of Entire Property: \$45,518,467

10 **Valuation of the 7 Lots when connected to the adjacent 180 acres and utilizing water rights.**  
11 Lots : \$52,500,000  
12 With Water Rights: \$16,000,000  
13 Total Value: \$68,500,000  
14 COST: \$5,586,533  
15 Net Value: \$62,913,467

16 The basis for Mr. Lowie's per lot valuations as set forth in the 7, 16, and 61 lot scenarios above  
17 is set forth in the produced documents and as follows:  
18 Lot sales in Discovery  
19 Lot sales in the Ridges  
20 Lot sales in Queensridge  
21 Other lot sales  
22 Market Demands as of the relevant date of valuation.  
23 See attached document numbered YL WF 000697 - YL WF 000700, which  
24 identifies these sales.

15 Mr. Lowie will further testify that a Skilled Nursing/Assisted Living/Carefree Living Facilities  
16 was reasonably probable on the 35 Acre Property as of the relevant date of valuation and that the  
17 value of the property applying this use is as follows:  
18 \$1,750,000 per acre  
19 TOTAL: \$59,500,000 (rounded) (34.07 acres x \$1,750,000 per acre).

18 The basis for Mr. Lowie's valuation of \$1,750,000 per acre for the Skilled Nursing/Assisted  
19 Living/Carefree Living Facilities is the sale to Calida at Rampart and Alta, see bates numbers YL  
20 WF 000701 - YL WF 000776, and the data and information related to that project identified as  
21 The Villas, see bates numbers YL WF 000777 – YL WF 000818.

20 Conclusion – Based upon the foregoing, Mr. Lowie will testify that the value of the 35 Acre  
21 Property, without improper City interference as of the relevant date of valuation, is \$58,000,000 -  
22 \$62,900,000.

22 **After Condition Value – Mr. Lowie's Opinion of Value for the 35 Acre Property as of**  
23 **September 14, 2017, with the improper City interference**  
24

1 Mr. Lowie will also testify to the value of the 35 Acre Property, as of the relevant date of valuation,  
2 considering the City's improper actions and interference with the development of the property  
3 including the facts and circumstances surrounding that interference, which are set forth in detail in  
**PLAINTIFF LANDOWNERS' MOTION TO DETERMINE TAKE AND FOR SUMMARY**  
**JUDGMENT ON THE FIRST, THIRD AND FOURTH CLAIMS FOR RELIEF.** Some of  
these City actions, include but are not limited to, the following:

4 The City required onerous Master Development Agreement (MDA).  
Every grossly unreasonable request the City made to use the 35 Acre Property  
5 The City's recommendation to submit development of 180 Land Co 35 Acre  
Property and the application/development process  
6 The City's denial of the 35 Acre application  
The City's denial of the MDA  
7 The City's denial of an access permit  
The City denial of a fence permit  
8 The City striking the 133 Acre Applications  
The City adoption of the Yohan Lowie Bills  
9 The City's bad acts including the City's intentions discovered thereafter via public  
records requests.

10 Mr. Lowie will testify as to the reasons provided by the City for each of these actions, including  
11 to preserve the 35 Acre Property for use by the surrounding property owners.

12 Mr. Lowie will testify that these City actions have precluded the use of the 35 Acre Property,  
13 resulting in the property remaining vacant, while the Landowners are required to pay any and all  
carrying costs.

14 Mr. Lowie will also testify that just one of the carrying costs is the real property tax of over  
\$200,000, which was imposed on the 35 Acre Property based on a lawful residential use of the  
15 property. He may also testify in regard to any and all matters related to how that tax was imposed  
on the 35 Acre Property in 2016. Mr. Lowie will testify that the Landowners have paid this real  
16 estate tax, which is currently over \$200,000 per year.

17 Conclusion – Mr. Lowie will testify that the value of the 35 Acre Property after the improper City  
interference is a negative value. He will testify that the City actions have precluded the use of the  
18 35 Acre Property as set forth above. He will testify that the loss of use of the 35 Acre Property,  
with the real estate tax burden and the additional costs for maintenance results in a negative value  
19 for the 35 Acre Property.

20 Mr. Lowie will testify in regard to all of the maintenance costs associated with the 35 Acre Property  
that have been incurred during the time the City has precluded use of the property, which costs are  
21 discussed more fully below.

22 Mr. Lowie may also testify in regard to any and all issues that may arise in regard to the past  
interim use of the 35 Acre Property as part of the Badlands golf course. He may testify in regard  
23 to all evidence showing how that golf course use was not contemplated as a long-term use of the  
property, that the use was never authorized, that the use was terminated prior to the date of  
24 valuation in this matter and why the use was terminated (it was not financially feasible), and that  
the golf course use is an illegal use as of the relevant date of valuation.

1 **Damages**

2 Mr. Lowie will testify in regard to any and all other damages that were incurred as a result of the  
3 City's interference with the use of the 35 Acre Property, which interference is set forth in the after-  
4 condition value, above. Mr. Lowie will also testify to all of those matters set forth in **PLAINTIFF**  
5 **LANDOWNERS' MOTION TO DETERMINE TAKE AND FOR SUMMARY**  
6 **JUDGMENT ON THE FIRST, THIRD AND FOURTH CLAIMS FOR RELIEF**, including  
specifically all of the City actions set forth therein. Mr. Lowie will testify that, as a result of all of  
these City actions, additional damages were incurred in that estimated amount of \$1,450,173.84.  
These damages are summarized and set forth in the documents produced herein. See specifically  
bate numbers YL WF 000518 – YL WF 000695, privilege log regarding attorney bills to follow.

7 The documents and exhibits Mr. Lowie has relied upon, in part, have been previously produced  
8 (see documents produced in regard to the acquisition of the 250 acre property and exhibits attached  
9 to Plaintiff Landowners' Motion to Determine Take and for Summary Judgment on the First,  
Third, and Fourth Claims for Relief) and further documents are produced herewith as bate numbers  
YL WF 000001 – YL WF 000696.

10 The testimony set forth above is not intended to be an exhaustive list and detail of any and all  
11 testimony Mr. Lowie will provide, but rather a summary of his testimony and this testimony will  
12 be further supplemented during his deposition and as discovery continues. Mr. Lowie will also  
respond to any and all expert opinions, arguments, testimony, or other matters that are presented  
by the City in this matter.

13 **12. Tio S. DiFederico, MAI**  
14 **The DiFederico Group**  
15 **7641 Post Road**  
**Las Vegas, NV 89113**  
**(702) 734-3030**

16 Mr. DiFederico's report, curriculum vitae, list of publications if any, list of depositions and  
17 testimony if any, fee schedule, work file and additional reviewed documents are disclosed  
18 herewith. Mr. DiFederico will testify to those matters, information, and opinions provided in the  
19 report(s) produced herewith (and any and all supplements thereto) and any and all matters,  
20 information and opinions which reasonably flows therefrom. Mr. DiFederico may also testify to  
21 those matters and information contained in the work file produced herewith and additional  
22 documents disclosed herein as well as all matters and information which may reasonably flow  
23 therefrom.

B. NRCP Rule 16.1(a)(1)(B) disclosure: A copy of, or a description by category and location of, all documents, data compilations, and tangible things that are in the possession, custody, or control of the party and which are discoverable under Rule 26(b):

II.

**INDEX TO PLAINTIFF LANDOWNERS' EARLY CASE CONFERENCE  
DISCLOSURES PURSUANT TO NRCP 16.1**

Docume nt No.	Description	Vol. No.	Bates No.
1	Map of 250 Acre Residential Zoned Land Identifying Each Parcel	1	LO 00000001
2	Bill No. Z-2001-1: Ordinance No. 5353 Dated 8.15.2001	1	LO 00000002-00000083
3	12.30.14 Letter City of Las Vegas to Frank Pankratz "Zoning Verification" letter	1	LO 00000084
4	11.16.16 City Council Meeting Transcript Items 101-107	1-2	LO 00000085-00000354
5	6.21.17 City Council Meeting Transcript Items 82, 130-134	2	LO 00000355-00000482
6	5.16.18 City Council Meeting Transcript Items 71, 74-83	2-3	LO 00000483-00000556
7	Notice of Entry of Findings of Fact, Conclusions of Law, Final Order and Judgment, Eighth Judicial District Court Case No. A-16-739654-C filed 1.31.17	3	LO 00000557-00000601
8	Intentionally left blank	3	LO 00000602-00000618
9	12.7.16 Letter From Jimerson to Jerbic	3	LO 00000619-00000627
10	City of Las Vegas' Answering Brief, Eighth Judicial District Court Case No. A-17-752344- J filed 10.23.17	3	LO 00000628-00000658
11	7.12.16 City of Las Vegas Planning Commission Meeting Transcript Excerpts Items 4, 6, 29-31, 32-35	3	LO 00000659-00000660
12	Staff Recommendation 10.18.16 Special Planning Commission Meeting	3	LO 00000661-00000679
13	10.18.16 Special Planning Commission Meeting Agenda Items 10-12 Summary Pages	3	LO 00000680-00000685
14	2.15.17 City Council Meeting Transcript Items 100-102	3-4	LO 00000686-00000813
15	LVMC 19.10.040	4	LO 00000814-00000816

1	16	LVMC 19.10.050	4	LO 00000817-00000818
2	17	Staff Recommendation 2.15.17 City Council Meeting GPA-62387, ZON-62392, SDR-62393	4	LO 00000819-00000839
3	18	2.15.17 City Council Agenda Summary Pages Items 100-102	4	LO 00000840-00000846
4	19	Seroka Campaign Contributions	4	LO 00000847-00000895
5	20	Crear Campaign Contributions	4	LO 00000896-00000929
6	21	2.14.17 Planning Commission Transcript Items 21-14 portions with video still	4	LO 00000930-00000931
7	22	35 Acre Applications: SDR-68481; TMP-68482; WVR-68480	4	LO 00000932-00000949
8	23	Staff Recommendation 6.21.17 City Council Meeting GPA-68385, WVR-68480, SDR-68481, TMP 68482	4	LO 00000950-00000976
9	24	8.2.17 City Council Meeting Transcript Item 8 (excerpt) and Items 53 and 51	4-5	LO 00000977-00001131
10	25	MDA Combined Documents	5	LO 00001132-00001179
11	26	Email between City Planning Section Manager, Peter Lowenstein, and Landowner representative Frank Pankratz dated 2.24.16	5	LO 00001180-00001182
12	27	Email between City Attorney Brad Jerbic and Landowner's land use attorney Stephanie Allen, dated 5.22.17	5	LO 00001183-00001187
13	28	16 versions of the MDA dating from January, 2016 to July, 2017	5-7	LO 00001188-00001835
14	29	The Two Fifty Development Agreement's Executive Summary	8	LO 00001836
15	30	City requested concessions signed by Landowners' representative dated 5.4.17	8	LO 00001837
16	31	Badlands Development Agreement CLV Comments, dated 11-5-15	8	LO 00001838-00001845
17	32	Two Fifty Development Agreement (MDA) Comparison - July 12, 2016 and May 22, 2017	8	LO 00001846-00001900
18	33	The Two Fifty Design Guidelines, development Standards and Uses, comparison of the March 17, 2016 and May, 2017 versions	8	LO 00001901-00001913
19	34	Seroka Campaign Literature	8	LO 00001914-00001919
20	35	2017-12-15 Thoughts on: Eglet-Prince Opioid Proposed Law Suit	8	LO 00001920-00001922
21	36		8	LO 00001923-00001938

1		Tax Assessor's Values for 250 Acre Residential Land		
2	37	City's Motion to Dismiss Eighth Judicial District Case No. A-18-773268-C, filed 7.02.18	8	LO 00001939-00001963
3	38	1.11.18 Hearing Transcript, Eighth Judicial District Court Case No. A-17-752344-J	8-9	LO 00001964-00002018
4	39	City's Motion to Dismiss Eighth Judicial District Case No. A-18-775804-J, filed 8.27.18	9	LO 00002019-00002046
5	40	Staff Recommendation 6.21.17 City Council Meeting DIR-70539	9	LO 00002047-00002072
6	41	9.6.17 City Council Meeting Agenda Summary Page for Item No. 26	9	LO 00002073-00002074
7	42	9.4.18 meeting submission for Item No. 4 by Stephanie Allen	9	LO 00002075
8	43	5.16.18 City Council Meeting Agenda Summary Page for Item No. 66	9	LO 00002076-00002077
9	44	5.16.18 City Council Meeting Transcript Item No. 66	9	LO 00002078-00002098
10	45	Bill No. 2018-5 "Proposed First Amendment (5-1-18 Update)"	9	LO 00002099-00002105
11	46	Bill No. 2018-24	9	LO 00002106-00002118
12	47	October/November 2017 Applications for the 133 Acre Parcel: GPA-7220; WVR-72004, 72007, 72010; SDR-72005, 72008, 72011; TMP-72006, 72009, 72012	9-10	LO 00002119-00002256
13	48	Staff Recommendation 5.16.18 City Council Meeting GPA-72220	10	LO 00002257-00002270
14	49	11.30.17 Justification Letter for GPA-72220	10	LO 00002271-00002273
15	50	2.21.18 City Council Meeting Transcript Items 122-131	10	LO 00002274-00002307
16	51	5.16.18 City Council Meeting Agenda Summary Page for Item Nos. 74-83	10	LO 00002308-00002321
17	52	3.21.18 City Council Meeting Agenda Summary Page for Item No. 47	10	LO 00002322-00002326
18	53	5.17.18 Letters from City to Applicant Re: Applications Stricken	10	LO 00002327-00002336
19	54	Coffin Email	10	LO 00002337-00002344
20	55	8.10.17 Application for Walls, Fences, Or Retaining Walls Single Lot Only	10	LO 00002345-00002352
21	56	8.24.17 Letter from City of Las Vegas to American Fence Company	10	LO 00002353



1	57	LVMC 19.16.100	10	LO 00002354-00002358
2	58	6.28.16 Letter from Mark Colloton to Victor Bolanos, City of Las Vegas public Works Dept.	10	LO 00002359-00002364
3	59	8.24.17 Letter from the City of Las Vegas to Seventy Acres, LLC	10	LO 00002365
4	60	1990 Peccole Ranch Master Plan	10	LO 00002366-00002387
5	61	1.3.18 City Council Meeting Transcript Item No. 78	10	LO 00002388-00002470
6	62	Exhibit F-1 2.22.16 with annotations	10	LO 00002471-00002472
7	63	Southern Nevada GIS – OpenWeb Info Mapper Parcel Information	10-11	LO 00002473-00002543
8	64	Southern Nevada GIS – OpenWeb Info Mapper Parcel Information	11	LO 00002544-00002545
9	65	Email between Frank Schreck and George West 11.2.16	11	LO 00002546-00002551
10	66	Master Declaration of Covenants, Conditions, Restrictions and Easement for Queensridge	11	LO 00002552-00002704
11	67	Amended and Restated Master Declaration of Covenants, Conditions, Restrictions and Easement for Queensridge effective 10.1.2000	11	LO 00002705
12	68	Findings of Fact, Conclusions of Law and Judgment Granting Defendants' Fore Stars, LTD., 180 Land Co LLC, Seventy Acres LLC, EHB Companies LLC, Yohan Lowie, Vickie Dehart and Frank Pankratz NRCP 12(b)(5) Motion to Dismiss Plaintiffs' Amended Complaint, Eighth Judicial District Court Case No. A-16-739654-C Filed 11.30.16	11	LO 00002706-00002730
13	69	Custom Lots at Queensridge North Purchase Agreement, Earnest Money Receipt and Escrow Instructions	11	LO 00002731-00002739
14	70	Land Use Hierarchy Exhibit	11	LO 00002740
15	71	2.14.17 Planning Commission Transcript Agenda Items 21-14	11-12	LO 00002741-00002820
16	72	Order Granting Plaintiffs' Petition for Judicial Review Eighth Judicial District Court Case No. A-17-752344-J filed 3.5.18	12	LO 00002821-00002834
17	73	City of Las Vegas' Reply in Support of Its Motion to Dismiss and Opposition to Petitioner's Countermotion to Stay Litigation, Eighth Judicial District Court Case No. A-17-758528-J filed on 12.21.17	12	LO 00002835-00002840
18	74	Notice of Entry of Order Denying Motion to Dismiss and [Granting] Countermotion to Stay	12	LO 00002841-00002849

1		Litigation, Eighth Judicial District Court Case No. A-17-758528-J filed on 2.2.18		
2	75	Complaint in Eighth Judicial District Court Case No. A434337 filed 5.7.01	12	LO 00002850-00002851
3	76	Email	12	LO 00002852
4	77	6.13.17 PC Meeting Transcript	12	LO 00002853-00002935
5	78	1.23.17 onsite Drainage Agreement	12	LO 00002936-00002947
6	79	9.11.18 PC – Hardstone Temp Permit Transcript	12	LO 00002948-00002958
7	80	Estate Lot Concepts	12	LO 00002959-00002963
8	81	Text Messages	12	LO 00002964-00002976
9	82	Intentionally left blank	12	Not bates stamped
10	83	Judge Smith Nov. 2016 Order	13	LO 00002977-00002982
11	84	Supreme Court Affirmance	13	LO 00002983-00002990
12	85	City Confirmation of R-PD7	13	LO 00002991-00003020
13	86	De Facto Case Law	13	LO 00003021-00003023
14	87	Johnson v. McCarran	13	LO 00003024-00003026
15	88	Boulder Karen v. Clark County	13	LO 00003027-00003092
16	89	Supreme Court Order Dismissing Appeal <i>in part</i> and Reinstating Briefing	13	LO 00003093-00003095
17	90	Bill No. 2018-24	13	LO 00003096-00003108
18	91	July 17, 2018 Hutchinson Letter in Opposition of Bill 2018-24	13	LO 00003109-00003111
19	92	October 15, 2018 Allen Letter in Opposition to Bill 2018-24 (Part 1 of 2)	13-14	LO 00003112-00003309
20	93	October 15, 2018 Allen Letter in Opposition to Bill 2018-24 (Part 2 of 2)	14-15	LO 00003310-00003562
21	94	Minutes from November 7, 2018 Recommending Committee Re Bill 2018-24	15	LO 00003563-00003564
22	95	Verbatim Transcript from October 15, 2018 Recommending Committee Re Bill 2018-24	15	LO 00003565-00003593
23	96	Minutes from November 7, 2018 City Council Hearing Re Bill 2018-24	15	LO 00003594-00003595
24	97	Verbatim Transcript from November 7, 2018 City Council Meeting Adopting Bill 2018-24	15-16	LO 00003596-00003829
	98	Supreme Court Order Denying Rehearing	16	LO 00003830-00003832
	99	Deposition of Greg Steven Goorjian	16	LO 00003833-00003884

1	100	2019.01.07 Robert Summerfield Email	16	LO 00003885
2	101	02.06.2019 Judge Williams' Order Nunc Pro Tunc Regarding Findings of Fact and Conclusion of Law Entered November 21, 2019	16	LO 00003886-00003891
3				
4	102	2019.02.15 Judge Sturman's Minute Order re Motion to Dismiss	16	LO 00003892
5	103	2019.01.23 Judge Bixler's Transcript of Proceedings	16	LO 00003893-00003924
6	104	2019.01.17 Judge Williams' Recorder's Transcript of Plaintiff's Request for Rehearing	16	LO 00003925-00003938
7	105	Approved Land Uses in Peccole Conceptual Plan	16	LO 00003939
8	106	2020 Master Plan – Southwest Sector Zoning	16	LO 00003940
9	107	35 Acre in Relation to Peccole Plan	16	LO 00003941
10	108	CLV Hearing Documents on Major Modifications	17	LO 00003942-00004034
11	109	GPA Code and Application	17	LO 00004035-00004044
12	110	Documents produced in Response to City of Las Vegas' First Set of Request for Production of Documents		LO 00004045- 00007607 (abandoned LO 6190-6215; 6243-6411; 6421-6704; 7436-7538)
13				
14	111	No Documents Assigned to this Bates range		LO 00007608-00008188
15	112	Documents produced in Response to City of Las Vegas' First Set of Request for Production of Documents		LO 00008189-00009861 (abandoned LO 9353-9833)
16				
17	113	Documents produced in Response to City of Las Vegas' First Set of Request for Production of Documents		LO 00009862-0010915
18	114	Documents produced in Response to City of Las Vegas' First Set of Request for Production of Documents		LO 0010916-0011440
19				
20	115	Documents produced in Response to City of Las Vegas' First Set of Request for Production of Documents, Request No. 5		LO 0011441-0012534
21				
22	116	Documents produced in Response to City of Las Vegas' First Request for Production of Documents to Plaintiff, Request No. 11		LO 0012535-0016083
23				
24	117	Documents produced in Response to City of Las Vegas' First Request for Production of Documents to Plaintiff, Request No. 2		LO 0016084-0018029

1	118	Documents produced in Response to City of Las Vegas' First Request for Production of Documents to Plaintiff, Request No. 6	LO 0018030-0018441
2			
3	119	Documents produced in Response to City of Las Vegas' First Request for Production of Documents to Plaintiff, Request No. 1	LO 0018442-0022899
4			
5	120	Documents produced in Response to City of Las Vegas' First Request for Production of Documents to Plaintiff, Request No. 14	LO 0022900-0025236
6			
7	121	Documents produced in Response to City of Las Vegas' First Request for Production of Documents to Plaintiff, Request No. 3	LO 0025237-0029411
8			
9	122	Documents produced in Response to City of Las Vegas' First Request for Production of Documents to Plaintiff, Request No. 5	LO 0029412-0033196
10			
11	123	Documents produced in Response to City of Las Vegas' First Request for Production of Documents to Plaintiff, Request No. 9	LO 0033197-0033795
12			
13	124	Documents produced in Response to City of Las Vegas' First Request for Production of Documents to Plaintiff, Request No. 5	LO 0033796-0033804
14			
15	125	Documents produced in Response to City of Las Vegas' Third Request for Production of Documents to Plaintiff, Request Nos. 24-27	LO 0033805-0033826
16			
17	126	Documents produced in Response to City of Las Vegas' Third Request for Production of Documents to Plaintiff, Request Nos. 28-29	LO 0033827-0034181
18			
19	127	Documents produced in Response to City of Las Vegas' Third Request for Production of Documents to Plaintiff, Request Nos. 24-27	LO 0034182-0034186
20			
21	128	Documents produced in Response to City of Las Vegas' Second Request for Production of Documents to Plaintiff, Request No. 21	LO 0034187-0034761
22			
23	129	Documents produced in Response to City of Las Vegas' Second Request for Production of Documents to Plaintiff, Request No. 22	LO 0034762-0035783
24			
	130	Documents produced in Response to City of Las Vegas' Second Request for Production of Documents to Plaintiff, Request No. 20	LO 0035784-0035819

1	131	Documents produced in Response to City of Las Vegas' Third Request for Production of Documents to Plaintiff, Request Nos. 24-27	<i>LO 0033817</i>
2			
3	132	Documents produced in Response to City of Las Vegas' Third Request for Production of Documents to Plaintiff, Request Nos. 28-29	<i>LO 0034115-0034116</i>
4			
5	133	Clear and Grub files	LO 0035820-0035851
6	134	Documents produced in Response to City of Las Vegas' Second Request for Production of Documents to Plaintiff, Request No. 18	LO 0035852-0035858
7			
8	135	Documents produced in Response to City of Las Vegas' Second Request for Production of Documents to Fore Stars, Request No. 9	LO 0035859-0035896
9			
10	136	Documents <i>identified</i> in Response to City of Las Vegas' Second Request for Production of Documents to Fore Stars, Request No. 8	Privileged and Confidential LO 0035897-0035903
11			
12	137	Documents produced in Response to City of Las Vegas' Second Request for Production of Documents to Fore Stars, Request No. 6	LO 0035904-0035969
13			
14	138	Documents produced in Response to City of Las Vegas' Second Request for Production of Documents to Fore Stars, Request No. 1	LO 0035970-0035972
15			
16	139	Documents produced in Response to City of Las Vegas' Second Request for Production of Documents to Fore Stars, Request No. 7	LO 0035973-0036601
17			
18	140	Documents produced in Response to City of Las Vegas' Second Request for Production of Documents to Fore Stars, Request No. 7	LO 0036602-0036806
19	141	Native Files	LO35 00000001-00009668
20			
21	142	Documents released from Privilege Log responsive to Request for Production of Documents to Plaintiff, Request No. 1	LO 00004063-00004079 <i>also produced as</i> LO 0036807-0036823
22			
23	143	Documents <i>identified</i> in Response to City of Las Vegas' Second Request for Production of Documents to Fore Stars, Request No. 8	Amended Privileged and Confidential <i>LO 0035897-0035903</i>
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144	Documents produced in Response to City of Las Vegas' Third Request for Production of Documents to Fore Stars, Request No. 12		LO 0037065-0037112
145	Documents produced in Response to City of Las Vegas' Third Request for Production of Documents to Fore Stars, Request No. 13		LO 0037113-0037258
146	Documents produced in Response to City of Las Vegas' Third Request for Production of Documents to Fore Stars, Request No. 14		LO 0037259-0037279
147	Documents previously produced <i>LO 0037070-0037093</i> in Response to City of Las Vegas' Third Request for Production of Documents to Fore Stars, Request No. 12 <i>redactions</i>		LO 0037070-0037093
148	<i>Confidential Information</i> Documents produced in Response to Request for Production of Documents to Plaintiff 180 Land Co. LLC, Request No. 16		LO 0037280-0037661
149	Photos taken by cameras installed on the Property		LO 0037662-0037821
<b>150</b>	<b>Yohan Lowie Work File</b> <i>*Contains Documents Under Protective Order</i>		<b>YL WF 000001-</b> <b>YL WF 000818</b>
<b>151</b>	<b>Frank Pankratz Work File</b>		<b>FP WF 000001-</b> <b>FP WF 000456</b>
<b>152</b>	<b>The DiFederico Group Report</b>		<b>TDG Rpt 000001-</b> <b>TDG Rpt 000136</b>
<b>153</b>	<b>The DiFederico Group Work File and Additional Documents Considered by The DiFederico Group</b>		<b>TDG WF 000001-</b> <b>TDG WF 006593</b>  <b>FP WF 000001-</b> <b>FP WF 000456</b>

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III.

**COMPUTATION OF DAMAGES**

C. A computation of any category of damages claimed by the disclosing party, making available for inspection and copying as under Rule 34 the documents or other evidentiary matter, not privileged or protected from disclosure, on which such computation is based, including materials bearing on the nature and extent of injuries suffered:

**Objection:** The Landowners object to disclosing the computation of any category of “damages” at this time as this information requires the preparation of expert reports that will be produced in the normal course of discovery as provided in the Nevada Discovery Rules. The Landowners further object to disclosing any category of “damages” as discovery has been bifurcated, the damages/just compensation phase of discovery has not commenced yet. Additionally, the computation of any category of “damages” may contain attorney work product, privileged information, and may require legal instructions or court rulings, accordingly, the same cannot be produced at this time.

The Landowners will disclose their expert opinions/testimony regarding the just compensation owed pursuant to NRCP 16.1(a)(2) and in accordance with the scheduling order set in this matter.

The Landowners further object to disclosing the computation of any category of “damages” at this time as the date of value has not be determined by the Court. Without waiving said objections, and assuming the date of value is on or about September 7, 2017 (the date the inverse condemnation claims were filed and served on the City) the Landowners’ preliminary estimate of damages (just compensation) for the total taking of the 35 Acre Property (APN 138-31-201-005) is approximately \$54 Million. This is an average of the per acre value assigned by the following: 1) an appraisal report prepared by Lubawy and Associates of seventy acres of property formerly known as APN 138-32-301-004 at + \$700,510/acre as of July 2015; 2) an offer to purchase 16-18 acres of the seventy-acre property formerly known as APN 138-32-301-004 for + \$1,525,000/acre as of December 2015; and, 3) the sale of APN 138-32-314-001 for + \$2,478,000/acre as of August 2019. This computation will be supplemented upon the completion of expert reports, if needed, or as otherwise deemed necessary in this matter. The Landowners’ damages also include

1 pre-judgment and post-judgment interest and attorney fees and costs, which will be calculated after  
2 trial.

3 The Landowners' damages also include property tax payments (which are public record).

4 *This computation will be supplemented upon the completion of expert reports, if needed,*  
5 *or as otherwise deemed necessary in this matter*

6 **First Supplement to Damage Calculation**

7 See the Expert Report and Work file of Tio DiFederico produced herewith, as well as  
8 Mr. Lowie's disclosures also provided herewith.

9 **IV.**

10 **POTENTIALLY APPLICABLE INSURANCE AGREEMENTS**

11 **D. For inspection and copying as under Rule 34 any insurance agreement under which**  
12 **any person carrying on an insurance business may be liable to satisfy party or all of**  
13 **a judgment which may be entered in the action to indemnify or reimburse for**  
14 **payments made to satisfy the judgment and any disclaimer or limitation of coverage**  
15 **or reservation or frights under any such insurance agreement:**

16 N/A

17 The Landowners incorporate by reference herein all witnesses and documents disclosed by  
18 other parties to this action, including those documents attached to pleadings or papers in this  
19 matter. The Landowners further reserve the right to supplement and/or amend these disclosures  
20 as discovery continues. The Landowners also reserve the right to object to the introduction and/or  
21 admissibility of any document at the time of trial.

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***THE LANDOWNERS RESERVE THE RIGHT TO SUPPLEMENT AND/OR AMEND  
THESE DISCLOSURES AS DEEMED NECESSARY IN THIS MATTER.***

DATED this 27<sup>th</sup> day of April, 2021.

**LAW OFFICES OF KERMITT L. WATERS**

BY: /s/ Kermitt L. Waters  
KERMITT L. WATERS, ESQ.  
Nevada Bar. No.2571  
JAMES J. LEAVITT, ESQ.  
Nevada Bar No. 6032  
MICHAEL SCHNEIDER, ESQ.  
Nevada Bar No. 8887  
AUTUMN WATERS, ESQ.  
Nevada Bar No. 8917  
*Attorneys for Plaintiffs Landowner*

1 **CERTIFICATE OF SERVICE**

2 Pursuant to Nev. R. Civ. P. 5(b)(2)(D) and E.D.C.R. 8.05, I hereby certify that on the 27<sup>th</sup>  
3 day of April, 2021, I caused a true and correct copy of the PLAINTIFF LANDOWNERS'  
4 TWENTY-SECOND SUPPLEMENT TO INITIAL WITNESS LIST AND DISCLOSURES  
5 PURSUANT TO NRCP 16.1-Initial Expert Disclosure, to be submitted electronically for filing  
6 and service via the Court's E-Filing system on the parties listed below. The date and time of the  
7 electronic proof of service is in place of the date and place of deposit in the mail.

8 **McDONALD CARANO LLP**

9 George F. Ogilvie, III, Esq.  
10 Amanda C. Yen, Esq.  
11 Christopher Molina, Esq.  
12 2300 W. Sahara Avenue, Suite 1200  
Las Vegas, Nevada 89102  
[gogilvie@mcdonaldcarano.com](mailto:gogilvie@mcdonaldcarano.com)  
[ayen@mcdonaldcarano.com](mailto:ayen@mcdonaldcarano.com)  
[cmolina@mcdonaldcarano.com](mailto:cmolina@mcdonaldcarano.com)

13 **[X] Hand delivery CD containing documents Bates-Stamped**  
14 **FP WF 000001-FP -WF 000456**  
**TDG Rpt 000001-TDG Rpt 000136**  
**TDG WF 000001- TDG WF 006593**  
15 **YL WF 000001-000818**

16 **LAW VEGAS CITY ATTORNEY'S OFFICE**

17 Bryan K. Scott, Esq.  
18 Philip R. Byrnes, Esq.  
19 Seth T. Floyd, Esq.  
20 495 South Main Street, 6th Floor  
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/s/Evelyn Washington

Employee of LAW OFFICES OF KERMIT L. WATERS

## **DONALD T. RICHARDS**

**3201 Marina Port Circle  
Las Vegas, NV 89117**

### **WORK EXPERIENCE:**

#### **(2014 – Present) King Commercial Property Management Group, Sahara Center, Las Vegas NV - Operations and Site Development Manager**

- Responsibilities include operational management and site development management of two 40-acre commercial sites and a 250-acre golf course.
- Owner's representative at all their commercial sites for (TI) design and development and new tenant projects presently under construction.

#### **(2011 – 2014) Commercial Property Management, Tivoli Village, Las Vegas, NV Operations Manager**

- Responsible for the daily operational management of a 10 acre "Mix Use Urban Village".
- Develop and manage CAM Operation's yearly budget (\$3.2MM). Negotiate and executed all contracts for outsourced services. Outsourced services include building mechanical, plumbing, electrical and data systems, life safety systems (fire), security, valet, housekeeping and HVAC contractors.
- Manage in house engineering staff and landscape site maintenance staff.
- Assist General Manager and Marketing with operational management at all special events.
- Manage all new and existing tenant improvement (TI) projects.
- Developed and managed Preventative Maintenance Service program and Emergency Action Plan.

#### **(2006 – 2011) Executive Home Builders, Las Vegas, NV - Director of Site Development & Landscape Architecture**

- Responsible for the management of all phases of site development and landscape design / development for two major projects in Las Vegas, NV.
  - Queensridge Towers, a \$400MM, 214-Unit luxury high-rise condominiums
  - Tivoli Village, a \$900MM, mix use urban community area / outdoor retail center
- Negotiated all on site subcontractor contracts and managed material purchasing.
- Manage (45) field personnel performing in-house concrete, landscape and site development work.
- Performed daily field inspections of all site work including coordination of work scheduling and sequencing.
- Integrated all site work with general construction including management of SWPPP and safety coordination.
- Directed regular site walk and inspections with Owners, Financial Investors, City and OSHA Inspectors.

#### **(2005 – 2006) Focus Property Group, Las Vegas, NV - Director of Landscape Architecture / Director Design Review Committee**

- Manage all landscape, hardscape and site development from conceptual development to construction document production for six Master Planned Communities.
  - Combined project landscape budget in excess of \$200MM
- Managed outsource landscape architects and developed landscape and site design criteria for each project.
- Managed the processing and approval of civil plans, plot plan review, architectural and landscape product submittals at each community as Director of the Design Review Committee.
- Enforced all Builder Non-Compliance Issues.
- Negotiated contracts for all nursery stock to insure product availability, pricing and quality.
- Worked closely with SNWA and irrigation product manufacturers to develop a "water smart" community with responsible landscape design and "cutting edge" irrigation technology.

**(2004 – 2005) Carina Communities, Las Vegas, NV – Director of Landscape Development**

- Managed all of the landscape and site development improvements for Carina Communities.
- Designed all commercial pools, landscape streetscapes, hardscapes and open spaces.
- Worked closely with Carina departments (Land Development, Housing, and Marketing) and various Architects and Engineers throughout the design development and construction process.
- Developed project budgets and manage the design process from conceptual design to construction documents and installation to ensure product quality and cost control.
- Managed all contract administration, purchasing of Owner supplied materials such as specimen trees, project construction and scheduling.

**(2003 – 2004) Gothic Landscape, Inc., NV – Project Manager**

- Managed all landscape and general engineering projects at Aliante, a Master Planned Community.
  - Scope of work included all streetscapes, hardscapes, greenbelts, golf course planting, one 10 acre and one 15acre multi use park
- Directed all direct cost estimating, bid solicitation, award of contracts, contract administration, construction project management and scheduling.
- Negotiated contracts with the project owner American Nevada Corporation.
- Worked with the landscape architect and owner to maintain the owner's aggressive construction schedule, control development costs and ensure product quality.

**(1998 – 2003) Del Webb Communities, NV – Landscape Division Manager**

- Managed Del Webb's custom residential Landscape Design Center.
  - Within one year, the department grew to 20% net profit on \$5MM gross sales per year
- Developed cost saving programs by expanding the Landscape Design Department services to include in-house production of residential plot plans, landscape design and construction management of model parks, streetscapes, public parks, commercial pools and desert re-vegetation program.
  - In-house plot plan service realized a 250% increase in plot plan production per week with improved accuracy and considerable reduction of outsourced A/E direct costs
  - In-house re-design of the desert re-vegetation program produced \$1MM construction cost savings at the second golf course built at Anthem

**(1995 – 1998) Richards & Emert, Sacramento, CA – Co-Owner**

- Oversaw all landscape and general engineering work related to large master planned communities, public, federal and municipal projects.
  - Ten million dollars in gross sales within first two years of operation
  - Major projects include Spanos Park, a master planned community in Stockton, CA, South Davis Park, Davis, CA and Lakeside, a master planned community in Elk Grove, CA.

**(1994 – 1995) California Landscape, Inc., Sacramento, CA – VP / Branch Manager**

- Manager of a large landscape and general engineering contractor based in Southern California.
- Hired to open Northern California office.
  - Generated \$8MM in gross sales in the Sacramento market in first year of operation
  - Projects included master planned residential communities, public, municipal, commercial landscape and general engineering development.

**(1989 – 1994) Valley Crest Landscape, Pleasanton, CA – Business Developer**

- Developed business center for a large landscape and general engineering construction company.
- Directed all new business development in the Sacramento area.
  - Projects included large master plan communities, public works, federal and municipal projects as well as large commercial projects throughout Northern California
  - Participated in the development of one public and three private golf courses in Northern California.
- Managed design / build landscape development of the Safeway Distribution Center in Tracy, CA. The project returned a 40% net profit for the company
  - Top ten in National Sales 1992 & 1993.
  - Number one in National Sales 1994 with \$27MM in gross sales.

**(1979 – 1989) Don Richards Landscape & Maintenance, Visalia, CA – Owner**

- Specialized in design build residential and commercial landscape construction and agriculture irrigation design and construction.
  - Projects included custom residential homes with enhanced landscape and site development improvements, landscape design / development of commercial buildings, strip malls, community parks and agriculture irrigation projects.

**(1974 – 1979) Don Richards Landscape & Maintenance, Los Angeles, CA – Owner**

- Operated design build residential and commercial landscape construction and maintenance company.
  - Projects included custom residential homes in the greater Los Angeles area and all commercial centers developed by Fazio Markets from San Diego to Ventura.

**EDUCATION:**

1970 – 1972      AA Degree, Los Angeles Pierce Junior College, Los Angeles, CA  
1972 – 1974      Biology, California State University, Northridge, Northridge, CA  
1975 – 1976      Landscape Architecture, University California Los Angeles, Los Angeles, CA

**LICENSES / CERTIFICATIONS:**

C-27 Landscape Contractor, State of California (inactive)  
OSHA 30 Certified  
First Aid, CPR & AED Certified  
SWPPP Certified  
Clark County Air Quality Dust Control Certified  
Lift equipment Certified  
Safety & fall protection Certified  
Laser equipment Certified  
Scaffold erection Certified  
Powdered activated tool Certified

**AWARDS / HONORS:**

1985 Landscape Beautification Award, City of Visalia, CA - Security Pacific Bank Plaza  
1996 Credited Landscape Architect (grandfathered), State of California  
2007 Realtor Magazine Commercial Landscape of the Year, City of Las Vegas, NV - Queensridge Towers  
2011 Best of Las Vegas Commercial Landscape & Architecture Award, City of Las Vegas, NV - Tivoli Village

Frank Pankratz

As the President of EHB Companies ([ebbcompanies.com](http://ebbcompanies.com)) since 2003, Frank Pankratz is uniquely suited for this position and the related responsibilities. Having a solid education and business background, he is a senior real estate executive with proven leadership performance; with his team members he holds a long record of achieving superior results in large volume homebuilding operations and master-planned community developments. He has extensive operational and leadership experience complementing EHB's diverse real estate development activities ranging from extraordinary high-quality custom homes, high-end vertical multi-family, neighborhood shopping centers, office, industrial and land development.

Mr. Pankratz previously, over a sixteen-year period served in a management capacity with Pulte and Del Webb Corporations, most recently as the Arizona Group President, during which time nearly 3,900 homes were sold in 2002. Prior thereto he was President of Del Webb's Nevada and Eastern Communities (Chicago, Virginia, S. Carolina, and Florida), General Manager of Del Webb's S. California operations and had oversight of those in N. California.

In addition to being responsible for a period for Del Webb's commercial and construction components, he participated as a senior management team member in the national evaluation of expansion of Del Webb's active adult offering into new markets and served as executive in charge in various regions and participated in developing/directing the company's profitable growth including strategic land acquisitions, product and systems efficiency improvements and ongoing operations.

Real estate developments over which he had a management role were consistently best sellers in their respective markets. This included Del Webb's Southern and Northern California communities through the very long and deep California real estate downturn in the early/mid 1990's.

Mr. Pankratz was either the local executive in charge or part of the management team, over many years, of numerous large developments, some being start-ups and/or joint ventures, including:

- Alliant – 2,000 acres in North Las Vegas, NV – Del Webb with American Nevada Corporation
- General Manager of Del Webb's:
  - Sun City Palm Desert, S. Calif – 1,700 acres/5,000 homes; initially Del Webb with Sunrise Company
  - Anthem, Las Vegas, NV – 5,000 acres/13,700 homes.
  - Sun City Summerlin, Las Vegas, NV 1,500 acres/7,800 homes

- Sun City MacDonald Ranch, Henderson, NV – 600 acres/2800 homes
- Oversight manager:
  - Sun City Roseville, N. Calif – 1,200 acres/3,200 homes
  - Sun City Lincoln Hills. N. Calif – 3,000 acres/6,800 homes.
- The Foothills, Phoenix, AZ – 4,200 acres - Del Webb with Burns International
- Mountain Park Ranch, Phoenix, AZ – 2,500 acres – Genstar with American Continental Corporation
- Gila Springs, Chandler, AZ – 320 acres – Marlboro with Pima S&L
- The Quadrangles, Tempe, AZ - 510 apartments – Marlboro with Blue Valley S&L
- Central Park Square, Phoenix, AZ – 215,000 sq. ft. 15 story mid-rise office – GM Horton Corporation with Martens Development
- A Denver metro and two Colorado Springs apartment projects totaling 900+ apartments – GM Horton Corporation
- Bernardo Heights, San Diego, S. Calif. master planned golf course community – 1,000 acres/3,600 homes
- Penasquitos Properties, San Diego, S. Calif – 5,000 acres

Mr. Pankratz, from an early age gained a broad experience in agriculture – grain, livestock, mechanics, and construction, having been raised on a large diverse farm in Saskatchewan, Canada. He went on to gain his Bachelor of Commerce degree at University of Saskatchewan, his Canadian Chartered Accountant (CA) designation via McGill University, and, articulated for his CA at Deloitte Touche, in Montreal. He then joined Genstar, a large diversified operating company in construction, land development, homebuilding, manufacturing, tug and barge operations and ship building, to head from Vancouver, BC, its western Canadian audit department. He was transferred to San Francisco as part of the management team for startup of diverse international transportation joint ventures to provide worldwide tug and barge operations as well as both stevedoring and trucking operations in Saudi Arabia.

Mr. Pankratz has received several prestigious real estate industry awards and recognitions including the Desert Chapter's Builder of the Year in 1993 from the Building Industry Association of Southern California, Southern California Desert Contractor's Association's Developer of the Year in 1993, and was inducted into California Builder's Hall of Fame in 1995.

Yohan Lowie, Principal and Chief Executive Officer

Yohan is the CEO and co-founder with Paul and Vickie DeHart of Executive Home Builders, Inc. (EHB). EHB is one of the most prestigious and highly respected custom home developers in Las Vegas. Yohan's developments include The Nevada Supreme Court and Appellate Court building, One Queensridge Place, Tivoli Village, Sahara Center, Durango Commons, Lake Sahara Plaza 1 & 2, Fort Apache Commons Shopping Center, The Villas Senior Care, as well as 40 Custom Homes in the Queensridge Neighborhood.

Previously, Yohan was CEO and founder of Mirage Estates, a company that acquired, subdivided/entitled land and planned, designed, and constructed largely with its own labor base, custom and semi-custom homes in Las Vegas.

Yohan has been in the real estate development business in Las Vegas since 1993. Previously, he was General Manager and Co-Principal of the Contractors State Licensing School in California which during his three-year ownership expanded from seven to eleven schools throughout the state. Yohan came to the United States in 1986. He was born and raised in Israel where he served in one of the Israeli army elite units for four years.

Yohan's real estate experience includes land acquisition, entitlements, and development; custom and production home building; commercial office and retail construction, leasing and management; nursing home design, development and construction; and the design of high-rise condominiums.

Yohan's expertise in procurement, design, craftsmanship and use of stone materials in his buildings significantly distinguishes his offerings as very high-end, quality, and unique in the marketplace and sets them apart from the competition.

Yohan's success is a result of the combination of his commitment, passion, strong work ethic, expertise in design and construction, attention to details, understanding of costs, commitment to quality, knowledge of building materials, craftsmanship, strong interpersonal skills, and entrepreneurial acumen.



## **Developments**

### **Commercial/ Mixed Use**

**Tivoli Village:** Located at Rampart Blvd and Alta Drive at the Edge of Summerlin, Tivoli Village features over 785,000 sq ft of retail, restaurant, and office space. Tivoli Village is comprised of 18 unique buildings with distinctive architecture.

**Sahara Center:** Sahara Center is an \$85 Million dollar, 220,000 sq ft retail center anchored by the 3<sup>rd</sup> highest grossing Sprouts in the nation, as well as TJ Maxx, HomeGoods and Petco.

**Charleston Stone Mart:** 22,000 Sq ft. located at the northeast corner of Durango Drive and Charleston Ave.

**Fort Apache Commons:** 65,000 Sq Ft. located at the southwest corner of Fort Apache Drive and Charleston Ave.

**Lake Sahara Plaza 1 and 2:** 153,000 S Ft. located at the Southwest corner of Sahara Drive and Durango Drive.

### **Luxury High-Rise**

**One Queensridge Place:** Features 219 Condominiums with an average unit size of 3,500 sq ft. with total sales of over \$500 Million.

### **Government**

**Nevada Supreme and Appellate Courthouse:** Comprised of 26,100 sq ft office building houses offices and chambers for both the Supreme Court of Nevada and Nevada Court of Appeals, as well as a 72-seat grand courtroom for oral arguments.

### **Senior Care**

**The Villa's:** A 12-room Assisted Living care facility for Seniors located on the corner of Tropical Parkway and Corbett Street.

**Custom Residential in Queensridge**

1	9301 Verlaine Court, Las Vegas, NV 89145
2	9309 Verlaine Court, Las Vegas, NV 89145
3	9313 Verlaine Court, Las Vegas, NV 89145
4	9317 Verlaine Court, Las Vegas, NV 89145
5	9325 Verlaine Court, Las Vegas, NV 89145
6	9401 Verlaine Court, Las Vegas, NV 89145
7	9405 Verlaine Court, Las Vegas, NV 89145
8	9409 Kings Gate Court, Las Vegas, NV 89145
9	9409 Verlaine Court, Las Vegas, NV 89145
10	9413 Verlaine Court, Las Vegas, NV 89145
11	9417 Verlaine Court, Las Vegas, NV 89145
12	9421 Verlaine Court, Las Vegas, NV 89145
13	9425 Verlaine Court, Las Vegas, NV 89145
14	9501 Kings Gate Court, Las Vegas, NV 89145
15	9501 Verlaine Court, Las Vegas, NV 89145
16	9504 Kings Gate, Las Vegas, NV 89145
17	9505 Kings Gate, Las Vegas, NV 89145
18	9505 Verlaine Court, Las Vegas, NV 89145
19	9509 Verlaine Court, Las Vegas, NV 89145
20	9513 Verlaine Court, Las Vegas, NV 89145
21	9517 Verlaine Court, Las Vegas, NV 89145
22	9521 Verlaine Court, Las Vegas, NV 89145
23	9525 Verlaine Court, Las Vegas, NV 89145
24	9601 Verlaine Court, Las Vegas, NV 89145
25	9605 Verlaine Court, Las Vegas, NV 89145
26	9609 Verlaine Court, Las Vegas, NV 89145
27	9613 Verlaine Court, Las Vegas, NV 89145
28	9617 Verlaine Court, Las Vegas, NV 89145
29	9621 Verlaine Court, Las Vegas, NV 89145
30	9705 Winter Palace, Las Vegas, NV 89145
31	9708 Winter Palace, Las Vegas, NV 89145
32	9709 Winter Palace, Las Vegas, NV 89145
33	9713 Winter Palace, Las Vegas, NV 89145
34	9720 Winter Palace, Las Vegas, NV 89145
35	9724 Verlaine Court, Las Vegas, NV 89145
36	9800 Winter Palace, Las Vegas, NV 89145
37	9801 Orient Express, Las Vegas, NV 89145

38	9804 Winter Palace, Las Vegas, NV 89145
39	9817 Winter Palace, Las Vegas, NV 89145
40	9821 Orient Express, Las Vegas, NV 89145

0397

14438

# Exhibit 14

GENERAL INFORMATION	
PARCEL NO.	138-31-601-008
OWNER AND MAILING ADDRESS	180 LAND CO L L C %V DEHART 1215 S FORT APACHE RD #120 LAS VEGAS NV 89117
LOCATION ADDRESS CITY/UNINCORPORATED TOWN	LAS VEGAS
ASSESSOR DESCRIPTION	PARCEL MAP FILE 121 PAGE 100 LOT 2
RECORDED DOCUMENT NO.	* 20151116:00238
RECORDED DATE	Nov 16 2015
VESTING	NS

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

ASSESSMENT INFORMATION AND VALUE EXCLUDED FROM PARTIAL ABATEMENT	
TAX DISTRICT	200
APPRAISAL YEAR	2017
FISCAL YEAR	2018-19
SUPPLEMENTAL IMPROVEMENT VALUE	0
INCREMENTAL LAND	0
INCREMENTAL IMPROVEMENTS	0

REAL PROPERTY ASSESSED VALUE		
FISCAL YEAR	2017-18	2018-19
LAND	3669671	3669671
IMPROVEMENTS	0	0
PERSONAL PROPERTY	0	0
EXEMPT	0	0
GROSS ASSESSED (SUBTOTAL)	3669671	3669671
TAXABLE LAND+IMP (SUBTOTAL)	10484774	10484774
COMMON ELEMENT ALLOCATION ASSD	0	0
TOTAL ASSESSED VALUE	3669671	3669671
TOTAL TAXABLE VALUE	10484774	10484774

ESTIMATED LOT SIZE AND APPRAISAL INFORMATION	
ESTIMATED SIZE	22.19 Acres
ORIGINAL CONST. YEAR	0
LAST SALE PRICE MONTH/YEAR SALE TYPE	0
LAND USE	12.000 - Vacant - Single Family Residential
DWELLING UNITS	0

PRIMARY RESIDENTIAL STRUCTURE
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001164

<http://sandgate.co.clark.nv.us/assrealprop/ParcelDetail.aspx?hdnParcel=13831601008&hdn...> 9/7/2018

LO 00001923

0398

14440

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

001165

<http://sandgate.co.clark.nv.us/assrrealprop/ParcelDetail.aspx?hdnParcel=13831601008&hdn...> 9/7/2018  
EO 00001924

0399

14441

GENERAL INFORMATION	
PARCEL NO.	138-31-702-003
OWNER AND MAILING ADDRESS	180 LAND CO L L C %V DEHART 1215 S FORT APACHE RD #120 LAS VEGAS NV 89117
LOCATION ADDRESS CITY/UNINCORPORATED TOWN	LAS VEGAS
ASSESSOR DESCRIPTION	PARCEL MAP FILE 121 PAGE 100 LOT 3
RECORDED DOCUMENT NO.	* 20151116:00238
RECORDED DATE	Nov 16 2015
VESTING	NS

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

ASSESSMENT INFORMATION AND VALUE EXCLUDED FROM PARTIAL ABATEMENT	
TAX DISTRICT	200
APPRAISAL YEAR	2017
FISCAL YEAR	2018-19
SUPPLEMENTAL IMPROVEMENT VALUE	0
INCREMENTAL LAND	0
INCREMENTAL IMPROVEMENTS	0

REAL PROPERTY ASSESSED VALUE		
FISCAL YEAR	2017-18	2018-19
LAND	8198815	8198815
IMPROVEMENTS	0	0
PERSONAL PROPERTY	0	0
EXEMPT	0	0
GROSS ASSESSED (SUBTOTAL)	8198815	8198815
TAXABLE LAND+IMP (SUBTOTAL)	23425186	23425186
COMMON ELEMENT ALLOCATION ASSD	0	0
TOTAL ASSESSED VALUE	8198815	8198815
TOTAL TAXABLE VALUE	23425186	23425186

ESTIMATED LOT SIZE AND APPRAISAL INFORMATION	
ESTIMATED SIZE	76.93 Acres
ORIGINAL CONST. YEAR	0
LAST SALE PRICE MONTH/YEAR SALE TYPE	0
LAND USE	12.000 - Vacant - Single Family Residential
DWELLING UNITS	0

PRIMARY RESIDENTIAL STRUCTURE
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001166

<http://sandgate.co.clark.nv.us/assrrealprop/ParcelDetail.aspx?hdnParcel=13831702003&hdn...> 9/7/2018  
LO 00001925  
0400

14442

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

001167

<http://sandgate.co.clark.nv.us/assrrealprop/ParcelDetail.aspx?hdnParcel=13831702003&hdn...> 9/7/2018

LO 00001926

0401

14443



GENERAL INFORMATION	
PARCEL NO.	138-31-702-004
OWNER AND MAILING ADDRESS	180 LAND CO L L C %V DEHART 1215 S FORT APACHE RD #120 LAS VEGAS NV 89117
LOCATION ADDRESS CITY/UNINCORPORATED TOWN	LAS VEGAS
ASSESSOR DESCRIPTION	PARCEL MAP FILE 121 PAGE 100 LOT 4
RECORDED DOCUMENT NO.	* 20151116:00238
RECORDED DATE	Nov 16 2015
VESTING	NS

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

ASSESSMENT INFORMATION AND VALUE EXCLUDED FROM PARTIAL ABATEMENT	
TAX DISTRICT	200
APPRAISAL YEAR	2017
FISCAL YEAR	2018-19
SUPPLEMENTAL IMPROVEMENT VALUE	0
INCREMENTAL LAND	0
INCREMENTAL IMPROVEMENTS	0

REAL PROPERTY ASSESSED VALUE		
FISCAL YEAR	2017-18	2018-19
LAND	4223310	4223310
IMPROVEMENTS	0	0
PERSONAL PROPERTY	0	0
EXEMPT	0	0
GROSS ASSESSED (SUBTOTAL)	4223310	4223310
TAXABLE LAND+IMP (SUBTOTAL)	12066600	12066600
COMMON ELEMENT ALLOCATION ASSD	0	0
TOTAL ASSESSED VALUE	4223310	4223310
TOTAL TAXABLE VALUE	12066600	12066600

ESTIMATED LOT SIZE AND APPRAISAL INFORMATION	
ESTIMATED SIZE	33.80 Acres
ORIGINAL CONST. YEAR	0
LAST SALE PRICE MONTH/YEAR SALE TYPE	0
LAND USE	12.000 - Vacant - Single Family Residential
DWELLING UNITS	0

PRIMARY RESIDENTIAL STRUCTURE
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001168

<http://sandgate.co.clark.nv.us/assrrealprop/ParcelDetail.aspx?hdnParcel=13831702004&hdn...> 9/7/2018 LO 00001927

0402

14444

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

001169

<http://sandgate.co.clark.nv.us/assrrealprop/ParcelDetail.aspx?hdnParcel=13831702004&hdn...> 9/7/2018

EO 00001928

0403

14445

GENERAL INFORMATION	
PARCEL NO.	138-31-801-002
OWNER AND MAILING ADDRESS	180 LAND CO L L C %V DEHART 1215 S FORT APACHE RD #120 LAS VEGAS NV 89117
LOCATION ADDRESS CITY/UNINCORPORATED TOWN	LAS VEGAS
ASSESSOR DESCRIPTION	PARCEL MAP FILE 120 PAGE 49 LOT 4
RECORDED DOCUMENT NO.	* 20151116:00238
RECORDED DATE	Nov 16 2015
VESTING	NS

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

ASSESSMENT INFORMATION AND VALUE EXCLUDED FROM PARTIAL ABATEMENT	
TAX DISTRICT	200
APPRAISAL YEAR	2017
FISCAL YEAR	2018-19
SUPPLEMENTAL IMPROVEMENT VALUE	0
INCREMENTAL LAND	0
INCREMENTAL IMPROVEMENTS	0

REAL PROPERTY ASSESSED VALUE		
FISCAL YEAR	2017-18	2018-19
LAND	1741068	1741068
IMPROVEMENTS	0	0
PERSONAL PROPERTY	0	0
EXEMPT	0	0
GROSS ASSESSED (SUBTOTAL)	1741068	1741068
TAXABLE LAND+IMP (SUBTOTAL)	4974480	4974480
COMMON ELEMENT ALLOCATION ASSD	0	0
TOTAL ASSESSED VALUE	1741068	1741068
TOTAL TAXABLE VALUE	4974480	4974480

ESTIMATED LOT SIZE AND APPRAISAL INFORMATION	
ESTIMATED SIZE	11.28 Acres
ORIGINAL CONST. YEAR	0
LAST SALE PRICE MONTH/YEAR SALE TYPE	0
LAND USE	12.000 - Vacant - Single Family Residential
DWELLING UNITS	1

PRIMARY RESIDENTIAL STRUCTURE
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001170

<http://sandgate.co.clark.nv.us/assrealprop/ParcelDetail.aspx?hdnParcel=13831801002&hdn...> 9/7/2018  
LO 00001929

0404

14446

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

001171

<http://sandgate.co.clark.nv.us/assrrealprop/ParcelDetail.aspx?hdnParcel=13831801002&hdn...> 9/7/2018

EO 00001930

0405

14447

GENERAL INFORMATION	
PARCEL NO.	138-31-201-005
OWNER AND MAILING ADDRESS	180 LAND CO L L C %V DEHART 1215 S FORT APACHE RD #120 LAS VEGAS NV 89117
LOCATION ADDRESS CITY/UNINCORPORATED TOWN	LAS VEGAS
ASSESSOR DESCRIPTION	PARCEL MAP FILE 121 PAGE 100 LOT 1
RECORDED DOCUMENT NO.	* 20151116:00238
RECORDED DATE	Nov 16 2015
VESTING	NS

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

ASSESSMENT INFORMATION AND VALUE EXCLUDED FROM PARTIAL ABATEMENT	
TAX DISTRICT	200
APPRAISAL YEAR	2017
FISCAL YEAR	2018-19
SUPPLEMENTAL IMPROVEMENT VALUE	0
INCREMENTAL LAND	0
INCREMENTAL IMPROVEMENTS	0

REAL PROPERTY ASSESSED VALUE		
FISCAL YEAR	2017-18	2018-19
LAND	6260363	6260363
IMPROVEMENTS	0	0
PERSONAL PROPERTY	0	0
EXEMPT	0	0
GROSS ASSESSED (SUBTOTAL)	6260363	6260363
TAXABLE LAND+IMP (SUBTOTAL)	17886751	17886751
COMMON ELEMENT ALLOCATION ASSD	0	0
TOTAL ASSESSED VALUE	6260363	6260363
TOTAL TAXABLE VALUE	17886751	17886751

ESTIMATED LOT SIZE AND APPRAISAL INFORMATION	
ESTIMATED SIZE	34.07 Acres
ORIGINAL CONST. YEAR	0
LAST SALE PRICE MONTH/YEAR SALE TYPE	0
LAND USE	12.000 - Vacant - Single Family Residential
DWELLING UNITS	0

PRIMARY RESIDENTIAL STRUCTURE
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001172

<http://sandgate.co.clark.nv.us/assrealprop/ParcelDetail.aspx?hdnParcel=13831201005&hdn...> 9/7/2018  
LO 00001931  
0406

14448

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

001173

<http://sandgate.co.clark.nv.us/assrrealprop/ParcelDetail.aspx?hdnParcel=13831201005&hdn...> 9/7/2018

LO 00001932

0407

14449

GENERAL INFORMATION	
PARCEL NO.	138-32-301-005
OWNER AND MAILING ADDRESS	SEVENTY ACRES L L C %V DEHART 1215 S FORT APACHE RD #120 LAS VEGAS NV 89117
LOCATION ADDRESS CITY/UNINCORPORATED TOWN	LAS VEGAS
ASSESSOR DESCRIPTION	PARCEL MAP FILE 120 PAGE 91 LOT 1
RECORDED DOCUMENT NO.	* 20151116:00239
RECORDED DATE	Nov 16 2015
VESTING	NS
COMMENTS	SF 199-19

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

ASSESSMENT INFORMATION AND VALUE EXCLUDED FROM PARTIAL ABATEMENT	
TAX DISTRICT	200
APPRAISAL YEAR	2017
FISCAL YEAR	2018-19
SUPPLEMENTAL IMPROVEMENT VALUE	0
INCREMENTAL LAND	0
INCREMENTAL IMPROVEMENTS	0

REAL PROPERTY ASSESSED VALUE		
FISCAL YEAR	2017-18	2018-19
LAND	1606894	1989488
IMPROVEMENTS	0	0
PERSONAL PROPERTY	0	0
EXEMPT	0	0
GROSS ASSESSED (SUBTOTAL)	1606894	1989488
TAXABLE LAND+IMP (SUBTOTAL)	4591126	5684251
COMMON ELEMENT ALLOCATION ASSD	0	0
TOTAL ASSESSED VALUE	1606894	1989488
TOTAL TAXABLE VALUE	4591126	5684251

ESTIMATED LOT SIZE AND APPRAISAL INFORMATION	
ESTIMATED SIZE	17.49 Acres
ORIGINAL CONST. YEAR	0
LAST SALE PRICE MONTH/YEAR SALE TYPE	0
LAND USE	13.000 - Vacant - Multi-residential
DWELLING UNITS	0

001174

<http://sandgate.co.clark.nv.us/assrrealprop/ParcelDetail.aspx?hdnParcel=13832301005&hdn...> 9/7/2018  
EO 00001933  
0408

14450

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

001175

<http://sandgate.co.clark.nv.us/assrealprop/ParcelDetail.aspx?hdnParcel=13832301005&hdn...> 9/7/2018

LO 00001934

0409

14451



GENERAL INFORMATION	
PARCEL NO.	138-32-301-007
OWNER AND MAILING ADDRESS	SEVENTY ACRES L L C %V DEHART 1215 S FORT APACHE RD #120 LAS VEGAS NV 89117
LOCATION ADDRESS CITY/UNINCORPORATED TOWN	721 S RAMPART BLVD LAS VEGAS
ASSESSOR DESCRIPTION	PARCEL MAP FILE 121 PAGE 12 LOT 1
RECORDED DOCUMENT NO.	* 20151116:00239
RECORDED DATE	Nov 16 2015
VESTING	NS

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

ASSESSMENT INFORMATION AND VALUE EXCLUDED FROM PARTIAL ABATEMENT	
TAX DISTRICT	200
APPRAISAL YEAR	2017
FISCAL YEAR	2018-19
SUPPLEMENTAL IMPROVEMENT VALUE	0
INCREMENTAL LAND	0
INCREMENTAL IMPROVEMENTS	0

REAL PROPERTY ASSESSED VALUE		
FISCAL YEAR	2017-18	2018-19
LAND	4634671	4634671
IMPROVEMENTS	0	0
PERSONAL PROPERTY	0	0
EXEMPT	0	0
GROSS ASSESSED (SUBTOTAL)	4634671	4634671
TAXABLE LAND+IMP (SUBTOTAL)	13241917	13241917
COMMON ELEMENT ALLOCATION ASSD	0	0
TOTAL ASSESSED VALUE	4634671	4634671
TOTAL TAXABLE VALUE	13241917	13241917

ESTIMATED LOT SIZE AND APPRAISAL INFORMATION	
ESTIMATED SIZE	47.59 Acres
ORIGINAL CONST. YEAR	0
LAST SALE PRICE MONTH/YEAR SALE TYPE	0
LAND USE	12.000 - Vacant - Single Family Residential
DWELLING UNITS	0

PRIMARY RESIDENTIAL STRUCTURE
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001176

<http://sandgate.co.clark.nv.us/assrrealprop/ParcelDetail.aspx?hdnParcel=13832301007&hdn...> 9/7/2018

LO 00001935

0410

14452

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

001177

<http://sandgate.co.clark.nv.us/assrrealprop/ParcelDetail.aspx?hdnParcel=13832301007&hdn...> 9/7/2018  
LO 00001936

0411

14453

GENERAL INFORMATION	
PARCEL NO.	138-31-801-003
OWNER AND MAILING ADDRESS	SEVENTY ACRES L L C %V DEHART 1215 S FORT APACHE RD #120 LAS VEGAS NV 89117
LOCATION ADDRESS CITY/UNINCORPORATED TOWN	LAS VEGAS
ASSESSOR DESCRIPTION	PARCEL MAP FILE 121 PAGE 12 LOT 2
RECORDED DOCUMENT NO.	* 20151116:00239
RECORDED DATE	Nov 16 2015
VESTING	NS

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

ASSESSMENT INFORMATION AND VALUE EXCLUDED FROM PARTIAL ABATEMENT	
TAX DISTRICT	200
APPRAISAL YEAR	2017
FISCAL YEAR	2018-19
SUPPLEMENTAL IMPROVEMENT VALUE	0
INCREMENTAL LAND	0
INCREMENTAL IMPROVEMENTS	0

REAL PROPERTY ASSESSED VALUE		
FISCAL YEAR	2017-18	2018-19
LAND	719712	719712
IMPROVEMENTS	0	0
PERSONAL PROPERTY	0	0
EXEMPT	0	0
GROSS ASSESSED (SUBTOTAL)	719712	719712
TAXABLE LAND+IMP (SUBTOTAL)	2056320	2056320
COMMON ELEMENT ALLOCATION ASSD	0	0
TOTAL ASSESSED VALUE	719712	719712
TOTAL TAXABLE VALUE	2056320	2056320

ESTIMATED LOT SIZE AND APPRAISAL INFORMATION	
ESTIMATED SIZE	5.44 Acres
ORIGINAL CONST. YEAR	0
LAST SALE PRICE MONTH/YEAR SALE TYPE	0
LAND USE	12.000 - Vacant - Single Family Residential
DWELLING UNITS	0

PRIMARY RESIDENTIAL STRUCTURE
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001178

<http://sandgate.co.clark.nv.us/assrrealprop/ParcelDetail.aspx?hdnParcel=13831801003&hdn...> 9/7/2018  
LO 00001937

0412

14454

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

001179

<http://sandgate.co.clark.nv.us/assrrealprop/ParcelDetail.aspx?hdnParcel=13831801003&hdn...> 9/7/2018

LO 00001938

0413

14455

# Exhibit 15

# STATE BOARD OF EQUALIZATION



## ASSESSOR VALUATION

Cases: 17- 175, 176, 177

001184

0414

14457